

# **KONKA GROUP CO., LTD.**

## **ANNUAL REPORT 2020**

**2021-28**

**March 2021**

## **Part I Important Notes, Table of Contents and Definitions**

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

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

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

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

**The Board has approved a final dividend plan as follows: based on the 2,407,945,408 shares, a cash dividend of RMB1 (tax inclusive) per 10 shares is to be distributed to the shareholders, with no bonus issue from either profit or capital reserves.**

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

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## Definitions

Term	Definition
The "Company", the "Group", "Konka Group" or "we"	Konka Group Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires
Konka Ventures	Konka Ventures Development (Shenzhen) Co., Ltd.
Yantai Konka	Yantai Konka Healthcare Enterprise Service Co., Ltd.
Chengdu Anren	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.
Konka Enterprise Service	Guiyang Konka Enterprise Service Co., Ltd.
Chuanghui Smart	Nanjing Chuanghui Smart Technology Co., Ltd.
Yibin Konka Incubator	Yibin Konka Incubator Management Co., Ltd.
Anhui Konka	Anhui Konka Electronic Co., Ltd.
Kangzhi Trade	Anhui Kangzhi Trade Co., Ltd.
Konka Factoring	Konka Factoring (Shenzhen) Co., Ltd.
Konka Unifortune	Shenzhen Konka Unifortune Technology Co., Ltd.
Jiali International	Jiali International (Hong Kong) Limited
Wankaida	Shenzhen Wankaida Science and Technology Co., Ltd.
Dongguan Konka	Dongguan Konka Electronic Co., Ltd.
Suining Konka Smart	Suining Konka Smart Technology Co., Ltd.
Konka Europe	Konka (Europe) Co., Ltd.
Konka Electrical Appliances	Shenzhen Konka Electrical Appliances Co., Ltd.
Telecommunication Technology	Shenzhen Konka Telecommunications Technology Co., Ltd.
Konka Mobility	Konka Mobility Co., Limited
Mobile Interconnection	Shenzhen Konka Mobile Interconnection Technology Co., Ltd.
Sichuan Konka	Sichuan Konka Smart Terminal Technology Co., Ltd
Yibin Smart	Yibin Konka Smart Technology Co., Ltd.
Anhui Tongchuang	Anhui Konka Tongchuang Electrical Appliances Co., Ltd.
Anhui Electrical Appliance	Anhui Konka Electrical Appliance Technology Co., Ltd.
Frestec Refrigeration	Henan Frestec Refrigeration Appliance Co., Ltd.
Frestec Smart Home	Henan Frestec Smart Home Technology Co., Ltd.
Frestec Electrical Appliances	Henan Frestec Electrical Appliances Co., Ltd.
Frestec Household Appliances	Henan Frestec Household Appliances Co., Ltd.
Jiangsu Konka Smart	Jiangsu Konka Smart Electrical Appliances Co., Ltd.

Kangjiatong	Sichuan Kangjiatong Technology Co., Ltd.
Pengrun Technology	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.
Jiaxin Technology	Jiaxin Technology Co., Ltd.
Dongguan Packing	Dongguan Konka Packing Materials Co., Ltd.
E2info	Shenzhen E2info Network Technology Co., Ltd.
E2info (Hainan)	E2info (Hainan) Network Technology Co., Ltd.
Beijing Konka Electronic	Beijing Konka Electronic Co., Ltd.
Konka Leasing	Konka Financial Leasing (Tianjin) Co., Ltd.
Konka Circuit	Shenzhen Kangjia circuit Co., Ltd.
Boluo Konka Precision	Boluo Konka Precision Technology Co., Ltd.
Xiamen Dalong	Xiamen Dalong Trading Co., Ltd.
Boluo Konka	Boluo Konka PCB Co., Ltd.
Hong Kong Konka	Hong Kong Konka Limited
Konka Electrical Appliances Investment	Konka Electrical Appliances Investment & Development Co., Ltd.
Chain Kingdom Memory Technologies	Chain Kingdom Memory Technologies Co., Limited
Chain Kingdom Memory Technologies (Shenzhen)	Chain Kingdom Memory Technologies (Shenzhen) Co., Ltd.
Hefei KONSEMI	Hefei KONSEMI Storage Technology Co., Ltd.
Konka SmartTech	Konka SmartTech Limited
Kangjiatong	Kangjiatong (Hong Kong) Limited
Konka Electrical Appliances International Trading	Konka Electrical Appliances International Trading Co., Ltd.
Kanghao Technology	Kanghao Technology Co., Ltd.
Konka North America	Konka North America LLC
Konka Investment	Shenzhen Konka Investment Holding Co., Ltd.
Yibin Konka Technology Park	Yibin Konka Technology Park Operation Co., Ltd.
Konka Capital	Shenzhen Konka Capital Equity Investment Management Co., Ltd.
Konka Suiyong	Konka Suiyong Investment (Shenzhen) Co., Ltd.
Kangquan Enterprise	Shenzhen Kangquan Enterprise Management Consulting Co., Ltd.
Konka Suyuan	Shenzhen Konka Suyuan Investment Industrial Co., Ltd.
Shengxing Industrial	Shenzhen Konka Shengxing Industrial Co., Ltd.
Industrial Park Development	Shenzhen Konka Industrial Park Development Co., Ltd.
Zhitong Technology	Shenzhen Konka Zhitong Technology Co., Ltd.
Electronics Technology	Shenzhen Konka Electronics Technology Co., Ltd.
Anhui Zhilian	Anhui Konka Zhilian E-Commerce Co., Ltd.
Youzihui	Shenzhen Youzihui Technology Co., Ltd.
Xiaojia Technology	Shenzhen Xiaojia Technology Co., Ltd.

Haimen Konka	Haimen Konka Smart Technology Co., Ltd.
Chengdu Konka Smart	Chengdu Konka Smart Technology Co., Ltd.
Chengdu Konka Electronic	Chengdu Konka Electronic Co., Ltd.
XingDa HongYe	GuangDong XingDa HongYe Electronic Co., Ltd.
Shanghai Xinfeng	Shanghai Xinfeng Zhuoqun PCB Co., Ltd.
Liaoyang Kangshun Smart	Liaoyang Kangshun Smart Technology Co., Ltd.
Liaoyang Kangshun Renewable	Liaoyang Kangshun Renewable Energy Co., Ltd.
Nanjing Konka	Nanjing Konka Electronics Co., Ltd.
Yantai Laikang	Yantai Laikang Industrial Development Co., Ltd.
Econ Technology	Shandong Econ Technology Co., Ltd.
Beijing Econ	Beijing Econ Runfeng Technology Co., Ltd.
Shanghai Jiyi	Shanghai Jiyi Environmental Technology Co., Ltd.
Binzhou Econ Zhongke	Binzhou Econ Zhongke Environmental Technology Co., Ltd.
Lairun Holding	Laizhou Lairun Holding Co., Ltd.
Lairun Environmental Protection	Laizhou Lairun Environmental Protection Co., Ltd.
Lairun Wastewater	Laizhou Lairun Wastewater Treatment Co., Ltd.
Binhai Wastewater	Laizhou Binhai Wastewater Treatment Co., Ltd.
Econ Environmental Engineering	Econ Environmental Engineering Co., Ltd.
Rushan Econ	Rushan Econ Water Environment Management Co., Ltd.
Binzhou Weiyijie	Binzhou Weiyijie Environmental Technology Co., Ltd.
Binzhou Beihai Jingmai	Binzhou Beihai Jingmai Industrial Development Co., Ltd.
Chunzhiran	Yantai Chunzhiran Environmental Technology Co., Ltd.
Donggang Kangrun	Donggang Kangrun Environmental Management Co., Ltd.
Kangrunhong Environmental	Kangrunhong Environmental Technology (Yantai) Co., Ltd.
Dayi Kangrun Water	Dayi Kangrun Water Co., Ltd.
Suining Pengxi Kangrun	Suining Pengxi Kangrun Environmental Management Co., Ltd.
Subei Kangrun Water	Subei Mongol Autonomous County Kangrun Water Co., Ltd.
Weifang Sihai Kangrun	Weifang Sihai Kangrun Investment Operation Co., Ltd.
Lushan Kangrun Environmental	Lushan Kangrun Environmental Management Co., Ltd.
Funan Kangrun Water	Funan Kangrun Water Co., Ltd.
Wuhan Runyuan Wastewater	Wuhan Runyuan Wastewater Treatment Co., Ltd.
Tongchuan Kangrun Honghui	Tongchuan Kangrun Honghui Environmental Management Co., Ltd.
Tingyuan Environmental	Tingyuan Environmental Technology (Shanghai) Co., Ltd.
Gaoping Kangrun	Gaoping Kangrun Environmental Protection & Water Co., Ltd.

Mengcheng Kangrun	Mengcheng Kangrun Anjian Water Co., Ltd.
Xixian Kangrun	Xixian Kangrun Xijian Water Environment Development Co., Ltd.
Chongzhou Kangrun	Chongzhou Kangrun Environment Co., Ltd.
Xi'an Kangrun	Xi'an Gaoling Kangrun Environmental Engineering Co., Ltd.
Ankang Kangrun	Ankang Kangrun Xinheng Water Environment Co., Ltd.
Changning Kangrun	Changning Kangrun Water Co., Ltd.
Bokang Renewable	Bokang Renewable Resources (Yantai) Co., Ltd.
Linfen Kangrun	Linfen Kangrun Jinze Water Supply Co., Ltd.
Konka Huanjia	Konka Huanjia (Dalian) Environmental Technology Co., Ltd.
Konka Huanjia (Henan)	Konka Huanjia (Henan) Environmental Technology Co., Ltd.
Shanghai Konka	Shanghai Konka Industrial Co., Ltd.
Yantai Kangjin	Yantai Kangjin Technology Development Co., Ltd.
Jiangxi Konka	Jiangxi Konka New Material Technology Co., Ltd.
Xinfeng Microcrystalline	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.
Nano Crystallized Glass	Jiangxi Golden Phoenix Nano Crystallized Glass Co., Ltd.
Jiangsu Konka Special Material	Jiangsu Konka Special Material Technology Co., Ltd.
Shenzhen Nianhua	Shenzhen Nianhua Enterprise Management Co., Ltd.
Shenzhen KONSEMI	Shenzhen KONSEMI Co., Ltd.
Hefei KONSEMI	Hefei KONSEMI Storage Technology Co., Ltd.
Yihe Electronic	Hefei Yihe Electronic Co., Ltd.
Chongqing Konka	Chongqing Konka Technology Development Co., Ltd.
Shenzhen Huiying Technology	Shenzhen Konka Huiying Technology Co., Ltd.
Chongqing Huiying Technology	Chongqing Konka Huiying Technology Co., Ltd.
Konka Eco-Development	Shenzhen Konka Eco-Development Investment Co., Ltd.
Suining Konka Industrial Park	Suining Konka Industrial Park Development Co., Ltd.
Konka Ronghe	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.
Suining Electronic Technological Innovation	Suining Konka Electronic Technological Innovation Co., Ltd.
Shenzhen Chuangzhi Electrical Appliances	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.
Kanghong (Yantai) Environmental	Kanghong (Yantai) Environmental Technology Co., Ltd.
Chongqing Kangxingrui	Chongqing Kangxingrui Environmental Technology Co., Ltd.
Chongqing Kangxingrui Automobile Recycling	Chongqing Kangxingrui Scrapped Automobile Recycling Co., Ltd.
Chongqing Optoelectronic Technology Research Institute	Chongqing Konka Optoelectronic Technology Research Institute Co., Ltd.
Xinying Semiconductor	Konka Xinying Semiconductor Technology (Shenzhen) Co., Ltd.

Konka Xinyun Semiconductor	Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd.
Jiangkang (Shanghai) Technology	Jiangkang (Shanghai) Technology Co., Ltd.
Ningbo Kanghanrui Electrical Appliances	Ningbo Kanghanrui Electrical Appliances Co., Ltd.
Konka Intelligent Manufacturing	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.
Suining Jiarun Property	Suining Jiarun Property Co., Ltd.
Yantai Kangyun	Yantai Kangyun Industrial Development Co., Ltd.
Yantai Kangyun Property	Yantai Kangyun Property Development Co., Ltd.
Chongqing Kanglei Optoelectronic	Chongqing Kanglei Optoelectronic Technology Co., Ltd.
Yibin Kangrun	Yibin Kangrun Environmental Technology Co., Ltd.
Henan Kangxin Property	Henan Kangxin Property Co., Ltd.
Konka Material	Hainan Konka Material Technology Co., Ltd.
Shenzhen Kangxin Property	Shenzhen Kangxin Property Co., Ltd.
Henan Kanghan Property	Henan Kanghan Property Co., Ltd.
Chengdu Konka Incubator	Chengdu Konka Incubator Management Co., Ltd.
Cross-Border Technological Innovation	Shenzhen Konka Cross-Border Technological Innovation Service Co., Ltd.
Konka Enterprise Management	Guizhou Konka Enterprise Management Service Co., Ltd.
Youshi Kangrong	Youshi Kangrong Culture Communication Co., Ltd.
Life Electric Appliance	Shenzhen Konka Life Electric Appliance Co., Ltd.
Commercial System Technology	Shenzhen Konka Commercial System Technology Co., Ltd.
Frestec Smart	Henan Frestec Smart Eco Electrical Appliances Co., Ltd.
E3info	E3info (Hainan) Technology Co., Ltd.
Yifang Technology	Shenzhen Konka Yifang Technology Co., Ltd.
Yuekang Semiconductor	Yuekang Semiconductor Technology (Yantai) Co., Ltd.
Kangshi Virtual	Kangshi Virtual Technology (Yantai) Co., Ltd.
Industrial New Town	Sichuan Konka Industrial New Town Development Co., Ltd.
Kangxin Technology	Shenzhen Konka Kangxin Technology Co., Ltd.
Hainan Technology	Hainan Konka Technology Industry Development Co., Ltd.
Nanjing Konka	Nanjing Konka Smart Technology Co., Ltd.
Zhongshan Kangxin Electronic	Zhongshan Kangxin Electronic Technology Co., Ltd.
Zhongshan Kang'ao	Zhongshan Kang'ao Electronic Co., Ltd.
Boxing Xingkang Environmental	Boxing Xingkang Environmental Technology Co., Ltd.
Yantai Konka Industrial	Yantai Konka Industrial Co., Ltd.
Shandong Kangxin	Shandong Kangxin Industrial Development Co., Ltd.
Shenzhen Morseimi	Shenzhen Morseimi Semiconductor Technology Co., Ltd.

Zhengmao Semiconductor	Chongqing Zhengmao Semiconductor Co., Ltd.
Dongguan Konka Investment	Dongguan Konka Investment Co., Ltd.
Kanghong (Yantai) Environmental Technology Park	Kanghong (Yantai) Environmental Technology Park Co., Ltd.
Chongqing Konka Property Development	Chongqing Konka Property Development Co., Ltd.
Chongqing Xingyi Property	Chongqing Konka Xingyi Property Co., Ltd.
Chongqing Fuze Property	Chongqing Konka Fuze Property Co., Ltd.
Debao New Material	Anhui Konka Debao New Material Technology Co., Ltd.
Chuzhou Kangxin Health Industry	Chuzhou Kangxin Health Industry Development Co., Ltd.
Kangxinlong Environmental Protection	Hubei Kangxinlong Environmental Protection Co., Ltd.
Chongqing Chengda	Chongqing Chengda Property Co., Ltd.
Chongqing Chunfu	Chongqing Chunfu Property Co., Ltd.
Chongqing Langheng	Chongqing Langheng Property Co., Ltd.
Morsemi Hong Kong	Morsemi Semiconductor Technology (Hong Kong) Limited
CSRC	The China Securities Regulatory Commission
SZSE	The Shenzhen Stock Exchange
CSRC Shenzhen	The Shenzhen Bureau of the China Securities Regulatory Commission
RMB, RMB'0,000, RMB'00,000,000	Expressed in the Chinese currency of Renminbi, expressed in tens of thousands of Renminbi, expressed in hundreds of millions of Renminbi

## Part II Corporate Information and Key Financial Information

### I Corporate Information

Stock name	Konka Group-A, Konka Group-B	Stock code	000016, 200016
Changed stock name (if any)	N/A		
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	康佳集团股份有限公司		
Abbr.	康佳集团		
Company name in English (if any)	KONKA GROUP CO.,LTD		
Abbr. (if any)	KONKA GROUP		
Legal representative	Liu Fengxi		
Registered address	15-24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, China		
Zip code	518057		
Office address	15-24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, China		
Zip code	518057		
Company website	www.konka.com		
Email address	szkonka@konka.com		

### II Contact Information

	Board Secretary	Securities Representative
Name	Wu Yongjun	Miao Leiqiang
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Tel.	0755-26609138	0755-26609138
Fax	0755-26601139	0755-26601139
Email address	szkonka@konka.com	szkonka@konka.com

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

Newspapers designated by the Company for information disclosure	Securities Times, etc.
Website designated by CSRC for publication of	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>

this Report	
Place where this Report is lodged	Board Secretariat, 24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, China

#### IV Change to Company Registered Information

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

#### V Other Information

The independent audit firm hired by the Company:

Name	Shinewing Certified Public Accountants LLP
Office address	9/F, Block A, Fuhua Mansion, No.8 Chaoyangmen North Street, Dongcheng District, Beijing, China
Accountants writing signatures	Guo Dongchao and Zhan Miaoling

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

Applicable  Not applicable

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

Applicable  Not applicable

#### VI Key Financial Information

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

Yes  No

	2020	2019	2020-over-20 19 change (%)	2018
Operating revenue (RMB)	50, 351, 836, 554. 87	55, 119, 125, 478. 72	-8. 65%	46, 126, 797, 341. 33
Net profit attributable to the listed company's shareholders (RMB)	477, 633, 250. 14	212, 034, 210. 08	125. 26%	411, 289, 744. 68
Net profit attributable to the listed company's shareholders before	-2, 367, 590, 806. 95	-1, 875, 722, 546. 18	-26. 22%	-795, 400, 491. 44

exceptional gains and losses (RMB)				
Net cash generated from/used in operating activities (RMB)	178, 616, 528. 21	-1, 543, 947, 284. 59	111. 57%	-3, 229, 823, 872. 66
Basic earnings per share (RMB/share)	0. 1984	0. 0881	125. 20%	0. 1708
Diluted earnings per share (RMB/share)	0. 1984	0. 0881	125. 20%	0. 1708
Weighted average return on equity (%)	5. 79%	2. 62%	3. 17%	5. 11%
	31 December 2020	31 December 2019	Change of 31 December 2020 over 31 December 2019 (%)	31 December 2018
Total assets (RMB)	49, 876, 267, 493. 61	42, 586, 955, 452. 27	17. 12%	32, 985, 061, 889. 03
Equity attributable to the listed company's shareholders (RMB)	8, 428, 640, 176. 97	8, 068, 505, 598. 13	4. 46%	8, 104, 736, 790. 53

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

Yes  No

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

Yes  No

Item	2020	2019	Note
Operating revenue (RMB)	50, 351, 836, 554. 87	55, 119, 125, 478. 72	
Deductions from operating revenue (RMB)	445, 172, 864. 05	490, 479, 238. 61	Revenue from scrap sales, utilities revenue, handling charges received, rental revenue, material sales revenue, and other revenue not related to the principal business activities
Operating revenue net of deductions (RMB)	49, 906, 663, 690. 82	54, 628, 646, 240. 11	

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

### **1. Net Profit and Equity under CAS and IFRS**

Applicable ✓ Not applicable

No difference for the Reporting Period.

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

Applicable ✓ Not applicable

No difference for the Reporting Period.

## **VIII Key Financial Information by Quarter**

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	7,806,520,237.49	9,717,663,659.25	12,276,961,374.42	20,550,691,283.71
Net profit attributable to the listed company's shareholders	-220,602,940.37	315,304,733.00	520,661,894.19	-137,730,436.68
Net profit attributable to the listed company's shareholders before exceptional gains and losses	-333,520,116.21	-316,490,379.26	-843,908,630.71	-873,671,680.77
Net cash generated from/used in operating activities	-1,031,223,468.58	-45,143,458.90	-99,506,432.85	1,354,489,888.54

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

Yes ✓ No

## **IX Exceptional Gains and Losses**

✓ Applicable  Not applicable

Unit: RMB

Item	2020	2019	2018	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	2,431,648,255.26	1,202,401,420.41	732,818,574.90	
Government subsidies charged to current profit	908,546,202.24	1,204,519,346.40	259,609,022.27	

or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)				
Gain equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments			220, 045, 229. 63	
Gain or loss on assets entrusted to other entities for investment or management	18, 476, 648. 12	71, 541, 978. 85	182, 022, 653. 32	
Gain or loss on debt restructuring	1, 127, 066. 94	14, 515, 006. 57		
Gain or loss on fair-value changes in held-for-trading and derivative financial assets and liabilities & income from disposal of held-for-trading and derivative financial assets and liabilities and other investments in debt obligations (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	96, 316, 772. 78	49, 472, 415. 17	39, 542, 461. 74	
Gain or loss on loan entrustments	64, 616, 181. 90	1, 992, 676. 20	1, 389, 042. 48	
Non-operating income and expense other than the above	54, 271, 037. 60	121, 189, 478. 51	73, 907, 331. 00	
Other gains and losses that meet the definition of exceptional gain/loss	1, 081, 111. 64	145, 586, 810. 18	17, 974, 523. 98	
Less: Income tax effects	544, 211, 364. 67	545, 067, 993. 60	253, 497, 204. 45	
Non-controlling interests effects (net of tax)	186, 647, 854. 72	178, 394, 382. 43	67, 121, 398. 75	
<b>Total</b>	<b>2, 845, 224, 057. 09</b>	<b>2, 087, 756, 756. 26</b>	<b>1, 206, 690, 236. 12</b>	<b>--</b>

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

Applicable  Not applicable

Item	Amount involved (RMB)	Reason
Tax rebates on software	30,710,313.50	Government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards

## Part III Business Summary

### I Principal Activity of the Company in the Reporting Period

#### (I) The Consumer Electronic Division

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

##### 1. The Multimedia Sub-Division

The Company provides multimedia products and services, including colour TVs and Internet TV services, for both domestic and overseas markets.

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

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

Internet business is based on the intelligent TV terminals sold by our company. It mainly carries out three aspects of business. Firstly, it works with other Internet companies to provide end users with, among other content, video, educational, music, medical and game content to generate earnings. Secondly, it analyses user behaviours and offer certain free, interactive services to increase attractiveness to users, promote its brand and stimulate desire for its hardware products. Finally, it is trying to build an Internet TV platform with tens of millions of users, on which it will profit through commercial and application distribution. This Internet TV business is key to the Company's Internet-oriented transformation and upgrade to a development model of "hardware + software" and "smart TV + end users".

##### 2. The White Goods Sub-Division

The white goods produced by the Company mainly include refrigerators, washing machines, air conditioners, freezers, etc., which are sold through B2B and B2C mainly to the domestic market. And the Company profits from the margins between the costs and the selling prices of its white goods. The Company strengthened the foundation of our white goods brands through the acquisition of the Frestec brand. The Company also optimized the internal R&D, production, procurement, sales, and services processes and integrated the external channel resources to enable channel sharing between the upstream procurement processes and downstream sales processes. By taking advantage of this opportunity, the Company improved the product and sales structure and enhanced the management

of online channels.

#### (II) The Industry Trade Business

In the industry trade business, the Company benefits from purchasing and processing IC chips, LCD screens, etc., which are raw materials in its traditional core business, from upstream suppliers and selling them to downstream customers. The industry trade business can help the Company establish good relationships with its upstream suppliers and downstream customers, and keep it informed of prices of the materials used in its production for better cost control over its existing products. Additionally, it is able to facilitate the development of the semiconductor business by helping accumulate customer resources for the semiconductor and chip business, provide sales channels, and achieve accurate matching of market demand, with a shortened product development period and a lower risk of mismatching of R&D and market demand.

#### (III) The Environmental Protection Division

Currently, this business focuses on water treatment, recycling of renewable resources and the new material of glass ceramic. Water engineering PPP (Public-Private Partnership) projects are undertaken under BOT (Build-Operate-Transfer) or EPC (Energy Performance Contracting) models. Renewable resources are collected, sorted, processed, distributed and sold.

#### (IV) The Semi-Conductor Division

Currently, the Company is engaged in storage, optoelectronics, etc. with respect to the semi-conductor business. In storage, the Company primarily designs and markets master storage chips, and engage in packaging and testing of storage products. In optoelectronics, the Company primarily develops Micro LED-related products.

## II Significant Changes in Major Assets

### 1. Significant Changes in Major Assets

Major assets	Main reason for significant changes
Equity assets	No significant change
Fixed assets	No significant change
Intangible assets	No significant change
Construction in progress	The ending amount increased 115.23% from the beginning amount, primarily driven by new environment engineering in progress.

## 2. Major Assets Overseas

Applicable  Not applicable

## III Core Competitiveness Analysis

The Company's core competitiveness lies in its R&D ability, brand, marketing network and human resources. It has developed a three-level R&D system of "Konka Research Institute-Multimedia R&D Centre-specialized design institutes", established artificial intelligence internet of things comprehensive laboratory and 5g Ultra HD laboratory with major universities or scientific research institutions, established academician workstation, and built a technology research alliance matching the industrial layout, with nearly 100 core key technologies and about 150 talents. The company has a R & D team of more than 20 people, and has introduced two projects of micro led and memory master chip, with more than 100 industry technical talents. In terms of brand, the company continues to promote brand strategy construction, system construction, image construction and cultural construction, focuses on improving the scientific and international image of the enterprise, strengthens the brand status, has a certain brand awareness and reputation in the consumer group, and has good brand credit in banks and other financing channels. In terms of marketing channels, the company innovates channel reform, cooperates online and offline for win-win results, and strives for development at home and abroad. Offline channel, the company has more than 40 branches, more than 200 offices, more than 3000 after-sales service stores in all provinces and cities of China, and the marketing and service network is all over the country; online channel, the company has settled in tmall, Jingdong, Suning, vipshop and other mainstream e-commerce platforms to innovate and develop live e-commerce business, and seek a new growth pole for business development; overseas channel, the company The company's business covers Latin America, Europe, Asia Pacific and other countries and regions, with a sound marketing network. The company has many years of experience in senior management and executive team.

## Part IV Operating Performance Discussion and Analysis

### I Overview

In 2020, the Company continued to drive business development through technological innovation, implement the development model of "Technology + Industry + Parks", and foster a development strategy that aims to promote industrial businesses through technological innovation, incubate industrial clusters through the core industrial businesses, drive regional development through the industrial clusters, and nurture the technology and industrial businesses through regional development-enabled resources, while pursuing the mission of developing the Company into an innovation and technology-driven industrial group.

For 2020, the Company recorded operating revenue of RMB50.352 billion. Net profit attributable to the Company as the parent stood at RMB478 million, representing a year-on-year rise of 125.26%. What the Company has accomplished in 2020 is summarized as follows:

#### (I) Increased investment in innovation and achieved technological breakthroughs

In 2020, following the guiding principle of "independent innovation + technology acquisition," the Company increased investment in R&D, focusing on semiconductor, AI (artificial intelligence) and other sectors. The annual R&D investment was RMB684 million, up 36.57% year-on-year.

For the R&D system, the Company established technological research partnerships with notable universities, technology enterprises and research institutions that match our industrial layout. This initiative led to the establishment of several joint laboratories, including the AI IoT Comprehensive Laboratory, 5G Ultra-High-Definition Laboratory, and Guangdong-Hong Kong Big Data Image and Communication Application Joint Laboratory.

In terms of talent acquisition, the Company acquired a Micro-LED team of 269 people, attracted 18 doctoral and postdoctoral researchers to join us and partnered with a team of academicians to establish an academician workstation.

In terms of R&D achievements, the Company realized the mass production and commercial launch of memory master chips, and the Micro LED project successfully illuminated ultra-small chips and successfully developed 7-inch flexible Micro LED displays. In addition, the programme led by the Company the Research and Industrialization of the Next-generation Internet Intelligent Terminal Key Technology won the Guangdong Provincial Second Prize for Progress in Science and Technology in 2019, the programme Research and Industrialization of Key Quality Management Technologies for Food in Refrigerators won the Third Prize of Anhui Provincial Award for Progress in Science and Technology, and a patent titled Fuzzy Control Method for Rotating Speed of Refrigerator Inverter Compressor won the Henan Provincial Award for Achievement in Science and

Technology.

(II) Industry fund system that enables the implementation of strategies was established

In 2020, the Company established an industry fund system to enable coordinated strategy implementation and industrial development. The initiative has established a series of industry funds, such as Yibin Kanghui Electronic Information Equity Investment Fund, Yancheng Kangyan Information Industry Equity Investment Fund, Chongqing Kangxin Semiconductor Industry Equity Investment Fund, Kunshan Xinjia Emerging Industries Equity Investment Fund and Tongxiang-Wuzhen Jiayu Digital Economy Industry Fund.

(III) Business Operation Introduction

1. Industrial Product Division

(1) The Multimedia Sub-division

In 2020, focusing on reform and innovation, the Multimedia Sub-division continued to drive organization optimization and implemented a series of organization restructuring, sales model re-engineering, cost reduction, and efficiency improvement measures. Centering on the theme of "building high-end brands, localizing overseas resources and diversifying manufacturing," the sub-division implemented several operation optimization and management improvement projects and significantly reduced operating costs, laying a foundation for further reform and continuous operation upgrading.

(2) The White Goods Sub-division

In 2020, with the acquisition of Changzhou Beko's front loading washing machine production lines, the White Goods Sub-division improved the overall strength of our washing machine product businesses and enriched the portfolio of white goods products (refrigerators, washing machines, and air conditioners) with upgraded development strategies. In addition, with the coordinated operation of the Konka and Frestec brands, the Sub-division made further breakthroughs in brand building, increased the production capacity for air conditioners, focused on strategies for creating hot-selling products, and realized a growth in our white goods businesses.

(3) The Environmental Protection Sub-division

In 2020, the Environmental Protection Sub-division developed our environmental protection businesses into a more systematic structure that centers on water and solid waste treatment, renewable resources and new materials. Active efforts were also made for expansion into new sectors, such as bio-organisms (Please confirm my translation or clarify the intended message.) and chemical treatment of solid waste and exhaust gas.

(4) The Semiconductor Sub-division

In 2020, in the optoelectronics sector, the Company established R&D and production lines covering the entire manufacturing process of Micro LED, realized small-batch pilot production runs, complete the application for nearly 700 core patents, and launched small-pitch Micro LED

microcrystalline displays, flexible displays, 8K Micro LED commercial displays, Micro LED watches and other products. In the storage field, the company independently designs the storage master chip products to realize mass production and sales; secondly, the company has developed nearly 45 embedded hardware and solid-state hard disk products and realized the marketing; in addition, the company is actively promoting the implementation of the storage chip packaging test base, and completing the layout in the "design + seal test + sales" link of the storage industry.

#### (5) The Mobile Internet Sub-division

In 2020, the Mobile Internet Sub-division defined communication technology as a core enabler, focused on exploring the 5G IoT sector, and implemented the "1 (smart phone) + 3 (tablet computer, wireless router and smart access control) + N (mobile communication accessories)" product strategy.

#### (6) The PCB Sub-division

In 2020, the PCB Sub-division built Shenzhen Konka Circuit Co., Ltd. into a platform for unified procurement and sales, thereby improving operations management efficiency. With the kick off of the Suining Konka Circuit Industrial Park project, the "industry + park" mode achieved initial success.

### 2. Technology Park Division

In 2020, continuing to pursue the "Technology + Industry + Parks" development mode, the Company launched more than ten technology park projects -- including the upgraded old facility of Dongguan Konka Electronic Co., Ltd., Konka Minghu K-Care Town, Yancheng Yangtze River Delta Headquarters Base, Frestech Refrigeration Industrial Park and Smart Terminals Export and Production Base -- and developed the new "Industry + Parks + Fund" expansion mode. At present, while continuing to upgrade existing businesses through means of smart technologies and improving the core competitiveness of the technology industry sector by taking advantage of the industry clusters, the Technology Park Sub-division worked to optimize asset allocation through equity transfer and other means and accelerate the turnover of capital, with the aim of further nurturing the development of the technology industry sector.

### 3. Platform Service Division

#### (1) The Industry Trade Business

In 2020, the Industry Trade Sub-division actively promotes the transformation from trade to industry, and continuously adjusts the business structure while continuously improving and improving the risk control mode.

#### (2) The Internet Sub-division

In 2020, with stepped up efforts to enhance our products' basic functionalities, the Internet Sub-division planned, developed, and commercially launched several major products, including Douping, Yixue and Yihudong. With continuous efforts to upgrade our multi-scenario operation

mode, the Company recorded a continuous growth in advertisement businesses, OTT membership revenue above RMB200 million and a growth of 55% in operating income from digital entertainment businesses.

#### 4. Financial Investment Division

##### (1) The Investment Sub-division

In 2020, the Company established several industry funds, including Yibin Kanghui Electronic Information Equity Investment Fund, Yancheng Kangyan Information Industry Equity Investment Fund, Chongqing Kangxin Semiconductor Industry Equity Investment Fund, Kunshan Xinjia Emerging Industries Equity Investment Fund and Tongxiang-Wuzhen Jiayu Digital Economy Industry Fund. These funds served well to support the implementation of strategies and development of industrial businesses.

##### (2) The Venture Capital Investment Sub-division

In 2020, the Venture Capital Investment Sub-division completed the construction of a national makerspace, which has attracted a batch of high-tech enterprises to participate.

## II Core Business Analysis

### (I) Overview

See "I Overview" above.

### (II) Revenue and Cost Analysis

#### 1. Breakdown of Operating Revenue

Unit: RMB

	2020		2019		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	50,351,836,554.87	100%	55,119,125,478.72	100%	-8.65%
By operating division					
Electronics	14,279,587,069.66	28.36%	14,746,927,518.74	26.75%	-3.17%
Industry trade	30,483,602,365.87	60.54%	32,744,925,411.86	59.41%	-6.91%
Environmental business	4,823,779,902.39	9.58%	7,079,397,665.91	12.85%	-31.86%
Semiconductor	282,969,230.63	0.56%	①	-	-
Other	481,897,986.32	0.96%	547,874,882.21	0.99%	-12.04%
By product category					

Color TVs	7,519,625,331.33	14.93%	8,765,607,417.92	15.90%	-14.21%
White goods	3,842,051,456.02	7.63%	3,829,318,820.56	6.95%	0.33%
Industry trade	30,483,602,365.87	60.55%	32,744,925,411.86	59.41%	-6.91%
Environmental business	4,823,779,902.39	9.58%	7,079,397,665.91	12.84%	-31.86%
Semiconductor	282,969,230.63	0.56%	(2)	-	-
Other	3,399,808,268.63	6.75%	2,699,876,162.47	4.90%	25.92%
By operating segment					
Domestic	19,911,879,269.36	39.55%	20,324,715,174.80	36.87%	-2.03%
Overseas	30,439,957,285.51	60.45%	34,794,410,303.92	63.13%	-12.51%

①②the semiconductor business of the company is not accounted separately in 2019, so there is no comparable data.

## 2. Operating Division, Product Category or Operating Segment Contributing over 10% of Operating Revenue or Operating Profit

✓ Applicable  Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Electronics	14,279,587,069.66	12,768,278,497.25	10.58%	-3.17%	-2.67%	-0.46%
Industry trade	30,483,602,365.87	30,183,532,940.90	0.98%	-6.91%	-6.77%	-0.14%
Environmental business	4,823,779,902.39	4,097,138,754.02	15.06%	-31.86%	-35.77%	5.17%
By product category						
Color TVs	7,519,625,331.33	6,925,658,808.00	7.90%	-14.21%	-13.49%	-0.77%
Industry trade	30,483,602,365.87	30,183,532,940.90	0.98%	-6.91%	-6.77%	-0.14%
Environmental business	4,823,779,902.39	4,097,138,754.02	15.06%	-31.86%	-35.77%	5.17%
By operating segment						
Domestic	19,911,879,269.36	17,538,443,668.86	11.92%	-2.03%	-1.51%	-0.47%

Overseas	30,439,957,285.51	30,056,620,681.12	1.26%	-12.51%	-12.45%	-0.07%
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Core business data of the prior year restated according to the changed statistical caliber for the Reporting Period:

Applicable  Not applicable

### 3. Whether Revenue from Physical Sales Is Higher than Service Revenue

Yes  No

Operating division	Item	Unit	2020	2019	Change (%)
Electronics	Unit sales	0,000 units	1,269	1,434	-11.51%
	Output	0,000 units	1,244	1,523	-18.32%
	Inventory	0,000 units	89	105	-15.24%

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

Applicable  Not applicable

### 4. Execution Progress of Major Signed Sales Contracts in the Reporting Period

Applicable  Not applicable

### 5. Breakdown of Cost of Sales

By product category

Unit: RMB

Product category	Item	2020		2019		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Color TVs	Color TVs	6,925,658,808.00	14.55%	8,005,508,211.90	15.35%	-13.49%
White goods	White goods	3,317,107,750.97	6.97%	3,299,314,084.65	6.33%	0.54%
Industry trade	Industry trade	30,183,532,940.90	63.42%	32,376,857,384.01	62.10%	-6.77%
Environmental business	Environmental business	4,097,138,754.02	8.61%	6,379,216,880.51	12.24%	-35.77%
Semiconductor	Semiconductor	275,286,437.09	0.58%	③	-	-
Other	Other	2,796,339,659.00	5.87%	2,077,301,939.97	3.98%	34.61%

③The company did not conduct separate accounting for semiconductor business in 2019, so there is no comparable data.

Note:

Cost of sales changed accordingly with operating revenue.

### 6. Changes in the Scope of Consolidated Financial Statements for the Reporting Period

Yes  No

Unit: RMB

Name of subsidiary	Registered capital	The Company's interest (%)	Date of change	Reason for change
Boxing Xingkang Environmental Technology Co., Ltd.	100,000,000.00	35.70%	2020-11-19	De-registered
Anhui Konka Debao New Material Technology Co., Ltd.	5,000,000.00	60.00%	2020-12-7	De-registered
Kanghong (Yantai) Environmental Technology Park Co., Ltd.	10,000,000.00	51.00%	2020-9-29	De-registered
Hubei Kangxinlong Environmental Protection Co., Ltd.	30,000,000.00	51.00%	2020-12-8	De-registered
Shenzhen Konka Kangxin Technology Co., Ltd.	10,000,000.00	51.00%	2020-11-20	De-registered
Henan Frestec Smart Eco Electrical Appliances Co., Ltd.	10,000,000.00	51.00%	2020-9-27	De-registered
Yuekang Semiconductor Technology (Yantai) Co., Ltd.	100,000,000.00	100.00%	2020-2-24	De-registered
Sichuan Konka Industrial New Town Development Co., Ltd.	100,000,000.00	51.00%	2020-12-8	De-registered
Hainan Konka Technology Industry Development Co., Ltd.	100,000,000.00	51.00%	2020-11-17	De-registered
Guizhou Konka Enterprise Management Service Co., Ltd.	5,000,000.00	51.00%	2020-8-26	De-registered
Nanjing Konka Smart Technology Co., Ltd.	50,000,000.00	100.00%	2020-11-17	De-registered
Shandong Kangxin Industrial Development Co., Ltd.	100,000,000.00	51.00%	2020-12-24	De-registered
Shenzhen Konka Commercial System Technology Co., Ltd.	12,000,000.00	81.00%	2020-12-7	De-registered
Shenzhen Konka Life Electric Appliance Co., Ltd.	42,000,000.00	75.00%	2020-12-10	De-registered
Yantai Konka Industrial Co., Ltd.	100,000,000.00	89.71%	2020-12-31	De-registered
Youshi Kangrong Culture Communication Co., Ltd.	70,000,000.00	70.00%	2020-7-1	De-registered
Weifang Sikang Investment Operation Co., Ltd.	150,000,000.00	32.8338%	2020-3-25	De-registered
Zhongshan Kangxin Electronic Technology Co., Ltd.	1,000,000.00	51.00%	2020-12-4	De-registered

Kangshi Virtual Technology (Yantai) Co., Ltd.	100,000,000.00	100.00%	2020-12-28	De-registered
Suining Konka Smart Technology Co., Ltd.	100,000,000.00	100.00%	2020-12-21	Newly incorporated
Henan Frestec Smart Home Technology Co., Ltd.	50,000,000.00	51.00%	2020-8-26	Newly incorporated
Jiangsu Konka Smart Electrical Appliances Co., Ltd.	120,000,000.00	51.00%	2020-9-11	Newly incorporated
Kangshi Virtual Technology (Yantai) Co., Ltd.	100,000,000.00	100.00%	2020-9-21	Newly incorporated
Zhongshan Kangxin Electronic Technology Co., Ltd.	1,000,000.00	51.00%	2020-6-9	Newly incorporated
Zhongshan Kang'ao Electronic Co., Ltd.	43,500,000.00	51.00%	2020-9-3	Newly incorporated
Liaoyang Kangshun Smart Technology Co., Ltd.	10,000,000.00	100.00%	2020-5-9	Newly incorporated
Liaoyang Kangshun Renewable Energy Co., Ltd.	50,000,000.00	100.00%	2020-9-10	Newly incorporated
Nanjing Konka Electronics Co., Ltd.	10,000,000.00	100.00%	2020-6-18	Newly incorporated
Gaoping Kangrun Environmental Protection & Water Co., Ltd.	100,000,000.00	48.45%	2020-5-29	Newly incorporated
Mengcheng Kangrun Anjian Water Co., Ltd.	100,000,000.00	43.35%	2020-6-19	Newly incorporated
Xixian Kangrun Xijian Water Environment Development Co., Ltd.	163,780,500.00	26.01%	2020-4-16	Newly incorporated
Chongzhou Kangrun Environment Co., Ltd.	50,000,000.00	42.67%	2020-8-28	Newly incorporated
Xi'an Gaoling Kangrun Environmental Engineering Co., Ltd.	73,710,000.00	48.45%	2020-8-28	Newly incorporated
Ankang Kangrun Xinheng Water Environment Co., Ltd.	100,000,000.00	26.01%	2020-9-10	Newly incorporated
Linfen Kangrun Jinze Water Supply Co., Ltd.	95,000,000.00	39.24%	2020-12-30	Newly incorporated
Changning Kangrun Water Co., Ltd.	50,000,000.00	45.89%	2020-10-19	Newly incorporated
Bokang Renewable Resources (Yantai) Co., Ltd.	30,000,000.00	26.01%	2020-12-28	Acquired
Jiangsu Konka Special Material Technology Co., Ltd.	100,000,000.00	51.00%	2020-12-24	Newly incorporated
Chongqing Kangxingrui Scrapped Automobile Recycling Co., Ltd.	100,000,000.00	51.00%	2020-4-17	Newly incorporated
Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd.	100,000,000.00	56.00%	2020-4-17	Newly incorporated
Yantai Kangyun Property Development Co.,	10,000,000.00	51.00%	2020-11-27	Newly incorporated

Ltd.				
Chongqing Kanglei Optoelectronic Technology Co., Ltd.	50,000,000.00	51.00%	2020-2-27	Newly incorporated
Yibin Kangrun Environmental Technology Co., Ltd.	100,000,000.00	83.83%	2020-4-21	Newly incorporated
Henan Kangxin Property Co., Ltd.	50,000,000.00	51.00%	2020-8-24	Newly incorporated
Shenzhen Kangxin Property Co., Ltd.	50,000,000.00	51.00%	2020-12-21	Newly incorporated
Henan Kanghan Property Co., Ltd.	50,000,000.00	51.00%	2020-12-28	Newly incorporated
Chongqing Chengda Property Co., Ltd.	50,000,000.00	51.00%	2020-9-14	Newly incorporated
Chongqing Chunfu Property Co., Ltd.	50,000,000.00	51.00%	2020-9-21	Newly incorporated
Chongqing Langheng Property Co., Ltd.	50,000,000.00	51.00%	2020-9-23	Newly incorporated
Chongqing Chengda Property Co., Ltd.	50,000,000.00	33.00%	2020-12-24	Losing control power
Chongqing Chunfu Property Co., Ltd.	50,000,000.00	33.00%	2020-12-24	Losing control power
Chongqing Langheng Property Co., Ltd.	50,000,000.00	33.00%	2020-12-24	Losing control power
Morsemi Semiconductor Technology (Hong Kong) Limited	HKD10,000.00	30.00%	2020-9-21	Losing control power
Chuzhou Kangxin Health Industry Development Co., Ltd.	30,000,000.00	49.00%	2020-12-21	Losing control power
Dongguan Konka Investment Co., Ltd.	100,000,000.00	49.00%	2020-9-25	Losing control power
Chongqing Zhengmao Semiconductor Co., Ltd.	10,000,000.00	30.00%	2020-9-21	Losing control power
Chongqing Konka Fuze Property Co., Ltd.	50,000,000.00	33.00%	2020-11-25	Losing control power
Chongqing Konka Xingyi Property Co., Ltd.	50,000,000.00	33.00%	2020-11-25	Losing control power
Chongqing Konka Property Development Co., Ltd.	50,000,000.00	33.00%	2020-11-25	Losing control power
Chengdu Konka Incubator Management Co., Ltd.	5,000,000.00	15.30%	2020-12-21	Losing control power
Shenzhen Konka Cross-Border Technological Innovation Service Co., Ltd.	1,000,000.00	15.30%	2020-12-22	Losing control power
Shenzhen Morsemi Semiconductor Technology Co., Ltd.	10,000,000.00	30.00%	2020-9-21	Losing control power
Shenzhen Konka Yifang Technology Co., Ltd.	10,000,000.00	40.00%	2020-6-11	Losing control power
E3info (Hainan) Technology Co., Ltd.	20,000,000.00	40.00%	2020-6-11	Losing control power
Zhongshan Kang'ao Electronic Co., Ltd.	43,500,000.00	0.00%	2020-12-24	Losing control power

## 7. Major Changes to the Business Scope or Product or Service Range in the Reporting Period

Applicable  Not applicable

## 8. Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	21,341,550,423.86
Total sales to top five customers as % of total sales of the Reporting Period (%)	42.38%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0.00%

Top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Customer A	7,088,945,710.19	14.08%
2	Customer B	5,732,788,382.07	11.39%
3	Customer C	5,039,393,889.26	10.01%
4	Customer D	1,952,295,474.93	3.88%
5	Customer E	1,528,126,967.40	3.03%
Total	--	21,341,550,423.86	42.38%

Other information about major customers:

Applicable  Not applicable

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

Major suppliers:

Total purchases from top five suppliers (RMB)	21, 908, 733, 213. 06
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	46. 71%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0.00%

Top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Supplier A	7, 868, 804, 100. 18	16. 78%
2	Supplier B	6, 855, 261, 976. 07	14. 61%
3	Supplier C	3, 031, 001, 228. 37	6. 46%

4	Supplier D	2, 505, 747, 474. 44	5. 34%
5	Supplier E	1, 647, 918, 434. 00	3. 52%
Total	--	21, 908, 733, 213. 06	46. 71%

Other information about major suppliers:

Applicable  Not applicable

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

### (III) Expense

Unit: RMB

	2020	2019	Change (%)	Reason for any significant change
Selling expense	1, 825, 626, 804. 27	2, 303, 132, 732. 06	-20. 73%	
Administrative expense	1, 022, 981, 943. 34	856, 529, 327. 62	19. 43%	
Finance costs	1, 091, 609, 967. 76	775, 888, 813. 14	40. 69%	Greater fluctuations in exchange rates in the year
R&D expense	681, 878, 611. 65	500, 600, 102. 23	36. 21%	Continuous increase in R&D investments

### (IV) R&D Investments

Applicable  Not applicable

Within the Reporting Period, the Company invested RMB684 million as the R&D Investment, realizing a year-on-year growth of 36.57%. The programmes led by the Company the Research and Industrialization of the Next-generation Internet Intelligent Terminal Key Technology, Fuzzy Control Method for Rotating Speed of Refrigerator Inverter Compressor and the Research and Industrialization of Key Quality Management Technologies for Food in Refrigerators won the Guangdong Provincial Second Prize for Progress in Science and Technology, Henan Award for Achievement in Science and Technology, and the Third Prize of Henan Provincial Award for Progress in Science and Technology, respectively. The 5G+8K multimodal live streaming system developed by the Company was one of the five winners of the Product Excellence Award of the Global 5G Application Competition (held in Shenzhen, China). The Company used the technology to support the Xinhua News Agency for 5G+8K+satellite live report of the 2020 annual sessions of the CPC and CPPCC. Public financial support was granted to three research projects, which were applied by the Company independently or jointly -- the Guangdong-Hong Kong Big Data Image and Communication Application Joint Laboratory project approved by the 2020 Guangdong Special Fund for Science and Technology Innovation Strategy, the Development of MiniLED Backlights for

High-Performance Displays project approved as a Special Project of the Open Competition category by the 2020 Anhui Fund for Major and Special Science and Technology Projects and the Shenzhen Research Center of Smart Integrated Displays Engineering Technology project approved as a 2021 project by Shenzhen Engineering Technology Research Center, Shenzhen Science and Technology Innovation Commission. While the Company was continuously improving the core competitiveness, it continued corresponding technical innovation and various proposals for rationalization so as to increase the production efficiency and enhance the core competitiveness.

Details about R&D investments:

	2020	2019	Change (%)
Number of R&D personnel	1504	1,494	0.67%
R&D personnel as % of total employees	8.74%	7.75%	0.99%
R&D investments (RMB)	681,878,611.65	500,600,102.23	36.57%
R&D investments as % of operating revenue	1. 36%	0. 91%	0. 45%
Capitalized R&D investments (RMB)	1, 811, 835. 62	0	
Capitalized R&D investments as % of total R&D investments	0. 27%	0%	0. 27%

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

Applicable  Not applicable

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

Applicable  Not applicable

## (V) Cash Flows

Unit: RMB

Item	2020	2019	Change (%)
Subtotal of cash generated from operating activities	52, 043, 626, 482. 73	59, 732, 534, 490. 78	-12. 85%
Subtotal of cash used in operating activities	51, 865, 009, 954. 52	61, 276, 481, 775. 37	-15. 34%
Net cash generated from/used in operating activities	178, 616, 528. 21	-1, 543, 947, 284. 59	111. 57%
Subtotal of cash generated from investing activities	4, 798, 350, 613. 92	2, 952, 154, 902. 91	62. 54%
Subtotal of cash used in investing activities	7, 250, 899, 403. 98	6, 814, 764, 242. 49	6. 40%
Net cash generated from/used in investing activities	-2, 452, 548, 790. 06	-3, 862, 609, 339. 58	36. 51%
Subtotal of cash generated from financing activities	22, 866, 838, 295. 94	32, 403, 367, 267. 48	-29. 43%

Subtotal of cash used in financing activities	20,731,825,242.51	25,938,350,195.40	-20.07%
Net cash generated from/used in financing activities	2,135,013,053.43	6,465,017,072.08	-66.98%
Net increase in cash and cash equivalents	-195,645,803.98	1,059,552,435.50	-118.46%

Explanation of why any of the data above varies significantly:

Applicable  Not applicable

Net cash generated from/used in financing activities changed primarily because there was an issue of corporate bonds of RMB5 billion last year, with no comparable events in the Reporting Period.

Net cash generated from/used in financing activities changed primarily due to during the reporting period, the company's inventory turnover accelerated, the amount of inventory decreased, and the amount of advance receipts increased year on year.

Reason for any big difference between the net operating cash flow and the net profit for this Reporting Period: the increase in cash deposits that cannot be withdrawn at any time.

Applicable  Not applicable

### III Analysis of Non-Core Businesses

Applicable  Not applicable

Unit: RMB

	Amount	As % of total profit	Source/Reason	Exceptional or recurrent
Return on investment	2,433,336,004.85	484.86%	Income from transfer of equity interests	Exceptional
Gain/loss on changes in fair value	19,089,541.66	3.80%		Exceptional
Asset impairments	-462,407,098.47	-92.14%	Impairment loss allowances	Exceptional
Non-operating income	87,126,795.41	17.36%		Tax rebates of software is recurrent and others are uncertain
Non-operating expense	25,590,474.86	5.10%		Exceptional

## IV Analysis of Assets and Liabilities

### 1. Significant Changes in Asset Composition

Indicate by tick mark whether the Company has adopted the new accounting standards governing revenue and leases since 2020 and restated the beginning amounts of relevant financial statement line items in the year.

✓ Applicable  Not applicable

Unit: RMB

	31 December 2020		1 January 2020		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	5, 431, 530, 180. 90	10. 89%	6, 599, 360, 051. 61	15. 49%	-4. 60%	
Accounts receivable	3, 900, 897, 623. 59	7. 82%	3, 804, 339, 643. 15	8. 93%	-1. 11%	
Inventories	4, 521, 300, 677. 41	9. 07%	5, 307, 497, 440. 88	12. 46%	-3. 39%	
Investment property	538, 585, 668. 29	1. 08%	400, 197, 374. 07	0. 94%	0. 14%	
Long-term equity investments	4, 375, 833, 584. 65	8. 77%	3, 465, 541, 196. 89	8. 13%	0. 64%	
Fixed assets	3, 178, 642, 017. 84	6. 37%	2, 561, 254, 191. 55	6. 01%	0. 36%	
Construction in progress	9, 236, 643, 931. 68	18. 52%	4, 291, 544, 368. 52	10. 07%	8. 45%	
Short-term borrowings	10, 990, 550, 475. 78	22. 04%	10, 332, 687, 239. 63	24. 25%	-2. 21%	
Long-term borrowings	5, 964, 748, 997. 54	11. 96%	4, 890, 315, 729. 90	11. 48%	0. 48%	

### 2. Assets and Liabilities at Fair Value

✓ Applicable  Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Repo	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount

					rtng Perio d			
Financial assets								
1. Trading financial assets (derivative financial assets excluded)	61,494,666.97	19,089,541.66			599,160,000.00	61,494,666.97		618,249,541.66
4. Other equity instrument investment	21,642,170.36	-98,878.20	-98,878.20		5,000,001.00	1,200,000.00		25,343,293.16
Subtotal of financial assets	83,136,837.33	18,990,663.46	-98,878.20		604,160,001.00	62,694,666.97		643,592,834.82
Other	1,896,295,999.65	-244,596.77			209,334,863.14	143,174,271.82		1,962,211,994.20
Total of the above	1,979,432,836.98	18,746,066.69	-98,878.20		813,494,864.14	205,868,938.79		2,605,804,829.02
Financial liabilities	0							0

#### Particulars about other changes:

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Other :	1,896,295,999.65	-244,596.77			209,334,863.14	143,174,271.82	-2	1,962,211,994.20
Other non-current financial assets	1,753,121,727.83	-244,596.77			125,277,665.70			1,878,154,796.76
Receivables financing	143,174,271.82				84,057,197.44	143,174,271.82	2	84,057,197.44

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

Yes √ No

#### 3. Restricted Asset Rights as at the Period-End

Item	Ending carrying value (RMB)	Reason for restriction
Monetary assets	1,133,474,067.66	RMB1,067,872,557.16 was security deposits as pledge for borrowing or for bank acceptance notes; RMB37,701,403.94 was deposited in the financial regulation account; RMB20,903,555.17 was term deposits with no early withdrawal allowed; and RMB6,996,551.39 was restricted for other reasons.
Trading financial assets	618,249,541.66	Structural deposits are used to pledge loans.

Notes receivable	784, 732, 739. 73	Bank acceptance notes in the carrying amount of RMB 784,932,739.73 were put in pledge for comprehensive financing with respect to bank acceptance notes, letters of credit, letters of guarantee, trade financing, paper pools, etc.
Investment property	131, 321, 568. 34	As collaterals for guarantees
Fixed assets	768, 741, 766. 12	For mortgage loan, finance lease and guarantee
Construction in progress	328, 756, 028. 19	As collaterals for guarantees
Intangible assets	191, 106, 846. 79	For mortgage loan, finance lease and guarantee
Long-term receivables	351, 107, 041. 45	As collaterals for guarantees
Total	4, 307, 489, 599. 94	

## V Investments Made

### 1. Total Investment Amount

Applicable  Not applicable

Amount of Reporting Period (RMB)	Amount of the same period of last year (RMB)	Change (%)
5, 893, 962, 083. 15	1, 357, 746, 303. 50	334. 10%

### 2. Major Equity Investments Made in the Reporting Period

Applicable  Not applicable

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

Applicable  Not applicable

Unit: RMB

Item	Investment method	Fixed assets investment or not	Industry involved	Input amount in the Reporting Period	Accumulative actual input amount as of the period-end	Capital resources	Promised revenues	Estimated revenues	Accumulative realized revenues as of the period-end	reason for not meeting the schedule and expected revenue	Disclosure date (if any)	Disclosure index (if any)
Dongguan Konka Intelligent Industrial Park	Self-build	Yes	Electronics industry	15, 455, 030. 00	219, 020, 000. 00	Self-funded				N/A	11 March 2017	<a href="http://www.cnninfo.com.cn/new/index">http://www.cnninfo.com.cn/new/index</a>
Yibin Konka Intelligent Terminal High-Tech	Self-build	Yes	Electronics industry	70, 980, 707. 03	164, 056, 542. 25	Self-funded				N/A	16 December 2017	

Park											
Suining Konka Electronic Technology Industrial Park	Self-build	Yes	Electroni c indu stry	122,463,664.30	185,785,142.07	Self-fund ed				N/A	17 October 2018
Konka Chuzhou Smart Appliances and Equipment Industrial Park	Self-build	Yes	Electroni c indu stry	290,409,075.00	483,201,475.00	Self-fund ed				N/A	25 December 2018
Chongqing Konka Semiconductor Photoelectric Industrial Park	Self-build	Yes	Electroni c indu stry	36,672,823.47	103,442,487.27	Self-fund ed				N/A	14 June 2019
Guxian Environmental Protection Technology Town	Self-build	Yes	Enviro nmen tal prote ction indu stry	666,557,122.23	666,557,122.23	Self-fund ed				N/A	26 November 2019
Yancheng Semiconductor Assembly & Test Base	Self-build	Yes	Electroni c indu stry	800,664.00	800,664.00	Self-fund ed				N/A	26 November 2019
Konka Intelligent Terminal Manufacturing Base for Export	Self-build	Yes	Electroni c indu stry	8,239,200.00	8,239,200.00	Self-fund ed				N/A	6 June 2020
Frestec Refrigeration Park	Self-build	Yes	Electroni c indu stry	96,683,675.61	96,683,675.61	Self-fund ed				N/A	21 July 2020
Total	--	--	--	1,308,261,961.64	1,927,786,308.43	--	--	--	--	--	--

Note: Yibin Konka Intelligent Terminal High-Tech Park has been completed and is currently bringing in business. With respect to Dongguan Konka Intelligent Industrial Park, Konka Chuzhou

Smart Appliances and Equipment Industrial Park, Chongqing Konka Semiconductor Photoelectric Industrial Park, Suining Konka Electronic Technology Industrial Park, and Frestec Refrigeration Park, the land has been obtained for the projects and they are now under construction. As for Guxian Environmental Protection Technology Town, the land has been obtained for the project and it is waiting for construction. The main body of Yancheng Semiconductor Assembly & Test Base was put in place, and interior decoration and equipment purchase are ongoing. Konka Intelligent Terminal Manufacturing Base for Export has started production as scheduled.

#### **4. Financial Investments**

##### **(1) Securities Investments**

Applicable ✓ Not applicable

No such cases in the Reporting Period.

##### **(2) Investments in Derivative Financial Instruments**

Applicable ✓ Not applicable

No such cases in the Reporting Period.

#### **5. Use of Funds Raised**

Applicable ✓ Not applicable

No such cases in the Reporting Period.

### **VI Sale of Major Assets and Equity Interests**

#### **1. Sale of Major Assets**

✓ Applicable  Not applicable

(1) Transfer of some of the cloud big data operation-related patents: On 23 June 2020, the 29th session of the ninth Board of Directors of the Company reviewed and approved the Proposal on the Transfer of Some of the Could Big Data-Related Patents, which allows the Company to transfer 68 could big data operation-related patents to Shenzhen Konka Holdings Group Co., Ltd. at a price of RMB98.60 million. At present, the Company has received the payment for the transfer of these patents from Shenzhen Konka Holdings Group Co., Ltd., which has been registered at the competent authority as the new owner of these patents.

(2) Transfer of some of the IoT, smart healthcare, and UHD display terminal-related patents: On 17 July and 10 August 2020, the 30th session of the ninth Board of Directors and the second extraordinary general meeting 2020 reviewed and approved the Proposal on the Transfer of Some of the IoT, Smart Healthcare and UHD Display-Related Patents, which allows the Company to transfer 67 could big data operation-related patents to Shenzhen Konka Holdings Group Co., Ltd. at a price of RMB89.60 million. At present, the Company has received the payment for the transfer of these patents from Shenzhen Konka Holdings Group Co., Ltd., which has been registered at the competent authority as the new owner of these patents.

Title of public announcement	Disclosure date	Disclosure website

Announcement on the Transfer of Some of the Cloud Big Data Operation-Related Patents and the Related-Party Transaction	24 June 2020	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Announcement on the Transfer of Some of the IoT, K-care and Ultra-High-Definition Display Terminal-Related Patents and the Related-Party Transaction	21 July 2020	

## 2. Sale of Major Equity Interests

Applicable  Not applicable

Counterparty	Equity interests sold	Date of sale	Selling price (RMB'0,000)	Amount contributed by the equity interests to net income of the Company from period beginning to date of sale (RMB'0,000)	Effect of the sale on the Company as a percentage of the Company's net income (%)	Amount contributed by the sale to net income of the Company as a percentage of the Company's net income (%)	Relationship between counterparty and the Company	Owner ship and the Company	Executed as scheduled or not, if not, state reason and actions taken	Disclosure date	Index to disclosed information
Shenzhen Konka Holdings Group Co., Ltd.	34% equity of Nanjing K-Star Technological Industrial Park Management Co., Ltd.	28 June 2020	47,098.65	0	Optimizing the Company's allocation of assets, increasing capital liquidity	68.88%	Assessed value	The same actual controller	Yes	6 June 2020	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Shenzhen Yuhong Rongji Investment Co., Ltd.	51% equity of Dongguan Konka Investment Co., Ltd.	18 September 2020	58,650	-712.61		245.26%	Assessed value	No	Yes	21 July 2020	
Dangdai Green Property (Xi'an)	18% equity of Chongqing Konka	25 November 2020	2,700	-0.13		9.95%	Assessed value	No	Yes	16 September 2020	

Co., Ltd.	Property Development Co., Ltd.											
Yuefei Real Estate Development (Yichun) Co., Ltd.	51% equity of Chuzhou Kangxin Health Industrial Development Co., Ltd.	21 Decem ber 2020	19,482	0.44	64.30%	Asse ssed valu e	No	No	Yes	Yes	24 Octo ber 2020	

## VII Major Subsidiaries

Applicable  Not applicable

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

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shandong Econ Technology Co., Ltd. (Consolidated)	Subsidiary	Public service-water management	RMB164,000,000	13,217,858,947.58	1,552,101,380.37	3,272,636,835.33	352,051,340.40	320,737,166.02
Shenzhen Wankaida Science and Technology Co., Ltd.	Subsidiary	Software design and technology development	RMB10,000,000	90,053,235.21	86,907,070.90	73,355,880.00	71,219,856.76	56,209,537.09
Chain Kingdom Memory Technologies Co., Limited	Subsidiary	Industry trade	USD1,500,000	1,223,448,777.49	127,984,618.61	8,261,027,364.98	37,006,046.48	31,266,708.21

Hong Kong Konka Co., Ltd.	Subsidiary	Export & import of electromechanical and electronics	HKD500,000	2,692,913,948.54	241,589,036.07	4,058,498,251.38	135,566,078.28	121,559,146.43
Konka Electrical Appliances Investment & Development Co., Ltd.	Subsidiary	Investment platform	HKD500,000	529,465,237.62	132,791,288.95	-	70,406,707.51	65,434,592.80
Konka Electrical Appliances International Trading Co., Ltd.	Subsidiary	Export & import of electromechanical and electronics	HKD500,000	1,262,482,940.82	-104,295,236.62	1,365,097,512.51	43,956,192.18	43,956,192.18

Subsidiaries obtained or disposed in the Reporting Period:

Applicable  Not applicable

Subsidiary	How subsidiary was obtained or disposed in the Reporting Period	Effects on overall operations and operating performance
Boxing Xingkang Environmental Technology Co., Ltd.	De-registered	Better allocation of assets
Anhui Konka Debao New Material Technology Co., Ltd.	De-registered	
Kanghong (Yantai) Environmental Technology Park Co., Ltd.	De-registered	
Hubei Kangxinlong Environmental Protection Co., Ltd.	De-registered	
Shenzhen Konka Kangxin Technology Co., Ltd.	De-registered	
Henan Frestec Smart Eco Electrical Appliances Co., Ltd.	De-registered	
Yuekang Semiconductor Technology (Yantai) Co., Ltd.	De-registered	
Sichuan Konka Industrial New Town Development Co., Ltd.	De-registered	
Hainan Konka Technology Industry Development Co., Ltd.	De-registered	
Guizhou Konka Enterprise Management Service Co., Ltd.	De-registered	

Nanjing Konka Smart Technology Co., Ltd.	De-registered	
Shandong Kangxin Industrial Development Co., Ltd.	De-registered	
Shenzhen Konka Commercial System Technology Co., Ltd.	De-registered	
Shenzhen Konka Life Electric Appliance Co., Ltd.	De-registered	
Yantai Konka Industrial Co., Ltd.	De-registered	
Youshi Kangrong Culture Communication Co., Ltd.	De-registered	
Weifang Sikang Investment Operation Co., Ltd.	De-registered	
Zhongshan Kangxin Electronic Technology Co., Ltd.	De-registered	
Kangshi Virtual Technology (Yantai) Co., Ltd.	De-registered	
Suining Konka Smart Technology Co., Ltd.	Newly incorporated	
Henan Frestec Smart Home Technology Co., Ltd.	Newly incorporated	
Jiangsu Konka Smart Electrical Appliances Co., Ltd.	Newly incorporated	
Kangshi Virtual Technology (Yantai) Co., Ltd.	Newly incorporated	
Zhongshan Kangxin Electronic Technology Co., Ltd.	Newly incorporated	
Zhongshan Kang'ao Electronic Co., Ltd.	Newly incorporated	
Liaoyang Kangshun Smart Technology Co., Ltd.	Newly incorporated	
Liaoyang Kangshun Renewable Energy Co., Ltd.	Newly incorporated	
Nanjing Konka Electronics Co., Ltd.	Newly incorporated	
Gaoping Kangrun Environmental Protection & Water Co., Ltd.	Newly incorporated	
Mengcheng Kangrun Anjian Water Co., Ltd.	Newly incorporated	
Xixian Kangrun Xijian Water Environment Development Co., Ltd.	Newly incorporated	
Chongzhou Kangrun Environment Co., Ltd.	Newly incorporated	
Xi'an Gaoling Kangrun Environmental Engineering Co., Ltd.	Newly incorporated	
Ankang Kangrun Xinheng Water Environment Co., Ltd.	Newly incorporated	
Linfen Kangrun Jinze Water Supply Co., Ltd.	Newly incorporated	
Changning Kangrun Water Co., Ltd.	Newly incorporated	
Bokang Renewable Resources (Yantai) Co., Ltd.	Acquired	
Jiangsu Konka Special Material Technology Co., Ltd.	Newly incorporated	
Chongqing Kangxingrui Scrapped Automobile Recycling Co., Ltd.	Newly incorporated	
Konka Xinyun Semiconductor Technology	Newly incorporated	

(Yancheng) Co., Ltd.		
Yantai Kangyun Property Development Co., Ltd.	Newly incorporated	
Chongqing Kanglei Optoelectronic Technology Co., Ltd.	Newly incorporated	
Yibin Kangrun Environmental Technology Co., Ltd.	Newly incorporated	
Henan Kangxin Property Co., Ltd.	Newly incorporated	
Shenzhen Kangxin Property Co., Ltd.	Newly incorporated	
Henan Kanghan Property Co., Ltd.	Newly incorporated	
Chongqing Chengda Property Co., Ltd.	Newly incorporated	
Chongqing Chunfu Property Co., Ltd.	Newly incorporated	
Chongqing Langheng Property Co., Ltd.	Newly incorporated	
Chongqing Chengda Property Co., Ltd.	Equity transfer	
Chongqing Chunfu Property Co., Ltd.	Equity transfer	
Chongqing Langheng Property Co., Ltd.	Equity transfer	
Morsemi Semiconductor Technology (Hong Kong) Limited	Equity transfer	
Chuzhou Kangxin Health Industry Development Co., Ltd.	Equity transfer	
Dongguan Konka Investment Co., Ltd.	Equity transfer	
Chongqing Zhengmao Semiconductor Co., Ltd.	Equity transfer	
Chongqing Konka Fuze Property Co., Ltd.	Equity transfer	
Chongqing Konka Xingyi Property Co., Ltd.	Equity transfer	
Chongqing Konka Property Development Co., Ltd.	Equity transfer	
Chengdu Konka Incubator Management Co., Ltd.	Equity transfer	
Shenzhen Konka Cross-Border Technological Innovation Service Co., Ltd.	Equity transfer	
Shenzhen Morsemi Semiconductor Technology Co., Ltd.	Equity transfer	
Shenzhen Konka Yifang Technology Co., Ltd.	Equity transfer	
E3info (Hainan) Technology Co., Ltd.	Equity transfer	
Zhongshan Kang'ao Electronic Co., Ltd.	Equity transfer	

Beneficial to the development of the Company's relevant business and bring about a certain amount of gains

Information about major majority- and minority-owned subsidiaries:

None

### **VIII Structured Bodies Controlled by the Company**

Applicable  Not applicable

## **IX. Prospect of the Company's Future Development**

In 2021, the Company will firmly implement the "Technology + Industry + Park" development strategy, and drive high-quality development of the Company.

The Company's work plan for 2021 is as follows:

(I) To continue to increase investment in R&D and drive science and technology innovation

In 2021, the Company will continue to increase investment in R&D, focusing on core technologies in the semiconductor sector and targeting to realize breakthroughs in chip, mass transfer and other core technologies and commercial application and industrialization of Micro LED. In addition, the Company will continuously improve our strategic layout of intellectual property rights, strengthen our technological advantages in 5G, 8K, IoT, Micro LED, semiconductor memory and other areas and make substantive efforts to transform "Konka Electronics" into "Konka Technology."

(II) To step up efforts to improve product quality

As a product manufacturing enterprise, the Company will continue to pursue the philosophy of driving development through high-quality and hot-selling products in 2021 and work hard to create a series of high-quality products that are integrated with high technologies, enable high gross margins, have high aesthetic values and receive high praise from consumers.

(III) To further improve risk control mechanism

In 2021, the Company will continue to improve our risk control mechanisms. The Company will continue to improve and optimize the decision-making process, implement and improve the three-level risk control mechanism and strengthen the process approach to the control of reviews and decision-makings, thereby creating effective closed-loop mechanisms and improving decision-making efficiency. The Company will also improve the identification of risks associated with our operating processes, continuously improve the basic work of risk control, and continuously improve our work quality and efficiency through means such as strengthening the control of the front end of operating processes, conducting regular risk reviews, and implementing special inspections.

(IV) Main Works of Various Business Divisions

1. Industrial Product Division

(1) The Multimedia Sub-division

In 2021, the Multimedia Sub-division will continue to optimize its business and product structures, focus on creating high-quality products, improve gross margins and continuously improve operating quality.

(2) The White Goods Sub-division

In 2021, the White Goods Sub-division will improve the overall competitiveness of our white goods businesses by centering on the theme of "diversify brands, channels and categories and create high-end products." The Company will also continue to review and re-engineer our organizational

structure and systematically re-engineer the organizational system of our white goods businesses to improve management efficiency through coordinated operation of the Konka and Frestec brands.

#### (3) The Environmental Protection Sub-division

In 2021, the Environmental Protection Sub-division will improve the operating performance through multiple means such as upgrading production lines and improving sales capacity.

#### (4) The Semiconductor Sub-division

In 2021, the Semiconductor Sub-division will increase investment in R&D of optoelectronics, memory, third-generation compound semiconductors and other technologies and accelerate efforts to make and commercialize technological breakthroughs. In addition, the semiconductor business will complete the implementation of Yancheng memory chip packaging and testing base as soon as possible, and do a good job in iteration and sales planning of storage products.

#### (5) The Mobile Internet Sub-division

In 2021, the Mobile Internet Sub-division will fine-tune its guidelines of development and strategic plan and drive business transformation and strategic breakthroughs.

#### (6) The PCB Sub-division

In 2021, the PCB Sub-division will strive for expansion and increase our presence in the PCB industry, leverage Suining PCB Industrial Park as a platform to drive product structure upgrading and accelerate business growth. Efforts will also be made to realize the operation of the PCB business unified procurement and sales platform as soon as possible.

### 2. Technology Park Division

In 2021, the Technology Park Division will actively drive the implementation of the "Investment + Parks" and "Technology + Parks" modes to realize integrated and coordinated development of investment, fund, technology and industrial park businesses. Active efforts will also be made to drive the implementation of major projects following the principle of planning with high requirements, implementing according to high standards and completing with high quality, thereby continuously improving our capacity for industry investment attraction, project implementation, post-investment management and park operation.

### 3. Platform Service Division

#### (1) The Industry Trade Business

In 2021, the Industry Trade Sub-division will continue to drive the trade-to-manufacturing transformation,. Active efforts will also be made to develop new customers and new businesses, continuously adjust the business structure and improve profitability.

#### (2) The Internet Sub-division

In 2021, the Internet Sub-division will further advance multi-scenario operation, deepen the utilization of web traffic through the Yijuping strategy, improve our capacity for commercialize multi-scenario traffic, continuously improve user structure, expand user channels and diversify user

sources.

#### 4. Financial Investment Division

##### (1) The Investment Sub-division

In 2021, the Investment Sub-division will actively develop new businesses through investment and acquisition. The Company will also further increase the size of the funds following the principle of "able to attract capital, able to invest the attracted capital and able to withdraw investments," implement the "Investment + Parks" mode and strengthen the coordination and synergy with industrial park projects.

##### (2) The Venture Capital Investment Sub-division

In 2021, the Venture Capital Investment Sub-division will further improve its systems and mechanism, innovate business models and develop new and profitable businesses. The Sub-division will also accelerate efforts to foster national incubators.

### **X Communications with the Investment Community such as Researches, Inquiries and Interviews**

#### 1. During the Reporting Period

Applicable  Not applicable

Date	Place	Way of communication	Type of communication party	Communication party	Main discussions and materials provided by the Company	Index to main information communicated
2 Jan. 2020	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Guo Lili (Founder Securities )	Discussions were about the development, production and sales of Micro LED-related products, the purpose of the acquisition of Frestec Electrical Appliances equities, the purpose of the expansion to the environmental industry and the specific segments involved in the environmental industry. And no materials were provided by the Company.	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Times of communications						1
Number of institutions communicated with						1
Number of individuals communicated with						0
Number of other communication parties						0
Tip-offs or leakages of substantial supposedly-confidential information during communications		None				

## Part V Significant Events

### I Profit Distributions to Ordinary Shareholders (in the Form of Cash and/or Stock)

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

Applicable  Not applicable

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

According to the requirements of the Listed Company Supervision Guideline No. 3-Listed Companies' Cash Dividend issued by the CSRC, the Company has revised the dividend payout policy in its Articles of Association, further clarifying the priority and proportion of cash dividend in dividend payouts. In order to further normalize its shareholder return mechanism, push forward the establishment of a scientific, sustained and stable shareholder return mechanism, enhance the transparency and operability of decision-making for its dividend payout policy, and effectively protect the legal rights and interests of public investors, the Company strictly followed the *Shareholder Return Planning for Subsequent Three Years (2019-2021)*, which was formulated in 2019.

Special statement about the cash dividend policy	
In compliance with the Company's Articles of Association and resolution of general meeting	Yes
Specific and clear dividend standard and ratio	Yes
Complete decision-making procedure and mechanism	Yes
Independent directors faithfully performed their duties and played their due role	Yes
Non-controlling interests are able to fully express their opinion and desire and their legal rights and interests are fully protected	Yes
In case of adjusting or changing the cash dividend policy, the conditions and procedures involved are in compliance with applicable regulations and transparent	Yes

The profit distributions to ordinary shareholders, either in the form of cash or stock, in the past three years (including the Reporting Period) are summarized as follows:

#### 1. Dividend Payout Plan for 2020

Based on the total shares of 2,407,945,408 as of the end of 2020, a cash dividend of RMB1.00 (tax inclusive) per 10 shares was planned to be distributed to all the shareholders, with the total dividend payout reaching RMB240,794,540.80. And the retained earnings should carry forward for future payout without bonus issue from capital reserves and profit.

## 2. Dividend Payout Plan for 2019

Based on the total shares of 2,407,945,408 as of the end of 2019, a cash dividend of RMB0.50 (tax inclusive) per 10 shares was distributed to all the shareholders, with the total dividend payout reaching RMB120,397,270.40. And the retained earnings should carry forward for future payout without bonus issue from capital reserves and profit.

## 2. Dividend Payout Plan for 2018

Based on the total shares of 2,407,945,408 as of the end of 2018, a cash dividend of RMB1.00 (tax inclusive) per 10 shares was distributed to all the shareholders, with the total dividend payout reaching RMB240,794,540.80. And the retained earnings should carry forward for future payout without bonus issue from capital reserves and profit.

Cash dividend for ordinary shareholders in the past three years (including the Reporting Period)

Unit: RMB

Year	Cash dividends (tax inclusive) (A)	Net profit attributable to ordinary shareholders of the listed company in consolidated statements for the year (B)	A as % of B (%)	Cash dividends in other forms (such as share repurchase) (C)	C as % of B (%)	Total cash dividends (including those in other forms) (D)	D as % of B (%)
2020	240,794,540.80	477,633,250.14	50.41%	0	0.00%	240,794,540.80	50.41%
2019	120,397,270.40	212,034,210.08	56.78%	0.00	0.00%	120,397,270.40	56.78%
2018	240,794,540.80	411,289,744.68	58.55%	0.00	0.00%	240,794,540.80	58.55%

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

Applicable  Not applicable

## II Final Dividend Plan for the Reporting Period

Applicable  Not applicable

Share dividend per 10 shares from retained earnings	0
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(share)	
Cash dividend per 10 shares (RMB) (tax inclusive)	1.00
Share base (share)	2,407,945,408
Total cash dividends (RMB) (tax inclusive)	240,794,540.80
Cash dividends in other ways (such as share repurchase) (RMB)	0
Total cash dividends (including other ways) (RMB)	240,794,540.80
Distributable profits (RMB)	4,595,371,391.63
Cash dividends as a percentage of total profits to be distributed (%)	100%
Details of cash dividend for the Reporting Period	
The minimum proportion of cash dividend to this profit distribution should be 80% when the Company distributed the profits under the condition that the Company was in mature stage with large capital cost.	
Details of plan for profit distribution or bonus issue from capital reserves	
The audited net profit attributable to owners of the Company as the parent in 2020 was RMB477,633,250.14, retained earnings were RMB4,595,371,391.63. In accordance with relevant laws and regulations, provisions of Articles of Associations and demand of the Company for sustainable development, the Company didn't withdrew statutory surplus reserve and discretionary reserve, and the profit distribution plan was supposed to be as follows: based on the total shares of 2,407,945,408 as of the end of 2020, a cash dividend of RMB1.00 (tax inclusive) per 10 shares was distributed to all the shareholders, with the total dividend payout expected reaching RMB240,794,540.80. And the retained earnings should carry forward for future payout without bonus issue from capital reserves and profit. If the share capital changed after the Board of directors reviewed the profit distribution plan, the cash dividend per share shall be adjusted in the principle of the unchanged total distribution amount.	

### III Fulfillment of Commitments

#### 1. Commitments of the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and other Entities Fulfilled in the Reporting Period or Ongoing at the Period-end

Applicable  Not applicable

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment	Term of commitment	Fulfillment
Commitment made in IPO or refinanc	Overseas Chinese Town Enterprises Co.	Other commitment	The Company and other companies under the control of the Company and persons acting in concert have no share reduction plan during the period from six months before the Private Placement Board Meeting (28 September 2018) to the issuance date of the commitment. To avoid the short-swing	28 September 2018	1 July 2020	Completed

ing			trading stipulated in the Securities Law, the Company and other companies under the control of the Company and persons acting in concert don't reduce the shares of Konka directly or indirectly during the period from six months before the Private Placement Board Meeting (28 September 2018) to six months after the completion of share issue.			
	Overseas Chinese Town Enterprises Co.	Other commitment	If Konka Group and its majority-owned subsidiaries are subject to any administrative punishment or investigated due to any real estate-related illegal acts within the Reporting Period including the undisclosed idle land, the land speculation, the property hoarding and the housing price gouging etc., which has caused any losses to the listed company or the investor, the Company will burden corresponding liabilities for compensation according to relevant laws, regulations and provisions issued by the securities market supervision department.	13 May 2019	31 Dec emb 202 0	Com plete d
	Overseas Chinese Town Enterprises Co.	Commitments on horizontal competition, related-party transaction and capital occupation	1. Companies excluding Konka Group and various subsidiaries under the Company's control (hereinafter referred to as "Other Companies") will maximally reduce and avoid any related transaction with the Konka Group, and shall neither take advantage of its status as Konka Group's controlling shareholder to seek any improper privilege and illegitimate right superior than any third party on the market in the aspect of business cooperation with Konka Group, nor to obtain the priority in concluding any transaction with Konka Group. 2. If any necessary transaction cannot be avoided, the Company and other companies under the Company's control will legally sign corresponding agreement with Konka Group according to such principles as fairness, objectiveness and valuable compensation, fulfill various legal procedures and perform their obligation in information disclosure and relevant internal decision making and approval procedures according to applicable laws, regulations and the Articles of Association so as to guarantee the fairness of the related transaction price. However, they shall not take advantage of such transaction to take any act which will damage the legitimate interests of Konka Group and the group's other shareholders. 3. The Company will fulfill its due obligations as Konka Group's controlling shareholder based on good faith, fully respect Konka Group's status of an independent legal person and guarantee its independent management and decision making. Meanwhile, the Company guarantees that, it will attend the General Meeting according to the Articles of Association, equally exercise various rights and burden due obligations, and	28 Marc h 2019	31 Dec emb 202 0	Com plete d

			restrain itself from seeking any illegitimate interests in the name of the Group's controlling shareholder and illegally transferring any capital and profit of Konka Group and its controlled subsidiaries by taking advantage of any related transaction. In addition, the Company commits not to damage any legitimate rights and interests of Konka Group and other shareholders. 4. If the Company breaks the above-mentioned promise and guarantee, it shall compensate any losses suffered by Konka Group and its investors for this reason.		
Overseas Chinese Town Enterprises Co.	Commitments on horizontal competition, related-party transaction and capital occupation	1. As of the issuance date of the letter of commitment, the Company neither directly or indirectly involves in any business competing with Konka Group's main business, nor directly or indirectly carry on any business competing with Konka Group's main business by holding any shares or controlling any third party. 2. If the existing business of the Company and companies excluding Konka Group and various subsidiaries under the Company's control (hereinafter referred to as "Other Companies") competes with the Konka Group's main business or other companies' business development competes with Konka Group's main business during the Company's serving as the Konka Group's controlling shareholder, the Company and other companies under the Company's control shall (including but not limited to) cease such business operation or integrate such competing business into Konka Group or transfer it other irrelevant third parties, preventing the Company and other companies under its control from involving in any business competing with Konka Group's main business. If any business opportunity obtained from any third party substantially or possibly competes with Konka Group's main business, the Company will immediately inform Konka Group of that and transfer such business opportunity to Konka Group unless one of the following conditions is met: (1) such business opportunity is administratively transferred to or assigned to the Company and other companies under its control by the government based on the directional agreement according to applicable national laws, regulations and policies; or (2) Konka Group fails to meet special requirements positioned to the bidder or the assignee in corresponding project bidding, transfer and assignment conditions, but the Company or other companies under its control does. 3. If Konka Group gives up the above-mentioned business opportunity and the Company and other companies under the Company's control take advantage of such opportunity to conduct any business substantially or possibly competing with the Konka Group's	28	31 Dec emb er 202 0	Com plete d

			main business, the Company will give Konka Group any option. Namely, if permitted by applicable laws and regulations and relevant provisions stated in the Articles of Association, Konka Group shall have the right to completely or gradually purchase any equity, assets and other interests related to the above-mentioned business from the Company and other companies under the Company's control, or Konka Group shall own or actually control corresponding assets or business obtained by the Company and other companies the Company's control from the above-mentioned business by means of entrusted operation, lease or contract operation according to applicable national laws and regulations. If the third party on an equal footing has the right to execute and will execute its legal preemptive right, the above-mentioned commitment shall not apply. However, in this case, the Company and other companies under the Company's control shall try their best to prompt the third party to give up such preemptive right. 4. The Company shall confirm that each commitment made herein constitutes an independent executable commitment, and any commitment's ineffectiveness or termination will not influence the validity of other commitments; if any of the above-mentioned commitments and guarantees is violated, the Company is willing to burden all resulting economic losses suffered by Konka Group.			
Overseas Chinese Town Enterprises Co.	Other commitment	I. Konka Group's personnel shall be kept independent. 1. It's required that the Konka Group's senior managers shall exclusively work for and receive compensation from Konka Group, and shall not hold other posts other than directors and supervisors in other companies excluding Konka Group and various subsidiaries under the Company's control (hereinafter referred to as "Other Companies"). 2. It's guaranteed that Konka Group's HR relations and labor relations independent of the Company and other companies under the Company's control. 3. It's guaranteed that all candidates recommended by the Company to serve as Konka Group's directors, supervisors and senior managers are subject to legal procedures, and the Company shall not interfere any decision on personnel appointment and removal made by Konka Group's Board of Directors and Shareholder's Meeting. II. Konka Group's finance shall be kept independent. 1. Konka Group and its controlled subsidiaries shall establish their independent financial accounting department, financial calculation system and financial management system. 2. It shall be guaranteed that Konka Group and its subsidiaries could make independent	28	31 Dec emb er 202 0	2019	Com plete d

		<p>financial decisions and would not interfere Konka Group's use of funds. The capital of Konka Group and its subsidiaries shall not be occupied by the Company and other companies under the Company's control by means of borrowing, debt repayment, advance payment or in other ways with their rights and interests not seriously damaged by the Company and other companies under the Company's control. 3. The Konka Group and its subsidiaries shall independently open their accounts in the bank, and shall not share the same bank account with the Company and other companies under the Company's control.</p> <p>4. Konka Group and its subsidiaries shall legally and independently pay taxes. III. The Konka Group's institutional independence shall be kept. 1. The Konka Group and its subsidiaries shall legally establish and perfect their corporate governance structure, set up their independent and complete institutional framework, and completely separate from the Company and other companies under the Company's control. Namely, the Konka Group and its subsidiaries and the Company and other companies under the Company's control shall respectively establish their own offices and business operation sites. 2. It's guaranteed that the Konka Group and its subsidiaries could operate independently, and the Company would not bypass the Shareholder's Meeting to directly or indirectly interfere Konka Group's decision making and business operation. IV. Konka Group shall keep its assets independent and complete. 1. Konka Group and its subsidiaries shall possess complete operating assets. 2. It's guaranteed that the capital, assets and other resources of Konka Group and its subsidiaries would not be illegally occupied. V. The Konka Group shall guarantee its business independence. 1. After this issue, Konka Group shall possess corresponding assets, personnel and qualification for independently carry out business operations and the ability of independent management based on the market without relying on the Company and other companies under the Company's control. 2. The Company and other companies under the Company's control shall avoid any horizontal competition with Konka Group's main business. 3. Various related transactions shall be strictly controlled, and corresponding continuous related transaction must be reduced between the Konka Group and its subsidiaries and the Company and its affiliated companies. It's not allowed to illegally occupy the Company's assets and funds. However, any unavoidable related transactions will be priced based on such principles as Fairness, Justice and Openness. Meanwhile,</p>		
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			for any significant related transaction, it's required to fulfill corresponding information disclosure obligation, complete relevant approval procedures and disclose related information according to Konka Group's Articles of Association and applicable laws and regulations. 4. It is not allowed to interfere any major decision made by the Konka Group and affect the independence of Konka Group's assets, personnel, finance, institution and business via independent operation or act in concert in any way other than the execution of shareholder's right.			
Overseas Chinese Town Enterprises Co.	Other commitment		1. It's not allowed to interfere the operation and management activities of the Company excessively; 2. It's not allowed to encroach the interest of the Company; 3. During the period from the issuance date of the commitment to the completion, if China Securities Regulatory Commission (hereinafter referred to as "CSRC") publishes any new regulatory provisions on such compensation and reward measures and the above-mentioned commitments are not in conformity with such provisions, the Company will make a supplementary commitment then according to the latest provisions issued by CSRC. 4. The Company earnestly promises to adhere to various compensations and reward policies established by the Company and make corresponding promises; if the Company breaks such promises and cause any losses to the Company or the investor, the Company is willing to legally compensate any losses suffered by the Company or the investor due to the violation against such commitment.	28 March 2019	31 December 2020	Completed
Shenzhen Overseas Chinese Town Capital Investment Management Co., Ltd.	Other commitment		1. The restricted stock trade period of Konka Group subscribed by the Company is 36 months. Namely, the stock subscribed by the Company shall not be transferred within 36 months from the end of the day of this issue (calculating from the day when the additional issue of stocks obtained is registered in the name of the Company and the same below); all stocks derived from any stocks obtained by the Company during this issue (including new stocks obtained by distributing stock dividends and adding the capital reserve into the capital stock) shall also be subject to the above-mentioned lock-up arrangement. After the above-mentioned lock-up period expires, the transfer and transaction of corresponding stocks shall be performed according to the then effective laws, regulations and various rules, provisions and requirements put forward by China Securities Regulatory Commission (hereinafter referred to as "CSRC") and Shenzhen Stock Exchange (hereinafter referred to as "SSE"). 2. Before this issue, all stocks held by the	28 February 2019	31 December 2020	Completed

			Company and the persons acting in concert from Konka Group shall be locked up for 12 months from the end of the day of this issue. Stocks held by the Company and the persons acting in concert from Konka Group before this issue correspond to additional stocks held in Konka Group due to the distribution of dividends and the conversion into share capital, which shall also be subject to the above-mentioned agreement.			
Shenzhen Overseas Chinese Town Capital Investment Management Co., Ltd.	Other com mitm ent		<p>I. The Company is legally established and exists validly according to applicable Chinese laws and regulations with full capacity for civil rights and civil conduct, possesses corresponding qualification for subscribing stocks issued by Konka Group as stipulated in Chinese laws, administrative laws and regulations, departmental regulations and normative documents, and has obtained all due internal approvals or licenses for subscribing this issue of stocks. II. The Company shall not involve in any of the following situations: 1. the Company damages the legitimate rights and interests of Konka Group and its shareholders during the subscription of stocks from Konka Group; 2. the Company is encumbered with a relatively large amount of outstanding debts; 3. the Company has any severe unlawful act or is a suspect of any severe unlawful act in the recent 3 years; 4. the Company has any severe dishonest conduct on the stock market in the recent 3 years; 5. any situation under which the subscription of the listed company's stocks is not allowed according to applicable laws, administrative regulations and various provisions issued by CSRC.III. The Company, the Company's directors, supervisors and senior managers (or key personnel) are not subject to any administrative punishment (except those obviously irrelevant to the stock market), criminal punishment or any major civil action related to any economic disputes in the recent 5 years, and any major civil arbitration related to any economic disputes in the recent 5 years is concluded. IV. After this subscription, any business conducted by the Company shall not compete with or potentially compete with that of Konka Group. V. Within 24 months before Konka Group's disclosure of this stock issue plan, all major transactions between the Company and Konka Group shall be subject to all necessary decision-making procedures according to various provisions geared to the related transaction, and corresponding information is disclosed. Such related transaction is conducted for the need of normal business development of Konka Group without damaging the interests of Konka Group and other shareholders. VI. This subscription made by the Company</p>	28	31 Dec emb er 2019 202 0	Com plete d

			shall base on corresponding analysis and judgment on the stock trade market, and the Company has a good vision on Konka Group's development prospect and investment value. VII. Various stocks subscribed during this issue shall be completely and directly owned by the Company without any entrustment or trust or other similar arrangements by any means. VIII. The Company's funds for this subscription shall be its legal self-owned funds or self-raised funds, and the Company promises that, after this issue by Konka Group is approved by CSRC and the notice on the stock subscription payment is sent by Konka Group, the Company would transfer the full stock subscription payment into the designated funds supervision bank account according to <i>Conditional Non-public Issue of Stocks Subscription Agreement</i> and its supplementary agreement. IX. The Company's sole shareholder is OCT Group Co., Ltd., and actual controller is the State-owned Assets Supervision and Administration Commission of the State Council. For any contribution by the Company's shareholders, any graded income and structured arrangement shall neither be applied, nor any leverage financing structured design product. X. The Company will provide Konka Group with various information related to this subscription, and guarantee that all provided information are true, correct and complete. XI. The Company shall guarantee not to transfer any subscribed stock within the restricted stock transfer period as stipulated in applicable laws, administrative regulations and various provisions issued by CSRC from the end of the day of subscription.		
	Shenzhen Overseas Chinese Town Capital Investment Management Co., Ltd.	Other commitment	1. It's allowed neither to convey any interest to other units or individuals free of charge or in an unfair way, nor to damage the Company's interest in other ways; 2. It's required to restrain my position-related consumption behavior; 3. It's not allowed to conduct any investment and consumption activities irrelevant to my execution of duty by using the Company's assets; 4. The remuneration system established by the Board of Directors or the remuneration and appraisal committee shall be linked up with the Company's implementation of compensation and reward measures; 5. If the Company executes the equity-based incentives, the vesting conditions of the proposed equity-based incentives shall correspond with the Company's implementation of compensation and reward measures; 6. From the day of issuing the Letter of Commitment to the issue, if China Securities Regulatory Commission (hereinafter referred to as "CSRC") publishes any	28 March 2019	31 December 2020 Complete

			<p>new regulatory provisions on such compensation and reward measures and the above-mentioned commitments are not in conformity with such provisions, I will make a supplementary commitment then according to the latest provisions issued by CSRC. 7. I earnestly promise to adhere to various compensation and reward policies established by the Company and make corresponding promises; if I break such promises and cause any losses to the Company or the investor, I'm willing to legally compensate any losses suffered by the Company or the investor due to my violation against such commitment.</p>		
	Shenzhen Overseas Chinese Town Capital Investment Management Co., Ltd.	Other commitment	<p>If Konka Group and its holding subsidiaries are subject to any administrative punishment or investigated due to any real estate-related illegal acts within the Reporting Period including the undisclosed idle land, the land speculation, the property hoarding and the housing price gouging etc., which has caused any losses to the listed company or the investor, the Company will burden corresponding liabilities for compensation according to relevant laws, regulations and provisions issued by the securities market supervision department.</p>	13 May 2019	31 Dec 2019 Complete d
	The directors, supervisors and senior managers of Konka Group Co., Ltd.	Other commitment	<p>1. It's allowed neither to convey any interest to other units or individuals free of charge or in an unfair way, nor to damage the Company's interest in other ways; 2. It's required to restrain my position-related consumption behavior; 3. It's not allowed to conduct any investment and consumption activities irrelevant to my execution of duty by using the Company's assets; 4. The remuneration system established by the Board of Directors or the remuneration and appraisal committee shall be linked up with the Company's implementation of compensation and reward measures; 5. If the Company executes the equity-based incentives, the vesting conditions of the proposed equity-based incentives shall correspond with the Company's implementation of compensation and reward measures; 6. From the day of issuing the Letter of Commitment to the issue, if China Securities Regulatory Commission (hereinafter referred to as "CSRC") publishes any new regulatory provisions on such compensation and reward measures and the above-mentioned commitments are not in conformity with such provisions, I will make a supplementary commitment then according to the latest provisions issued by CSRC. 7. I earnestly promise to adhere to various compensation and reward policies established by the Company and make corresponding promises; if I break such promises and cause any losses to the Company or the investor, I'm</p>	28 March 2019	31 Dec 2019 Complete d

			willing to legally compensate any losses suffered by the Company or the investor due to my violation against such commitment.			
	The directors and senior managers of Konka Group Co., Ltd.	Other commitment	If Konka Group and its holding subsidiaries are subject to any administrative punishment or investigated due to any real estate-related illegal acts within the Reporting Period including the undisclosed idle land, the land speculation, the property hoarding and the housing price gouging etc., which has caused any losses to the listed company or the investor, the Company will burden corresponding liabilities for compensation according to relevant laws, regulations and provisions issued by the securities market supervision department.	13 May 2019	31 Dec emb er 202 0	Com plete d
Fulfill on time or not					Yes	
Specific reasons for failing to fulfill commitments on time and plans for next step (if any)					None	

**2. Where there had an earnings forecast for an asset or project and the Reporting Period was still within the forecast period, explain why the forecast has been reached for the Reporting Period.**

Applicable  Not applicable

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

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

**VI YoY Changes to Accounting Policies, Estimates and Methods**

Applicable  Not applicable

In 2017, the Ministry of Finance issued the revised "Accounting Standards for Business Enterprises No. 14-Revenue" (referred to as the "New Revenue Standards"). The Company starts to implement the above newly revised standards since 1 January 2020. In accordance with the link up provision, no adjustment was made to information of comparative period, and the Company retroactively adjusted the retained earnings of period-begin or other comprehensive income based on the difference between the current standards and the new standards on the first execution date.

**VII Retrospective Restatements due to Correction of Material Accounting Errors in the Reporting Period**

Applicable  Not applicable

No such cases in the Reporting Period.

### **VIII YoY Changes to the Scope of the Consolidated Financial Statements**

Applicable  Not applicable

Refer to Part IV-II-2-(6) for details.

### **IX Engagement and Disengagement of Independent Auditor**

Current independent auditor:

Name of the domestic independent auditor	ShineWing Certified Public Accountants LLP
The Company's payment to the domestic independent auditor (RMB'0,000)	330
How many consecutive years the domestic independent auditor has provided audit service for the Company	2 years
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Guo Dongchao, Zhan Miaoling
How many consecutive years the certified public accountants have provided audit service for the Company	2 years
Name of the overseas independent auditor (if any)	N/A
The Company's payment to the overseas independent auditor (RMB'0,000) (if any)	0
How many consecutive years the overseas independent auditor has provided audit service for the Company (if any)	N/A
Names of the certified public accountants from the overseas independent auditor writing signatures on the auditor's report (if any)	N/A
How many consecutive years the certified public accountants have provided audit service for the Company (if any)	N/A

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

Yes  No

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

Applicable  Not applicable

The Company appointed ShineWing Certified Public Accountants LLP as the internal control auditor in 2020 with RMB0.6 million of payment for the internal control audit.

### **X Possibility of Listing Suspension or Termination after Disclosure of this Report**

Applicable  Not applicable

### **XI Insolvency and Reorganization**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XII Major Legal Matters**

Applicable  Not applicable

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
As matured notes were failed to be accepted, the Company has filed a lawsuit with the court to request China Energy Electric Fuel Co., Ltd., China Energy (Shanghai) Enterprise Co., Ltd., Shanghai Nengping industrial Co., Ltd., and Shenzhen Qianhai Baoying Factoring Co., Ltd. to pay the bill and the corresponding interest to the Company.	5,000	Not	The Company has won the case and the judgment was in effect.	The Company won the case. At present, it is in the execution stage. Based on the principle of prudence, the Company has withdrawn relevant impairment provision according to accounting policies.	The court has adopted property preservation, which are currently in the implementation stage. The Company has applied for the corresponding shareholder to be the additional respondent.	25 June 2019	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
As matured notes were failed to be accepted, the Company has filed a lawsuit with the court to request Shanghai Huaxin International Group Co., Ltd. and Tianjin International Trade Petrochemical Co., Ltd. to pay the bill and the corresponding interest to the Company.	5,000	Not	The Company has won the case and the judgment was in effect.	The Company won the case. At present, it is in the execution stage. Based on the principle of prudence, the Company has withdrawn relevant impairment provision according to accounting policies.	The court has adopted property preservation, which are currently in the implementation stage.	25 June 2019	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
As matured notes were failed to be accepted, the Company	15,000	Not	The Company	The Company won the case.	The court has adopted	25 June	

has filed a lawsuit with the court to request Shanghai Huaxin International Group Co., Ltd. Qingdao Bonded Zhongshe International Trading Co., Ltd. and Shenzhen Qianhai Benniu Agricultural Technology Co., Ltd. to pay the bill and the corresponding interest to the Company.			ny has won the case and the judgment was in effect.	At present, it is in the execution stage. Based on the principle of prudence, the Company has withdrawn relevant impairment provision according to accounting policies.	property preservation, which are currently in the implementation stage.	2019	
As matured notes were failed to be accepted, Konka Factoring has filed a lawsuit with the court to request Tahoe Group Co., Ltd., Fuzhou Taijia Enterprise Co., Ltd., and Xiamen Lianchuang Microelectronics Co., Ltd. to pay the bill and the corresponding interest to Konka Factoring.	5,067.67	Not	The court has adopted property preservation, and the case is at the trial stage.	The case is under trial with no effective judgment yet. Based on the principle of prudence, the Company has withdrawn relevant impairment provision according to accounting policies.	The court has adopted property preservation, and the case is under trial with no effective judgment yet.	25 June 2019	
As matured notes were failed to be accepted, the Company has filed a lawsuit with the court to request Hefei Huajun Trading Co., Ltd. and Wuhan Jialian Agricultural Technology Development Co., Ltd. to pay the bill and the corresponding interest to the Company.	7,830.07	Not	The Company has won the case.	At present, it is in the execution stage. Based on the principle of prudence, the Company has withdrawn relevant impairment	The court has adopted property preservation, which are currently in the implementation stage.	25 June 2019	

				provision according to accounting policies.		
The customer of Hong Kong Konka, H-BUSTER SAO PAULO INDUSTRIAECOMERCIO S.A (Brazil) was insolvent, and obtained the approval of the judicial reorganization application of Cotia Third Civil Court of the Court of Sao Paulo, Brazil in May 2013. As the creditor of H-BUSTER, Hong Kong Konka filed the debt declaration documents, and in August 2014, the amount confirmed of debt was USD2.78 million.	1,939.38	Not	The court supported the objections of some creditors to the reorganization plan and declared H-Buster bankrupt. At present, the bankruptcy proceedings are underway.	Bankruptcy proceedings are under way. Based on the principle of prudence, the Company has withdrawn relevant impairment provision according to accounting policies.	Bankruptcy proceedings are under way	25 June 2019
Due to the Jiangxi Xinxin Jian'an Engineering Co., Ltd. (hereinafter referred to as the "Jiangxi Xinxin"), Jiangxi Shanshi Technology Development Co., Ltd. (hereinafter referred to as the "Jiangxi Shanshi"), Jiangxi Zhongyi Decoration Materials Co., Ltd. (hereinafter referred to as the "Jiangxi Zhongyi") failed to repay the loan and its interest of China Great Wall AMC	31,375.80	Not	The case is in the second instance.	The corresponding liability of risk assumed by the Company's controlled companies involved in the case is controllable. Other defendants exclusive of the controlled	Suit pending	25 June 2019

<p>Jiangxi Branch (hereinafter referred to as the "Great Wall Jiangxi Branch"), the Great Wall Jiangxi Branch sued to the court, and required Jiangxi Xinxin, Jiangxi Shanshi, Jiangxi Zhongyi to repay RMB300 million with RMB108,000 liquidated damages, and RMB13.65 million of interest. Meanwhile, 9 guarantors including Jiangxi Konka, Xinfeng Microcrystalline and Nanocrystal are required to undertake joint liability guaranty. The judgment of first instance was required Jiangxi Xinxin, Jiangxi Zhongyi and Jiangxi Shanshi shall repay the principal, interest and liquidated damages to Great Wall Jiangxi Branch and the guarantors bear the joint liability for satisfaction to the debts. The defendants have appealed against the first instance judgment. So far, the case has not yet been heard in court.</p>			<p>companies of the Company are solvent, and at the same time, the Company has outstanding payments to the other defendants in this case. The above amount can be offset against the Company's debt obligations in the future.</p>			
<p>Due to the dispute of sales contract, Wumart Chain Co., Ltd. sued the Beijing Branch of Wumart to the court of Shijingshan District of Beijing, and requested the Beijing Branch to return the prepayment of goods.</p>	2,051.65	Not	The case is under retrial.	<p>The case is pending retrial. Based on the principle of prudence, the Company has withdrawn relevant impairment provision according to accounting</p>	Suit pending	25 June 2019

				policies.		
Due to dispute arisen from a logistics contract, the Company's subsidiary Anhui Konka filed a lawsuit to request the freight forwarder Shanghai Triangle Link Logistics Co., Ltd. Shenzhen Branch to make compensation.	3,796.60	Not	The case is in trial of second instance.	All of our demands were basically supported by the court of first instance. Property preservation measures were adopted.	The case is in trial of second instance.	19 September 2020
Due to dispute arisen from an advertising contract, the Company's subsidiary E2info filed a lawsuit with Nanshan District Court of Shenzhen Municipality to request Tansuo Media to pay the principal due and liquidated damages.	758.11	Not	The case is in the execution stage.	Judgment of first instance has come into effect and is being executed. Based on the principle of prudence, the Company has made corresponding provision for impairment according to accounting policies.	Property preservation measures are taken by the court and under execution.	19 September 2020
Due to dispute arisen from a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Dalian Jinshunda Material Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.	9,383.08	Not	Property preservation before litigation was completed. The case is in the stage of public announcement.	The case is in the stage of public announcement and service. Based on the principle of prudence, the Company has made corresponding provision for impairment according to accounting	The case is under trial.	19 September 2020

			cement and service.	policies.		
Due to dispute arisen from a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Dalian Xinjie Renewable Resources Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.	9,383.08	Not	Property preservation before litigation was completed. The case is in the stage of public announcement and service.	The case is in the stage of public announcement and service. Based on the principle of prudence, the Company has made corresponding provision for impairment according to accounting policies.	The case is under trial.	19 September 2020
Due to dispute arisen from a loan contract, the Company filed a lawsuit to the court to request Chongqing Qingjia Electronics Co., Ltd. to repay the loan and interest.	1,035.71	Not	The Company won the case in trial of first instance.	Judgment of first instance was made. At present, Finance Dept. records the original value without impairment.	Judgment of first instance was made.	19 September 2020
Due to contract dispute, the Company's subsidiary Shenzhen Nianhua applied for arbitration to request the respondent Fang Xianglong and Jiang Yan to make compensation for corresponding annual profit and fund possession cost.	2,045.16	Not	The Company has won the case and the judgment was in effect.	The Company won the case and execution is in process.	Execution is in process.	19 September 2020
Due to dispute arisen from a sales contract, the Company's	2,307.90	Not	The case is	The case is in the stage of	The case is under trial.	19 September

subsidiary Konka Huanjia filed a lawsuit to request Liantianxing Renewable Resources Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.			in the stage of public announcement and service.	public announcement and service. Based on the principle of prudence, the Company has made corresponding provision for impairment according to accounting policies.		ber 2020	
Due to dispute arisen form a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Huanjia Mingtai (Dalian) Renewable Resources Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.	3,302.64	Not	The case is in the stage of public announcement and service.	The case is in the stage of public announcement and service. Based on the principle of prudence, the Company has made corresponding provision for impairment according to accounting policies.	The case is under trial.	19 September 2020	
Due to dispute arisen form a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Lankao Shunjia Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.	3,358.80	Not	The case is in the stage of public announcement and service.	The case is in the stage of public announcement and service. Based on the principle of prudence, the Company has made corresponding provision for impairment according to	The case is under trial.	19 September 2020	

				accounting policies.		
Due to dispute arisen from a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Henan Shunhenghui Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.	3,337.29	Not	The case is in the stage of public announcement and service.	The case is in the stage of public announcement and service. Based on the principle of prudence, the Company has made corresponding provision for impairment according to accounting policies.	The case is under trial.	19 September 2020
Due to dispute arisen from a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Henan Jiaxin Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.	3,358.09	Not	The case is in the stage of public announcement and service.	The case is in the stage of public announcement and service. Based on the principle of prudence, the Company has made corresponding provision for impairment according to accounting policies.	The case is under trial.	19 September 2020
Due to dispute arisen from a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Henan Shengxiang Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to	2,922	Not	The case is in the stage of public announcement and service.	The case is in the stage of public announcement and service. Based on the principle of prudence, the Company has	The case is under trial.	19 September 2020

return the advance payment and pay liquidated damages.				made corresponding provision for impairment according to accounting policies.		
Due to dispute arisen from a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Dalian Guangxin Environmental Protection Equipment Technology Development Co., Ltd. to return payment for equipment and pay liquidated damages.	3,137.20	Not	Trial of first instance was held, pending judgment.	The case is in trial of first instance, pending judgment. Based on the principle of prudence, the Company has made corresponding provision for impairment according to accounting policies.	The case is under trial.	19 September 2020
As matured notes were failed to be accepted, the Company filed a lawsuit with the court to request Wuhan Jialian Agricultural Technology Development Co., Ltd. to pay the bill and corresponding interest to the Company.	20,000	Not	Trial of first instance was held, pending judgment.	The case is in trial of first instance. Based on the principle of prudence, the Company has made corresponding provision for impairment according to accounting policies.	The case is under trial.	19 September 2020
Due to payment dispute, the Company's subsidiary Hong Kong Konka applied for an arbitration to Shenzhen Court of International Arbitration to request the respondent	1,023.51	Not	The Company has won the case.	Arbitration award. The Company has won the case. Based on the principle of	Arbitration award.	19 September 2020

Makena Electronic (Hong Kong) to pay for goods and liquidated damages.				prudence, the Company has made corresponding provision for impairment according to accounting policies.		
Due to payment dispute, the Company's subsidiary Anhui Electrical Appliance applied for an arbitration to Chuzhou Arbitration Commission to request the respondent Makena Electronic (Shenzhen) to make guarantee.	2,141.50	Not	Arbitration has been awarded.	Arbitration award. The arbitration tribunal basically supports all our demands.	Arbitration award.	19 September 2020
Due to contract dispute, the Company filed a lawsuit with Zhengzhou Intermediate People's Court to request Henan Radio and Television Network Co., Ltd. to pick up goods and make payment and liquidated damages according to the contract.	3,904.90	Not	The case was settled through mediation and the mediation document has come into effect.	The case was settled through mediation and mediation document is being executed. Based on the principle of prudence, the Company has made corresponding provision for impairment according to accounting policies.	Property preservation measures were taken by the court, and mediation document is being executed.	19 September 2020
Due to condominium ownership dispute, the owners' committee of Jingyuan Building filed a lawsuit to request Zhongfang Group Nanfang Real Estate Co., Ltd. to make	598.56	Not	The case is in trial of second instance.	Trial of second instance was held, pending judgment.	The case is under trial.	19 September 2020

supplementary payment of maintenance fund. Zhongfang Group Nanfang Real Estate Co., Ltd. submitted a defense on the ground that the Company jointly developed Jingyuan Building, and the Company was filed as the defendant.							
Due to dispute arisen from a logistics contract, Aluda Logistics filed a lawsuit with Nanqiao People's Court of Chuzhou to request the Company's subsidiary Anhui Tongchuan to return the performance bond, pay transportation costs and interests incurred, and bear the litigation costs.	1,282.80	Not	Judgment of second instance has come into effect.	Judgment of second instance was made, and the Company partly lost the case.	Judgment of second instance was executed and to petition for retrial.	19 September 2020	
Due to dispute arisen from a sales contract, Zhao Yonghong filed a lawsuit with the court to request the Company's Konka Huanjia to pay for goods.	805.74	Not	Judgment of second instance was made.	Judgment of first instance was held in trial of second instance.	Judgment of second instance was made and retrial is in process.	19 September 2020	

### **XIII Punishments and Rectifications**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XIV Credit Quality of the Company as well as Its Controlling Shareholder and Actual Controller**

Applicable  Not applicable

### **XV Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XVI Major Related-Party Transactions**

#### **1. Continuing Related-Party Transactions**

Applicable  Not applicable

Related	Relati	Type	Speci	Prici	Tra	Total	As %	Appro	Over	Met	Obtain	Disclo	Index
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party	onship with the Company	of transaction	fic transaction	ng princ iple	nsa ctio n pric e	value (RM B'0,0 00)	of total value of all same-type transa ctions	ved transac tion line (RMB' 0,000)	the appr oved line or not	hod of settl eme nt	able marke t price for same-t ype transa ctions	sure date	to discl osed infor matio n
OCT Enterprises Co., Ltd and its subsidiaries	Under the same actual controller	Purchase of comm oodities and services	Purchase of materials	Negotiated price	Market price	5,497.07	0.54	5,500	Not	Cash	N/A	22 April 2020	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
OCT Enterprises Co., Ltd and its subsidiaries	Under the same actual controller	Sales of goods and services	Sales of LCD	Negotiated price	Market price	1,852.41	0.13	20,000	Not	Cash	N/A	22 April 2020	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Total				--	--	7,349.48	--	25,500	--	--	--	--	--
Large-amount sales return in detail		N/A											
Give the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period		The Company has published the Forecasting Public Notice on Routine Related-party Transaction for Y2020 on Securities Times, Shanghai Securities News, China Securities Journal as well as the Internet website designated by CSRC <a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a> on 22 April 2020. The Company held the 36 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors on 15 December 2020, on which the Proposal on Increase in Limit of 2020 Routine Related-party Transaction for Y2020 was reviewed and approved. The Company was agreed to increase the quota of routine related-party transactions for 2020 regarding purchasing services and products from OCT Enterprises Co., Ltd and its subsidiaries with an increase of RMB25 million. During the Reporting Period, the basis for pricing, transaction price, transaction amount and settlement methods of raw materials purchased by the Company were basically in accordance with the forecast. The total amount was RMB73.4948 million.											
Reason for any significant difference between the transaction price and the market reference price		N/A											

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

Applicable  Not applicable

Refer to Part V -5. Other Major Related-Party Transactions for details.

### 3. Related Transactions Regarding Joint Investments in Third Parties

Applicable  Not applicable

Refer to Part V -5. Other Major Related-Party Transactions for details.

### 4. Credits and Liabilities with Related Parties

Applicable  Not applicable

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

Yes  No

Credits receivable with related parties:

Related party	Related relationship	Forming reason	Whether there is occupation on non-operating capital or not	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
Yibin OCT Sanjiang Properties Co., Ltd.	Subsidiary of controlling shareholder	Demand of business development	No	10,000	0	2,500	5.70 %	572.77	7,500.00
Chuzhou Kangjin Health Industry Development Co., Ltd.	Subsidiary of controlling shareholder	Demand of business development	No	5,880	11,270.00	1,065.26	7.00 %	993.00	16,084.74
Effects of credits with related parties on the Company's operating results and financial conditions		No effect to the normal operation of the Company. Other shareholders of Yibin OCT Sanjiang Properties Co., Ltd. and Chuzhou Kangjin Health Industry Development Co., Ltd. offer financial assistance under the same conditions in accordance to their shareholding ratio.							

Liabilities payable with related parties:

Related party	Related relationship	Forming reason	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
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OCT Enterprises Co., Ltd.	Controlling shareholder	The Company applies entrusted loan to it	150,000.00		150,000.00	4.06%	2,926.58	-
			90,000.00		90,000.00	3.93%	2,359.22	-
			93,406.00		93,406.00	4.14%	1,904.75	-
				50,000.00	47,594.00	4.56%	226.85	2,406.00
				50,000.00	41,300.00	4.56%	269.58	8,700.00
				60,000.00	60,000.00	4.56%	240.22	-
				50,000.00		4.22%	146.53	50,000.00
Effects of liabilities with related parties on the Company's operating results and financial conditions			The Company applies entrusted loan from OCT Enterprises Co., Ltd. which meets the needs of the company's existing business development and reduces the financing cost.					

## 5. Other Major Related-Party Transactions

Applicable  Not applicable

(1) Transferring 34% equity of Nanjing K-Star Science and Technology Industry Park Operation and Management Co., Ltd.: At the Twenty-Eighth Meeting of the Ninth Session of the Board of Directors on 5 June 2020 and the First Extraordinary General Meeting of 2020 on 22 June 2020, the Company considered and approved the *Proposal on the Transfer of 34% Equity of Nanjing K-Star Science and Technology Industry Park Operation and Management Co., Ltd.*. According to the decision, the Company would transfer to Shenzhen Konka Holdings Group Co., Ltd. 34% equity of Nanjing K-Star it held through non-disclosure agreement at a price of RMB470,986,500. As of now, the Company has received all equity transfer payments and shareholders' borrowings, and the administrative procedures for changes in the business registration of Nanjing K-Star Science and Technology Industry Park Operation and Management Co., Ltd. have been completed.

(2) Transferring some patents in relation to cloud big data operations: At the Twenty-Ninth Meeting of the Ninth Session of the Board of Directors on 23 June 2020, the Company considered and approved the *Proposal on the Transfer of Some Patents in Relation to Cloud Big Data*. According to the decision, the Company would transfer to Shenzhen Konka Holdings Group Co., Ltd. 68 patents in relation to cloud big data at a price of RMB98,600,000. As of now, the Company has received the patent transfer payment from Shenzhen Konka Holdings Group Co., Ltd., and the administrative procedures for changes in the registration of patentee have been completed.

(3) Initiating the establishment of Wuzhen Jiayu Digital Economy Industry Fund: At the Twenty-Fourth Meeting of the Ninth Session of the Board of Directors on 27 March 2020 and the Annual General Meeting of 2019 on 18 May 2020, the Company considered and approved the *Proposal on Initiating the Establishment of Wuzhen Jiayu Digital Economy Industry Fund*. According to the decision, the Company (or its wholly-owned subsidiary) would contribute a capital

of no more than RMB200 million as a limited partner to initiate the establishment of Wuzhen Jiayu Digital Economy Industry Fund of no more than RMB500 million together with the cooperator. As of now, business registration and filing with Asset Management Association of China for the Fund has been completed.

(4) Signing with the subscription object a termination contract for the share subscription agreement with conditional entry into force: At the Twenty-Seventh Meeting of the Ninth Session of the Board of Directors and the Eighth Meeting of the Ninth Session of the Board of Supervisors on 22 May 2020, the Company considered and approved the *Proposal on the Company Signing with the Subscription Object a 'Termination Contract for the Share Subscription Agreement with Conditional Entry into Force'*. It was agreed that the Company would sign the *Termination Contract for the Share Subscription Agreement with Conditional Entry into Force* with Shenzhen Overseas Chinese Town Capital Investment Management Co., Ltd. (hereinafter referred to as "OCT Capital"), a wholly-owned subsidiary of OCT Group. As of now, the Company has entered into the *Termination Contract for the Share Subscription Agreement with Conditional Entry into Force*, specifying the termination of the *Agreement for the Subscription of Non-Public Offering of Stock with Conditional Entry into Force* signed by and between the Company and OCT Capital on 28 March 2019.

(5) Providing advertising services to OCT Group: At the Twenty-Eighth Meeting of the Ninth Session of the Board of Directors on 5 June 2020, the Company considered and approved the *Proposal on Providing Advertising Services to OCT Group*. According to the decision, the Company would provide OCT Group with advertising services at intelligent terminals with a service transaction price of RMB100 million.

(6) Transferring some patents in relation to IOT, smart health and UHD display terminals: On 17 July 2020 and 10 August 2020, AT the 30<sup>th</sup> Meeting of the 9<sup>th</sup> Board of Directors and the 2<sup>nd</sup> Extraordinary General Meeting of 2020 on July 17, 2020 and 10 August 2020, the Company considered and approved the *Proposal on the Transferring Some Patents In Relation To IOT, Smart Health and UHD Display Terminals*. According to the decision, the Company would transfer to Shenzhen Konka Holdings Group Co., Ltd. 67 patents in relation to cloud big data at a price of RMB89,600,000. As of now, the Company has received the patent transfer payment from Shenzhen Konka Holdings Group Co., Ltd., and the administrative procedures for changes in the registration of patentee have been completed.

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

Title of public announcement	Disclosure date	Disclosure website
Proposal on Initiating the Establishment of Wuzhen Jiayu Digital Economy Industry Fund and Related-party Transaction	28 March 2020	
Announcement on the Company Signing with the Subscription Object a 'Termination Contract for the Share Subscription Agreement with Conditional Entry into Force' and Related-party Transaction	23 May 2020	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>

Announcement on Providing Advertising Services to OCT Group and Related-party Transaction	6 June 2020	
Announcement on the Transfer of 34% Equity of Nanjing K-Star Science and Technology Industry Park Operation and Management Co., Ltd. and Related-party Transaction	6 June 2020	
Announcement on the Transfer of Some Patents in Relation to Cloud Big Data and Related-party Transaction	24 June 2020	
Announcement on Completing Changes of Registration for the Transfer of 34% Equity of Nanjing K-Star Science and Technology Industry Park Operation and Management Co., Ltd.	30 June 2020	
Announcement on Transferring Some Patents in relation to IOT, Smart Health and UHD Display Terminals and Related-party Transaction	21 July 2020	

## **XVII Major Contracts and Execution thereof**

### **1. Entrustment, Contracting and Leases**

#### **(1) Entrustment**

Applicable  Not applicable

No such cases in the Reporting Period.

#### **(2) Contracting**

Applicable  Not applicable

No such cases in the Reporting Period.

#### **(3) Leases**

Applicable  Not applicable

Note to leases

No significant leases in the Reporting Period.

The rent of Konka Development Building has received RMB67.6924 million in the Reporting Period.

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

Applicable  Not applicable

No such cases in the Reporting Period.

### **2. Major Guarantees**

Applicable  Not applicable

#### **(1) Guarantees**

Unit: RMB'0,000

Guarantees provided by the Company and its subsidiaries for external parties (exclusive of those for subsidiaries)								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or	Guarante for a related party or

							not	not
Yibin OCT Sanjiang Properties Co., Ltd.	19 September 2018	40,000	29 September 2019	14,000	Joint-liability	3 years	Not	Yes
Kunshan Kangsheng Investment Development Co., Ltd.	19 September 2018	24,500	23 September 2019	24,500	Joint-liability	3 years	Not	Yes
Jiangxi Xinxin Jian'an Engineering Co., Ltd.		10,000	12 December 2016	10,000	Joint-liability		Not	Not
Jiangxi Zhongyi Decoration Materials Co., Ltd.		10,000	12 December 2016	10,000	Joint-liability		Not	Not
Jiangxi Shanshi Technological Development Co., Ltd.		10,000	12 December 2016	10,000	Joint-liability		Not	Not
Total approved line for such guarantees in the Reporting Period (A1)			39,200	Total actual amount of such guarantees in the Reporting Period (A2)			0	
Total approved line for such guarantees at the end of the Reporting Period (A3)			133,700	Total actual balance of such guarantees at the end of the Reporting Period (A4)			68,500	
Guarantees provided between the Company and subsidiaries								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guaranteee	Term of guaranteee	Holding expired or not	Guarantee for a related party or not
Anhui Tongchuang	31 March 2017, 23 May 2018 and 19 September 2018	90,000	1 August 2019	4,500	Joint-liability	One and a half years	Not	Not
			25 December 2019	5,000	Joint-liability		Not	Not
			13 January 2020	3,500	Joint-liability	1 year	Not	Not
			5 November 2019	3,000	Joint-liability	1	Not	Not

						year		
			11 March 2020	5,800	Joint-liability	1 year	Not	Not
			6 August 2020	3,000	Joint-liability	1 year	Not	Not
			19 October 2020	3,000	Joint-liability	1 year	Not	Not
Hong Kong Konka	31 March 2017 and 31 October 2018	355,000	6 March 2020	13,050	Joint-liability	1 years	Not	Not
			28 December 2020	20,000	Joint-liability	1 year	Not	Not
Boluo Konka Precision	31 March 2018	5,000	20 February 2019	2,500	Joint-liability	2 years	Not	Not
			19 August 2020	2,480	Joint-liability	3 years	Not	Not
Electronics Technology	19 September 2018	350,000	24 July 2020	10,000	Joint-liability	1 year	Not	Not
			16 November 2020	50,000	Joint-liability	1 year	Not	Not
			9 June 2020	6,000	Joint-liability	1 year	Not	Not
			14 August 2020	8,000	Joint-liability	1 year	Not	Not
Dongguan Konka	19 September 2018	10,000	8 November 2019	2,000	Joint-liability	5 years	Not	Not
			16 January 2020	3,000	Joint-liability	1 year	Not	Not
Econ Technology	19 September 2018	120,000	14 November 2019	5,000	Joint-liability	One and a half years	Not	Not
			29 April 2020	8,800	Joint-liability	1 year	Not	Not
			25 May 2020	5,000	Joint-liability	1 year	Not	Not

			5 June 2020	24,000	Joint-liability	1 year	Not	Not
			21 August 2020	5,000	Joint-liability	1 year	Not	Not
			22 September 2020	5,000	Joint-liability	1 year	Not	Not
XingDa HongYe	19 September 2018	10,000	12 November 2020	5,800	Joint-liability	2 years	Not	Not
			25 December 2020	2,000	Joint-liability	3 years	Not	Not
Jiangxi Konka	31 October 2018	60,000	18 March 2019	11,961	Joint-liability	2 years	Not	Not
			28 June 2020	6,000	Joint-liability	1 year	Not	Not
			26 June 2019	5,500	Joint-liability	3 years	Not	Not
			30 October 2019	6,500	Joint-liability	3 years	Not	Not
			20 March 2020	990	Joint-liability	2 years	Not	Not
			4 August 2020	3,000	Joint-liability	1 year	Not	Not
			29 September 2020	10,000	Joint-liability	3 years	Not	Not
			30 December 2020	1,000	Joint-liability	3 years	Not	Not
			6 November 2020	10,000	Joint-liability	3 years	Not	Not
			21 December 2020	5,000	Joint-liability	2 years	Not	Not
Sichuan Konka	31 March 2018	55,000	18 March 2019	4,000	Joint-liability	3 years	Not	Not
Pengrun Technology	19 September 2018	20,000	25 August 2020	5,000	Joint-liability	1 year	Not	Not
Xinfeng Microcrystalline	30 March 2019	25,000	19 May 2020	5,000	Joint-liability	3 years	Not	Not
			29 May 2020	3,479	Joint-liability	2 years	Not	Not

			18 June 2020	7,200	Joint-liability	1 year	Not	Not		
			8 December 2020	2,100	Joint-liability	3 years	Not	Not		
			28 December 2020	7,200	Joint-liability	1 year	Not	Not		
Nano Crystallized Glass	30 March 2019	45,000	26 June 2019	10,000	Joint-liability	3 years	Not	Not		
			20 December 2019	5,000	Joint-liability	3 years	Not	Not		
			8 January 2020	5,000	Joint-liability	3 years	Not	Not		
			8 January 2020	5,000	Joint-liability	2 years	Not	Not		
			20 March 2020	990	Joint-liability	2 years	Not	Not		
			29 May 2020	5,975	Joint-liability	2 years	Not	Not		
			24 June 2020	7,000	Joint-liability	1 year	Not	Not		
			14 July 2020	6,000	Joint-liability	3 years	Not	Not		
Ningbo Kanghanrui	6 June 2020	180,000	27 July 2020	6,000	Joint-liability	1 year	Not	Not		
Yibin Kangrun	24 October 2020	10,000	13 November 2020	10,000	Joint-liability	4 years	Not	Not		
Telecommunication Technology	31 March 2017	50,000	26 August 2020	7,500	Joint-liability	1 year	Not	Not		
Anhui Konka	31 March 2017	110,000	25 November 2020	10,000	Joint-liability	1 year	Not	Not		
			24 December 2020	26,800	Joint-liability	1 year	Not	Not		
Total approved line for such guarantees in the Reporting Period (B1)			48,000	Total actual amount of such guarantees in the Reporting Period (B2)				409,073		
Total approved line for such guarantees at the end of the Reporting Period (B3)			1,981,504	Total actual balance of such guarantees at the end of the Reporting Period (B4)				404,625		
Guarantees provided between subsidiaries										

Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Holding expired or not	Guarantee for a related party or not		
Sichuan Konka		14,000	28 May 2018	14,000	Joint-liability	7 years	Not	Not		
Rushan Yike Water Environment Management Co., Ltd.		29,000	29 December 2016	29,000	Joint-liability	10 years	Not	Not		
Wuhan Runyuan Wastewater Treatment Co., Ltd.	21 January 2020	55,200	20 January 2020	55,200	Joint-liability	20 years	Not	Not		
Subei Mongol Autonomous County Kangrun Water Co., Ltd.	24 March 2020	77,600	10 March 2020	77,600	Joint-liability	15 years	Not	Not		
Dayi Kangrun Water Co., Ltd.	13 May 2020	27,400	29 April 2020	27,400	Joint-liability	15 years	Not	Not		
Xi'an Gaoling Kangrun Environmental Engineering Co., Ltd.	17 December 2020	24,571	17 December 2020	24,571	Joint-liability	15 years	Not	Not		
Total approved line for such guarantees in the Reporting Period (C1)			202,771	Total actual amount of such guarantees in the Reporting Period (C2)			184,771			
Total approved line for such guarantees at the end of the Reporting Period (C3)			227,771	Total actual balance of such guarantees at the end of the Reporting Period (C4)			227,771			
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)			289,971	Total actual guarantee amount in the Reporting Period (A2+B2+C2)			593,844			
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)			2,342,975	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)			700,896			
Total actual guarantee amount (A4+B4+C4) as % of the										

Company's net assets	
Of which:	
Balance of guarantees provided for shareholders, actual controller and their related parties (D)	38,500
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)	648,096
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)	279,464
Total of the three amounts above (D+E+F)	700,896
Joint responsibilities possibly borne in the Reporting Period for undue guarantees (if any)	N/A
Provision of external guarantees in breach of the prescribed procedures (if any)	N/A

Compound guarantees:

None

## **(2) Irregularities in Provision of Guarantees**

Applicable  Not applicable

No such cases in the Reporting Period.

## **3. Cash Entrusted to Other Entities for Management**

### **(1) Cash Entrusted for Wealth Management**

Applicable  Not applicable

Overview of cash entrusted for wealth management

Unit: RMB'0,000

Type	Capital resource	Amount	Outstanding balance	Overdue amount
Bank financial products	Self-owned funds	63,916.00	61,824.95	0
Total		63,916.00	61,824.95	0

High-risk entrusted asset management with significant single amount or low security, poor liquidity and no capital preservation:

Applicable  Not applicable

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

Applicable  Not applicable

### **(2) Entrusted Loans**

Applicable  Not applicable

Overview of entrusted loans

Unit: RMB'0,000

Total amount	Capital resource	Outstanding amount	Overdue amount
2,000	Self-owned funds	0	0

High-risk entrusted loans with significant single amount or low security, poor liquidity and no

capital preservation:

Applicable  Not applicable

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

Applicable  Not applicable

#### **4. Major Routine Contracts**

Applicable  Not applicable

#### **5. Other Major Contracts**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XVIII Corporate Social Responsibility (CSR)**

#### **1. Measures Taken to Fulfill CSR Commitment**

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

1. To protect rights of shareholders and creditors

(1) The Company protects rights of shareholders

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

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

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

(2) The Company protects rights of creditors

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

2. The Company performs responsibilities to suppliers and customers

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

The Company is insisting philosophy of customer orientation to strengthen customer service

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

**(2) Be honest to suppliers**

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

**3. Be enthusiastic to social and public welfare undertakings**

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

**4. Be responsible for employees**

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

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

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

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

**(2) To protect occupational health for employees**

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

**(3) To promote occupational skills by diversified professional training**

The Company has always paid great attention on diversified training for employees. On the one hand, the Company would be meticulous in training of regular business and occupational skills and carry out all requirements positively to improve professional levels by normal training management.

On the other hand, the Company would establish methods of self-training platform, training

instructor, theme training and lectures to provide colorful training activities. Besides the work, professional and comprehensive quality would be fully promoted.

### 5. Be responsible for environment

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

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

## 2. Measures Taken for Targeted Poverty Alleviation

### (1) Plans

In accordance with the guiding principles of the state on the development of precision poverty alleviation, the Company has proactively carried out critical work on poverty alleviation and engaged in the targeted support in Sansui County and Tianzhu County in Guizhou Province.

### (2) Summary of the Related Work Done in the Reporting Period

In 2020, the Company donated money to and purchased agricultural products from Sansui County and Tianzhu County in Guizhou Province with a total of RMB1.2 million.

### (3) Results of Targeted Poverty Alleviation

Index	Unit of measurement	Amount/implementation
I. Overall situation	---	---
Of which: 1. Money	RMB'0,000	120
II. Itemized investment	---	---
9. Other plans	---	---
Of which: 9.2 Investment amount	RMB'0,000	120

### (4) Subsequent Plans

To fully perform its duties of targeted poverty alleviation, in 2021, the Company plans to continuously conduct the targeted poverty alleviation affairs for Tianzhu and Sansui two counties of Guizhou Province.

## 3. Issues Related to Environmental Protection

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

Yes  No

Name of polluter	Name of major pollutants	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Discharge standards implemented	Total discharge	Approved total discharge	Excessive discharge
XingDa HongYe	Pollution sources of waste water: PH, total copper, COD, ammonia nitrogen, total nitrogen, total phosphorus, total cyanide, total nickel, total iron, total aluminum, petroleum, suspended solids	Disc harge of statio nary pollutio n sour ces	1	Main discharge outlet of the waste water station	PH 6-9; total copper≤0.3mg/L; COD≤50mg/L; ammonia nitrogen≤8mg/L; total nitrogen≤15mg/L; total phosphorus≤0.5mg/L; total cyanide≤0.2mg/L; total nickel≤0.1mg/L; total iron≤2mg/L; total aluminum≤2mg/L; petroleum≤2mg/L; suspended solids≤30mg/L	GB 21900-2008 Discharge Standard For Pollutants From Electroplating	0.4485 million tons/year	Total discharge 448,500 tons/year; pollutant COD 19.061250 tons/year; ammonia nitrogen 3.0498 tons/year; total nitrogen 32.9792 tons/year; total phosphorus 0.2082 tons/year	None
	waste gas pollutants: sulfuric acid fume, hydrogen chloride, formaldehyde, hydrogen	Disc harge of statio nary pollutio n sour ces	14	Three on the roof of plant 1, ten on the roof of plant 2 and one on	sulfuric acid fume≤30mg/m <sup>3</sup> ; nitrogen oxide≤200mg/m <sup>3</sup> ; hydrogen chloride≤30mg/m <sup>3</sup> ; hydrogen cyanide≤0.5mg/m <sup>3</sup> ;	Emission Standard for Electroplating Pollutants GB21900-2008 Air Emission Limits Table 5, Emission standard of Volatile Organic	2,986,560,000 standard cube/year	Total discharge: 2,986,560,000 standard cube/year (note: the total discharge is not stated in the latest	None

	cyanide, nitrogen oxide, ammonia, benzene, toluene+xylenes, TVOC, tin and its compounds, PM(dust)	sources		the roof of the canteen	TVOC≤90mg/m <sup>3</sup> ; benzene≤1mg/m <sup>3</sup> ; toluene+xylene≤15mg/m <sup>3</sup> ; tin and its compounds≤8.5mg/m <sup>3</sup> ; PM(dust)≤120mg/m <sup>3</sup>	Compounds for Printing Industry DB44/815-2010; Guangdong Air Pollutant Emission Standard DB44/27-2001 the Second Level Standard in the Second Period, Emission standard for Odor Pollutants (GB 14554-1993) Table 2 Standard		version of national discharge permit in 2021; two exhaust towers were added in 2021; calculated based on air volume in environmental impact assessment)	
Boluo Konka and Boluo Konka Precision	Wastewater pollution: PH, copper, COD, ammonia nitrogen, total nitrogen, total phosphorus	Disc harg e of stati onar y poll utio n sour ces	1	Main discharge outlet of the waste water station	1. Emission standard for pollution discharge certificate: copper≤0.5mg/L; COD≤80mg/L; ammonia nitrogen≤15mg/L; total nitrogen≤20mg/L; total phosphorus≤1mg/L; 2. local emission standard: copper≤0.5mg/L; COD≤30mg/L; ammonia nitrogen≤1.5mg/L; total nitrogen≤10mg/L; total phosphorus≤0.3mg/L	1. Discharge standard of discharge permit: Discharge Standard of Electroplating Water Pollutant for Electroplating DB44/1597-2015 Table 1 Pearl River Delta Discharge Standard; 2. Local discharge standard: BFBH [2019] No. 58 Document: COD, ammonia nitrogen, total phosphorus based on "Environmental Quality Standards for Surface Water GB3838-2002 " Category IV water standard, the total nitrogen discharge reaches 50% of discharge limit	318,300 tons/year; Discharge Standard; 2. Local discharge standard: BFBH [2019] No. 58 Document: COD, ammonia nitrogen, total phosphorus based on "Environmental Quality Standards for Surface Water GB3838-2002 " Category IV water standard, the total nitrogen discharge reaches 50% of discharge limit	Total discharge amount is 318,300 tons/year; COD is 25.464 tons/year; ammonia nitrogen is 4.775 tons/year; total nitrogen is 4.8 tons/year. Note: according to the discharge certificate	None

					requirement of the corresponding industry			
waste gas pollutants: sulfuric acid fume, hydrogen chloride, formaldehy de,hydroge n cyanide, nitrogen oxide, ammonia, benzene, methylben zene, TVOCl, tin and its compounds ,PM (dust), oil fume	Disc harg e of stati onar y poll utio n sour ces	20	Six on the roof of plant 1, thirteen on the roof of plant 2 and one in sewage station	sulfuric acid fume $\leq$ 30mg/m <sup>3</sup> ; nitrogen oxide $\leq$ 200mg/m <sup>3</sup> ; hydrogen chloride $\leq$ 30mg/m <sup>3</sup> ; TVOCl $\leq$ 90mg/m <sup>3</sup> ; benzene $\leq$ 12mg/m <sup>3</sup> ; methylbenzene $\leq$ 40mg/m <sup>3</sup> ; dimethylbenzene $\leq$ 70mg/m <sup>3</sup> ; tin and its compounds $\leq$ 8.5mg/m <sup>3</sup> ; PM (dust) $\leq$ 120mg/m <sup>3</sup> ; oil fume $\leq$ 2mg/m <sup>3</sup>	Emission Standard for Electroplating Pollutants GB21900-2008 Air Emission Limits Table 5, Guangdong Air Pollutant Emission Standard DB44/27-2001 the Second Level Standard in the Second Period, Emission standard for Odor Pollutants (GB 14554-1993) Table 2 Standard, Emission standard of cooking fume (GB18483-2001)	/	The total discharge is not stated in the latest version of national discharge permit in 2020	Non e

### The construction of anti-pollution facilities and its operation situation

#### ① XingDa HongYe

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

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

#### ② Boluo Konka and Boluo Konka Precision

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

disposed of in compliance with environmental laws and regulations.

Boluo Konka was established in 2000. To manufacture single sided PCBs, it invested approximately RMB 5 million in constructing a sewage treatment station without the biochemical treatment function and featuring a discharge capacity of 300 tons per day. In 2007, Boluo Konka expanded its factory by starting the Phase II project, which was submitted for environmental assessment as Boluo Konka PCB Double Sided and Multi-Layer PCB Project (later the project owner was changed into Boluo Konka Precision). It spent about RMB 10 million on constructing the Phase II sewage treatment station to add the biochemical treatment function with a discharge capacity of 800 tons per day.

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

Environmental impact assessment and other environmental protection administrative licenses of the construction project

① XingDa HongYe

Guangdong Xingda Hongye Electronics Co., Ltd. obtained the approval from Zhongshan Environmental Protection Bureau (ZHJ [2004] No. 61) for the operations and construction here in 2004. Subsequently, it obtained the documents of ZHJD [2008] No. 06250 and ZHJD [2010] No. 04469 respectively in 2008 and 2010. After the operations of its original project, Guangdong Xingda Hongye Electronics Co., Ltd. passed the two phases of acceptance assessment, including the Phase I acceptance assessment in 2008 (HY [2008] No. 02) and the Phase II acceptance assessment in 2012 (ZHYBG [2012] No. 000092).

In December 2012, Guangdong Xingda Hongye Electronics Co., Ltd. commissioned Zhongshan Research Institute of Environmental Protection Science to conduct the assessment of environmental impact for the technical improvement and expansion project of Guangdong Xingda Hongye Electronics Co., Ltd. On 31 December 2012, it obtained the approval document titled Reply to the Report on the Environmental Impact of the Technical Improvement and Expansion Project of Guangdong Xingda Hongye Electronics Co., Ltd. (ZHJS (2012) No. 115) from Zhongshan Environmental Protection Bureau. The document granted the approval for addition of the

production of six-layer PCB, eight-layer PCB and above and HDI boards and for reduction of the production of single-sided PCB. After the technical improvement and expansion, the total production capacity of single-sided PCB would be 200,000 m<sup>2</sup>/year, of double-sided PCB would be 250,000 m<sup>2</sup>/year, of four-layer PCB would be 300,000 m<sup>2</sup>/year, of six-layer PCB would be 200,000 m<sup>2</sup>/year, of eight-layer PCB and above would be 150,000 m<sup>2</sup>/year and of HDI boards would be 100,000 m<sup>2</sup>/year. In the project, while the original plating equipment and processes remained unchanged, the brown oxide process was added to the original production process; all the increased plating capacity would be outsourced. The technical improvement and expansion project was commenced in 2013 and completed in January 2018. The commissioning was carried out from 10 February 2018 to 8 July 2018. The construction of the project complied with the requirements for environmental impact assessment and met the criteria for the acceptance of environmental protection for the completion of construction projects. In 2021, the Company renewed/changed the state sewage permit, certificate No.: 91442000768405216J001P.

## ②Boluo Konka and Boluo Konka Precision

In 2000, Boluo Konka obtained the approval from the Huizhou Municipal Ecology and Environment Bureau (HSHJ [2000] No. 23). The project was completed and put into operation in the same year. The pollutant discharge permit No. is 91441322721121283N001U.

In January 2007, Boluo Konka appointed Huizhou Institute of Environmental Sciences to conduct the environmental impact assessment of the Boluo Konka Expansion Project. On February 8, 2007, Boluo Konka received the *Document of Approval for the Environmental Impact Report on the Project of Boluo Konka Double Sided and Multi-Layer Boards* (HSHJ [2007] No. J32). According to the Document, approval was given to the addition of double sided and multi-layer circuit boards in the project expansion. The production capacity for single sided circuit boards would reach 1 million square meters per year, and double sided and multi-layer circuit boards would reach 650,000 square meters per year after the project expansion. In addition, electroplating equipment and process would be added in the expansion project. The construction of the project met the environmental assessment requirements and satisfied the conditions for the environmental protection in the project inspection and acceptance. The pollutant discharge permit was obtained in the same year. The aforementioned project was later renamed as Boluo Konka Precision. In 2020, Boluo Konka Precision obtained the national pollutant discharge permit with the permit No. 91441322799316208F001V.

## Contingency plan for emergent environmental incident

### ① XingDa HongYe

In strict accordance with requirements of laws, regulations and relevant documents, such as Law of the People's Republic of China on Emergency Response and Interim Measures on Environmental Emergency Response Plan, Guangdong Xingda Hongye Electronics Co., Ltd. has established risk prevention measures and emergency response plans, kept its emergency equipment in a normal state, formulated the Contingency Plan for Emergent Environmental Incident, and put on records at Zhongshan Environmental Protection Bureau, Guangdong Province, record No.: 4420002017044M. In addition, the Company conducts a drill of major environmental pollution incident on its factory to enhance its emergency response capabilities for emergent environmental pollution incidents.

Furthermore, Guangdong Xingda Hongye Electronics Co., Ltd. has built an emergency pool (which is the comprehensive water tank in the sewage treatment station covering an area of 800m<sup>3</sup>) and set up a fire pool (500m<sup>3</sup> and located on Floor 1 of Factory Building No. 2), which serve as temporary

storage pools for exterior drainage or fire drainage to eradicate accidental discharge of wastewater in the case of failed operation of the sewage transmission pipeline or fire accident due to outage or other special circumstances. The sewage transmission pipeline has been equipped with anti-corrosion and cathodic protection using anti-corrosion pipes and carbon steel pipes. Pursuant to the new discharge standards, the related discharge pipeline has been modified and the production department has been required to discharge strictly in accordance with discharge standards to cut the costs of wastewater treatment. Different types of wastewater are normally and properly treated through fine shunting. Personnel have been specially arranged to manage the chemical liquid warehouse and exert reasonable control and requirements over the liquid discharge by the plant and timely transportation of the liquid by suppliers; emergency tools such as protective masks, boots and immiscible pumps have been equipped.

## ② Boluo Konka and Boluo Konka Precision

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

Boluo Konka and Boluo Konka Precision are well equipped with all necessary facilities for emergency response to unexpected incidents, including an emergency response pool of industrial waste water (500m<sup>3</sup>, under the ground of the sewage treatment station) and a firefighting reservoir (300m<sup>3</sup>, located beside the staff dormitory building). In the event of an unexpected environmental incident, such as leakage or failure of a waste water transporting pipe, the emergency response pool will prevent any accident of industrial waste water; in the event of a fire safety accident, the firefighting reservoir will be put into use. All departments are required to discharge pollutants strictly in accordance with pollutant discharge standards to reduce the costs of waste water treatment by properly and reasonably dividing solution and waste water discharged from the plants. The chemical warehouses are managed by designated personnel, with standard control and requirements over the loading and unloading of chemical products by suppliers. In terms of emergency response supplies, a full set of emergency rescue tools are prepared, including gas masks, acid and alkaline resistant boots, gloves, goggles, safety ropes, helmets, fire sand and submersible pumps.

## Environmental self-monitoring plan

### ① XingDa HongYe

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

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

In the case of normal production, the results will be updated on a daily basis, with online monitoring data disclosed in real time and manual monitoring data disclosed on the Real time publicity or every 2 hours after completion. Items monitored on a monthly basis will be disclosed by the 10th day of the month. In the case of public holidays, the operation monitoring data for the holiday period will be disclosed on the first working day after the holiday. The annual self-monitoring report for the previous year will be disclosed at the end of January each year. In the case of shutdown with days off, the number of days off will be indicated in the information bar and related proofs will be submitted to the monitoring center of the municipal environmental bureau for record. The results are disclosed on Guangdong Province Key Pollution Source Regulatory Information Platform and on National Pollution Source Monitoring Information Management and Sharing Platform for public monitoring.

## ②Boluo Konka and Boluo Konka Precision

In line with the requirements of environmental departments, Boluo Konka and Boluo Konka Precision attach great importance to environmental monitoring and management. Based on the *Measures for the Self-Monitoring and Information Publicity of Enterprises under National Key Monitoring, Environmental Impact Report* and the opinions stated in reply to the environmental assessment, they have established the *Environmental Self-Monitoring Plan of Enterprises* and filed a record with the municipal ecology and environment bureau. According to the plan, they have installed an online monitoring system to monitor the PH value, total flow, COD, ammonia nitrogen and total phosphorus of the waste water, and networked with the ecology and environment bureau. They appoint a qualified third-party online monitoring equipment operation and maintenance organization to perform regular maintenance of the automatic monitoring equipment and the monitoring data networking equipment, and a qualified third-party monitoring organization to perform the monitoring of the “three wastes”. All self-monitoring results will be reported and published on public platforms and subject to public monitoring.

Other environmental information that should be disclosed

### ① XingDa HongYe

The environmental protection investment of Guangdong Xingda Hongye Electronics Co., Ltd. for 2020 was approximately RMB10.85 million, mainly used as the environmental engineering investment (approximately RMB4.5 million) and the operation of environmental protection equipment (approximately RMB6.35 million).

### ② Boluo Konka and Boluo Konka Precision

Boluo Konka and Boluo Konka Precision invested RMB20 million on environmental protection in 2020 in total, including RMB17.1 million used in environmental protection projects (RMB12.85 million for wastewater station upgrading, RMB1.45 million for phase II waste gas treatment project, RMB1.85 million for overhead pipe network, RMB750,000 for expansion of solid waste warehouse

and RMB200,000 for other minor projects) and RMB2.9 million used in operation of environmental protection treatment facilities.

#### Other Environmental Information

According to the examination by the Company, the Company and its other holding subsidiaries are not key pollutant units. All have faithfully implemented the laws and regulations related to environmental protection, such as Environmental Protection Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste in the daily production and operation, without being punished for violations of laws and regulations during the Reporting Period.

#### XIX Other Significant Events

Applicable  Not applicable

(I) Private placement of corporate bonds: as for the private placement of corporate bonds of RMB2.3 billion, currently, RMB1 billion of corporate bonds have been issued successfully on 8 January 2021, and the rest corporate bonds of RMB1.3 billion and the corporate bond business of RMB0.6 billion are in moving forward.

(II) Private placement of A-shares: CSRC has terminated its review on the Company's private placement of A-shares at the request of the Company.

(III) Launch and establishment of the fund: Currently, Orient Konka Industry M&A Fund respectively holds 7.26%, 2.07%, 11.73%, 9.21%, 3.00%, and 3.84% equity interest in Jiangxi Yahua Electronic Materials Co., Ltd., Genew Technologies Co., Ltd., Shenzhen Grentech RF Communication Co., Ltd., Huizhou Xuxin Intelligent Technology Co., Ltd., Yimeide Automation Technology Co., Ltd., Gma Optoelectronic Technology Co., Ltd. Wuzhen Jiayu Digital Economy Industry Fund holds 12.00% equity interest in Flying Science And Technology (Shenzhen) Co., Ltd. Yibin Kanghui Emerging Industry Fund and Konka Yancheng Electronic Information Industry Fund have completed the filing in Asset Management Association of China. Chongqing Kangxin Semiconductor Industry Fund has accomplished the signing of the partnership agreement and now the filing in Asset Management Association of China is underway.

(IV) Disclosure index of significant information

Announcement No.	Date	Title	Page on newspaper	Link on <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
2020-01	2020-1-14	Announcement on Resignation of Vice President of the Company	Securities Times B29, Shanghai Securities News 40 etc.	
2020-02	2020-1-17	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B24, Shanghai Securities News 68 etc.	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
2020-03	2020-1-21	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B64, Shanghai Securities News 89 etc.	
2020-04	2020-1-21	Announcement on Signing Strategic Framework	Securities Times B64, Shanghai	

		Agreement	Securities News 89 etc.	
2020-05	2020-2-5	Announcement on Abnormal Volatility of Stock Trading	Securities Times B33, Shanghai Securities News 60 etc.	
2020-06	2020-2-7	Announcement on Abnormal Volatility of Stock Trading	Securities Times B46, Shanghai Securities News 68 etc.	
2020-07	2020-2-10	Announcement on Abnormal Volatility of Stock Trading	Securities Times B11, Shanghai Securities News 44 etc.	
2020-08	2020-2-13	Announcement on Abnormal Volatility of Stock Trading	Securities Times B31, Shanghai Securities News 52 etc.	
2020-09	2020-2-21	Announcement on Abnormal Volatility of Stock Trading	Securities Times B29, Shanghai Securities News 57 etc.	
2020-10	2020-2-25	Announcement on Reply for the Concern Letter of Shenzhen Stock Exchange	Securities Times B19, Shanghai Securities News 5 etc.	
2020-11	2020-2-27	Announcement on Progress of Reply for the Concern Letter of Shenzhen Stock Exchange	Securities Times B79, Shanghai Securities News 76 etc.	
2020-12	2020-3-3	Announcement on the Resolution of the 23 <sup>rd</sup> Meeting of the 9 <sup>th</sup> Board of Directors	Securities Times B44, Shanghai Securities News 65 etc.	
2020-13	2020-3-3	Announcement on Launch and Establishment of Emerging Industry Development Investment Fund	Securities Times B44, Shanghai Securities News 65 etc.	
2020-14	2020-3-3	Announcement on Receiving the Reply on Enquiry of Any Planned Events with Significant Effects on the Company by Controlling Shareholders	Securities Times B44, Shanghai Securities News 65 etc.	
2020-15	2020-3-4	Supplementary Announcement on Launch and Establishment of Emerging Industry Development Investment Fund	Securities Times B6, Shanghai Securities News 36 etc.	
2020-16	2020-3-18	Announcement on Offering Overseas Loan under Domestic Guarantee to Foreign Wholly-owned Subsidiary	Securities Times B25, Shanghai Securities News 44 etc.	
2020-17	2020-3-24	Announcement on Offering Guarantees by the Majority-owned Subsidiary to its Majority-owned Subsidiary	Securities Times B24, Shanghai Securities News 60 etc.	
2020-18	2020-3-28	Announcement on the Resolution of the 24 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	Securities Times B33, Shanghai Securities News 28 etc.	
2020-19	2020-3-28	Proposal on Initiating the Establishment of Wuzhen Jiayu Digital Economy Industry Fund and Related-party Transaction	Securities Times B33, Shanghai Securities News 28 etc.	
2020-20	2020-4-11	Announcement on the Progress of Offering Guarantees to the Wholly-owned Subsidiary	Securities Times B40, Shanghai Securities News 24 etc.	
2020-21	2020-4-14	Announcement on Expiration of Financial Aids of	Securities Times B18, Shanghai	

		RMB8.9 million to Chongqing Qingjia	Securities News 81 etc.	
2020-22	2020-4-15	Announcement on the 2019 Earnings Forecasts	Securities Times B214, Shanghai Securities News 249 etc.	
2020-23	2020-4-15	Announcement on the 2020 First Quarter Earnings Forecasts	Securities Times B214, Shanghai Securities News 249 etc.	
2020-24	2020-4-22	Announcement on the Resolution of the 6 <sup>th</sup> Meeting of the 9 <sup>th</sup> Supervisory Committee	Securities Times B226, Shanghai Securities News etc.	
2020-25	2020-4-22	Announcement on the Expectation of the 2020 Routine Related Transaction	Securities Times B226, Shanghai Securities News etc.	
2020-26	2020-4-22	Announcement on Revising Corporate Systems such as Articles of Associations, etc.	Securities Times B225, Shanghai Securities News etc.	
2020-27	2020-4-22	Announcement on Appointment of the Auditor for Financial Statements and Internal Control in 2020	Securities Times B226, Shanghai Securities News etc.	
2020-28	2020-4-22	Announcement on the Changes of Part of Accounting Policies	Securities Times B226, Shanghai Securities News etc.	
2020-29	2020-4-22	Announcement on Plan of Profit Distribution for 2019	Securities Times B226, Shanghai Securities News etc.	
2020-30	2020-4-22	2019 Annual Report		
2020-31	2020-4-22	Abstract of the 2019 Annual Report	Securities Times B225, Shanghai Securities News etc.	
2020-32	2020-4-22	Announcement on Assets Impairment Provision in 2019	Securities Times B226, Shanghai Securities News etc.	
2020-33	2020-4-22	Announcement on the Resolution of the 25 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	Securities Times B226, Shanghai Securities News etc.	
2020-34	2020-4-22	Notice on Convening the 2019 Annual General Meeting	Securities Times B226, Shanghai Securities News etc.	
2020-35	2020-4-30	Text of the 2020 First Quarter Report	Securities Times, Shanghai Securities News 609 etc.	
2020-36	2020-4-30	2020 First Quarter Report		
2020-37	2020-5-13	Announcement on Offering Guarantees by the Majority-owned Subsidiary to its Majority-owned Subsidiary	Securities Times B56, Shanghai Securities News 108 etc.	
2020-38	2020-5-15	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B24, Shanghai Securities News 64 etc.	
2020-39	2020-5-15	Indicative Announcement on Do's and Don'ts for Participating in the Annual General Meeting of 2019 during the Period of the Epidemic Preservation and	Securities Times B24, Shanghai Securities News 64 etc.	

		Control		
2020-40	2020-5-19	Announcement on Resolutions of the 2019 Annual General Meeting	Securities Times B87, Shanghai Securities News 25 etc.	
2020-41	2020-5-23	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B58, Shanghai Securities News 49 etc.	
2020-42	2020-5-23	Announcement on the Resolution of the 27 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	Securities Times B58, Shanghai Securities News 49 etc.	
2020-43	2020-5-23	Announcement on Terminating Private Placement of A-Shares	Securities Times B58, Shanghai Securities News 49 etc.	
2020-44	2020-5-23	Announcement on the Company Signing with the Subscription Object a 'Termination Contract for the Share Subscription Agreement with Conditional Entry into Force' and Related-party Transaction	Securities Times B58, Shanghai Securities News 49 etc.	
2020-45	2020-5-23	Announcement on the Resolution of the 8 <sup>th</sup> Meeting of the 9 <sup>th</sup> Supervisory Committee	Securities Times B58, Shanghai Securities News 49 etc.	
2020-46	2020-6-5	Announcement on Signing Project Cooperative Agreement with Municipal Government of Xinxiang	Securities Times B45, Shanghai Securities News 100 etc.	
2020-47	2020-6-6	Announcement on Plan of Private Placement of Corporate Bonds	Securities Times B74, Shanghai Securities News 65 etc.	
2020-48	2020-6-6	Announcement on Providing Advertising Services to OCT Group and Related-party Transaction	Securities Times B74, Shanghai Securities News 65 etc.	
2020-49	2020-6-6	Announcement on the Transfer of 34% Equity of Nanjing K-Star Science and Technology Industry Park Operation and Management Co., Ltd. and Related-party Transaction	Securities Times B75, Shanghai Securities News 65 etc.	
2020-50	2020-6-6	Notice on Convening the 1 <sup>st</sup> Extraordinary General Meeting of 2020	Securities Times B74, Shanghai Securities News 65 etc.	
2020-51	2020-6-6	Announcement on Constructing the Manufacturing Base of Konka Smart Terminal for Export by Investments	Securities Times B74, Shanghai Securities News 65 etc.	
2020-52	2020-6-6	Announcement on Offering Guarantee Limit to the Joint Stock Companies and Related-party Transactions	Securities Times B74, Shanghai Securities News 65 etc.	
2020-53	2020-6-6	Announcement on External Guarantees	Securities Times B74, Shanghai Securities News 65 etc.	
2020-54	2020-6-6	Announcement on the Resolution of the 28 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	Securities Times B74, Shanghai Securities News 65 etc.	
2020-55	2020-6-12	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times A41, Shanghai Securities News 60 etc.	
2020-56	2020-6-16	Announcement on Receiving the Notice on Terminating the Review of the Application for Administration	Securities Times B84, Shanghai Securities News 108 etc.	

		Permission of China Securities Regulatory Commission		
2020-57	2020-6-17	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B28, Shanghai Securities News 89 etc.	
2020-58	2020-6-23	Announcement on Resolutions of the 1 <sup>st</sup> Extraordinary General Meeting of 2020	Securities Times B2, Shanghai Securities News 100 etc.	
2020-59	2020-6-24	Announcement on the Resolution of the 29 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors	Securities Times B106, Shanghai Securities News 124 etc.	
2020-60	2020-6-24	Announcement on Extending the Investment Term of Orient Konka Industrial M&A Fund	Securities Times B106, Shanghai Securities News 124 etc.	
2020-61	2020-6-24	Announcement on the Transfer of Some Patents in Relation to Cloud Big Data and Related-party Transaction	Securities Times B106, Shanghai Securities News 124 etc.	
2020-62	2020-6-30	Announcement on Completing Changes of Registration for the Transfer of 34% Equity of Nanjing K-Star Science and Technology Industry Park Operation and Management Co., Ltd.	Securities Times B11, Shanghai Securities News 224 etc.	
2020-63	2020-7-1	Announcement of Equity Allocation 2019	Securities Times B112, Shanghai Securities News 108 etc.	
2020-64	2020-7-1	Announcement on the progress of transferring some patents related to cloud big data	Securities Times B124, Shanghai Securities News 108 etc.	
2020-65	2020-7-1	Announcement on Receiving Government Subsidy to the Majority-owned Subsidiary	Securities Times B124, Shanghai Securities News 108 etc.	
2020-66	2020-7-3	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B34, Shanghai Securities News 108 etc.	
2020-67	2020-7-10	Announcement on the Completion of Registration of Private Fund of Emerging Industrial Development Investment Fund initiated by the Company	Securities Times B34, Shanghai Securities News 140etc.	
2020-68	2020-7-14	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B86, Shanghai Securities News 64etc.	
2020-69	2020-7-15	Announcement on the 2020 Semi-Annual Earnings Forecasts	Securities Times B26, Shanghai Securities News 108etc.	
2020-70	2020-7-21	Announcement on Resolutions of the 30th Meeting of the 9 <sup>th</sup> Board of Directors	Securities Times B11, Shanghai Securities News 121etc.	
2020-71	2020-7-21	Announcement on Transfer of Partial Equity in Dongguan Konka Investment by Listing	Securities Times B11, Shanghai Securities News 121etc.	
2020-72	2020-7-21	Notice on Convening the 2nd Extraordinary General Meeting of 2020	Securities Times B11, Shanghai Securities News 121etc.	
2020-73	2020-7-21	Announcement on Offering Financial Aid for Dongguan Konka Investment Based on the Shareholding Ratio	Securities Times B11, Shanghai Securities News 121etc.	

2020-74	2020-7-21	Announcement on Participating in the Establishment of Yibin Kanghui Emerging Industry Fund	Securities Times B11, Shanghai Securities News 121etc.	
2020-75	2020-7-21	Announcement on Investment and Construction of Frestec Refrigeration Industrial Park	Securities Times B11, Shanghai Securities News 121etc.	
2020-76	2020-7-21	Announcement on the Transferring Some Patents in Relation to IOT, Smart Health and UHD Display Terminals and Related-party Transactions	Securities Times B11, Shanghai Securities News 121etc.	
2020-77	2020-7-30	Announcement on the Progress of Offering Guarantees to the Majority-owned Sub-subsidiary	Securities Times B48, Shanghai Securities News 49etc.	
2020-78	2020-7-31	Announcement on Capital Increase of Shenzhen Konka Circuit Co., Ltd. of the Wholly-owned Subsidiary	Securities Times B28, Shanghai Securities News 105etc.	
2020-79	2020-7-31	Announcement on Resolutions of the 31st Meeting of the 9th Board of Directors	Securities Times B28, Shanghai Securities News 105etc.	
2020-80	2020-8-7	Announcement on the Progress of Offering Guarantees to the Wholly-owned Subsidiary	Securities Times B26, Shanghai Securities News 119etc.	
2020-81	2020-8-11	Announcement on Resignation of Directors of the Company	Securities Times B68, Shanghai Securities News 124etc.	
2020-82	2020-8-11	Announcement on Resolutions of the 2nd Extraordinary General Meeting of 2020	Securities Times B68, Shanghai Securities News 124etc.	
2020-83	2020-8-18	Announcement on Cooperation Framework Agreement Signed with Yancheng Government	Securities Times B106, Shanghai Securities News 140etc.	
2020-84	2020-8-18	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B106, Shanghai Securities News 140etc.	
2020-85	2020-8-20	Announcement on Investment Agreement Signed with Management Committee of Yancheng High-tech Industrial Development Zone	Securities Times B36, Shanghai Securities News 132etc.	
2020-86	2020-8-22	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B11, Shanghai Securities News 28etc.	
2020-87	2020-8-28	Announcement on Resolutions of the 32nd Meeting of the 9th Board of Directors	Securities Times B315, Shanghai Securities News 305etc.	
2020-88	2020-8-28	Notice on Convening the 3rd Extraordinary General Meeting of 2020	Securities Times B315, Shanghai Securities News 305etc.	
2020-89	2020-8-28	Announcement on the Acquisition and Storage of Some Land of Frestec Household Appliances	Securities Times B315, Shanghai Securities News 305etc.	
2020-90	2020-8-28	Semi-Annual Report 2020		
2020-91	2020-8-28	Summary of Semi-Annual Report 2020	Securities Times B315, Shanghai Securities News 305etc.	

2020-92	2020-8-29	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B70, Shanghai Securities News 140etc.	
2020-93	2020-9-2	Announcement on the Progress of Offering Guarantees to the wholly-owned subsidiary	Securities Times B45, Shanghai Securities News 105etc.	
2020-94	2020-9-10	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B15, Shanghai Securities News 105etc.	
2020-95	2020-9-15	Announcement on Resolutions of the 3rd Extraordinary General Meeting of 2020	Securities Times B45, Shanghai Securities News 148etc.	
2020-96	2020-9-16	Announcement on Transfer of Partial Equity in Chongqing Konka Real Estate Development by Listing	Securities Times A32, Shanghai Securities News 92etc.	
2020-97	2020-9-19	Announcement on Pending Lawsuits and Arbitrations with large amount	Securities Times B59, Shanghai Securities News 44etc.	
2020-98	2020-9-19	Announcement on the Progress of Transfer of Partial Equity in Dongguan Konka Investment by Listing	Securities Times B59, Shanghai Securities News 44etc.	
2020-99	2020-9-23	Announcement on Resolutions of the 33th Meeting of the 9th Board of Directors	Securities Times B25, Shanghai Securities News 128etc.	
2020-100	2020-9-23	Announcement on Participating in the Establishment of Konka Yancheng Electronic Information Industry Fund	Securities Times B11, Shanghai Securities News 125etc.	
2020-101	2020-9-23	Announcement on Offering Financial Aid for Chongqing Konka Fuze Based on the Shareholding Ratio	Securities Times B25, Shanghai Securities News 128etc.	
2020-102	2020-9-23	Announcement on Participating in the Bidding for Supporting Land of Konka (Chongqing) Semiconductor Optoelectronic Industrial Park	Securities Times B25, Shanghai Securities News 128etc.	
2020-103	2020-9-26	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B15, Shanghai Securities News 28etc.	
2020-104	2020-9-26	Announcement on the Completion of Registration of Private Fund of Konka Yancheng Electronic Information Industry Fund established by the Company	Securities Times B49, Shanghai Securities News 28etc.	
2020-105	2020-10-9	Announcement on Receiving Government Subsidy to the Majority-owned Subsidiary	Securities Times B61, Shanghai Securities News 52etc.	
2020-106	2020-10-14	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B38, Shanghai Securities News 76etc.	
2020-107	2020-10-16	Reminder Announcement on Planning to Transfer 51% Equity Interests of Chuzhou Kangxin	Securities Times B23, Shanghai Securities News 52etc.	
2020-108	2020-10-17	Announcement on Strategic Cooperation Agreement Signed with Cinda Investment	Securities Times B20, Shanghai Securities News 20etc.	
2020-109	2020-10-22	Announcement on the Completion of Registration of Private Fund of Yibin Kanghui Emerging Industry Fund	Securities Times B18, Shanghai Securities News 100etc.	

		established by the Company		
2020-110	2020-10-22	Announcement on the Receipt of A No-Action Letter that Meets the Transfer Conditions of Shenzhen Stock Exchange for Non-Public Issuance of Corporate Bonds In 2020	Securities Times B69, Shanghai Securities News 100etc.	
2020-111	2020-10-24	Announcement on External Guarantees	Securities Times B42, Shanghai Securities News 28etc.	
2020-112	2020-10-24	Notice on Convening the 4th Extraordinary General Meeting of 2020	Securities Times B42, Shanghai Securities News 28etc.	
2020-113	2020-10-24	Announcement on Resolutions of the 34th Meeting of the 9th Board of Directors	Securities Times B42, Shanghai Securities News 28etc.	
2020-114	2020-10-24	Announcement on Transfer 51% Equity Interests of Chuzhou Kangxin by Listing	Securities Times B42, Shanghai Securities News 28etc.	
2020-115	2020-10-24	Announcement on Offering Financial Aid for Chuzhou Kangxin Based on the Shareholding Ratio	Securities Times B42, Shanghai Securities News 28etc.	
2020-116	2020-10-31	Announcement on Provision for Impairment of Assets	Securities Times B40, Shanghai Securities News 31etc.	
2020-117	2020-10-31	Text of the Third Quarter Report 2020	Securities Times B40, Shanghai Securities News 31etc.	
2020-118	2020-10-31	Third Quarter Report 2020		
2020-119	2020-11-5	Announcement on the Progress of Offering Guarantees to the Wholly-owned Subsidiary	Securities Times B31, Shanghai Securities News 68etc.	
2020-120	2020-11-10	Announcement on Resolutions of the 4th Extraordinary General Meeting of 2020	Securities Times B40, Shanghai Securities News 32etc.	
2020-121	2020-11-12	Announcement on Cooperation Framework Agreement Signed with Management Committee of Nanchang Economic and Technological Development Zone Management Committee	Securities Times A6, Shanghai Securities News 36etc.	
2020-122	2020-11-20	Announcement on the Progress of Offering Guarantees to the Majority-owned Sub-subsidiary	Securities Times B30, Shanghai Securities News 89etc.	
2020-123	2020-11-26	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B15, Shanghai Securities News 76etc.	
2020-124	2020-11-26	Announcement on the Progress of Transfer of Partial Equity in Chongqing Konka Property Development Co., Ltd. by Listing	Securities Times B30, Shanghai Securities News 76etc.	
2020-125	2020-12-1	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B22, Shanghai Securities News 105etc.	
2020-126	2020-12-1	Announcement on Participating in the Online Collective	Securities Times B22, Shanghai Securities	

		Reception Day for Investors of Listed Companies in the "Honesty and Trustworthy, Respectful Listed Company" in Shenzhen Area in 2020	News 105etc.	
2020-127	2020-12-1	Announcement on Completing the Industrial and Commercial Registration of Changes for Transfer of Partial Equity in Chongqing Konka Real Estate Development by Listing	Securities Times B35, Shanghai Securities News 105etc.	
2020-128	2020-12-1	Announcement on the Progress of Investment and Construction of An Environmental Protection Technology Town Project in Yantai	Securities Times B17, Shanghai Securities News 105etc.	
2020-129	2020-12-16	Announcement on Resolutions of the 36th Meeting of the 9th Board of Directors	Securities Times B77, Shanghai Securities News 89etc.	
2020-130	2020-12-16	Announcement on Participating in the Establishment of Chongqing Kangxin Semiconductor Industry Fund	Securities Times B77, Shanghai Securities News 89etc.	
2020-131	2020-12-17	Announcement on the Progress of Offering Guarantees to the Majority-owned Sub-subsidiary	Securities Times B64, Shanghai Securities News 52etc.	
2020-132	2020-12-22	Announcement on the Progress of Transfer 51% Equity Interests of Chuzhou Kangxin by Listing	Securities Times B39, Shanghai Securities News 105etc.	
2020-133	2020-12-23	Announcement on Majority-owned Subsidiary's Loan to Shareholders Based on the Shareholding Ratio	Securities Times B65, Shanghai Securities News 81etc.	
2020-134	2020-12-23	Announcement on Resolutions of the 37th Meeting of the 9th Board of Directors	Securities Times B65, Shanghai Securities News 81etc.	
2020-135	2020-12-25	Announcement on the Progress of Offering Guarantees to the Majority-owned Subsidiary	Securities Times B18, Shanghai Securities News 76etc.	
2020-136	2020-12-26	Announcement on Receiving Government Subsidy to the Majority-owned Subsidiary	Securities Times B77, Shanghai Securities News 97etc.	
2020-137	2020-12-30	Announcement on Receiving Government Subsidy to the Wholly-owned Subsidiary	Securities Times B68, Shanghai Securities News 124etc.	
2020-138	2021-1-4	Announcement on Application for Initial Public Offering of Shares of Joint Stock Companies approved by CSRC Issuance Examination Committee	Securities Times B34, Shanghai Securities News 49etc.	
2020-139	2021-1-4	Announcement on the Completion of Registration of Private Fund of Konka Yancheng Electronic Information Industry Fund established by the Company	Securities Times B35, Shanghai Securities News 49etc.	

## XX Significant Events of Subsidiaries

Applicable  Not applicable

## Part VI Share Changes and Shareholder Information

### I. Share Changes

#### 1. Share Changes

Unit: share

	Before		Increase/decrease in the Reporting Period (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)	
1. Restricted shares	19,500	0.00%					19,500	0.00%	
1.3 Shares held by other domestic investors	19,500	0.00%					19,500	0.00%	
Shares held by domestic natural persons	19,500	0.00%					19,500	0.00%	
2. Unrestricted shares	2,407,925,908	100.00%					2,407,925,908	100.00%	
2.1 RMB-denominated ordinary shares	1,596,574,300	66.31%					1,596,574,300	66.31%	
2.2 Domestically listed foreign shares	811,351,608	33.69%					811,351,608	33.69%	
3. Total shares	2,407,945,408	100.00%					2,407,945,408	100.00%	

Reasons for share changes:

Applicable  Not applicable

Approval of share changes:

Applicable v Not applicable

Transfer of share ownership:

Applicable v Not applicable

Progress on any share repurchases:

Applicable v Not applicable

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

Applicable v Not applicable

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

Applicable v Not applicable

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

Applicable v Not applicable

## 2. Changes in Restricted Shares

Applicable v Not applicable

## II. Issuance and Listing of Securities

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

Applicable v Not applicable

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

Applicable v Not applicable

### 3. Existing Staff-Held Shares

Applicable v Not applicable

## III Shareholders and Actual Controller

### 1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Number of ordinary shareholders	129,637	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	122,570	Number of preferred shareholders with resumed voting rights (if any)	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0		
5% or greater shareholders or top 10 shareholders									
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge or frozen		
							<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Status</td><td style="width: 50%;">Shares</td></tr> </table>	Status	Shares
Status	Shares								

OVERSEAS CHINESE TOWN ENTERPRISES CO., LTD	State-owned legal person	21.75%	523,746,932	0	0	523,746,932		
CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD.	Foreign legal person	7.56%	182,100,202	0	0	182,100,202		
WANG JINGFENG	Domestic natural person	2.42%	58,327,758	50,627,758	0	58,327,758		
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	Foreign legal person	2.41%	58,100,325	3,896,546	0	58,100,325		
HOLY TIME GROUP LIMITED	Foreign legal person	2.38%	57,289,100	1,150,000	0	57,289,100		
GAOLING FUND,L.P.	Foreign legal person	2.19%	52,801,250	0	0	52,801,250		
NAM NGAI	Foreign natural person	0.94%	22,567,540	1,360,200	0	22,567,540		
CHINA MERCHANTS SECURITIES (HK) LIMITED	State-owned legal person	0.81%	19,490,320	-3,503,704	0	19,490,320		
Haitong International Securities Company Limited-Account Client	Foreign legal person	0.50%	12,146,654	-1,675,500	0	12,146,654		
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	0.47%	11,329,823	-10,027,602	0	11,329,823		
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any) (see note 3)	N/A							
Related or acting-in-concert parties among the shareholders above	Happy Bloom Investment Limited, a wholly-owned subsidiary of the Company's first majority shareholder Overseas Chinese Town Enterprises Co. ("OCT Group" for short), holds 180,001,110 and 18,360,000 ordinary shares in the Company respectively through CITIC Securities Brokerage (Hong Kong) Co., Ltd. and China Merchants Securities (HK) Limited. Happy Bloom Investment Limited and Overseas Chinese Town Enterprises Co. are parties acting in concert. Other than that, it is unknown whether the other shareholders are related parties or acting-in-concert parties or not.							

Above shareholders involved in entrusting/being entrusted with voting rights and giving up voting rights	N/A		
Top 10 unrestricted shareholders			
Name of shareholder	Unrestricted shares held at the period-end	Shares by type	
		Type	Shares
OVERSEAS CHINESE TOWN ENTERPRISES CO., LTD	523,746,932	RMB-denominated ordinary stock	523,746,932
CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD.	182,100,202	Domestically listed foreign stock	182,100,202
WANG JINGFENG	58,327,758	RMB-denominated ordinary stock	58,327,758
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	58,100,325	Domestically listed foreign stock	58,100,325
HOLY TIME GROUP LIMITED	57,289,100	Domestically listed foreign stock	57,289,100
GAOLING FUND,L.P.	52,801,250	Domestically listed foreign stock	52,801,250
NAM NGAI	22,567,540	Domestically listed foreign stock	22,567,540
CHINA MERCHANTS SECURITIES (HK) LIMITED	19,490,320	Domestically listed foreign stock	19,490,320
Haitong International Securities Company Limited-Account Client	12,146,654	Domestically listed foreign stock	12,146,654
Hong Kong Securities Clearing Company Ltd.	11,329,823	RMB-denominated ordinary stock	11,329,823
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	Happy Bloom Investment Limited, a wholly-owned subsidiary of the Company's first majority shareholder Overseas Chinese Town Enterprises Co. ("OCT Group" for short), holds 180,001,110 and 18,360,000 common shares in the Company respectively through CITIC Securities Brokerage (Hong Kong) Co., Ltd. and China Merchants Securities (HK) Limited. Happy Bloom Investment Limited and Overseas Chinese Town Enterprises Co. are parties acting in concert. Other than that, it is unknown whether the other shareholders are related parties or acting-in-concert parties or not.		

Top 10 ordinary shareholders involved in securities margin trading (if any) (see note 4)	Wang Jingfeng holds 58,327,758 A-shares in the Company through his securities account for customer credit trading guarantee in Guotai Junan Securities Co., Ltd.
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Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes  No

No such cases in the Reporting Period.

## 2. Controlling Shareholder

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

Type of the controlling shareholder: legal person

Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Overseas Chinese Town Enterprises Co.	Duan Xiannian	11 November 1985	91440300190346175T	Export of textile, light industrial products, etc; import of self-used goods in Shenzhen, mechanical equipment, light industrial products, etc. as approved by the relevant authorities of Shenzhen (under Government Document JMB [92] WJMGTSZZ No. A19024); compensation trade; investment in tourism and relevant cultural industry (including art performance, entertainment and their services, etc), industry, real estate, commerce & trade, packaging, decoration and investment in printing industry. The convert of export commodities into domestic sale and the domestic sales of import commodities. Travelling, rental of warehouses, culture and art, bonded warehouse of car donation, convention and exhibition services (the projects involved in license management can be operated after getting the relevant license first ); sales of automobile (sedan car included)
Controlling shareholder's holdings in other listed companies at home or abroad in the Reporting Period	As of 31 December 2020, Overseas Chinese Town Enterprises Co. directly held 47.01% equity of Shenzhen Overseas Chinese Town Co., Ltd. (a company listed in Shenzhen Stock Exchange, SZ. 000069) and indirectly held 0.39% equity of Shenzhen Overseas Chinese Town Co., Ltd. through OCT Capital Investment Management Co., Ltd. Meanwhile, Shenzhen Overseas Chinese Town Co., Ltd. indirectly held 70.94% equity of OCT (Asia) Holdings Ltd. (a company listed on the main Board of Hong Kong Stock Exchange, 3366.HK). Overseas Chinese Town Enterprises Co. indirectly held 53.88% equity of Yunnan Tourism Co., Ltd. (a company listed in Shenzhen Stock Exchange, SZ.002059).Overseas Chinese Town Enterprises Co. held 8% equity of China Everbright Bank Company Limited (a company listed on the main Board of Shanghai Stock Exchange (SH.601818) and the main Board of Hong Kong Stock Exchange (6818.HK). Overseas Chinese Town Enterprises Co. indirectly held 2.74% equity of Zhejiang Century Huatong Group Co., Ltd. (a company listed in Shenzhen Stock Exchange, SZ.002602) through its subsidiary Shenzhen OCT Capital Investment Management Co., Ltd. Overseas Chinese Town Enterprises Co. indirectly held 11.12% of equity of Jiangsu Guoxin Corporation Limited (a company listed in Shenzhen Stock Exchange, SZ. 002608) through its subsidiary Shenzhen OCT Cultural Group Co., Ltd.. Overseas Chinese Town Enterprises Co. indirectly held 0.14% of equity of Yihai Kerry Arawana Holdings Co., Ltd (a			

	company listed on GEM of Shenzhen Stock Exchange, SZ. 300999) through its subordinate enterprise Shenzhen OCT Cultural Industry Equity Investment Parent Fund Partnership (Limited Partnership).
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Change of the controlling shareholder in the Reporting Period:

Applicable √ Not applicable

No such cases in the Reporting Period.

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

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

Type of the actual controller: legal person

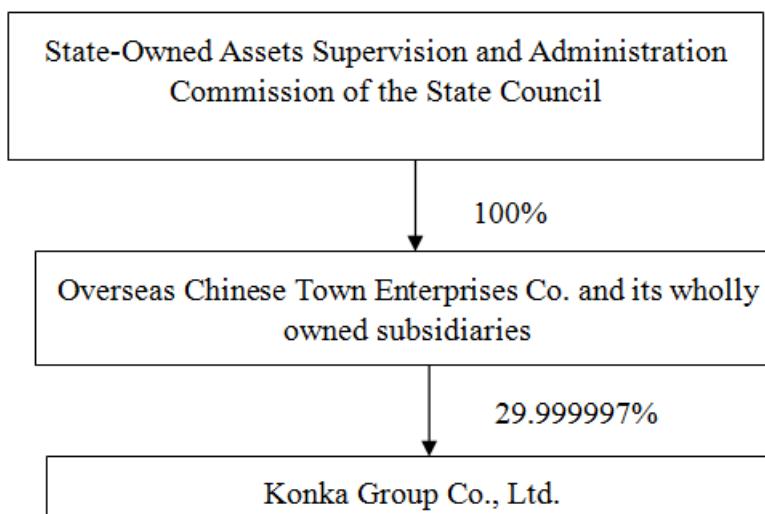
Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
State-owned Assets Supervision and Administration Commission of the State Council	Hao Peng		Not applicable	Not applicable
Actual controller's holdings in other listed companies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

Change of the actual controller during the Reporting Period:

Applicable √ Not applicable

No such cases in the Reporting Period.

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



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

Applicable √ Not applicable

### 4. Other 10% or Greater Corporate Shareholders

Applicable √ Not applicable

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

Applicable ✓ Not applicable

## **Part VII Preferred Shares**

Applicable  Not applicable

No preferred shares in the Reporting Period.

## **Part VIII Convertible Corporate Bonds**

Applicable  Not applicable

No convertible corporate bonds in the Reporting Period.

## Part IX Directors, Supervisors, Senior Management and Staff

### I Change in Shareholdings of Directors, Supervisors and Senior Management

Name	Office title	Incumbe nt/Fo rmer	G en der	Age	Start of tenure	End of tenure	Beg inni ng shar ehol ding	Incr ease in the Rep ortin g Peri od	Decr ease in the Rep ortin g Peri od	Other incre ase/d ecrea se	Endi ng share holdi ng
Liu Fengxi	Director, Chairman of the Board	Incumbe nt	Male	49	3 December 2018	3 December 2021	0	0	0	0	0
Yao Wei	Director	Incumbe nt	Male	46	14 September 2020	3 December 2021	0	0	0	0	0
Zhang Jing	Director	Incumbe nt	Male	39	3 December 2018	3 December 2021	0	0	0	0	0
Zhou Bin	Director	Incumbe nt	Male	42	3 December 2018	3 December 2021	0	0	0	0	0
Sun Shengdian	Independent director	Incumbe nt	Male	66	3 December 2018	3 December 2021	0	0	0	0	0
Wang Shuguang	Independent director	Incumbe nt	Male	50	3 December 2018	3 December 2021	0	0	0	0	0
Deng Chunhua	Independent director	Incumbe nt	Female	58	3 December 2018	3 December 2021	0	0	0	0	0
Cai Weibin	Supervisor, chairman of the Supervisory Committee	Incumbe nt	Male	48	15 March 2021	3 December 2021	0	0	0	0	0

Yang Guobin	Supervisor	Incu mbe nt	M al e	52	3 December 2018	3 December 2021	0	0	0	0	0
Li Jun	Supervisor	Incu mbe nt	M al e	50	29 November 2018	3 December 2021	0	0	0	0	0
Zhou Bin	President	Incu mbe nt	M al e	42	27 March 2020	27 March 2023	0	0	0	0	0
Li Hongtao	Vice president	Incu mbe nt	M al e	53	27 March 2020	27 March 2023	0	0	0	0	0
Wu Yongjun	Board Secretary	Incu mbe nt	M al e	46	27 March 2020	27 March 2023	0	0	0	0	0
Li Chunlei	CFO	Incu mbe nt	M al e	48	27 March 2020	27 March 2023	0	0	0	0	0
Yang Bo	Vice president	Incu mbe nt	M al e	51	27 March 2020	27 March 2023	0	0	0	0	0
Cao Shiping	Vice president	Incu mbe nt	M al e	43	27 March 2020	27 March 2023	0	0	0	0	0
Sun Qingyan	Vice president	Incu mbe nt	M al e	49	27 March 2020	27 March 2023	26,00	0	0	0	26,00
He Haibin	Director	For mer	M al e	47	3 December 2018	10 August 2020	0	0	0	0	0
Wang Youlai	Supervisor, chairman of the Supervisory Committee	For mer	M al e	60	3 December 2018	15 March 2021	0	0	0	0	0
He Jianjun	Vice president	For mer	M al e	51	10 March 2017	13 January 2020	0	0	0	0	0
Total	-	-	-	-	-	-	26,00	0	0	0	26,00

## II Change of Directors, Supervisors and Senior Management

Applicable  Not applicable

Name	Office title	Type of change	Date of change	Reason for change
He Jianjun	Vice president	Expired	13 January 2020	Resign for job change
He Haibin	Director	Expired	10 August 2020	Resign for job change
Wang Youlai	Supervisor, chairman of the Supervisory Committee	Expired	15 March 2021	Resign for job change (retirement)
Yao Wei	Director	Appoint	14 September 2020	Elected as a director by the general meeting of shareholders
Cai Weibin	Supervisor	Appoint	15 March 2021	Elected as a supervisor by the general meeting of shareholders
Cai Weibin	chairman of the Supervisory Committee	Appoint	15 March 2021	The chairman of the board of supervisors is elected by the board of supervisors

## III Biographical Information

Professional backgrounds, major work experience and current duties in the Company of the incumbent directors, supervisors and senior management:

### 1. Director

Liu Fengxi, male, ethnic group of Han, born in 1972, was the Chairman of the Board with a master degree. He once worked as the marketing GM for the multi-media division of Konka Group, Assistant GM and then Vice GM of Shenzhen Konka Telecommunications Technology Co., Ltd., Chief of the Operation Management Center of Konka Group, Assistant to President and Vice President of Konka Group, etc. And now he is acting as the member of the Standing Committee and Deputy GM of OCT Group, Director and GM of Shenzhen Konka Holding Group Co., Ltd. as well as the Board Chairman and CEO of Konka Group.

Yao Wei, Director, male, ethnic group of Han, bachelor degree, was born in 1975. He once served as Chief Accountant in CGN Wind Power Co., Ltd., Chief Accountant in CGN New Energy Holdings Co., Ltd., Vice GM (in charge) of Financial Department, GM of Financial Department, GM of Finance and Asset Management Department in China General Nuclear Power Corporation. Currently, he acts as the member of the Standing Committee and Chief Accountant in Overseas Chinese Town Enterprises Co. and Director of Konka Group.

Zhang Jing, Director, male, ethnic group of Han, was born in 1982, MBA. He served as Manager of

the CEO's Office in OCT Group, Senior Manager of the Strategic Development Department in Shenzhen OCT Co., Ltd., a member of the Preparatory Work Group of Qingdao OCT, Director of the Administration Department (Deputy Director of the Party Committee Office) in Shenzhen OCT Properties Co., Ltd., Deputy Director and Director of the Strategic Development Department in Shenzhen OCT Co., Ltd., General Manager of the Strategic Planning Department in OCT Group, General Manager of the Corporate Management Department in OCT Group, and Director of the Corporate Management Department in Shenzhen OCT Co., Ltd.. Currently, he serves as Executive Deputy General Manager of OCT West Investment Co., Ltd., Executive Director&GM of OCT (Xi'an) Development Co., Ltd., Director & General Manager of Xi'an Fengdong OCT Development Co., Ltd., Director of OCT (Yunnan) Investment Co., Ltd., and Director of Konka Group.

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

## **2. Independent Director**

Sun Shengdian, a male senior economist, ethnic group of Han, born in 1955, was the independent director of the Company with a doctor degree in engineering. Formerly vice GM, deputy secretary of the Party committee, GM and president of Shenzhen SEG, Hitachi Color Display Devices Co., Ltd., president, secretary of Party Committee of Shenzhen SEG Group Co., Ltd. director of Shenzhen China Star Optoelectronics Technology Co., Ltd., independent director of Skyworth Holding Ltd., the vice president of Shenzhen Huakong SEG Co., Ltd., and the head of Shenzhen Electronics Industries Association. Now, he serves as the independent director of Konka Group.

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

Deng Chunhua, Independent Director, female, ethnic group of Han, born in 1963, MBA, professor

and master's supervisor of accounting, Certified Public Accountant in China (non-practicing member). She served as Chief Accountant and Project Manager of WUYIGE Certified Public Accounts LLP, Zhongnan University of Economics and Law, Member of the Fifth Session of the Corporate Special Committee of the Chinese Association of Quantitative Economics and Member of the Professional Jury Committee of Hubei Administration of Sport. From July 1984 till now, she has been teaching in the School of Accounting of Zhongnan University of Economics and Law as Assistant Lecturer, Lecturer, Associate Professor and Professor. Currently, she serves as Independent Director of Zhejiang Goldensea Hi Tech Co.,Ltd, Independent Director of Zhejiang Jinke Culture Industry Co., Ltd., Independent Director of Wolong Electric Group Co., Ltd. and Independent Director of Konka Group.

### **3. Supervisor**

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

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

Li Jun, male, ethnic group of Han, born in 1971, member of Communist Party, was an employee supervisor of the Company with a bachelor degree. Formerly worked as the financial manager of Nanchang Branch of Telecommunications Technology Co., Ltd., Senior Manager of the Financial Department in Telecommunications Technology Co., Ltd., the Senior Manager and assistant to the chief and deputy director of Auditing and Legal Affairs Department in Konka Group, leader of discipline inspection commission of Konka Group, and employee supervisor of the 8<sup>th</sup> Supervisory Committee of Konka Group. Presently working as the deputy secretary of discipline inspection commission of Konka Group, General counsel, the director of Discipline inspection and Supervision Center, Chief of the Auditing and Legal Affairs Department.

### **4. Senior Executive**

Zhou Bin, male, ethnic group of Han, born in 1979, was the director and president of the Company with a bachelor degree. He once served as the director assistant, deputy director and director in Operating Management Center in Konka Group, assistant of the president in the Board of Directors & Director in Operating Management Center in Konka Group and president of Konka Group. He is currently a director of Shenzhen Konka Holdings Group Co., Ltd., a director and president of Konka Group.

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

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

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

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

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

Sun Qingyan, a male senior economist, Han nationality, born in 1972, was the vice president of the Company with a doctor degree. Once served as the tutor in Northeast University of Finance and Economics, vice GM in Shenzhen Huaixin Enterprise Investment Consulting Co., Ltd., CEO in Shenzhen Xinheng Lida Capital Management Co., Ltd., vice GM in Shanying Investment

Management Co., Ltd., GM in Shenzhen Shenwo Asset Management Co., Ltd. and vice president of Konka Group. He now acts as the vice president of Konka Group.

Offices held concurrently in shareholding entities:

Applicable Not applicable

Name	Shareholding entity	Office held in the shareholding entity	Start of tenure	End of tenure	Remuneration or allowance from the shareholding entity
Liu Fengxi	OCT Group	Party Committee Standing Committee and vice GM	22 February 2016		Yes
Liu Fengxi	Shenzhen Konka Holding Group Co., Ltd.	Director and GM	14 April 2020		
Yao Wei	OCT Group	Party Committee Standing Committee and Chief Accountant	July 2020		Yes
Zhang Jing	OCT (Yunnan) Investment Co., Ltd	Director	18 January 2018		
Zhang Jing	OCT West Investment Co., Ltd.	Deputy General Manager	14 March 2019		Yes
Zhang Jing	Xi'an Fengdong OCT Development Co., Ltd	Director, GM	14 March 2019		
Zhang Jing	OCT (Xi'an) Development Co., Ltd	Executive Director, GM	9 August 2019		
Zhou Bin	Shenzhen Konka Holding Group Co., Ltd.	Director 9	14 April 2020		
Cai Weibin	OCT Group	GM of Legal Compliance Department	December 2020		Yes
Yang Guobin	OCT Group	Full-time director in Board Office	7 March 2018		Yes
Notes	1. Except the above situation, other directors, supervisors and senior management didn't hold any position in the shareholders' units. 2. It is unknown the ending date of the posts of Mr. Liu Fengxi, Mr. Yao Wei, Mr. Zhang Jing, Mr. Cai Weibin, Mr. Zhou Bin and Mr. Yang Guobin held in the shareholders' units.				

Offices held concurrently in other entities:

Applicable Not applicable

Name	Other entity	Office held	Start of tenure	End of tenure	Remuneration or

		in the entity			allowance from the entity
Wang Shuguang	School of Economics of Peking University	Professor			Yes
Wang Shuguang	Institute for Cultural Industries of Peking University	Deputy director			
Deng Chunhua	Zhongnan University of Economics and Law	Professor			Yes
Deng Chunhua	Zhejiang Goldensea Hi Tech Co.,Ltd	Independent director	15 May 2019		Yes
Deng Chunhua	Zhejiang Jinke Culture Industry Co., Ltd.	Independent director			Yes
Deng Chunhua	Wolong Electric Group Co., Ltd.	Independent director			Yes

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

Applicable  Not applicable

#### **IV Remuneration of Directors, Supervisors and Senior Management**

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

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

Other treatment for independent directors: travel expense when they went to attend the Board

sessions, Supervisory sessions or Shareholders' General Meetings and the expenses when they were performing their duties as stipulated in the relevant regulations and the Articles of Association and other relevant systems, all these could be reported for deletion.

The Board of Directors determined the remuneration of senior management staffs referring to the following factors: a. scope of jobs and responsibility shouldered; b. actual profit of the Company; c. market remuneration level in the same industry and same area.

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

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/Former	Total before-tax remuneration from the Company	Any remuneration from related party
Liu Fengxi	Chairman of the Board and CEO	Male	49	Incumbent		Yes
Yao Wei	Director	Male	46	Incumbent		Yes
Zhang Jing	Director	Male	39	Incumbent		Yes
Zhou Bin	Director and president	Male	42	Incumbent	613.46	No
Sun Shengdian	Independent director	Male	66	Incumbent	30	No
Wang Shuguang	Independent director	Male	50	Incumbent	30	No
Deng Chunhua	Independent director	Female	58	Incumbent	30	No
Cai Weibin	Chairman of the Supervisory Committee	Male	48	Incumbent		Yes
Yang Guobin	Supervisor	Male	52	Incumbent		Yes
Li Jun	Employee supervisor	Male	50	Incumbent	139.23	No
Li Hongtao	Vice president	Male	53	Incumbent	303.47	No
Wu Yongjun	Board secretary	Male	46	Incumbent	312.29	No
Li Chunlei	CFO	Male	48	Incumbent	347.14	No
Yang Bo	Vice president	Male	51	Incumbent	296.26	No
Cao Shiping	Vice president	Male	43	Incumbent	327.07	No

Sun Qingyan	Vice president	Male	49	Incumbent	292.28	No
He Haibin	Director	Male	47	Former		Yes
Wang Youlai	Chairman of the Supervisory Committee	Male	60	Former		Yes
He Jianjun	Vice president	Male	51	Former	232.67	Yes

Equity incentives for directors, supervisors and senior management in the Reporting Period:

Applicable  Not applicable

## V Employees

### 1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent	1,776
Number of in-service employees of major subsidiaries	15,440
Total number of in-service employees	17,216
Total number of paid employees in the Reporting Period	17,216
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	0
Functions	
Function	Employees
Production	9,118
Sales	4,461
Technical	1,504
Financial	686
Administrative	1,447
Total	17,216
Educational backgrounds	
Educational background	Employees
Master and above	309
Bachelor	3,061
Junior college	4,966
High school and below	8,880
Total	17,216

### 2. Employee Remuneration Policy

The Company promulgated its remuneration system with the operating strategy of serving for the enterprise development and enhancement, and the principle of deciding the remuneration according to the post, business performance and capabilities, as well as the market competitiveness and

internal fairness. And it decided the employee's remuneration level according to its business earnings, the posts and fulfillment of the business performance of the employee.

### **3. Employee Training Plans**

The Company adhered to the people-oriented and paid special attention to cultivate the talents. Surrounded by the business development and the construction of talent team, the Company actively organized and carried out various training activities, and continuously perfected its talents cultivation system, as well as further enhanced the employee's professional skills and overall quality, so as to strengthen the construction of management talents, professional talents and technical talents teams.

In 2020, guided by closing to the business needs, the Company centralized the superior resources to promote the cultivation of key talents. And it organized and carried out the open class project for all the employees, and organized and carried out the new employee's training & cultivation projects respectively for the graduates from campus recruiting and personnel from social recruitment. Meanwhile, it centralized to organize the pointed the training projects of general management skills and post professional knowledge, etc for the personnel from marketing, R&D, manufacturing, financial and human resources systems, so as to better complete its annual training plan.

### **4. Labor Outsourcing**

Applicable  Not applicable

## Part X Corporate Governance

### I General Information of Corporate Governance

#### I General Information of Corporate Governance

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

##### (I) Shareholders and the Shareholders' General Meeting

The Company drew up Articles of Association and Rules for Procedure of Shareholders' General Meeting, ensured that all shareholders, in particular medium and minor shareholders, enjoy legal rights and equal standard. In the Reporting Period, the Company was able to publish announcement on Shareholders' General Meetings in advance, convened Shareholders' General Meeting with strictly accordance to relevant requirements, so as to enable the shareholders have their rights of information to the Company's material issues and the participation rights. In 2020, the Company convened five Shareholders' General Meeting in total. The Company seriously did well the registration, arrangement and organization work for the Shareholders' General Meeting before the circular on convening the Shareholders' General Meeting being published at the designated media. The Company convened the Shareholders' General Meeting at the office address of the Company strictly in line with relevant stipulations, which was convenient in traffic, and the shareholders could attend the session in accordance with their actual situation. The Company's directors, supervisors and senior management staffs made explanations and description for the shareholders' questions and advices at the session.

##### (II) Controlling shareholder and the Company

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

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

The number and structure of the Board Bureau of the Company were in compliance with laws and regulations. The Company drew up Rules for Procedures of the Board Bureau, so as to ensure a high efficient operation and scientific decision-making of the Board Bureau; the Company has set up Independent Director System and engaged three independent directors. In the Reporting Period, the number of directors and composition of the Board of Directors of the Company as well as the procedure of selection was in accordance with the requirements of the rules and laws as well as Articles of Association. The Company set up four special committees, which were Financial Audit Committee, Nomination Committee, Remuneration & Appraisal Committee, Strategy Committee to provide profession opinion for the decision of the Board of Directors. All the directors carried out their work, fulfilled their duties and scrupulously attended the Board sessions in accordance with Rules of Procedure for the Board of Directors, Rules for Independent Directors, etc. 16 Board sessions were convened by the Company during the Reporting Period, which brought the decision-making mechanism of the Board of Directors into full play.

### **(IV) Supervisors and supervisory committee**

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

### **(V) Performance Appraisal and Incentive & Restrictive Mechanism**

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

### **(VI) Interested parties**

During the Reporting Period, the Company fully respected and maintained the legal rights of the interested parties, and realized the balance of interest among the parties such as society, shareholders and employees, etc. Meanwhile, the Company protected the rights of the employees, promoted the

environmental protection, and actively joined in the social benefit and charitable cause so as to jointly promote sustainable and healthy development.

### **(VII) Information disclosure and transparency**

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

### **(VIII) Non-standard governance**

#### 1. Type of non-standard governance matter existed

There was a situation that the Company disclosed undisclosed information.

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

The Company provided monthly financial data to the principal shareholder.

#### 3. Reasons for the related non-standard governance existed

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

#### 4. Impact on Company independence

After the self-inspection, the Company kept strictly to the requirements of "Notice on Strengthening the Supervision of Listed Company's Provision of Non-public Information to Substantial Shareholders and Actual Controllers", and "Supplementary Notice Concerning Strengthening the Supervision of the Non-standard Governance Behavior of Listed Company's Provision of Non-public Information to Substantial Shareholders and Actual Controllers", while stringently performed the necessary procedures. There existed no circumstances of substantial shareholder's abuse of control and disclosure of undisclosed information for insider trading, and hence, it has no impact on the independence of the Company.

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

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

To further standardize the company's inside information management behavior, strengthen the company's inside information confidential work, and maintain the fair principle of information

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

The Company conducted the special inspection on the inside information management during the occurrence of major event in 2020 and the annual report in 2020. After the inspection, the Company actually realized that the insider of inside information strictly kept the confidential provision, did not disclose, divulge and spread the Company's inside information to the outside, the insider of inside information did not buy and sell the Company's share with the inside information before disclosing the major sensitive information influencing the Company's share price, there was no investigation and rectification from the regulatory department during the editing, review and disclosure of regular report and major event. Management Rules for Inside Information and Insider Management System was implemented in place and controlled effectively.

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

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

The Company conducted the special inspection on the inside information reporting status during the occurrence of major event in 2020 and the annual report in 2020. After the inspection, the Company's inside information reporting status complies with the requirements in Inside Information Reporting Management System. Inside Information Reporting Management System was implemented in place and controlled effectively.

Indicate by tick market whether there is any material incompliance with the regulatory documents issued by the CSRC governing the governance of listed companies.

Yes  No

No such cases in the Reporting Period.

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

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

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

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

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

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

(V) Finance: the Company established an independent finance department with full-time financial personnel and an independent finance and accounting system, and independently carried out the financial work in line with requirements of relevant accounting rules; the Company promulgated sound financial management system to operate independently without sharing common accounts with the controlling shareholder, related enterprise, other units or individual; the Company independently declared and paid the tax by laws without particulars on paying taxes together with shareholders' units.

### **III Horizontal Competition**

Applicable  Not applicable

### **IV Annual and Special General Meetings Convened during the Reporting Period**

#### **1. General Meeting Convened during the Reporting Period**

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Index to disclosed information
The 2019 Annual General Meeting	Annual General Meeting	24.38%	18 May 2020	19 May 2020	<a href="http://www.cininfo.com.cn/news/index">http://www.cininfo.com.cn/news/index</a>
The 1 <sup>st</sup> Extraordinary General Meeting of 2020	Extraordinary General	24.32%	22 June 2020	23 June 2020	

Meeting				
The 2 <sup>nd</sup> Extraordinary General Meeting of 2020	Extraordinary General Meeting	24.42%	10 August 2020	11 August 2020
The 3 <sup>rd</sup> Extraordinary General Meeting of 2020	Extraordinary General Meeting	24.43%	14 September 2020	15 September 2020
The 4 <sup>th</sup> Extraordinary General Meeting of 2020	Extraordinary General Meeting	24.52%	9 November 2020	10 November 2020

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

Applicable  Not applicable

## V Performance of Duty by Independent Directors in the Reporting Period

### 1. Attendance of Independent Directors at Board Meetings and General Meetings

Attendance of independent directors at board meetings and general meetings							
Independent director	Total number of board meetings the independent director was eligible to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings attended through a proxy	Board meetings the independent director failed to attend	The independent director failed to attend two consecutive board meetings (yes/no)	General meetings attended
Sun Shengdian	16	2	14	0	0	No	3
Wang Shuguang	16	2	14	0	0	No	0
Deng Chunhua	16	2	14	0	0	No	0

Why any independent director failed to attend two consecutive board meetings:

Not applicable.

### 2. Objections Raised by Independent Directors on Matters of the Company

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

Yes  No

No such cases in the Reporting Period.

### **3. Other Information about the Performance of Duty by Independent Directors**

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

Yes  No

Suggestions from independent directors adopted or not adopted by the Company:

During the Reporting Period, the Independent Directors of the Company vigorously attended the relevant meetings, carefully reviewed each proposal, objectively stated their own views and opinions, gained insight into the present situation of new businesses of the Company such as the industry and Trade, semi-conductor, environment protection and advanced materials, the R&D and brand building progress, the operating situation, and the execution situation of the internal control construction and the resolutions of the meetings of the Board of Directors as well as the Annual General Meeting.

As the expert of the involved each field, the Independent Directors put forward the constructive advices by use of their own professional knowledge towards the internal management, including: to actively promote the refinement and implementation of the Company's development strategy plan, provide advices on the expansion of businesses, focus on risk control matters such as cash flow and accounts receivable management. The Company carefully adopted the advices from the Independent Directors and constantly improved and enhanced the management level of the Company.

## **VI Performance of Duties by Specialized Committees under the Board during this Reporting Period**

### **(I) Summary Report on the Performance of the Audit Committee Subject to the Board of Directors**

The Company had constituted the Work Rules for the Financial Audit Committee under the Board which was revised in 2019 and illustrated the exact personnel, obligations and rights and working process of annual report of the Financial Audit Committee under the Board. In 2020, based on the principle of faithfulness, the major execution situations of the Financial Audit Committee under the Board were as follows:

1. Reviewed financial statements of Annual Report 2019, First Quarter Report 2020, Interim Report 2020, and the Third Quarter Report 2020, and had no objection to the aforesaid financial statements.
2. Submitted the Proposal on Hiring CPA in 2020 to the Board on 10 April 2020 in which proposing to continue to hire Shine Wing Certified Public Accountants as the audit institution of financial statements of the Company in 2020.
3. During the preparation of Annual Report 2020 of the Company, it fulfilled the following duties:  
(1) Issued the Notes of the Events such as the Audit Work Arrangement of the Financial Audit Committee and approved the arrangement for 2020 annual auditing of the Company;

- (2) Issued Audit Opinion of the Financial Audit Committee on Financial Accounting Statements Prepared by the Company before CPAs' entry of Audit;
- (3) Communicated and exchanged ideas with the CPAs responsible for annual auditing on the problems occurring during the auditing;
- (4) Issued Audit Opinion on Financial Accounting Statements of the Company after CPAs Issued the Preliminary Audit Opinion;
- (5) Supervised and urged CPAs in writing to submit the audit report within the agreed time period for many times.
- (6) Issued Summary Report on 2020 Annual Auditing by Shine Wing Certified Public Accountants;
- (7) Submitted the Resolution of the 2020 Annual Financial Statement of the Company to the Board;
- (8) Submitted the Proposal on Engagement of the CPAs in 2021 to the Board;

4. In 2020, according to the authorization of the Board of Directors, the Financial Audit Committee accepted the report on the work of the Company's Internal Auditing Department and carried out management over the Internal Auditing Department of the Company and its work.

## **(II) Summary Report on the Performance of the Remuneration and Appraisal Committee Subject to the Board of Directors**

The Company had constituted the Work Rules for the Remuneration and Appraisal Committee under the Board which illustrated the exact personnel, obligations and rights of the Remuneration and Appraisal Committee under the Board. In 2020, based on the principle of faithfulness, the major execution situations of the Remuneration and Appraisal Committee under the Board were as follows:

1. On 14 August 2020, the Remuneration and Appraisal Committee subject to the Board of Directors submitted the Audit Opinion on the Reward Planning for the Management of the Company in 2019 to the Board.
2. During the preparation of Annual Report 2020, the Remuneration and Appraisal Committee subject to the Board of Directors issued the Audit Opinion on the Disclosed Remuneration Situation of the Directors, Supervisors and Senior Executives of the Company, which considered the condition of the remuneration of the Directors, Supervisors and Senior Executives of the Company disclosed in the 2020 Annual Report was verified. The disclosed remuneration situation of the Directors, Supervisors and Senior Executives of the Company met with the remuneration management system without any situation that violated the remuneration management system of the Company.

## **(III) Summary report on performance of nomination committee of the Board of Directors**

The Company formulated the Code of Practice of Nomination Committee of the Board of Directors, which specifies members, responsibilities and authorities of the nomination committee of the Board of Directors. Main performance of the Company's Nomination Committee of the Board of Directors

in 2020 includes:

1. Submission of Proposal on the Change of Senior Management to the Board of Directors of the Company on 17 March 2020.
2. Submission of Approval Opinions on Co-opted Directors of the 9<sup>th</sup> Board of Directors to the Board of Directors of the Company on 14 August 2020.

## **VII Performance of Duty by the Supervisory Committee**

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

Yes √ No

The Supervisory Committee raised no objections in the Reporting Period.

## **VIII Appraisal of and Incentive for Senior Management**

In order to enable the senior management staffs of the Company give better performance of their duties, and clarify their rights and obligations, the Company established and improved a fair, transparent and efficient Performance Appraisal Standard and Incentive & Restraint Mechanism for the senior management staffs. The Company assessed the duty performance and completion of business of senior management staffs in terms of professional skills, management level and job performance; took the salary plus bonus as a main incentive way, to improve the incentive of senior management. The senior management staff was appraised by the Board of Directors, which was supervised by the Supervisory Committee.

## **IX Internal Control**

### **1. Material Internal Control Weaknesses Identified for the Reporting Period**

Yes √ No

### **2. Internal Control Self-Evaluation Report**

Disclosure date of the internal control self-evaluation report	24 March 2021	
Index to the disclosed internal control self-evaluation report	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>	
Evaluated entities' combined assets as % of consolidated total assets	90.00%	
Evaluated entities' combined operating revenue as % of consolidated operating revenue	90.00%	
Identification standards for internal control weaknesses		
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting
Nature standard	Those with the following characteristics should be recognized as great defect: (1) found out there were malpractices of the Directors, Supervisors and Senior Executives of the Company that formed significant influences on the financial report; (2) the Company revised the published financial report and revised the great misstatements caused by the malpractices or the mistakes; (3) CPA found out there was	The following signs indicated there may exist great defect among the internal control of the non-financial report; (1) the operating activities of the enterprises seriously violated the national laws and regulations; (2) negative news frequently disclosed by the media which

	great misstatement of the current financial report while didn't found during the operating process of the internal control; (4) the supervision of the internal control by the Finance Audit Committee and the internal audit institution of the Company was invalid; (5) not yet revised the great defect after the reasonable period as which was discovered among the internal control assessment; (6) the significant business lacked of systematic control or the systematic control was invalid.. Those with the following characteristics should be recognized as significant defect: (1) not yet chosen or applied the accounting polices according to the generally accepted accounting standards; (2) not yet constructed the anti-spam process or control measures; (3) as for the accounts disposal of the unconventional or special transactions, there was no corresponding control mechanism or execution or the existence of the corresponding supplement control; (4) there was one or multiple defects during the control of the compile of the financial report at the period-end and could not reasonable guarantee the statement of the compiled financial report reach the real and accurate target; (5) not yet revised the significant defect after the reasonable period as which was discovered among the internal control assessment. 3. Other defects from the internal control hadn't reached the recognition standards of the great defect or significant defect should be recognized as general defect.	caused significant harm to the Company's reputation; (3) the core management team left their positions one after another or the outflow of the key position personnel was serious; (4) significant business lacked of systematic control of the system was invalid; (5) great defect discovered among the internal control assessment not yet be revised in time. The following signs indicated there may exist significant defect among the internal control of the non-financial report: (1) negative news occurred rather frequently which caused rather big harm to the Company's reputation; (2) the outflow of the key position personnel was rather serious; (3) there was obvious defect among the control system of the significant business; (4) the significant defect found among the internal control assessment not yet be revised in time. 3. Other defects from the internal control hadn't reached the recognition standards of the great defect or significant defect should be recognized as general defect.
Quan titativ e stand ard	Great defect: potential misstatement amount $\geq$ 1% of the gross profit margin of the 2020 consolidated financial report of the Company; significant defect: 0.5% of the gross profit margin of the 2020 consolidated financial report of the Company $\leq$ potential misstatement amount $<$ 1% of the gross profit margin of the 2020 consolidated financial report of the Company; general defect: potential misstatement amount $<$ 0.5% of the gross profit margin of the 2020 consolidated financial report of the Company.	Implement in accordance with the quantitative criteria of internal control defect evaluation in financial statements
	Number of material weaknesses in internal control over financial reporting	0
	Number of material weaknesses in internal control not related to financial reporting	0
	Number of serious weaknesses in internal control over financial reporting	0
	Number of serious weaknesses in internal control not related to financial reporting	0

## X Independent Auditor's Report on Internal Control

Applicable  Not applicable

Opinion paragraph in the independent auditor's report on internal control
We considered that, in all the significant aspects, Konka Group maintained efficient internal control of the financial report according to the C-SOX and the relevant regulations on 31 December 2020.

Disclosure date	24 March 2021
Index to such report disclosed	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>
Type of the auditor's opinion	Unmodified unqualified opinion
Material weaknesses in internal control not related to financial reporting	None

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

Yes  No

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

Yes  No

## Part XI Corporate Bonds

Does the Company have any corporate bonds publicly offered on the stock exchange, which were outstanding before the date of this Report's approval or were due but could not be redeemed in full? Please refer to the relevant information disclosed.

### I. Basic Information of the Corporate Bonds

Name	Abbr.	Code	Release date	Due date	Bonds balance (RMB'0,000)	Coupon rate	Way of redemption
Privately placed corporate bonds in 2019 of Konka Group Co., Ltd (Tranche I) (Variety I)	19 Konka 01	11441 8	14 January 2019	14 January 2022	-	5.00 %	Interests shall be paid every year and the principals shall be repaid when expired.
Privately placed corporate bonds in 2019 of Konka Group Co., Ltd (Tranche I) (Variety II)	19 Konka 02	11442 3	14 January 2019	14 January 2022	150,000	5.00 %	Interests shall be paid every year and the principals shall be repaid when expired.
Privately placed corporate bonds in 2019 of Konka Group Co., Ltd (Tranche II) (Variety I)	19 Konka 03	11448 8	3 June 2019	3 June 2022	50,000	4.50 %	Interests shall be paid every year and the principals shall be repaid when expired.
Privately placed corporate bonds in 2019 of Konka Group Co., Ltd (Tranche II) (Variety II)	19 Konka 04	11448 9	3 June 2019	3 June 2022	50,000	4.70 %	Interests shall be paid every year and the principals shall be repaid when expired.
Privately placed corporate bonds in 2019 of Konka Group Co., Ltd (Tranche III) (Variety I)	19 Konka 05	11452 3	22 July 2019	22 July 2022	80,000	4.53 %	Interests shall be paid every year and the principals shall be repaid

							when expired.
Privately placed corporate bonds in 2019 of Konka Group Co., Ltd (Tranche III) (Variety II)	19 Konka 06	11452 4	22 July 2019	22 July 2022	70,000	4.70 %	Interests shall be paid every year and the principals shall be repaid when expired.
Privately placed corporate bonds in 2021 of Konka Group Co., Ltd (Tranche I)	21 Konka 01	11489 4	8 January 2021	8 January 2024	100,000	4.46 %	Interests shall be paid every year and the principals shall be repaid when expired.
Listed or transferred trading place of the Company bonds	Shenzhen Stock Exchange						
Appropriate arrangement of the investors	"19 Konka 01", "19 Konka 02", "19 Konka 03", "19 Konka 04", "19 Konka 05", "19 Konka 06" were placed privately to qualified institutional investors meeting the requirements of management method for investors eligibility in bonds market of Shenzhen Stock Exchange, and "21 Konka 01" was placed privately to professional investors meeting the requirements of management method for investors eligibility of Shenzhen Stock Exchange, which not exceeding 200 persons .						
Interest payment during the Reporting Period	During the Reporting Period, as for "19 Konka 01", "19 Konka 02", "19 Konka 03", "19 Konka 04", "19 Konka 05" and "19 Konka 06", interest has been paid on schedule; as for "21 Konka 01", the first interest payment date did not arrive.						
Execution of the relevant regulations during the Reporting Period such as the affiliated option clause of the issuers or investors, special clauses such as the exchangeable regulations of the Company bonds (if applicable)	1. Option for issuer to adjust coupon rate; 2. Put-backs option for investors; there was no implementation of relevant clauses. The option to adjust coupon rate and investors' put option of "19 Konka 01" were implemented on 14 January 2021. Details are as follows: the issuer adjusted the coupon rate of last year of "19 Konka 01" to 2.80%. Put option of "19 Konka 01" reached 10,000,000, with an amount of RMB1,000,000,000.00. Put option principal and current interest were fully transferred to the account designated by China Securities Depository and Clearing Corporation Limited. "19 Konka 01" were put in full and delisted from the exchange.						

## II. List of the Bond Trustee and the Rating Organization

Bond trustee:							
Name	Industrial Securities Co., Ltd	Office address	Room 601, No. 35 Jinshifang Street, Xicheng District,	Contact person	Pu Hang, and Zhang Hufang	Contact number	010-50911203

			Beijing				
Rating organization executed the tracking rating of the corporate bonds of the Reporting Period:							
Name	United Ratings Co., Ltd.			Office address	No.2 Jianwai Street, Chaoyang District, Beijing		
Alternation reasons, execution process and influences on the investors' interests etc. if there was alternation of the bond trustees and the credit rating agencies engaged by the Company during the Reporting Period (if applicable)			No				

### III. List of the Usage of the Raised Funds of the Corporate Bonds

List of the usage of the raised funds and the execution process of the Company bonds	The Company has used the raised funds and disclosed related information in a timely, authentic, accurate and complete manner strictly in accordance with the terms in the prospectus for current bonds, related provisions and requirements in the Measures for Issuance and Trading of Corporate Bonds, CSRC Releases No. 2 Guideline for the Supervision of Listed Companies-Administration of Funds Raised by Listed Companies and Applicable Supervision Requirements, the Stock Listing Rules of the Shenzhen Stock Exchange and Guidelines for Standardized Operation of Listed Companies in Shenzhen Stock Exchange. It has not engaged in any violations in respect of the use and management of the raised funds.
Ending balance (RMB'0,000)	0
Operating situation of the raised funds special account	The operation was in good condition without any violations for relevant regulations or capital supervision agreement
Whether the usage of the raised funds met with the usage, using plan and other agreements committed on the prospectus	Yes

### IV. Rating Situation of the Corporate Bonds Information

In June 2020, United Credit Ratings Co., Ltd. made the tracking rating for the entity and relevant bonds (including "19 Konka 01", "19 Konka 02", "19 Konka 03", "19 Konka 04", "19 Konka 05" and "19 Konka 06") of the Company. The entity of the Company was rated as Grade AA invariably and as "Stable" for its rating prospect; the bonds "19 Konka 01", "19 Konka 02", "19 Konka 03", "19 Konka 04", "19 Konka 05" and "19 Konka 06" issued by Konka Group Co., Ltd. were rated as Grade AAA invariably for their credit and as "Stable" for their rating prospect. In December 2020, United Credit Ratings Co., Ltd. made the tracking rating for the entity and "21 Konka 01" of the Company. The entity of the Company was rated as Grade AA and as "Stable" for its rating prospect; the bonds "21 Konka 01" issued by Konka Group Co., Ltd. were rated as Grade AAA for their credit and as "Stable" for their rating prospect. The tracking rating result is consistent with that issued at the time of corporate bonds issuance. The related rating report has been published on the website of Shenzhen Stock Exchange.

## **V. Credit-adding Mechanism, Repayment Plan and Other Repayment Guarantee Measures of the Corporate Bonds**

OCT Group provided the unconditional and irrevocable joint liability guarantee in full amount for the bonds "19 Konka 01", "19 Konka 02", "19 Konka 03", "19 Konka 04", "19 Konka 05", "19 Konka 06" and "21 Konka 01" in the Reporting Period.

## **VI. Convene Situation of the Bonds Holders Meeting during the Reporting Period**

No bonds holders meeting was convened during the Reporting Period.

## **VII. List of the Duty Execution of the Bonds Trustee during the Reporting Period**

During the Reporting Period, Industrial Securities Co., Ltd., the Company's bond trustee manager, proactively performed its trusteeship, continued to be concerned with the Company's routine production and operation and financial conditions, and endeavored to maintain the legitimate rights and interests of the bond holder strictly in accordance with related laws, regulations, the Management Measures for the Issue and Trading of Corporate Bonds, the Prospectus and the Agreement for the Bond Trusteeship Management.

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

Unit: RMB'0,000

Item	2020	2019	Change (%)
EBITDA	180,180.33	164,356.08	9.63%
Current ratio	93.18%	114.80%	-21.62%
Debt/asset ratio	78.51%	76.69%	1.82%
Quick ratio	76.42%	90.78%	-14.36%
Debt/EBITDA ratio	7.61%	7.56%	-0.05%
Times interest earned	1.40	1.42	-1.41%
Times interest earned of cash	1.63	-0.61	-367.21%
Times interest earned of EBITDA	1.92	1.89	1.59%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

Main reason of the above accounting data and the financial indicators with the YoY change exceeded 30%

✓ Applicable  Not applicable

The remarkable change of times interest earned of cash is due to the sharp improvement of cash flow from operating activities.

## **IX. List of the Interest Payment of Other Bonds and Debt Financing Instruments during the Reporting Period**

Except for above corporate bonds, there are no other bonds and debt financing instruments for the Company during the Reporting Period.

## **X. List of the Acquired Bank Credit Lines, Usage and the Repayment of the Bank Loans**

As of the end of the Reporting Period, the Company acquired bank credit lines of RMB24.65 billion, and used RMB11.546 billion. All bank loans can be repaid on schedule without any overdue situations.

## **XI. List of the Execution of the Agreements or the Commitments Related to the Company Bonds Raising Specification during the Reporting Period**

During the Reporting Period, the Company strictly observed the agreements and performed the commitments related to the Company Bonds raising specification.

## **XII. Significant Events Occurring during the Reporting Period**

During the Reporting Period, the Company has timely disclosed current announcements regarding significant events occurring the website of Shenzhen Stock Exchange (<http://www.szse.cn/>) and cninfo (<http://www.cninfo.com.cn/new/index>). As of the disclosure date of this Report, related significant events have no subsequent progress yet.

## **XIII. Whether there Was Guarantor of the Corporate Bonds**

Yes  No

Whether the guarantor of the corporate bonds was legal person or other organizations

Yes  No

Whether separately disclose the financial statements (including Balance Sheet, Income Statement, Cash Flow Statement, and Changes in owners' (shareholders') Equity, and notes for Financial Statements) of guarantor in the Reporting Period within 4 months from the ending date of every accounting year

Yes  No

## Part XII Financial Statements

### I Independent Auditor's Report

Type of the independent auditor's opinion	Unmodified unqualified opinion
Date of signing this report	22 March 2021
Name of the independent auditor	ShineWing Certified Public Accountants (Special General Partnership)
Reference number of audit report	XYZH/2021GZAA70014
Name of the certified public accountants	Guo Dongchao, Zhan Miaoling

### Independent Auditor's Report

XYZH/2021GZAA70014

#### All shareholders of Konka Group Co., Ltd.

#### I. Opinion

We have audited the accompanying financial statements of Konka Group Co., Ltd. (the “Company”), which comprise the Company’s and consolidated balance sheets of the parent company as at 31 December 2020, the Company’s and consolidated income statements of the parent company, the Company’s and consolidated cash flow statements of the parent company, the Company’s and consolidated statements of changes in shareholders’ equity of the parent company for the year then ended, as well as the notes to the financial statements.

In our opinion, the financial statements attached were prepared in line with the regulations of Accounting Standards for Business Enterprises in all significant aspects which gave a true and fair view of the consolidated and parent financial position of the Company as at 31 December 2020 and the consolidated and parent business performance and cash flow of the Company for 2020.

#### II. Basis for Opinion

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

#### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Current Period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and

we do not provide a separate opinion on these matters.

<b>1. Recognition of operating revenues</b>	
<b>Key audit matters</b>	<b>Countermeasures of audit</b>
<p>Please refer to the notes to the financial statements "six, notes to the consolidated financial statements" 46. In 2020, Konka Group's consolidated financial statements confirmed operating income of RMB5,035,183.66, the mainly revenue comes from the electronic business, trading business, and environmental protection business, environmental protection business, etc. Due to the importance of revenue to the financial statements as a whole for implementing the new standards governing revenue, and the inherent misstatement risk of management's manipulation of revenue recognition in order to achieve specific goals or expectations, we make revenue recognition a key audit matter.</p>	<p>(1) Evaluate and test income to confirm the effectiveness of key internal control design and operation;</p> <p>(2) Select samples to check supporting documents such as sales contracts, construction contracts, sales support documents, orders, invoices, delivery receipts, cargo rights transfer vouchers, bank transfer vouchers, invoices, customs declarations, etc. Accounting policies identify contract terms and conditions related to risks and reward transfers in commodity ownership, check whether the company is the main responsible person or agent in the sales business, and evaluate whether the company's revenue confirms that the accounting policies meet the requirements of the enterprise accounting standards;</p> <p>(3) Perform analytical procedures on revenue and costs, analyze the fluctuations and causes of sales prices this year, and evaluate the rationality of sales gross profit margin changes;</p> <p>(4) According to the characteristics and nature of the customer's transaction, select important customers to implement the letter and letter procedure for the transaction amount and the balance of the transaction, and strictly control the letter and letter procedure;</p> <p>(5) For environmental protection projects, obtain engineering measurement payment certificates and other documents; for major projects, check the progress of the image on the spot;</p> <p>(6) Select samples of important customers and suppliers to check industrial and commercial information and background, and evaluate the commercial rationality of transactions with customers; entrust lawyers to check whether there is an association between important overseas customers and suppliers. Visit customers and suppliers with large amounts on the spot;</p> <p>(7) For environmental protection projects, obtain engineering measurement payment certificate and other documents, and observe the image progress of main projects on site.</p> <p>(8) Conduct a cut-off test on sales revenue.</p>
<b>2. Recognition of investment income</b>	
<b>Key audit matters</b>	<b>Countermeasures of audit</b>
<p>Please refer to the notes to the financial statements "six, notes to the consolidated financial statements" 53. In</p>	<p>(1) Evaluate and test the effectiveness of management's key internal control design and operation related to investment;</p> <p>(2) Interview the company's management and the transferee to understand the business</p>

<p>2020, Konka Group's consolidated financial statements confirmed investment income of RMB243,333.60. Mainly for the disposal of investment income generated by long-term equity investment, the gains from the remeasurement of the remaining equity after the loss of control rights at fair value. Since the amount of investment income has a significant impact on profits, professional judgment is required on the date of loss of control, so we confirm the confirmation of investment income as a key audit matter.</p>	<p>background of the equity transfer, whether the transfer is true, whether there are other agreements, and whether it constitutes a package transaction;</p> <p>(3) Understand the method of equity sale and check the setting of listing conditions;</p> <p>(4) Check the contract terms of the equity transfer, the equity structure of the subsidiary before and after the loss of control, the appointment of major directors and supervisors, changes in the board of directors, major resolutions, changes in the main management, and the main body of performance evaluation before and after the transfer</p> <p>(5) Check the recovery of equity transfer funds;</p> <p>(6) Review the fairness of the equity transaction consideration, review the judgment of loss of control and the remaining equity to be recognized at fair value measurement after loss of control;</p> <p>(7) Review the calculation process of the company's equity transfer investment income to check whether the investment income is calculated correctly.</p>
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#### **IV. Other Information**

The management of the Company is responsible for the other information. The other information comprises all of the information included in the annual report for 2020 other than the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

- (1) Identify and assess the risks of major misstatement of financial statements due to fraud or errors, design and implement audit procedures to deal with these risks, and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Since fraud may involve collusion, forgery, intentional omissions, misrepresentation, or overriding internal control, the risk of failing to detect a major misstatement due to fraud is higher than the risk of failing to detect a major misstatement due to error.
- (2) Understand the internal control related to auditing in order to design appropriate auditing procedures.
- (3) Evaluate the appropriateness of management's selection of accounting policies and the rationality of accounting estimates and related disclosures.
- (4) To draw conclusions on the appropriateness of the management's use of continuous operation assumptions. At the same time, based on the audit evidence obtained, a conclusion can be drawn on whether there is a material uncertainty that may cause significant doubts about Konka Group's ability to continue operations. If we conclude that there are significant uncertainties, the auditing standards require us to draw the attention of the users of the statements to the relevant disclosures in the financial statements in the audit report; if the disclosures are insufficient, we should issue a non-reserved opinion. Our conclusion is based on the information available as of the date of the audit report. However, future events or circumstances may prevent Konka Group from continuing its operations.
- (5) Evaluate the overall presentation, structure, and content of the financial statements, and evaluate whether the financial statements fairly reflect related transactions and events.
- (6) Obtain sufficient and appropriate audit evidence on the financial information of the entities or

business activities in Konka Group to express audit opinions on the financial statements. We are responsible for guiding, supervising and executing group audits, and assume full responsibility for audit opinions.

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

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

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

ShineWing Certified Public Accountants

CPA: (Engagement Partner)

(Special General Partnership)

CPA:

Beijing China

22 March 2021

## II Financial Statements

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

### 1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

31 December 2020

Unit: RMB

Item	31 December 2020	31 December 2019
Current assets:		
Monetary assets	5,431,530,180.90	6,599,360,051.61
Settlement reserve		
Interbank loans granted		

Held-for-trading financial assets	618,249,541.66	61,494,666.97
Derivative financial assets		
Notes receivable	2,358,180,193.96	2,838,041,432.89
Accounts receivable	3,900,897,623.59	4,416,179,657.87
Accounts receivable financing	84,057,197.44	143,174,271.82
Prepayments	1,183,270,543.41	2,072,550,811.86
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	2,145,736,640.60	1,772,183,366.49
Including: Interest receivable	45,109,425.85	7,807,400.40
Dividends receivable	4,947,848.62	547,848.62
Financial assets purchased under resale agreements		
Inventories	4,521,300,677.41	5,318,503,044.69
Contract assets	2,870,006,710.39	
Assets held for sale		
Current portion of non-current assets	112,310,158.82	108,087,016.22
Other current assets	1,913,146,483.39	2,093,212,552.25
Total current assets	25,138,685,951.57	25,422,786,872.67
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables	399,497,204.03	410,509,555.85
Long-term equity investments	4,375,833,584.65	3,465,541,196.89
Investments in other equity instruments	25,343,293.16	21,642,170.36
Other non-current financial assets	1,878,154,796.76	1,753,121,727.83
Investment property	538,585,668.29	400,197,374.07
Fixed assets	3,178,642,017.84	2,561,254,191.55
Construction in progress	9,236,643,931.68	4,291,544,368.52
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	1,189,191,001.51	1,213,271,713.22

Development costs		
Goodwill	675,795,873.17	779,260,296.41
Long-term prepaid expense	153,198,562.82	107,590,078.88
Deferred income tax assets	1,265,916,437.39	987,763,182.17
Other non-current assets	1,820,779,170.74	1,172,472,723.85
Total non-current assets	24,737,581,542.04	17,164,168,579.60
Total assets	49,876,267,493.61	42,586,955,452.27
Current liabilities:		
Short-term borrowings	10,990,550,475.78	10,332,687,239.63
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,335,987,026.21	1,319,396,374.37
Accounts payable	9,632,366,325.76	5,797,822,479.60
Advances from customers	-	1,076,856,387.08
Contract liabilities	1,217,367,735.94	
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	476,616,244.45	426,870,498.58
Taxes payable	508,214,059.16	607,845,294.99
Other payables	1,999,430,899.69	2,374,287,243.20
Including: Interest payable	220,837,380.17	227,831,108.53
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	376,896,566.29	210,066,077.13
Other current liabilities	441,774,317.23	
Total current liabilities	26,979,203,650.51	22,145,831,594.58
Non-current liabilities:		
Insurance contract reserve		

Long-term borrowings	5,964,748,997.54	4,890,315,729.90
Bonds payable	4,993,212,788.32	4,987,709,643.64
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	481,409,849.96	383,287,104.62
Long-term employee benefits payable	5,248,309.14	5,565,646.72
Provisions	102,353,567.91	206,591.51
Deferred income	446,900,524.64	151,874,258.45
Deferred income tax liabilities	75,819,231.93	95,467,096.05
Other non-current liabilities	106,475,449.02	
Total non-current liabilities	12,176,168,718.46	10,514,426,070.89
Total liabilities	39,155,372,368.97	32,660,257,665.47
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	230,185,310.09	230,368,577.09
Less: Treasury stock		
Other comprehensive income	-16,583,042.42	-21,293,103.52
Specific reserve		
Surplus reserves	1,211,721,109.67	1,211,721,109.67
General reserve		
Retained earnings	4,595,371,391.63	4,239,763,606.89
Total equity attributable to owners of the Company as the parent	8,428,640,176.97	8,068,505,598.13
Non-controlling interests	2,292,254,947.67	1,858,192,188.67
Total owners' equity	10,720,895,124.64	9,926,697,786.80
Total liabilities and owners' equity	49,876,267,493.61	42,586,955,452.27

Legal representative: Liu Fengxi

CFO: Li Chunlei

Head of the financial department: Guo Zhihua

## 2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2020	31 December 2019
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Current assets:		
Monetary assets	3,481,445,560.17	2,498,077,198.12
Held-for-trading financial assets	298,497,458.33	61,494,666.97
Derivative financial assets		
Notes receivable	879,589,355.91	2,148,312,821.38
Accounts receivable	4,473,251,691.85	9,564,720,940.39
Accounts receivable financing	5,659,400.00	66,002,903.68
Prepayments	1,021,218,285.46	911,315,168.95
Other receivables	10,034,869,353.07	10,552,820,915.47
Including: Interest receivable	41,138,869.97	7,431,353.86
Dividends receivable	749,431,635.50	518,580,871.02
Inventories	202,406,456.36	218,644,308.47
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	1,020,031,186.39	1,096,689,897.40
Total current assets	21,416,968,747.54	27,118,078,820.83
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	8,806,166,599.56	7,712,084,967.88
Investments in other equity instruments	17,940,215.36	12,940,214.36
Other non-current financial assets	250,230,000.00	250,230,000.00
Investment property	406,237,236.91	400,197,374.07
Fixed assets	431,762,044.14	444,107,402.57
Construction in progress	132,464,938.18	40,933,270.51
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	59,506,272.63	80,470,750.60
Development costs		
Goodwill		
Long-term prepaid expense	16,532,521.69	39,047,325.68

Deferred income tax assets	980,095,292.53	883,234,085.45
Other non-current assets	10,867,888.84	
Total non-current assets	11,111,803,009.84	9,863,245,391.12
Total assets	32,528,771,757.38	36,981,324,211.95
Current liabilities:		
Short-term borrowings	5,052,990,048.93	5,014,312,913.74
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,344,958,738.50	2,610,991,473.69
Accounts payable	6,811,467,585.39	11,078,648,690.19
Advances from customers		318,839,961.84
Contract liabilities	723,022,740.95	
Employee benefits payable	147,391,317.06	125,402,307.95
Taxes payable	4,094,133.23	9,305,344.42
Other payables	4,275,347,622.57	3,193,392,734.69
Including: Interest payable	215,828,625.04	223,847,860.57
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	5,867,425.49	130,512,375.00
Other current liabilities	6,108,675.36	
Total current liabilities	18,371,248,287.48	22,481,405,801.52
Non-current liabilities:		
Long-term borrowings	2,930,034,612.32	3,438,055,729.90
Bonds payable	4,993,212,788.32	4,987,709,643.64
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	17,633,249.67	21,855,688.19
Long-term employee benefits payable		
Provisions	832,465.72	206,591.51
Deferred income	61,530,557.55	59,545,839.30
Deferred income tax liabilities	2,334,364.58	
Other non-current liabilities	54,162,098.05	
Total non-current liabilities	8,059,740,136.21	8,507,373,492.54

Total liabilities	26,430,988,423.69	30,988,779,294.06
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	112,570,352.72	114,018,066.79
Less: Treasury stock		
Other comprehensive income	-2,682,217.31	-2,682,217.31
Specific reserve		
Surplus reserves	1,227,564,785.19	1,227,564,785.19
Retained earnings	2,352,385,005.09	2,245,698,875.22
Total owners' equity	6,097,783,333.69	5,992,544,917.89
Total liabilities and owners' equity	32,528,771,757.38	36,981,324,211.95

### 3. Consolidated Income Statement

Unit: RMB

Item	2020	2019
1. Revenue	50,351,836,554.87	55,119,125,478.72
Including: Operating revenue	50,351,836,554.87	55,119,125,478.72
Interest income		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	52,314,397,544.31	56,684,201,307.20
Including: Cost of sales	47,595,064,349.98	52,138,198,501.04
Interest expense		
Handling charge and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	97,235,867.31	109,851,831.11
Selling expense	1,825,626,804.27	2,303,132,732.06
Administrative expense	1,022,981,943.34	856,529,327.62

R&D expense	681,878,611.65	500,600,102.23
Finance costs	1,091,609,967.76	775,888,813.14
Including: Interest expense	979,223,522.98	1,031,068,425.69
Interest income	164,580,939.30	247,559,600.76
Add: Other income	928,933,528.03	1,229,174,834.33
Return on investment ("-" for loss)	2,433,336,004.85	1,183,381,090.39
Including: Share of profit or loss of joint ventures and associates	106,458,465.42	141,264,035.96
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Exchange gain ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	19,089,541.66	-3,005,381.67
Credit impairment loss ("-" for loss)	-722,375,850.15	-531,879,268.76
Asset impairment loss ("-" for loss)	-462,407,098.47	-303,035,915.82
Asset disposal income ("-" for loss)	206,315,700.34	293,706,640.64
3. Operating profit ("-" for loss)	440,330,836.82	303,266,170.63
Add: Non-operating income	87,126,795.41	165,843,388.94
Less: Non-operating expense	25,590,474.86	18,533,352.41
4. Profit before tax ("-" for loss)	501,867,157.37	450,576,207.16
Less: Income tax expense	-38,206,305.07	115,640,091.82
5. Net profit ("-" for net loss)	540,073,462.44	334,936,115.34
5.1 By operating continuity	540,073,462.44	334,936,115.34
5.1.1 Net profit from continuing operations ("-" for net loss)	540,073,462.44	334,936,115.34
5.1.2 Net profit from discontinued operations ("-" for net loss)		
5.2 By ownership	540,073,462.44	334,936,115.34
5.2.1 Net profit attributable to shareholders of the Company as the parent	477,633,250.14	212,034,210.08
5.2.1 Net profit attributable to non-controlling interests	62,440,212.30	122,901,905.26
6. Other comprehensive income, net of tax	-2,800,360.64	-9,001,934.47
Attributable to owners of the Company as the parent	3,081,866.10	-10,754,884.44
6.1 Items that will not be reclassified to profit or loss	1,625,107.80	-9,652,181.00
6.1.1 Changes caused by remeasurements on defined benefit schemes		

6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments	1,625,107.80	
6.1.4 Changes in the fair value arising from changes in own credit risk		-9,652,181.00
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	1,456,758.30	-1,102,703.44
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for investments in other debt obligations		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	1,456,758.30	-1,102,703.44
6.2.7 Other		
Attributable to non-controlling interests	-5,882,226.74	1,752,949.97
7. Total comprehensive income	537,273,101.80	325,934,180.87
Attributable to owners of the Company as the parent	480,715,116.24	201,279,325.64
Attributable to non-controlling interests	56,557,985.56	124,654,855.23
8. Earnings per share		
8.1 Basic earnings per share	0.1984	0.0881
8.2 Diluted earnings per share	0.1984	0.0881

Legal representative: Liu Fengxi

CFO: Li Chunlei

Head of the financial department: Guo Zhihua

#### 4. Income Statement of the Company as the Parent

Unit: RMB

Item	2020	2019
1. Operating revenue	3,714,887,652.49	5,686,102,146.98
Less: Cost of sales	3,276,220,339.62	5,413,631,784.77
Taxes and surcharges	10,739,550.81	14,547,750.43
Selling expense	503,144,683.54	1,210,476,107.74
Administrative expense	472,549,413.24	387,778,068.98
R&D expense	93,029,766.19	47,127,013.11

Finance costs	626,375,762.29	414,932,824.70
Including: Interest expense	813,956,736.75	1,553,039,361.28
Interest income	438,850,221.34	782,721,658.41
Add: Other income	66,280,682.30	51,226,732.61
Return on investment ("-" for loss)	1,821,844,767.52	999,198,310.44
Including: Share of profit or loss of joint ventures and associates	-5,700,659.97	5,132,712.27
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	9,337,458.33	-3,005,381.67
Credit impairment loss ("-" for loss)	-631,160,001.21	-170,077,622.68
Asset impairment loss ("-" for loss)	-100,464,731.32	-16,347,540.36
Asset disposal income ("-" for loss)	188,200,000.00	1,000.00
2. Operating profit ("-" for loss)	86,866,312.42	-941,395,904.41
Add: Non-operating income	35,988,778.37	19,741,857.31
Less: Non-operating expense	9,642,635.24	3,088,072.47
3. Profit before tax ("-" for loss)	113,212,455.55	-924,742,119.57
Less: Income tax expense	-94,328,961.05	-365,219,888.18
4. Net profit ("-" for net loss)	207,541,416.60	-559,522,231.39
4.1 Net profit from continuing operations ("-" for net loss)	207,541,416.60	-559,522,231.39
4.2 Net profit from discontinued operations ("-" for net loss)		
5. Other comprehensive income, net of tax		-1,500,000.00
5.1 Items that will not be reclassified to profit or loss		-1,500,000.00
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		-1,500,000.00
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		

5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for investments in other debt obligations		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	207,541,416.60	-561,022,231.39
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	2020	2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	47,366,925,545.71	55,023,730,960.29
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	453,084,150.61	697,787,485.21
Cash generated from other operating activities	4,223,616,786.41	4,011,016,045.28
Subtotal of cash generated from operating activities	52,043,626,482.73	<b>59,732,534,490.78</b>
Payments for commodities and services	45,800,932,391.57	54,686,521,084.34
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		

Payments for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	1,744,799,823.16	1,808,972,838.78
Taxes paid	854,326,582.63	842,402,228.64
Cash used in other operating activities	3,464,951,157.16	3,938,585,623.61
Subtotal of cash used in operating activities	51,865,009,954.52	<b>61,276,481,775.37</b>
Net cash generated from/used in operating activities	178,616,528.21	<b>-1,543,947,284.59</b>
2. Cash flows from investing activities:		
Proceeds from disinvestment	706,624,869.40	224,405,975.50
Return on investment	125,587,929.51	168,681,375.93
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	370,112,371.91	202,577,149.61
Net proceeds from the disposal of subsidiaries and other business units	873,767,298.03	270,821,233.18
Cash generated from other investing activities	2,722,258,145.07	2,085,669,168.69
Subtotal of cash generated from investing activities	4,798,350,613.92	<b>2,952,154,902.91</b>
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	5,639,711,463.90	3,928,377,181.52
Payments for investments	254,250,619.25	1,357,746,303.50
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	1,356,937,320.83	1,528,640,757.47
Subtotal of cash used in investing activities	7,250,899,403.98	7,250,899,403.98
Net cash generated from/used in investing activities	-2,452,548,790.06	<b>-3,862,609,339.58</b>
3. Cash flows from financing activities:		
Capital contributions received	505,578,067.25	508,363,013.03
Including: Capital contributions by non-controlling interests to subsidiaries	505,578,067.25	508,363,013.03
Borrowings raised	19,606,041,084.27	30,069,405,522.31
Cash generated from other financing activities	2,755,219,144.42	1,825,598,732.14
Subtotal of cash generated from financing activities	22,866,838,295.94	<b>32,403,367,267.48</b>
Repayment of borrowings	17,891,643,322.79	23,540,444,424.43
Interest and dividends paid	865,497,236.05	774,763,008.11

Including: Dividends paid by subsidiaries to non-controlling interests	4,513,500.00	32,480,813.33
Cash used in other financing activities	1,974,684,683.67	1,623,142,762.86
<b>Subtotal of cash used in financing activities</b>	<b>20,731,825,242.51</b>	<b>25,938,350,195.40</b>
Net cash generated from/used in financing activities	2,135,013,053.43	<b>6,465,017,072.08</b>
4. Effect of foreign exchange rates changes on cash and cash equivalents	<b>-56,726,595.56</b>	<b>1,091,987.59</b>
5. Net increase in cash and cash equivalents	<b>-195,645,803.98</b>	<b>1,059,552,435.50</b>
Add: Cash and cash equivalents, beginning of the period	4,493,701,917.22	3,434,149,481.72
<b>6. Cash and cash equivalents, end of the period</b>	<b>4,298,056,113.24</b>	<b>4,493,701,917.22</b>

## 6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	2020	2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	3,449,433,124.12	8,005,144,873.81
Tax rebates	264,186,752.60	66,111,058.65
Cash generated from other operating activities	2,775,286,767.61	14,543,919,908.50
<b>Subtotal of cash generated from operating activities</b>	<b>6,488,906,644.33</b>	<b>22,615,175,840.96</b>
Payments for commodities and services	4,041,185,808.91	7,375,766,734.52
Cash paid to and for employees	339,065,929.50	695,358,748.25
Taxes paid	21,261,070.79	49,371,867.49
Cash used in other operating activities	2,786,729,899.09	17,421,013,450.10
<b>Subtotal of cash used in operating activities</b>	<b>7,188,242,708.29</b>	<b>25,541,510,800.36</b>
Net cash generated from/used in operating activities	<b>-699,336,063.96</b>	<b>-2,926,334,959.40</b>
2. Cash flows from investing activities:		
Proceeds from disinvestment	1,504,019,339.15	352,345,126.34
Return on investment	228,657,238.16	154,536,752.58
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	188,356,456.56	1,248,287.86
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	9,733,428,063.02	1,280,395,551.82
<b>Subtotal of cash generated from investing activities</b>	<b>11,654,461,096.89</b>	<b>1,788,525,718.60</b>
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	112,518,905.62	90,251,903.78
Payments for investments	1,400,141,815.71	1,628,545,610.00

Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	8,258,345,751.11	1,021,817,610.69
Subtotal of cash used in investing activities	9,771,006,472.44	2,740,615,124.47
Net cash generated from/used in investing activities	1,883,454,624.45	-952,089,405.87
<b>3. Cash flows from financing activities:</b>		
Capital contributions received		
Borrowings raised	14,529,825,025.55	25,760,260,136.81
Cash generated from other financing activities	9,797,462,437.60	30,700,000.00
Subtotal of cash generated from financing activities	24,327,287,463.15	25,790,960,136.81
Repayment of borrowings	15,109,478,610.76	21,231,768,458.85
Interest and dividends paid	741,959,265.05	649,307,167.98
Cash used in other financing activities	8,075,141,705.43	177,215,911.37
Subtotal of cash used in financing activities	23,926,579,581.24	22,058,291,538.20
Net cash generated from/used in financing activities	400,707,881.91	3,732,668,598.61
<b>4. Effect of foreign exchange rates changes on cash and cash equivalents</b>	-11,406,036.33	-14,696,602.27
<b>5. Net increase in cash and cash equivalents</b>	1,573,420,406.07	-160,452,368.93
Add: Cash and cash equivalents, beginning of the period	1,337,342,186.92	1,497,794,555.85
<b>6. Cash and cash equivalents, end of the period</b>	2,910,762,592.99	1,337,342,186.92

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

2020

Unit: RMB

Item	2020												Non-controlling interests	Total owners' equity		
	Share capital	Other equity instruments			Capital reserves	Less: Treasur y stock	Other comprehensi ve income	Spe cific rese rve	Surplus reserves	Gener al reserv e	Retained earnings	O t h e r	Subtotal			
		Preferr ed shares	Perpetu al bonds	Othe r												
1. Balance as at the end of the prior year	2,407,945,408.00				230,368,577.09		-21,293,103.52		1,211,721,109.67		4,239,763,606.89		8,068,505,598.13	1,858,192,188.67	9,926,697,786.80	
Add: Adjustment for change in accounting policy																
Adjustment for correction of previous error																
Adjustment for business combination under common control																
Other adjustments																
2. Balance as at the beginning of the year	2,407,945,408.00				230,368,577.09		-21,293,103.52		1,211,721,109.67		4,239,763,606.89		8,068,505,598.13	1,858,192,188.67	9,926,697,786.80	
3. Increase/ decrease in the period ("-" for decrease)					-183,267.00		4,710,061.10				355,607,784.74		360,134,578.84	434,062,759.00	794,197,337.84	
3.1 Total comprehensive income																

						3,081,866.10			477,633,250.1	4	480,715,116.2	4	56,557,985.56	537,273,101.80
3.2 Capital increased and reduced by owners					-183,267.00					-183,267.00		418,501,067.2		418,317,800.25
3.2.1 Ordinary shares increased by owners												418,501,067.2	5	418,501,067.25
3.2.2 Capital increased by holders of other equity instruments														
3.2.3 Share-based payments included in owners' equity														
3.2.4 Other					-183,267.00					-183,267.00				-183,267.00
3.3 Profit distribution									-120,397,270.4	0	-120,397,270.4	0	-40,996,293.81	-161,393,564.2
3.3.1 Appropriation to surplus reserves														
3.3.2 Appropriation to general reserve														
3.3.3 Appropriation to owners (or shareholders)									-120,397,270.4	0	-120,397,270.4	0	-40,996,293.81	-161,393,564.2
3.3.4 Other														
3.4 Transfers within owners' equity						1,628,195.00			-1,628,195.00					
3.4.1 Increase in capital (or share capital) from capital reserves														

3.4.2 Increase in capital (or share capital) from surplus reserves															
3.4.3 Loss offset by surplus reserves															
3.4.4 Changes in defined benefit schemes transferred to retained earnings															
3.4.5 Other comprehensive income transferred to retained earnings															
3.4.6 Other						1,628,195.00				-1,628,195.00					
3.5 Specific reserve															
3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Other															
4. Balance as at the end of the period	2,407,945,408.00			230,185,310.09		-16,583,042.42		1,211,721,109.67		4,595,371,391.63		8,428,640,176.97		2,292,254,947.67	10,720,895,124.64

2019

Unit: RMB

Item	2019													Non-controlling interests	Total owners' equity		
	Equity attributable to owners of the Company as the parent																
	Share capital	Other equity instruments			Capital reserves	Less: Treasur y stock	Other comprehensive income	Spe cific rese rve	Surplus reserves	Gener al reserv e	Retained earnings	O t he	Subtotal				
		Preferr ed shares	Perpetu al bonds	Other													

										r				
1. Balance as at the end of the prior year	2,407,945,408.00			208,356,624.21		-10,538,219.08		1,227,564,785.19		4,271,408,192.21		8,104,736,790.53	1,346,631,520.26	9,451,368,310.79
Add: Adjustment for change in accounting policy										-2,884,254.62		-2,884,254.62		-2,884,254.62
Adjustment for correction of previous error														
Adjustment for business combination under common control														
Other adjustments														
2. Balance as at the beginning of the year	2,407,945,408.00			208,356,624.21		-10,538,219.08		1,227,564,785.19		4,268,523,937.59		8,101,852,535.91	1,346,631,520.26	9,448,484,056.17
3. Increase/ decrease in the period ("-" for decrease)				22,011,952.88		-10,754,884.44		-15,843,675.52		-28,760,330.70		-33,346,937.78	511,560,668.41	478,213,730.63
3.1 Total comprehensive income						-10,754,884.44				212,034,210.08		201,279,325.64	124,654,855.23	325,934,180.87
3.2 Capital increased and reduced by owners				-7,393,378.55				-15,843,675.52				-23,237,054.07	420,402,243.23	397,165,189.16
3.2.1 Ordinary shares increased by owners												437,269,412.06		437,269,412.06
3.2.2 Capital increased by														

holders of other equity instruments														
3.2.3 Share-based payments included in owners' equity														
3.2.4 Other					-7,393,378.5 5			-15,843,675.52			-23,237,054.0 7		-16,867,168.83	-40,104,222.90
3.3 Profit distribution										-240,794,540.7 8	-240,794,540. 78	-45,105,284.66	-285,899,825.4 4	
3.3.1 Appropriation to surplus reserves														
3.3.2 Appropriation to general reserve														
3.3.3 Appropriation to owners (or shareholders)										-240,794,540.7 8	-240,794,540. 78	-33,496,430.05	-274,290,970.8 3	
3.3.4 Other													-11,608,854.61	-11,608,854.61
3.4 Transfers within owners' equity													11,608,854.61	11,608,854.61
3.4.1 Increase in capital (or share capital) from capital reserves														
3.4.2 Increase in capital (or share capital) from surplus reserves														
3.4.3 Loss offset by surplus reserves														
3.4.4 Changes in defined benefit schemes transferred to retained														

earnings															
3.4.5 Other comprehensive income transferred to retained earnings															
3.4.6 Other													11,608,854.61	11,608,854.61	
3.5 Specific reserve															
3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Other					29,405,331.43								29,405,331.43	29,405,331.43	
4. Balance as at the end of the period	2,407,945,408.00	0			230,368,577.09		-21,293,103.52		1,211,721,109.67		4,239,763,606.89		8,068,505,598.13	1,858,192,188.67	9,926,697,786.80

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

2020

Unit: RMB

Item	2020											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferre d shares	Perpetu al bonds	Other								
1. Balance as at the end of the prior year	2,407,945,408.00				114,018,066.79		-2,682,217.31		1,227,564,785.19	2,245,698,875.22		5,992,544,917.89
Add: Adjustment for change in accounting policy												

Adjustment for correction of previous error											
Other adjustments									19,541,983.67		19,541,983.67
2. Balance as at the beginning of the year	2,407,945,408.00			114,018,066.79		-2,682,217.31		1,227,564,785.19	2,265,240,858.89		6,012,086,901.56
3. Increase/ decrease in the period (“-” for decrease)				-1,447,714.07					87,144,146.20		85,696,432.13
3.1 Total comprehensive income									207,541,416.60		207,541,416.60
3.2 Capital increased and reduced by owners				-1,264,447.07							-1,264,447.07
3.2.1 Ordinary shares increased by owners											
3.2.2 Capital increased by holders of other equity instruments											
3.2.3 Share-based payments included in owners' equity											
3.2.4 Other				-1,264,447.07							-1,264,447.07
3.3 Profit distribution									-120,397,270.40		-120,397,270.40
3.3.1 Appropriation to surplus reserves											
3.3.2 Appropriation to owners (or shareholders)									-120,397,270.40		-120,397,270.40
3.3.3 Other											
3.4 Transfers within owners' equity											
3.4.1 Increase in capital (or share capital) from capital reserves											
3.4.2 Increase in capital (or share capital) from surplus reserves											

3.4.3 Loss offset by surplus reserves											
3.4.4 Changes in defined benefit schemes transferred to retained earnings											
3.4.5 Other comprehensive income transferred to retained earnings											
3.4.6 Other											
3.5 Specific reserve											
3.5.1 Increase in the period											
3.5.2 Used in the period											
3.6 Other					-183,267.00						-183,267.00
4. Balance as at the end of the period	2,407,945,408.00				112,570,352.72		-2,682,217.31		1,227,564,785.19	2,352,385,005.09	6,097,783,333.69

2019

Unit: RMB

Item	2019											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferre d shares	Perpetu al bonds	Other								
1. Balance as at the end of the prior year	2,407,945,408.00				114,018,066.79		-1,182,217.31		1,227,564,785.19	3,040,171,940.85		6,788,517,983.52
Add: Adjustment for change in accounting policy										-2,127,505.16		-2,127,505.16
Adjustment for correction of previous error												
Other adjustments										7,971,211.72		7,971,211.72

2. Balance as at the beginning of the year	2,407,945,408.00				114,018,066.79		-1,182,217.31		1,227,564,785.19	3,046,015,647.41		6,794,361,690.08
3. Increase/ decrease in the period ("-" for decrease)							-1,500,000.00			-800,316,772.19		-801,816,772.19
3.1 Total comprehensive income							-1,500,000.00			-559,522,231.39		-561,022,231.39
3.2 Capital increased and reduced by owners												
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												
3.2.4 Other												
3.3 Profit distribution										-240,794,540.80		-240,794,540.80
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)										-240,794,540.80		-240,794,540.80
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												

3.4.5 Other comprehensive income transferred to retained earnings											
3.4.6 Other											
3.5 Specific reserve											
3.5.1 Increase in the period											
3.5.2 Used in the period											
3.6 Other											
4. Balance as at the end of the period	2,407,945,408.00			114,018,066.79		-2,682,217.31		1,227,564,785.19	2,245,698,875.22		5,992,544,917.89

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### I. Company Profile

#### 1. Establishment

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

#### 2. Share capital

After the distribution of bonus shares, allotments, increased share capital and new shares issued over the years, as of 31 December 2020, the Company has issued a total of 2,407,945,408.00 shares (denomination of RMB1 per share) with a registered capital of RMB2,407,945,408.00.

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

The Company and its subsidiaries are mainly engaged in the production and sales of colour TVs, white goods, etc.; Industry trade business, environmental protection, semi-conductor, etc.

#### 4. The financial statements contained herein have been approved for issue by the Board of Directors of the Company on 22 March 2021.

### II. Consolidation scope

1. The Company has a total of 143 subsidiaries included in the consolidation scope including Electronics Technology, Anhui Konka, Dongguan Konka. The consolidation scope of the Company this year increased by 30 households including Yibin Kangrun due to incorporation or external purchase and decreased by 33 households including Dongguan Konka Investment due to losing control or cancellation compared to the previous year.

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

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

No.	Corporate name	Abbreviation
1	Konka Ventures Development (Shenzhen) Co., Ltd.	Konka Ventures
2	Yantai Konka Healthcare Enterprise Service Co., Ltd.	Yantai Konka
3	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.	Chengdu Anren
4	Guiyang Konka Enterprise Service Co., Ltd.	Konka Enterprise Service
5	Nanjing Chuanghui Smart Technology Co., Ltd.	Chuanghui Smart
6	Yibin Konka Incubator Management Co., Ltd.	Yibin Konka Incubator
7	Anhui Konka Electronic Co., Ltd.	Anhui Konka
8	Anhui Kangzhi Trade Co., Ltd.	Kangzhi Trade
9	Konka Factoring (Shenzhen) Co., Ltd.	Konka Factoring
10	Shenzhen Konka Unifortune Technology Co., Ltd.	Konka Unifortune

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

No.	Corporate name	Abbreviation
11	Jiali International (Hong Kong) Limited	Jiali International
12	Shenzhen Wankaida Science and Technology Co., Ltd.	Wankaida
13	Dongguan Konka Electronic Co., Ltd.	Dongguan Konka
14	Suining Konka Smart Technology Co., Ltd.	Suining Konka Smart
15	Konka (Europe) Co., Ltd.	Konka Europe
16	Shenzhen Konka Electrical Appliances Co., Ltd.	Konka Electrical Appliances
17	Shenzhen Konka Telecommunications Technology Co., Ltd.	Telecommunication Technology
18	Konka Mobility Co., Limited	Konka Mobility
19	Shenzhen Konka Mobile Interconnection Technology Co., Ltd.	Mobile Interconnection
20	Sichuan Konka Smart Terminal Technology Co., Ltd	Sichuan Konka
21	Yibin Konka Smart Technology Co., Ltd.	Yibin Smart
22	Anhui Konka Tongchuang Electrical Appliances Co., Ltd.	Anhui Tongchuang
23	Anhui Konka Electrical Appliance Technology Co., Ltd.	Anhui Electrical Appliance
24	Henan Frestec Refrigeration Appliance Co., Ltd.	Frestec Refrigeration
25	Henan Frestec Smart Home Technology Co., Ltd.	Frestec Smart Home
26	Henan Frestec Electrical Appliances Co., Ltd.	Frestec Electrical Appliances
27	Henan Frestec Household Appliances Co., Ltd.	Frestec Household Appliances
28	Jiangsu Konka Smart Electrical Appliances Co., Ltd.	Jiangsu Konka Smart
29	Sichuan Kangjiatong Technology Co., Ltd.	Kangjiatong
30	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.	Pengrun Technology
31	Jiaxin Technology Co., Ltd.	Jiaxin Technology
32	Dongguan Konka Packing Materials Co., Ltd.	Dongguan Packing
33	Shenzhen E2info Network Technology Co., Ltd.	E2info
34	E2info (Hainan) Network Technology Co., Ltd.	E2info (Hainan)
35	Beijing Konka Electronic Co., Ltd.	Beijing Konka Electronic
36	Konka Financial Leasing (Tianjin) Co., Ltd.	Konka Leasing
37	Shenzhen Kangjia circuit Co., Ltd.	Konka Circuit
38	Boluo Konka Precision Technology Co., Ltd.	Boluo Konka Precision
39	Xiamen Dalong Trading Co., Ltd.	Xiamen Dalong
40	Boluo Konka PCB Co., Ltd.	Boluo Konka
41	Hong Kong Konka Limited	Hong Kong Konka
42	Konka Electrical Appliances Investment & Development Co., Ltd.	Konka Electrical Appliances Investment
43	Chain Kingdom Memory Technologies Co., Limited	Chain Kingdom Memory Technologies

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

No.	Corporate name	Abbreviation
44	Chain Kingdom Memory Technologies (Shenzhen) Co., Ltd.	Chain Kingdom Memory Technologies (Shenzhen)
45	Hefei KONSEMI Storage Technology Co., Ltd.	Hefei KONSEMI
46	Konka SmartTech Limited	Konka SmartTech
47	Kangjetong (Hong Kong) Limited	Kangjetong
48	Konka Electrical Appliances International Trading Co., Ltd.	Konka Electrical Appliances International Trading
49	Kanghao Technology Co., Ltd.	Kanghao Technology
50	Konka North America LLC	Konka North America
51	Shenzhen Konka Investment Holding Co., Ltd.	Konka Investment
52	Yibin Konka Technology Park Operation Co., Ltd.	Yibin Konka Technology Park
53	Shenzhen Konka Capital Equity Investment Management Co., Ltd.	Konka Capital
54	Konka Suiyong Investment (Shenzhen) Co., Ltd.	Konka Suiyong
55	Shenzhen Kangquan Enterprise Management Consulting Co., Ltd.	Kangquan Enterprise
56	Shenzhen Konka Suyuan Investment Industrial Co., Ltd.	Konka Suyuan
57	Shenzhen Konka Shengxing Industrial Co., Ltd.	Shengxing Industrial
58	Shenzhen Konka Industrial Park Development Co., Ltd.	Industrial Park Development
59	Shenzhen Konka Zhitong Technology Co., Ltd.	Zhitong Technology
60	Shenzhen Konka Electronics Technology Co., Ltd.	Electronics Technology
61	Anhui Konka Zhilian E-Commerce Co., Ltd.	Anhui Zhilian
62	Shenzhen Youzihui Technology Co., Ltd.	Youzihui
63	Shenzhen Xiaojaia Technology Co., Ltd.	Xiaojaia Technology
64	Haimen Konka Smart Technology Co., Ltd.	Haimen Konka
65	Chengdu Konka Smart Technology Co., Ltd.	Chengdu Konka Smart
66	Chengdu Konka Electronic Co., Ltd.	Chengdu Konka Electronic
67	GuangDong XingDa HongYe Electronic Co., Ltd.	XingDa HongYe
68	Shanghai Xinfeng Zhuoqun PCB Co., Ltd.	Shanghai Xinfeng
69	Liaoyang Kangshun Smart Technology Co., Ltd.	Liaoyang Kangshun Smart
70	Liaoyang Kangshun Renewable Energy Co., Ltd.	Liaoyang Kangshun Renewable
71	Nanjing Konka Electronics Co., Ltd.	Nanjing Konka
72	Yantai Laikang Industrial Development Co., Ltd.	Yantai Laikang
73	Shandong Econ Technology Co., Ltd.	Econ Technology
74	Beijing Econ Runfeng Technology Co., Ltd.	Beijing Econ
75	Shanghai Jiyi Environmental Technology Co., Ltd.	Shanghai Jiyi
76	Binzhou Econ Zhongke Environmental Technology Co., Ltd.	Binzhou Econ Zhongke

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

No.	Corporate name	Abbreviation
77	Laizhou Lairun Holding Co., Ltd.	Lairun Holding
78	Laizhou Lairun Environmental Protection Co., Ltd.	Lairun Environmental Protection
79	Laizhou Lairun Wastewater Treatment Co., Ltd.	Lairun Wastewater
80	Laizhou Binhai Wastewater Treatment Co., Ltd.	Binhai Wastewater
81	Econ Environmental Engineering Co., Ltd.	Econ Environmental Engineering
82	Rushan Econ Water Environment Management Co., Ltd.	Rushan Econ
83	Binzhou Weiyijie Environmental Technology Co., Ltd.	Binzhou Weiyijie
84	Binzhou Beihai Jingmai Industrial Development Co., Ltd.	Binzhou Beihai Jingmai
85	Yantai Chunzhiran Environmental Technology Co., Ltd.	Chunzhiran
86	Donggang Kangrun Environmental Management Co., Ltd.	Donggang Kangrun
87	Kangrunhong Environmental Technology (Yantai) Co., Ltd.	Kangrunhong Environmental
88	Dayi Kangrun Water Co., Ltd.	Dayi Kangrun Water
89	Suining Pengxi Kangrun Environmental Management Co., Ltd.	Suining Pengxi Kangrun
90	Subei Mongol Autonomous County Kangrun Water Co., Ltd.	Subei Kangrun Water
91	Weifang Sihai Kangrun Investment Operation Co., Ltd.	Weifang Sihai Kangrun
92	Lushan Kangrun Environmental Management Co., Ltd.	Lushan Kangrun Environmental
93	Funan Kangrun Water Co., Ltd.	Funan Kangrun Water
94	Wuhan Runyuan Wastewater Treatment Co., Ltd.	Wuhan Runyuan Wastewater
95	Tongchuan Kangrun Honghui Environmental Management Co., Ltd.	Tongchuan Kangrun Honghui
96	Tingyuan Environmental Technology (Shanghai) Co., Ltd.	Tingyuan Environmental
97	Gaoping Kangrun Environmental Protection & Water Co., Ltd.	Gaoping Kangrun
98	Mengcheng Kangrun Anjian Water Co., Ltd.	Mengcheng Kangrun
99	Xixian Kangrun Xijian Water Environment Development Co., Ltd.	Xixian Kangrun
100	Chongzhou Kangrun Environment Co., Ltd.	Chongzhou Kangrun
101	Xi'an Gaoling Kangrun Environmental Engineering Co., Ltd.	Xi'an Kangrun
102	Ankang Kangrun Xinheng Water Environment Co., Ltd.	Ankang Kangrun
103	Changning Kangrun Water Co., Ltd.	Changning Kangrun
104	Bokang Renewable Resources (Yantai) Co., Ltd.	Bokang Renewable
105	Linfen Kangrun Jinze Water Supply Co., Ltd.	Linfen Kangrun
106	Konka Huanjia (Dalian) Environmental Technology Co., Ltd.	Konka Huanjia
107	Konka Huanjia (Henan) Environmental Technology Co., Ltd.	Konka Huanjia (Henan)
108	Shanghai Konka Industrial Co., Ltd.	Shanghai Konka
109	Yantai Kangjin Technology Development Co., Ltd.	Yantai Kangjin
110	Jiangxi Konka New Material Technology Co., Ltd.	Jiangxi Konka
111	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.	Xinfeng Microcrystalline

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

No.	Corporate name	Abbreviation
112	Jiangxi Golden Phoenix Nano Crystallized Glass Co., Ltd.	Nano Crystallized Glass
113	Jiangsu Konka Special Material Technology Co., Ltd.	Jiangsu Konka Special Material
114	Shenzhen Nianhua Enterprise Management Co., Ltd.	Shenzhen Nianhua
115	Shenzhen KONSEMI Co., Ltd.	Shenzhen KONSEMI
116	Hefei KONSEMI Storage Technology Co., Ltd.	Hefei KONSEMI
117	Hefei Yihe Electronic Co., Ltd.	Yihe Electronic
118	Chongqing Konka Technology Development Co., Ltd.	Chongqing Konka
119	Shenzhen Konka Huiying Technology Co., Ltd.	Shenzhen Huiying Technology
120	Chongqing Konka Huiying Technology Co., Ltd.	Chongqing Huiying Technology
121	Shenzhen Konka Eco-Development Investment Co., Ltd.	Konka Eco-Development
122	Suining Konka Industrial Park Development Co., Ltd.	Suining Konka Industrial Park
123	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.	Konka Ronghe
124	Suining Konka Electronic Technological Innovation Co., Ltd.	Suining Electronic Technological Innovation
125	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.	Shenzhen Chuangzhi Electrical Appliances
126	Kanghong (Yantai) Environmental Technology Co., Ltd.	Kanghong (Yantai) Environmental
127	Chongqing Kangxingrui Environmental Technology Co., Ltd.	Chongqing Kangxingrui
128	Chongqing Kangxingrui Scrapped Automobile Recycling Co., Ltd.	Chongqing Kangxingrui Automobile Recycling
129	Chongqing Konka Optoelectronic Technology Research Institute Co., Ltd.	Chongqing Optoelectronic Technology Research Institute
130	Konka Xinying Semiconductor Technology (Shenzhen) Co., Ltd.	Xinying Semiconductor
131	Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd.	Konka Xinyun Semiconductor
132	Jiangkang (Shanghai) Technology Co., Ltd.	Jiangkang (Shanghai) Technology
133	Ningbo Kanghanrui Electrical Appliances Co., Ltd.	Ningbo Kanghanrui Electrical Appliances
134	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.	Konka Intelligent Manufacturing
135	Suining Jiarun Property Co., Ltd.	Suining Jiarun Property
136	Yantai Kangyun Industrial Development Co., Ltd.	Yantai Kangyun
137	Yantai Kangyun Property Development Co., Ltd.	Yantai Kangyun Property
138	Chongqing Kanglei Optoelectronic Technology Co., Ltd.	Chongqing Kanglei Optoelectronic
139	Yibin Kangrun Environmental Technology Co., Ltd.	Yibin Kangrun
140	Henan Kangxin Property Co., Ltd.	Henan Kangxin Property
141	Hainan Konka Material Technology Co., Ltd.	Konka Material
142	Shenzhen Kangxin Property Co., Ltd.	Shenzhen Kangxin Property

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

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No.	Corporate name	Abbreviation
143	Henan Kanghan Property Co., Ltd.	Henan Kanghan Property
144	Chengdu Konka Incubator Management Co., Ltd.	Chengdu Konka Incubator
145	Shenzhen Konka Cross-Border Technological Innovation Service Co., Ltd.	Cross-Border Technological Innovation
146	Guizhou Konka Enterprise Management Service Co., Ltd.	Konka Enterprise Management
147	Youshi Kangrong Culture Communication Co., Ltd.	Youshi Kangrong
148	Shenzhen Konka Life Electric Appliance Co., Ltd.	Life Electric Appliance
149	Shenzhen Konka Commercial System Technology Co., Ltd.	Commercial System Technology
150	Henan Frestec Smart Eco Electrical Appliances Co., Ltd.	Frestec Smart
151	E3info (Hainan) Technology Co., Ltd.	E3info
152	Shenzhen Konka Yifang Technology Co., Ltd.	Yifang Technology
153	Yuekang Semiconductor Technology (Yantai) Co., Ltd.	Yuekang Semiconductor
154	Kangshi Virtual Technology (Yantai) Co., Ltd.	Kangshi Virtual
155	Sichuan Konka Industrial New Town Development Co., Ltd.	Industrial New Town
156	Shenzhen Konka Kangxin Technology Co., Ltd.	Kangxin Technology
157	Hainan Konka Technology Industry Development Co., Ltd.	Hainan Technology
158	Nanjing Konka Smart Technology Co., Ltd.	Nanjing Konka
159	Zhongshan Kangxin Electronic Technology Co., Ltd.	Zhongshan Kangxin Electronic
160	Zhongshan Kang'ao Electronic Co., Ltd.	Zhongshan Kang'ao
161	Boxing Xingkang Environmental Technology Co., Ltd.	Boxing Xingkang Environmental
162	Yantai Konka Industrial Co., Ltd.	Yantai Konka Industrial
163	Shandong Kangxin Industrial Development Co., Ltd.	Shandong Kangxin
164	Shenzhen MorseMI Semiconductor Technology Co., Ltd.	Shenzhen MorseMI
165	Chongqing Zhengmao Semiconductor Co., Ltd.	Zhengmao Semiconductor
166	Dongguan Konka Investment Co., Ltd.	Dongguan Konka Investment
167	Kanghong (Yantai) Environmental Technology Park Co., Ltd.	Kanghong (Yantai) Environmental Technology Park
168	Chongqing Konka Property Development Co., Ltd.	Chongqing Konka Property Development
169	Chongqing Konka Xingyi Property Co., Ltd.	Chongqing Xingyi Property
170	Chongqing Konka Fuze Property Co., Ltd.	Chongqing Fuze Property
171	Anhui Konka Debao New Material Technology Co., Ltd.	Debao New Material
172	Chuzhou Kangxin Health Industry Development Co., Ltd.	Chuzhou Kangxin Health Industry
173	Hubei Kangxinlong Environmental Protection Co., Ltd.	Kangxinlong Environmental Protection
174	Chongqing Chengda Property Co., Ltd.	Chongqing Chengda

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

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No.	Corporate name	Abbreviation
175	Chongqing Chunfu Property Co., Ltd.	Chongqing Chunfu
176	Chongqing Langheng Property Co., Ltd.	Chongqing Langheng
177	Morsemi Semiconductor Technology (Hong Kong) Limited	Morsemi Hong Kong

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

#### **(1) Basic for the preparation**

With the going-concern assumption as the basis and based on transactions and other events that actually occurred, the Company prepared financial statements in accordance with The Accounting Standards for Business Enterprises issued by the Ministry of Finance and other regulations as well as the accounting policies and estimations stipulated in the Note IV “Significant Accounting Policies and Estimations”.

#### **(2) Going-concern**

The Company does not undergo any affair or situation that causes major doubt about the continuous operation capacity within 12 months from the end of the Reporting Period.

### **IV. Important Accounting Policies and Estimations**

The specific accounting policies and accounting estimates formulated by the company based on the actual production and operation characteristics include the recognition and measurement of bad debt provision for receivables, the measurement of issued inventories, the classification of fixed assets and depreciation methods, amortization of intangible assets, revenue recognition and measurement, etc.

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

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

#### **2. Fiscal Period**

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

#### **3. Operating Cycle**

An operating cycle for the Company is 12 months, which is also the classification criterion for the liquidity of its assets and liabilities.

#### **4. Recording Currency**

The Company adopted Renminbi as the bookkeeping base currency.

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

As the combining party, the assets and liabilities obtained by the Company in a business combination under the same control shall be measured on the basis of their carrying value in the final controlling party on the combining date. As for the balance between the carrying value of the

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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net assets obtained and the carrying value of the consideration paid by it, the capital reserve shall be adjusted. If the capital reserve is not sufficient to be offset, the retained earnings shall be adjusted.

The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the business combination under different control shall be measured at fair value on the acquisition date. The merger cost is the sum of the fair value of cash or non-cash assets, liabilities issued or assumed, equity securities issued, etc. paid by the Company on the purchase date to gain control over the purchased party and all directly related expenses incurred in the business combination (The merge cost of business combination realized step by step through multiple transactions is the sum of every single transaction's cost). The balance that the combined cost greater than the fair value share of the identifiable net assets of the purchased party obtained in the combination shall be recognized as goodwill; When the merger cost is less than the fair value share of the identifiable net assets of the acquiree acquired in the merger, the fair value of all identifiable assets, liabilities and contingent liabilities acquired in the merger, and non-cash assets of the merger consideration or equity securities issued, etc. shall be reviewed first. After review, if the merger cost is still less than the fair value share of the identifiable net assets of the acquiree acquired in the merger, the difference shall be included in the non-operating income of the merger period.

### 6. Methods for Preparing Consolidated Financial Statements

The scope of consolidation includes the Company and its all subsidiaries.

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

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

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

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

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

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

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

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

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

If the Company loses control over the investee due to the disposal of some equity investments and other reasons, the remaining equity shall be re-measured at its fair value on the date of loss of control when preparing the consolidated financial statements. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity, minus the share of the net assets of the original subsidiary calculated on the basis of the original shareholding ratio and continuously calculated from the date of purchase or merger, is included in the investment profit and loss of the current period when the control right is lost, and goodwill is offset. Other comprehensive income related to the original subsidiary's equity investment, etc., will be transferred to the current investment profit and loss when the control right is lost.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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

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

The Company classifies joint arrangements into joint operations and joint ventures. For a joint operation, the Company, 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 Company's stake in the joint operation; recognizes relevant income and expense according to the Company's stake in the joint operation. When the Company purchases or sells the assets not constituting business with the joint operation, the Company only recognizes the share of the other joint operators in the gains and losses arising from the transaction.

### **8. Cash and Cash Equivalents**

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

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

#### **(1) Foreign currency transaction**

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

#### **(2) Translation of foreign currency financial statement**

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

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

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### 10. Financial Assets and Financial Liabilities

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

#### (1) Financial assets

##### 1) Classification, recognition and measurement of financial assets

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

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

The Company classified the financial assets meeting the following conditions at the same time as financial assets at fair value through other comprehensive income: ①The Business mode for managing financial assets of the Company takes contract cash flow collected as target and selling as target. ②The contract of the financial assets stipulates that the cash flow generated in the specific date is the payment of the interest based on the principal and outstanding principal amount. These financial assets initially measured at fair value and relevant transaction cost shall be included into the initial recognized amount. Except for those designated as hedged items, as for these financial assets, except for gains or losses on credit impairment, exchange gain and loss and interest of financial assets measured at actual interest rate, other gains or losses generated shall be recorded into other comprehensive income. When derecognized, the accumulated gains and losses originally recorded into other comprehensive income shall be transferred out into the current profit or loss.

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

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

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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 Company for strategic purpose, with no control, joint control or significance influence, and with no active market quotation.

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

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

### 2) Recognition and measurement of financial assets transfer

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

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

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

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

### (2) Financial liabilities

#### 1) Classification, recognition and measurement of financial liabilities

The Company'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 Company 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

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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

### 2) Derecognition of financial liabilities

In case of current obligation of financial liabilities (or partial financial liabilities) being terminated, derecognition of such financial liabilities (or partial financial liabilities) is conducted by the Company. If the Company (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 Company, 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 Company includes the balance between its carrying value and payment consideration into the current profit or loss.

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

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

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

### (4) Offsetting financial assets and financial liabilities

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

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The Company's financial assets and liabilities shall be separately presented in the balance sheet and not set off each other. But when meeting the following conditions at the same time, the net amount after offset shall be presented in the balance sheet: (1) The Company has the statutory right to set off recognized amount which is currently executable; (2) The Company plans to settle with the net amount or realize the financial asset and pay off the financial liability simultaneously. (5) The distinction between financial liabilities and equity instruments and related treatment methods

The Company distinguishes the financial liabilities and equity instruments according to the following principles: (1) If the Company 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 Company's own equity instrument, it is necessary to consider whether the Company's own equity instrument used to settle the instrument is used as a substitute for cash or other financial assets, or to enable the holder of the instrument to enjoy the residual equity in the assets of the issuer after deducting all liabilities. If it belongs to the former condition, the instrument is the financial liability of the issuer; if it belongs to the latter condition, the instrument is the equity instrument of the issuer. In some cases, a financial instrument contract requires the Company 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 Company'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 Company has taken into account all terms and conditions reached between the Company members and the holders of financial instruments. If the Company 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 Company 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 Company will treat them as changes in equity and will not recognize changes in the fair value of equity instruments.

### 11. Impairment of Financial Assets

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

#### (1) Methods for the Recognition of Impairment Provisions

For all mentioned items above, the Company shall calculate and withdraw corresponding

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impairment provisions and recognize corresponding credit impairment losses according to applicable expected credit loss measurement methods (general methods or simplified methods) with the expected credit loss as the basis.

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

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

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

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

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

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

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

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

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

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

## 12. Notes Receivable

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

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

### 13. Accounts Receivable

For account receivable and contract assets excluding significant financing composition, the Company 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 Company 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 Company shall divide them into different combinations based on the specific credit risks:

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

### 14. Accounts Receivable Financing

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

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

### 16. Long-term Receivables

By determining whether the credit risk of long-term account receivables increases remarkably after the initial recognition, the Company 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 Company shall divide them into different combinations based on the specific credit risk features:

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

### 17. Inventories

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

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

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

The net realizable value refers, in the ordinary course of business, to the account after deducting the estimated cost of completion, estimated sale expense and relevant taxes from the estimated sale price of inventories. The net realizable value of inventories shall be fixed on the basis of

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valid evidence as well as under consideration of purpose of inventories and the effect of events after balance-sheet-date.

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

### **18. Contract Assets**

#### **(1) Confirmation methods and standards of contract assets**

Contract assets refer to the right of the company to receive consideration after transferring goods to customers, and this right depends on factors other than the passage of time. If the company 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 company has the right to receive payment as a contract assets.

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

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

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

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

### **19. Contract Costs**

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

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

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

The contract acquisition cost, that is, the incremental cost incurred by the company to obtain the contract is expected to be recovered, and is recognized as an asset as the contract acquisition cost; if the asset amortization period does not exceed one year, it is included in the current profit and loss when it occurs. Incremental cost refers to the cost (such as sales commission, etc.) that the company will not incur without obtaining the contract. The company'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.

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### **(2) Amortization of assets related to contract costs**

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

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

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

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

## **20. Long-term Equity Investments**

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

The Company'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 Company 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 Company holds less than 20% of the voting rights of the investee, it also needs to judge whether the Company 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 Company. 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 company'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 Company 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

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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 company'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 Company shall conduct accounting treatment to treat each transaction as a single transaction to acquire control. If the transaction is not a package deal, the sum of the book value of the equity investment originally held plus the cost of the new investment shall be the initial investment cost calculated in accordance with the cost method. If the equity held prior to the purchase date is accounted by the equity method, the relevant other comprehensive income accounted by the original equity method shall not be adjusted. The same basis of accounting as that used for the direct disposal of the related assets or liabilities by the investee is used for the disposal of the investment. If the equity held prior to the purchase date is a financial asset designated to be measured at fair value with fluctuations included in other comprehensive income, the cumulative profit or loss on the equity previously recognized in other comprehensive income shall be transferred from other comprehensive income to the retained earnings; if the equity is a financial asset measured at fair value and the changes of which are included in profits and losses of the current period, the equity previously recognized as profits and losses from the changes in fair value shall not be transferred to investment income. If the equity held prior to the purchase date is an investment for other equity instruments, the changes in fair value of the equity investment accumulated in other comprehensive income before the purchase date shall be transferred to the retained earnings.

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

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

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

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

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regarded as the investment cost according to the investment contract or agreement. The value of the company is regarded as the cost of investment.

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

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

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

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

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

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

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the investment income, and the difference between the fair value and the book value of the residual equity on the day of losing control shall be included in the current profits and losses.

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

### 21. Investment Property

The term "investment property" refers to the real estate held for generating rent and/or capital appreciation. Investment property of the Company 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 company for operating lease and the holding intention will not change in a short time, they will also be listed as investment real estate.

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

The Company shall make a follow-up measurement to the investment property by employing the cost pattern on the date of the balance sheet. An accrual depreciation or amortization shall be made for the investment property in the light of the accounting policies of the use right of buildings or lands.

For details of impairment test method and withdrawal method of impairment provision of investment property, please refer to Note IV. 26. "Long-term assets impairment".

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

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

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

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The amount of proceeds on sale, transfer, retirement or damage of an investment property less its carrying amount and related taxes and expenses is recognized in profit or loss in the period in which it is incurred.

### 22. Fixed Assets

The Company'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 Company and their cost can be measured reliably. The Company's fixed assets include buildings and constructions, machinery and equipment, electronic equipment, transportation equipment, and other equipment.

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

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

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

The Company's fixed assets under finance leases are mainly machinery and equipment. The basis for recognizing them as fixed assets under finance leases is that, during the lease term, the Company receives substantially all the economic benefits provided by the assets, while assuming the risks associated with the assets.

The lower of the fair value of the fixed assets under finance leases and the present value of the minimum lease payments will be recognized as the recorded value of the leased-in assets. The difference between the recorded value of the leased-in assets and the minimum lease payments is recognized as an unrecognized financing expense.

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Fixed assets under finance leases are depreciated in the same manner as owned fixed assets. If it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the leased fixed asset is depreciated over its estimated useful life; otherwise, the leased fixed asset is depreciated over the shorter of the lease term and the estimated useful life of the asset.

### **23. Construction in Progress**

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

### **24. Borrowing Costs**

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

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

### **25. Intangible Assets**

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

Land use rights are amortized equally over the years from the commencement date of the grant; intangible assets such as software and patents are amortized equally over the shortest of the estimated useful life, the contractual beneficiary life and the effective life prescribed by law. The

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amortization amount is charged to the cost of the related assets and current profit or loss according to their beneficiaries. The estimated useful life and amortization method of intangible assets with finite useful lives are reviewed at the end of each year. Accounting estimation methods are used when changes are required.

The main research and development projects of the Company include the AIOT scene voice system based on NLP algorithm.

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

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

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

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

(2) Specific criteria for capitalization of development stage expenditures

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

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

### 26. Impairment of Long-term Assets

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

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

In impairment test, carrying value of the business reputation in financial report should be shared

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

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

### **27. Long-term Deferred Expenses**

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

### **28. Contract Liabilities**

Liabilities of contracts refer to the Company'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 Company 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.

### **29. Employee Compensation**

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

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

The post-employment benefits mainly include the basic endowment insurance, etc. They are divided into defined contribution plans and defined benefit plans in accordance with the risks and obligations undertaken by the Company. 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 Company 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 Company cannot terminate the labour relations unilaterally or reduce the demission welfare, remuneration and liabilities produced from the demission welfare should be determined and included in current profits and losses when determining the costs of demission welfare and recombination. However, demission welfare not fully paid within 12 months after annual Reporting Period should be handled the same as other long-term employees' payrolls.

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

The other long-term welfare that the Company 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.

### **30. Provisions**

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

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

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

### **31. Principles of Revenue Recognition and Measurement Method**

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

#### **(1)Revenue recognition principle**

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

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

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

①The customer obtains and consumes the economic benefits brought by the company's performance at the same time the company performs the contract.

②The customer can control the products under construction during the performance of the company.

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③The goods produced during the performance of the company have irreplaceable uses, and the company has the right to collect payments for the cumulative performance of the contract during the entire contract period.

For performance obligations performed within a certain period of time, the company recognizes revenue according to the performance progress during that period. When the performance progress cannot be reasonably determined, if the cost incurred by the company 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 company recognizes revenue at the point when the customer obtains control of the relevant goods or services. When judging whether a customer has obtained control of goods or services, the company considers the following signs:

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

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

### (2) Principles of income measurement

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

②The transaction price is the amount of consideration that the 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 confirmed by the company does not exceed the amount at which the accumulated confirmed income will most likely not undergo a significant reversal when the relevant uncertainty is eliminated. It is expected that the money returned to the customer will not be included in the transaction price as a liability.

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

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

⑤ For sales with a sales return clause, when the customer obtains control of the relevant product, the company recognizes revenue based on the amount of consideration expected to be received due to the transfer of the product to the customer, and the expected return due to the sales return is recognized as an estimated liability ; At the same time, according to the expected book value of the returned goods at the time of transfer, the balance after deducting the estimated cost of recovering the goods (including the value impairment of the returned goods) is recognized as an asset, that is, the return cost receivable, according to the transferred goods The book value at the time of the transfer, deducting the net carry-over cost of the aforementioned asset cost. On each balance sheet date, the company 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 company shall determine the transaction price based on the amount payable in cash when the customer assumes control of the goods or services. Using the discount rate that discounts the nominal amount of the contract consideration into the current commodity price, the difference between the determined transaction price and the amount of the consideration promised in the contract is amortized by the actual interest method during the contract period. On the starting date of the contract, the company 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 company 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 company conducts accounting treatment in accordance with "contingent events-estimated liabilities". For the service quality assurance that provides a separate service in order to assure customers that the goods sold meet the established standards, the company regards it as a single performance obligation, based on the stand-alone selling price of the quality assurance of goods and services. In a relative proportion, part of the transaction price is allocated to service quality assurance, and revenue is recognized when the customer obtains control of the service. When assessing whether the quality assurance provides a separate service in addition to ensuring that the products sold meet the established standards, the company considers whether the quality assurance is a legal requirement, the quality assurance period, and the nature of the company's commitment to perform the tasks.

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

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construction service and the untransferred construction service. The company accounts for the changed part of the contract as a component of the original contract. The resulting impact on the recognized revenue will be adjusted on the date of contract change.

### (3) Specific methods of revenue recognition

#### ① Revenue recognized on time

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

## 32. Government Grants

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

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

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

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

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

The Company 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 Company. 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 Company 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. (Alternatively, the fair value of the loan is taken as the entry value, and the borrowing costs are calculated using the effective interest rate method. The difference between the actual amount received and the fair value is recognized as deferred income, which is amortized using the effective interest rate method during the loan term to offset borrowing costs);
- (2) Where the government allocates the funds directly to the Company, the grants are offset against borrowing costs.

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

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

### 33. Deferred Income Tax Assets/Deferred Income Tax Liabilities

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

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

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### 34. Leasing

Financing leasing virtually transferred the whole risks and leasing of the compensation related to the assets ownership and their ownership may eventually be transferred or maybe not. Other leasing except for the financing leasing is operating leasing.

#### (1) Business of operating leases recorded by the Company as the lessee

The rent expenses from operating leases shall be recorded by the lessee in the relevant asset costs or the profits and losses of the current period by using the straight-line method over each period of the lease term. The initial direct costs shall be recognized as the profits and losses of the current period. The contingent rents shall be recorded into the profits and losses of the current period in which they actually arise.

#### (2) Business of operating leases recorded by the Company as the lessor

The rent incomes from operating leases shall be recognized as the profits and losses of the current period by using the straight-line method over each period of the lease term. The initial direct costs of great amount shall be capitalized when incurred, and be recorded into current profits and losses in accordance with the same basis for recognition of rent incomes over the whole lease term. The initial direct costs of small amount shall be recorded into current profits and losses when incurred. The contingent rents shall be recorded into the profits and losses of the current period in which they actually arise.

#### (3) Business of finance leases recorded by the Company as the lessee

On the lease beginning date, the Company shall record the lower one of the fair value of the leased asset and the present value of the minimum lease payments on the lease beginning date as the entering value in an account, recognize the amount of the minimum lease payments as the entering value in an account of long-term account payable, and treat the balance between the recorded amount of the leased asset and the long-term account payable as unrecognized financing charges. Besides, the initial direct costs directly attributable to the leased item incurred during the process of lease negotiating and signing the leasing agreement shall be recorded in the asset value of the current period. The balance through deducting unrecognized financing charges from the minimum lease payments shall be respectively stated in long-term liabilities and long-term liabilities due within 1 year.

Unrecognized financing charges shall be adopted by the effective interest rate method in the lease term, so as to calculate and recognize current financing charges. The contingent rents shall be recorded into the profits and losses of the current period in which they actually arise.

#### (4) Business of finance leases recorded by the Company as the lessor

On the beginning date of the lease term, the Company shall recognize the sum of the minimum lease receipts on the lease beginning date and the initial direct costs as the entering value in an account of the financing lease values receivable, and record the unguaranteed residual value at the same time. The balance between the sum of the minimum lease receipts, the initial direct costs and the unguaranteed residual value and the sum of their present values shall be recognized as unrealized financing income. The balance through deducting unrealized financing incomes from the finance lease accounts receivable shall be respectively stated in long-term claims and long-term claims due within 1 year.

Unrecognized financing incomes shall be adopted by the effective interest rate method in the lease term, so as to calculate and recognize current financing revenues. The contingent rents shall be recorded into the profits and losses of the current period in which they actually arise.

### 35. Changes in Main Accounting Policies and Estimates

#### (1) Changes of accounting policies

In 2017, the Ministry of Finance issued the revised "Accounting Standards for Business

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Enterprises No. 14-Revenue" (referred to as the "New Revenue Standards"). The Company starts to implement the above newly revised standards since 1 January 2020. In accordance with the link up provision, no adjustment was made to information of comparative period, and the Company retroactively adjusted the retained earnings of period-begin or other comprehensive income based on the difference between the current standards and the new standards on the first execution date.

The new revenue standard establishes a new revenue recognition model for regulating revenue generated from contracts with customers. In order to implement the new revenue standards, the company reassessed the recognition and measurement, accounting and presentation of main contract revenue. According to the new revenue standard, the company chooses to adjust only the cumulative impact of contracts that have not been completed on January 1, 2020, and for contract changes that occur before the beginning of the earliest comparable period (ie, January 1, 2020) Simplified processing, that is, according to the final arrangement of the contract change, identify the fulfilled and unfulfilled performance obligations, determine the transaction price, and allocate the transaction price between the fulfilled and unfulfilled performance obligations. The cumulative impact amount of the first implementation adjusts the amount of related items in the financial statements at the beginning of the first implementation period (ie 1 January 2020). The 2019 financial statements have not been restated.

### (2) Changes in Accounting Estimates

No such cases in the Reporting Period.

### (3) Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Revenue or Leases since 2020

#### 1) Consolidated balance sheet:

Unit: RMB

Item	31 December 2019	1 January 2020	Adjustment
<b>Current assets:</b>			
Accounts receivable	4,416,179,657.87	3,804,339,643.15	-611,840,014.72
Inventories	5,318,503,044.69	5,307,497,440.88	-11,005,603.81
Contract assets		628,566,815.99	628,566,815.99
Other current assets	2,093,212,552.25	2,104,218,156.06	11,005,603.81
<b>Total current assets</b>	<b>25,422,786,872.67</b>	<b>25,439,513,673.94</b>	<b>16,726,801.27</b>
<b>Total assets</b>	<b>42,586,955,452.27</b>	<b>42,603,682,253.54</b>	<b>16,726,801.27</b>
<b>Current liabilities:</b>			
Advances from customers	1,076,856,387.08		-1,076,856,387.08
Contract liabilities		959,538,151.80	959,538,151.80
Other payables	2,374,287,243.20	2,281,173,106.78	-93,114,136.42
Other current liabilities		16,726,801.27	16,726,801.27
<b>Total current liabilities</b>	<b>22,145,831,594.58</b>	<b>21,952,126,024.15</b>	<b>-193,705,570.43</b>
<b>Non-current liabilities:</b>			

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Item	31 December 2019	1 January 2020	Adjustment
Provisions	206,591.51	93,320,727.93	93,114,136.42
Other non-current liabilities		117,318,235.28	117,318,235.28
<b>Total non-current liabilities</b>	<b>10,514,426,070.89</b>	<b>10,724,858,442.59</b>	<b>210,432,371.70</b>
<b>Total liabilities</b>	<b>32,660,257,665.47</b>	<b>32,676,984,466.74</b>	<b>16,726,801.27</b>
<b>Total liabilities and shareholders' equity</b>	<b>42,586,955,452.27</b>	<b>42,603,682,253.54</b>	<b>16,726,801.27</b>

2) Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2019	1 January 2020	Item
<b>Current assets:</b>			
Accounts receivable	9,564,720,940.39	9,580,894,472.00	16,173,531.61
Inventories	218,644,308.47	207,949,690.07	-10,694,618.40
Other current assets	1,096,689,897.40	1,107,384,515.80	10,694,618.40
<b>Total current assets</b>	<b>27,118,078,820.83</b>	<b>27,134,252,352.44</b>	<b>16,173,531.61</b>
<b>Non-current assets:</b>			
<b>Total non-current assets</b>	<b>9,863,245,391.12</b>	<b>9,863,245,391.12</b>	
<b>Total assets</b>	<b>36,981,324,211.95</b>	<b>36,997,497,743.56</b>	<b>16,173,531.61</b>
<b>Current liabilities:</b>			
Advances from customers	318,839,961.84		-318,839,961.84
Contract liabilities		269,891,156.62	269,891,156.62
Other payables	3,193,392,734.69	3,181,261,535.24	-12,131,199.45
Other current liabilities		16,173,531.61	16,173,531.61
<b>Total current liabilities</b>	<b>22,481,405,801.52</b>	<b>22,436,499,328.46</b>	<b>-44,906,473.06</b>
<b>Non-current liabilities:</b>			
Provisions	206,591.51	12,337,790.96	12,131,199.45
Other non-current liabilities		48,948,805.22	48,948,805.22
<b>Total non-current liabilities</b>	<b>8,507,373,492.54</b>	<b>8,568,453,497.21</b>	<b>61,080,004.67</b>
<b>Total liabilities</b>	<b>30,988,779,294.06</b>	<b>31,004,952,825.67</b>	<b>16,173,531.61</b>
<b>Total liabilities and shareholders' equity</b>	<b>36,981,324,211.95</b>	<b>36,997,497,743.56</b>	<b>16,173,531.61</b>

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The main changes and impacts of the implementation of the new revenue standard on the Company are as follows:

The Company reclassified the contract consideration received from customers in advance due to the transfer of goods from the item of "Advances from customers" to the item of "Contract liabilities" (or other non-current liabilities); Some of the Company's receivables do not meet the conditions for unconditional (that is, only dependent on the passage of time) to collect consideration from customers, and the Company reclassifies them as "Contract assets"; The Company reclassifies the warranty receivables that have not reached the collection period as "Contract assets"; The Company reclassifies the quality assurance from the item of "Other payments" to the item of "Provisions"; The Company recognizes the balance of the carrying value of goods at the time of transfer expected to be returned after deducted estimated cost for collecting the said goods (including the value impairment of the returned goods) as an asset, that is the return cost receivable which is presented as "other current assets" for accounting.

## V. Taxation

### 1. Main Taxes and Tax Rate

Category of taxes	Basis	Specific situation of the taxes rate
VAT	Calculated the output tax at the tax rate and paid the VAT by the amount after deducting the deductible withholding VAT at current period, of which the VAT applicable to easy collection won't belong to the deductible withholding VAT.	1%、3%、5%、6%、9%、13%
Urban maintenance and construction tax	The circulating tax actually paid	Paid at 5%: Dongguan Konka, XingDa HongYe, Xinfeng Microcrystalline, Boluo Konka Precision, Boluo Konka, Dongguan Packing, Ningbo Kanghanrui, Jiangsu Konka Smart, Shanghai Konka, Chengdu Anren, Binzhou Beihai Jingmai, Binzhou Econ Zhongke, Suining Pengxi Kangrun, Dayi Kangrun Water, Lushan Kangrun Environmental, Funan Kangrun Water, Subei Kangrun Water, Mengcheng Kangrun, Tingyuan Environmental. Paid at 7%: Konka Capital. Paid at 1%: Jiangxi Konka, Nano Crystallized Glass, Jiangkang (Shanghai) Technology. Paid at 7%: other subsidiaries.
Education surtax	The circulating tax actually paid	3%
Local education surtax	The circulating tax actually paid	The subsidiary Wuhan Runyuan Sewage: 1.5% , Shanghai Konka: 1% and other companies: 2%
Enterprise income tax	Taxable income	25%/2.Tax Preference and Approved Documents

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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

Name of entity	Income tax rate
Electronics Technology, Anhui Konka, Anhui Tongchuang, Econ Technology, XingDa HongYe, Wankaida, E2info, Jiangxi Konka, Xinfeng Microcristalline, Nano Crystallized Glass, Sichuan Konka, Boluo Konka Precision, Chongqing Optoelectronic Research Institute, Chongqing Kangxingrui	15%
Hong Kong Konka, Konka Electrical Appliances International Trading, Jiali International, Kangjetong, Jiaxin Technology, Jiaxin Technology, Konka Electrical Appliances Investment, Konka SmartTech, Konka Mobility	16.5%
Chain Kingdom Memory Technologies	8.25%/16.5%
Konka Europe	15%
Kanghao Technology	22.5%
Konka North America	21%
The Company as the Parent and other subsidiaries	25%

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

### 2. Tax Preference and Approved Documents

(1) According to Caishui [2019] No. 13: Notice on the implementation of the inclusive tax reduction and exemption policy for small and micro enterprises, from 1 January 2019 to 31 December 2021, the annual taxable income of small and profitable enterprises is not The portion exceeding RMB1 million will be reduced to 25% of the taxable income, and the corporate income tax will be paid at the rate of 20%; the portion of the annual taxable income exceeding RMB1 million but not exceeding RMB3 million will be reduced by 50% Include the taxable income and pay corporate income tax at a rate of 20%.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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(2) On 28 December 2017, Econ Technology, a subsidiary of the Company, obtained the High-tech Enterprise Certificate (certificate No.: GR201737001495) jointly issued by Department of Science and Technology of Shandong Province, Department of Finance of Shandong Province, Shandong Provincial Office, SAT, Shandong Local Taxation Bureau with a valid period of three years. According to the relevant tax regulations, Econ Technology enjoys related tax incentives for high-tech companies for three consecutive years from 2017 to 2019, and is subject to corporate income tax at a preferential rate of 15%. On 7 December 2020, the Office of the National High-tech Enterprise Certification and Management Leading Group published its reply to Shandong Province in respect of the list of the first batch of high-tech enterprises that the province has filed for record (G.K.H.Z. [2020] No. 216). Econ Technology is included on the list, with GR202037000258 as its certificate number. The Company estimates that there are no obstacles in the review of high-tech enterprises. As a certified high-tech enterprise, Econ Technology is entitled to a preferential corporate income tax rate of 15%.

(3) On 16 October 2018, Shenzhen E2info Network Technology Co., Ltd., the subsidiary of this Company obtained the high-tech enterprise certificate (certificate No.: GR201844201969) jointly issued by Shenzhen Technology Innovation Committee, Finance Committee of Shenzhen Municipality, Shenzhen Taxation Bureau of SAT with a valid period of three years. According to related taxation regulations, the company enjoys related taxation preferential policies as a high-tech enterprise from 2018 to 2020 and pays the enterprise income tax as per the preferential tax rate of 15%.

(4) On 28 November 2018, the Company's subsidiary XingDa HongYe received the High-tech Enterprise Certificate (No.GR201844008446 with the 3-year period of validity) jointly issued by Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province and State Administration of Taxation (Guangdong Provincial Tax Service). According to relevant tax regulations, from 2018 to 2020, the enterprise shall be eligible for enjoying relevant preferential tax policies as a new high-tech enterprise and corresponding corporate income tax shall be paid based on the preferential tax rate of 15%.

(5) On 9 September 2019, Anhui Konka, the subsidiary of the Company, obtained a certificate of high-tech enterprise jointly issued by Anhui Science and Technology Department, Anhui Provincial Department of Finance and Anhui Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR201934000966 and is valid for three years. According to relevant tax regulations, Anhui Konka shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021 and pay the enterprise income tax at a preferential tax rate of 15%.

(6) On 16 September 2019, Xinfeng Microcrystalline, the subsidiary of the Company, obtained a high-tech enterprise certificate jointly issued by Jiangxi Science and Technology Department,

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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Jiangxi Provincial Department of Finance and Jiangxi Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR201936000744 and is valid for three years. According to relevant tax regulations, Xinfeng Microcrystalline shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021 and pay the enterprise income tax at a preferential tax rate of 15%.

(7) On 20 November 2019, Anhui Tongchuang, the subsidiary of the Company, obtained a high-tech enterprise certificate jointly issued by Anhui Science and Technology Department, Anhui Provincial Department of Finance and Anhui Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR201934001964 and is valid for three years. According to relevant tax regulations, Anhui Tongchuang shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021 and pay the enterprise income tax at a preferential tax rate of 15%.

(8) On 28 November 2019, Sichuan Konka, a subsidiary of the Company, obtained a certificate of high-tech enterprise jointly issued by Sichuan Science and Technology Department, Sichuan Provincial Department of Finance and Sichuan Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR201951002096 and is valid for three years. According to relevant tax regulations, Sichuan Konka shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021 and pay the enterprise income tax at a preferential tax rate of 15%.

(9) On 2 December 2019, Bokang Precision, a subsidiary of the Company, obtained the high-tech enterprise certificate jointly issued by the Guangdong Provincial Department of Science and Technology, the Guangdong Provincial Department of Finance, the Guangdong State Taxation Bureau, and the Guangdong Local Taxation Bureau. The certificate number is GR201944007820, valid for three years, according to relevant tax regulations, Bokang Precision has enjoyed relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021, and is subject to corporate income tax at a preferential tax rate of 15%.

(10) On 9 December 2019, Electronics Technology, the subsidiary of the Company, obtained a Certificate of High-tech Enterprise jointly issued by Shenzhen Science and Technology Department, Shenzhen Provincial Department of Finance and Shenzhen Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR201944204287 and is valid for three years. According to relevant tax regulations, Electronics Technology shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2019 to 2021 and pay the enterprise income tax at a preferential tax rate of 15%.

(11) On 14 September 2020, Jiangxi Konka, the subsidiary of the Company, obtained a high-tech enterprise certificate jointly issued by Jiangxi Science and Technology Department, Jiangxi

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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Provincial Department of Finance and Jiangxi Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR202036000802 and is valid for three years. According to relevant tax regulations, Jiangxi Konka shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2020 to 2022 and pay the enterprise income tax at a preferential tax rate of 15%.

(12) On 14 September 2020, Nano Crystallized Glass, the subsidiary of the Company, obtained a high-tech enterprise certificate jointly issued by Jiangxi Science and Technology Department, Jiangxi Provincial Department of Finance and Jiangxi Provincial Tax Bureau of the State Administration of Taxation. The certificate number is GR202036000568 and is valid for three years. According to relevant tax regulations, Nano Crystallized Glass shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2020 to 2022 and pay the enterprise income tax at a preferential tax rate of 15%.

(13) On 25 November 2020, Chongqing Optoelectronic Research Institute, the subsidiary of the Company, obtained a high-tech enterprise certificate jointly issued by Chongqing Municipal Science and Technology Bureau, Chongqing Municipal Finance Bureau and Chongqing Municipal Tax Bureau of the State Administration of Taxation. The certificate number is GR202051101224 and is valid for three years. According to relevant tax regulations, Chongqing Optoelectronic Research Institute shall enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2020 to 2022 and pay the enterprise income tax at a preferential tax rate of 15%.

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

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

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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(16) According to the Notice on Issues Concerning the Promotion of Energy-Saving Service Industry Development VAT Business Tax and Corporate Income Tax Policy Issued by the Ministry of Finance and the State Administration of Taxation (Caishui [2010] No. 110) For the income, the enterprise enjoys the "three exemptions and three halves" preferential treatment of corporate income tax since the tax year in which the first production and operation income of the project is obtained. Binhai Sewage and Lairun Holdings, subsidiaries of the Company, enjoy this tax incentive. Binhai Sewage and Lairun Holdings will be exempt from corporate income tax from 2017 to 2019, and corporate income tax will be levied at half the 25% legal tax rate from 2020 to 2022.

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

(18) According to the regulations of the Special Catalogue of VAT Concessions for Products and Labors with Comprehensive Utilization of Resources issued by the Ministry of Finance and the State Administration of Taxation (Finance and Taxation [2015] No. 78), the wastewater treatment business operated by Lairun Holdings and Binhai Sewage, subsidiaries of the Company, belongs to the this catalogue. Then after levied the VAT at the statutory tax rate, it currently carries out the tax rate of 6% (SAT Announcement [2020] No. 9, the actual tax burden on the wastewater treatment income tax will be refunded in accordance with the 70% of the actual tax burden, and the actual tax burden on the renewable water income VAT will be refunded immediately at 50%.

(19) According to the *Announcement on the Applicable Policies for the Settlement and Payment of Corporate Income Tax of Integrated Circuit Design Enterprises and Software Enterprises in 2019* (C.S. [2020] No. 29), integrated circuit design enterprises and software enterprises that are legally established within the territory of China and meet certain requirements, are entitled to a period of preferential tax rates starting from the first profitable year before 31 December 2019. They are exempt from corporate income tax in the first and second years, and for the next three years till the expiration of this period, the corporate income tax rate is half of the statutory rate of 25%. The Company's subsidiary Youzhihui enjoys the preferential policies, and a 0% income tax rate is applicable during the reporting period.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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

Unless otherwise noted, the following annotation project (including the main projects, annotation of the financial statement of the Company), the period-begin refers to 1 January 2020, the period-end refers to 31 December 2020, this period refers to Y2020 and the last period refers to the period from 1 January 2019 to 31 December 2019. The monetary unit is Renminbi.

#### 1. Monetary Assets

Item	Ending balance	Beginning balance
Cash on hand	16,052.88	18,699.99
Bank deposits	4,298,040,060.36	4,493,683,217.23
Other monetary assets	1,133,474,067.66	2,105,658,134.39
<b>Total</b>	<b>5,431,530,180.90</b>	<b>6,599,360,051.61</b>
Of which: total amount deposited in overseas	202,052,024.94	378,330,661.32

Note: The ending balance of other monetary assets was the deposits of each margin deposit not withdrawn at any time. Refer to Note VI-64 Assets with restricted ownership or use right for details.

#### 2. Trading financial assets

Item	Ending balance	Beginning balance
Financial assets at fair value through profit or loss	618,249,541.66	61,494,666.97
Of which: debt instrument investment		
Equity instrument investment		61,494,666.97
Structural deposits	618,249,541.66	
Financial assets at fair value through profit or loss		
Of which: debt instrument investment		
Hybrid instrument investment		
<b>Total</b>	<b>618,249,541.66</b>	<b>61,494,666.97</b>

#### 3. Notes receivable

##### (1) Notes Receivable Listed by Category

Item	Ending balance	Beginning balance

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance	Beginning balance
Commercial acceptance bill	1,012,776,099.43	199,412,421.02
Bank's acceptance bill	1,345,404,094.53	2,638,629,011.87
<b>Total</b>	<b>2,358,180,193.96</b>	<b>2,838,041,432.89</b>

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

Item	Amount
Bank's acceptance bill	784,732,739.73
<b>Total</b>	<b>784,732,739.73</b>

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

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Bank's acceptance bill	1,281,660,058.38	
Commercial acceptance bill	9,137,006.26	432,420,000.00
<b>Total</b>	<b>1,290,797,064.64</b>	<b>432,420,000.00</b>

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

Item	Amount of the notes transferred to accounts receivable at the period-end
Bank's acceptance bill	200,000,000.00
Commercial acceptance bill	747,821,940.14
<b>Total</b>	<b>947,821,940.14</b>

Note: At the end of the year, the notes transferred to the accounts receivable mainly due to the drawer's failure to perform are the overdue notes for the Company's factoring business.

(5) Listed by Withdrawal Methods for Bad Debt Provision

Category	Ending balance

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Provision for bad debts provided individually					
Bad debt provision made as per portfolio	2,387,417,262.59	100.00	29,237,068.63	1.22	2,358,180,193.96
Of which: Bank acceptance bill	1,345,404,094.53	56.35	-		1,345,404,094.53
Commercial acceptance bill	1,042,013,168.06	43.65	29,237,068.63	2.81	1,012,776,099.43
<b>Total</b>	<b>2,387,417,262.59</b>	<b>100.00</b>	<b>29,237,068.63</b>	<b>1.22</b>	<b>2,358,180,193.96</b>

(Continued)

Category	Beginning balance					Carrying value	
	Carrying amount		Bad debt provision		Withdr awal proportion (%)		
	Amount	Proportion (%)	Amount	Withdr awal proportion (%)			
Provision for bad debts provided individually							
Bad debt provision made as per portfolio	2,842,347,510.24	100.00	4,306,077.35	0.15	2,838,041,432.89		
Of which: Bank acceptance bill	2,638,629,011.87	92.83	-		2,638,629,011.87		
Commercial acceptance bill	203,718,498.37	7.17	4,306,077.35	2.11	199,412,421.02		
<b>Total</b>	<b>2,842,347,510.24</b>	<b>100.00</b>	<b>4,306,077.35</b>	<b>0.15</b>	<b>2,838,041,432.89</b>		

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Within 1 year	1,042,013,168.06	29,237,068.63	2.81
<b>Total</b>	<b>1,042,013,168.06</b>	<b>29,237,068.63</b>	<b>2.81</b>

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

Category	Beginning balance	Changed amount			Ending balance
		Withdrawal	Collected or reversed	Write-off or verified	
Commercial acceptance bill	4,306,077.35	24,930,991.28			29,237,068.63
<b>Total</b>	<b>4,306,077.35</b>	<b>24,930,991.28</b>			<b>29,237,068.63</b>

(7) There is no notes receivable actually written off in the current year.

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

### 4. Accounts Receivable

(1) Listed by Withdrawal Methods for Expected Credit Loss

Category	Ending balance					Carrying value	
	Carrying amount		Bad debt provision		Withdr awal proportion (%)		
	Amount	Proportion (%)	Amount	Proportion (%)			
Accounts receivable, for which the independent provision for expected credit	1,384,462,893.38	27.50	750,096,749.22	54.18		634,366,144.16	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Category	Ending balance				Carrying value	
	Carrying amount		Bad debt provision			
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)		
losses						
Accounts receivable, for which the provision for expected credit losses was withdrawn according to groups						
Of which: aging group	3,004,054,396.28	59.66	271,291,702.62	9.03	2,732,762,693.66	
Project payment group	646,556,634.10	12.84	112,787,848.33	17.44	533,768,785.77	
Subtotal of groups	3,650,611,030.38	72.50	384,079,550.95	10.52	3,266,531,479.43	
<b>Total</b>	<b>5,035,073,923.76</b>	<b>100.00</b>	<b>1,134,176,300.17</b>	<b>22.53</b>	<b>3,900,897,623.59</b>	

(Continued)

Category	Beginning balance				Carrying value	
	Carrying amount		Bad debt provision			
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)		
Accounts receivable, for which the independent provision for expected credit losses	1,093,505,612.71	24.31	384,089,197.98	35.12	709,416,414.73	
Accounts receivable, for which the provision for expected credit losses was withdrawn						

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Category	Beginning balance					Carrying value	
	Carrying amount		Bad debt provision		Withdr awal proport ion (%)		
	Amount	Proportion (%)	Amount				
according to groups							
Of which: aging group	2,820,178,866.87	62.69	236,910,263.28	8.40	2,583,268,603.59		
Project payment group	584,680,503.88	13.00	73,025,879.05	12.49	511,654,624.83		
Subtotal of groups	3,404,859,370.75	75.69	309,936,142.33	9.10	3,094,923,228.42		
<b>Total</b>	<b>4,498,364,983.46</b>	<b>100.00</b>	<b>694,025,340.31</b>	<b>15.43</b>	<b>3,804,339,643.15</b>		

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

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdr awal proport ion (%)	Withdrawal reason
Shanghai Huaxin International Group Co., Ltd	300,018,021.01	240,014,416.81	80.00	Debt default
Tewoo Finance Company Limited	200,000,000.00	90,000,000.00	45.00	Judicial reorganization
Hongtu Sanbao High-tech Technology Co., Ltd.	200,000,000.00	80,000,000.00	40.00	Agreement reorganization
China Nuclear Engineering Construction Group Co., Ltd	74,582,619.13	22,374,785.74	30.00	Increased credit risk
No.1 Engineering Company Limited of CCCC First Harbor Engineering Company Limited	65,221,300.00	58,699,170.00	90.00	Expected to be difficult to recover in full
China Energy Electric Fuel Co., Ltd	50,000,000.00	40,000,000.00	80.00	Expected to be difficult to recover in full
Tahoe Group Co. Ltd	50,000,000.00	20,000,000.00	40.00	Debt reorganization
Empire Electronic Corp	42,472,943.03	42,472,943.03	100.00	Long-term collection and

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion (%)	Withdrawal reason
				cannot be recovered
H-BUSTER DO BRASIL INDUSTRIA	17,945,518.46	17,945,518.46	100.00	The counterparty is bankrupt and is expected to be difficult to recover in full
Treeview Business Registration	11,648,757.09	11,648,757.09	100.00	Expected to be difficult to recover in full
Others	372,573,734.66	126,941,158.09	34.07	Expected to be difficult to recover in full
<b>Total</b>	<b>1,384,462,893.38</b>	<b>750,096,749.22</b>	<b>54.18</b>	

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

① In the group, accounts receivable, for which, the provision for expected credit loss was made according to aging groups

Aging	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Within 1 year	2,367,338,511.72	48,308,043.50	2.04
1 to 2 years	398,076,018.92	39,887,371.88	10.02
2-3 years	70,778,770.88	16,059,703.12	22.69
3-4 years	2,347,695.43	1,523,184.79	64.88
Over 4 years	165,513,399.33	165,513,399.33	100.00
<b>Total</b>	<b>3,004,054,396.28</b>	<b>271,291,702.62</b>	<b>9.03</b>

② In the group, accounts receivable, for which, the provision for expected credit loss was made according to project payment groups

Aging	Ending balance
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For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

	<b>Carrying amount</b>	<b>Bad debt provision</b>	<b>Withdrawal proportion (%)</b>
Within 1 year	260,870,171.57	13,043,508.53	5.00
1 to 2 years	205,103,789.51	20,510,378.97	10.00
2-3 years	88,692,660.55	26,607,798.16	30.00
3-4 years	78,263,538.63	39,131,769.32	50.00
Over 4 years	13,626,473.84	13,494,393.35	99.03
<b>Total</b>	<b>646,556,634.10</b>	<b>112,787,848.33</b>	<b>17.44</b>

(2) Accounts Receivable Listed by Aging

<b>Aging</b>	<b>Ending balance</b>
Within 1 year	2,630,187,591.95
1 to 2 years	1,209,886,791.32
2-3 years	843,078,575.90
3-4 years	132,412,306.63
Over 4 years	219,508,657.96
<b>Subtotal</b>	<b>5,035,073,923.76</b>
Less: provision for bad debts	1,134,176,300.17
<b>Total</b>	<b>3,900,897,623.59</b>

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

<b>Category</b>	<b>Beginning balance</b>	<b>Changed amount</b>				<b>Ending balance</b>
		<b>Withdrawal</b>	<b>Collected or reversed</b>	<b>Written-off or verified</b>	<b>Decrease for other reasons</b>	
Bad debt provision of accounts receivable	694,025,340.31	444,069,685.68			3,918,725.82	1,134,176,300.17
<b>Total</b>	<b>694,025,340.31</b>	<b>444,069,685.68</b>			<b>3,918,725.82</b>	<b>1,134,176,300.17</b>

(4) Accounts receivable actually verified during the Reporting Period

There were no accounts receivable actually verified during the Reporting Period

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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

The total amount of top five of account receivable of ending balance collected by arrears party was RMB 1,149,826,053.99, accounting for 22.84% of total closing balance of account receivable, the relevant ending balance of bad debt provision withdrawn was RMB421,959,487.71.

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

(7) There is no amount of assets and liabilities formed due to the transfer of accounts receivable and continued involvement in this year.

### 5. Accounts Receivable Financing

Item	Ending balance	Beginning balance
Notes Receivable	84,057,197.44	143,174,271.82
<b>Total</b>	<b>84,057,197.44</b>	<b>143,174,271.82</b>

Note: Accounts receivable financing is the bank acceptances of higher credit rating held by the Company, which aim at both collecting contract cash and selling the financial assets themselves.

### 6. Prepayments

(1) Age of advances to suppliers

Item	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,166,762,930.75	98.60	2,059,939,470.32	99.39
1 to 2 years	14,282,024.18	1.21	8,056,998.90	0.39
2-3 years	733,390.33	0.06	4,074,992.31	0.20
Over 3 years	1,492,198.15	0.13	479,350.33	0.02
<b>Total</b>	<b>1,183,270,543.41</b>	100.00	<b>2,072,550,811.86</b>	100.00

Note: The amount of prepayments aged over one year at the end of the period is RMB 16,507,612.66, accounting for 1.40% of the total balance of prepayments of the Company, and consists mainly of payments for goods afloat or unsettled payments.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### (2) Advances to suppliers from top five prepaid parties classified based on the ending balance

The sum total of prepayments with top five ending balance collected as per the prepaid party is RMB 656,765,428.07, and the proportion in total ending balance of payments is 55.50%.

## 7. Other receivables

Item	Ending balance	Beginning balance
Interest receivable	45,109,425.85	7,807,400.40
Dividends receivable	4,947,848.62	547,848.62
Other Receivables	2,095,679,366.13	1,763,828,117.47
<b>Total</b>	<b>2,145,736,640.60</b>	<b>1,772,183,366.49</b>

### 7.1 Interest receivable

Item	Ending balance	Beginning balance
Fix time deposit	10,235,673.76	4,807,630.04
Entrusted loans	34,303,196.21	2,623,723.82
Factoring income	570,555.88	376,046.54
<b>Total</b>	<b>45,109,425.85</b>	<b>7,807,400.40</b>

### 7.2 Dividends receivable

Investee	Ending balance	Beginning balance
Chongqing Qingjia Electronic Co., Ltd.	547,848.62	547,848.62
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.	4,400,000.00	
<b>Total</b>	<b>4,947,848.62</b>	<b>547,848.62</b>

### 7.3 Other receivables

#### (1) Classified by Account Nature

Item	Ending balance	Beginning balance
Deposit, Deposit, Deposit	1,642,180,460.58	1,307,226,302.83
Intercourse funds among minority shareholders in the business consolidation not under the same	176,427,511.36	178,968,748.99

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

control and related parties		
Energy-saving subsidies	152,399,342.00	152,402,680.00
Disposal of non-current assets	132,331,700.00	147,256,700.00
Others	638,804,307.66	376,824,887.60
<b>Total</b>	<b>2,742,143,321.60</b>	<b>2,162,679,319.42</b>

Note: The increase in other receivables was mainly due to the increase in the company's prepaid deposits, security deposits and deposits

### (2) Withdrawal of Bad Debt Provision

<b>Bad debt provision</b>	<b>Phase I</b>	<b>Phase II</b>	<b>Phase III</b>	<b>Total</b>
	<b>Expected credit losses over the next 12 months</b>	<b>Expected credit losses for the entire duration (no credit impairment)</b>	<b>Expected credit losses for the entire duration (with credit impairment)</b>	
Balance as at 1 January 2020	15,229,049.09	25,449,941.31	358,172,211.55	398,851,201.95
In the Reporting Period, Carrying amount of other receivables on 1 January 2020:				
—Transferred to the Phase II	-5,051,195.62	5,051,195.62		
—Transferred to the Phase III	-610.58	-4,636,617.84	4,637,228.42	
—Transferred back to the Phase II				
—Transferred back to the Phase I				
Provision made in the current year	9,478,513.76	34,375,867.10	214,401,463.63	258,255,844.49
Amount transferred back				

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (with credit impairment)	
Bad debt provision				
in the current year				
Write-off				
Verification		153,528.90	13,396,856.82	13,550,385.72
Other changes	2,907,294.75			2,907,294.75
Balance as at December 31, 2020	<b>22,563,051.40</b>	<b>60,086,857.29</b>	<b>563,814,046.78</b>	<b>646,463,955.47</b>

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

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

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

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

Category	Ending balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	With draw al propo rtion	
Other receivables with significant individual amount and make	1,177,068,758.61	42.93	563,814,046.78	47.90	613,254,711.83

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Category	Ending balance					Carrying value	
	Carrying amount		Bad debt provision		With draw al propo rtion		
	Amount	Propo rtion (%)	Amount				
independent provision for expected credit loss							
Other receivables withdrawn bad debt provision according to credit risks characteristics							
Aging group	1,327,676,325.32	48.42	73,662,861.99	5.55		1,254,013,463.33	
Low-risk group	237,398,237.67	8.66	8,987,046.70	3.79		228,411,190.97	
Subtotal of groups	1,565,074,562.99	57.07	82,649,908.69	5.28		1,482,424,654.30	
<b>Total</b>	<b>2,742,143,321.60</b>	<b>100.00</b>	<b>646,463,955.47</b>	<b>23.58</b>		<b>2,095,679,366.13</b>	

(Continued)

Category	Beginning balance					Carrying value	
	Carrying amount		Bad debt provision		Withdr awal propo rtion		
	Amount	Propo rtion (%)	Amount				
Other receivables with significant individual amount and make independent provision for expected credit loss	1,093,025,247.42	50.54	358,172,211.55	32.77		734,853,035.87	
Other receivables withdrawn bad debt provision according to credit risks characteristics							
Aging group	598,266,705.02	27.66	30,392,763.59	5.08		567,873,941.43	
Low-risk group	471,387,366.98	21.80	10,286,226.81	2.18		461,101,140.17	
Subtotal of groups	1,069,654,072.00	49.46	40,678,990.40	3.80		1,028,975,081.60	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Total</b>	<b>2,162,679,319.42</b>	<b>100.00</b>	<b>398,851,201.95</b>	<b>18.44</b>	<b>1,763,828,117.47</b>
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**(4) Listed by aging**

<b>Aging</b>	<b>Ending balance</b>
Within 1 year	1,195,007,839.77
1 to 2 years	1,242,762,406.26
2-3 years	88,143,690.71
3-4 years	3,044,773.36
4-5 years	5,250,275.90
Over 5 years	207,934,335.60
<b>Subtotal</b>	<b>2,742,143,321.60</b>
Less: bad debt provision	646,463,955.47
<b>Total</b>	<b>2,095,679,366.13</b>

**(5) Bad Debt Provision for Other Receivables**

The amount of bad debt provision for this year was RMB258,255,844.49, which was mainly due to the abnormal operation of the supplier of the subsidiary Konka Huanjia, which could not be delivered normally or refunded the prepaid deposit in the short term. Withdrawal of expected credit losses; the amount increased for reclassification was RMB2,958,848.86, which was reduced by RMB32,134.35 due to loss of control of the subsidiary, reduced by RMB424.88 due to combination and reduced by RMB18,994.88 due to exchange rate changes. Other receivables actually written off in the current period are RMB13,550,385.72.

**(6) Top 5 Other Receivables in Ending Balance Collected according to the Arrears Party**

The total amount of top five of account receivable of ending balance collected by arrears party was RMB1,073,172,589.0, accounting for 39.14% of total closing balance of other receivables, the relevant ending balance of bad debt provision withdrawn was RMB177,635,416.69.

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

**(8) There were no assets and liabilities formed by transferring other receivables and continuing to be involved in this period.**

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

**8. Inventories**

**(1) Category of Inventory**

<b>Item</b>	<b>Ending balance</b>		
	<b>Carrying amount</b>	<b>Inventory falling price reserves / impairment provision of contract performance costs</b>	<b>Carrying value</b>
Raw materials	1,239,024,415.74	28,137,287.12	1,210,887,128.62
Consigned processing materials	7,697,008.23		7,697,008.23
Semi-finished product	158,870,091.24	12,636,819.92	146,233,271.32
Inventory goods	3,389,343,445.93	249,362,200.01	3,139,981,245.92
Contract performance costs	16,502,023.32		16,502,023.32
<b>Total</b>	<b>4,811,436,984.46</b>	<b>290,136,307.05</b>	<b>4,521,300,677.41</b>

(Continued)

<b>Item</b>	<b>Beginning balance</b>		
	<b>Carrying amount</b>	<b>Inventory falling price reserves / impairment provision of contract performance costs</b>	<b>Carrying value</b>
Raw materials	1,275,228,321.83	27,122,457.46	1,248,105,864.37
Consigned processing materials	3,117,408.28		3,117,408.28
Semi-finished product	85,821,719.87	12,822,030.37	72,999,689.50
Inventory goods	4,176,189,636.39	206,509,288.73	3,969,680,347.66
Contract performance costs	13,594,131.07		13,594,131.07

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Beginning balance		
	Carrying amount	Inventory falling price reserves / impairment provision of contract performance costs	Carrying value
<b>Total</b>	<b>5,553,951,217.44</b>	<b>246,453,776.56</b>	<b>5,307,497,440.88</b>

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

Item	Beginning balance	Increased	Decreased		Ending balance
		Withdrawal	Write-off	Decrease by losing controlling right/other reasons	
Raw materials	27,122,457.46	10,779,703.98	9,757,538.73	7,335.59	28,137,287.12
Goods in process	12,822,030.37	931,646.86	1,116,857.31		12,636,819.92
Inventory goods	206,509,288.73	161,101,275.37	117,810,721.29	437,642.80	249,362,200.01
<b>Total</b>	<b>246,453,776.56</b>	<b>172,812,626.21</b>	<b>128,685,117.33</b>	<b>444,978.39</b>	<b>290,136,307.05</b>

(3) Withdrawal Provision Basis of the Falling Price of the Inventory and the Reasons of the Reversed or Write-off.

Item	Specific basis of withdrawal of falling price reserves of inventory	Reasons for write-off
Raw materials	The realizable net value was lower than the carrying value	Sold or disposed in the current period
Semi-finished product	The realizable net value was lower than the carrying value	Sold or disposed in the current period
Inventory goods	The realizable net value was lower than the carrying value	Sold in the current period

9. Contractual assets

(1) Details of contractual assets

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance		
	Carrying amount	Impairment provision	Carrying value
Accounts receivable from settled but conditional payment projects	3,002,127,112.18	180,488,971.89	2,821,638,140.29
Unsettled advertising payments	49,375,837.18	1,007,267.08	48,368,570.10
<b>Total</b>	<b>3,051,502,949.36</b>	<b>181,496,238.97</b>	<b>2,870,006,710.39</b>

(Continued)

Item	Beginning balance		
	Carrying amount	Impairment provision	Carrying value
Accounts receivable from settled but conditional payment projects	649,732,956.12	34,414,475.87	615,318,480.25
Unsettled advertising payments	13,522,835.74	274,500.00	13,248,335.74
<b>Total</b>	<b>663,255,791.86</b>	<b>34,688,975.87</b>	<b>628,566,815.99</b>

(2) Amount and reason of significant change in the book value of the contractual assets in the current year

Item	Amount changed	Causes of the Change
Accounts receivable from settled but conditional payment projects	2,206,319,660.04	New engineering projects
<b>Total</b>	<b>2,206,319,660.04</b>	

(3) Making for impairment provision of contractual assets in the current year

Item	Provision made in the current year	Amount transferred back in the current year	Write-off/Verification in the current year	Reasons

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Provision made in the current year	Amount transferred back in the current year	Write-off/Verification in the current year	Reasons
Accounts receivable from settled but conditional payment projects	146,074,496.02			The expected credit loss is greater than the book value of the current contract asset impairment provision
Unsettled advertising payments	732,767.08			The expected credit loss is greater than the book value of the current contract asset impairment provision
<b>Total</b>	<b>146,807,263.10</b>			

**10. Current Portion of Non-current Assets**

Item	Ending balance	Beginning balance	Nature
Current portion of debt investment	75,000,000.00	60,000,000.00	Entrusted loans for associated enterprises
Current portion of long-term receivable	37,310,158.82	48,087,016.22	Finance leasing amount
<b>Total</b>	<b>112,310,158.82</b>	<b>108,087,016.22</b>	

**(1) Significant debt investment/other debt investment at the year end**

Debt investment in	Ending balance			
	Par value	Coupon rate	Actual rate	Expiry Date

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Debt investment in</b>	<b>Ending balance</b>			
	<b>Par value</b>	<b>Coupon rate</b>	<b>Actual rate</b>	<b>Expiry Date</b>
Yibin OCT Sanjiang Real estate Co. Ltd.	35,000,000.00	5.70%	5.70%	2021/4/24
Yibin OCT Sanjiang Real estate Co. Ltd.	40,000,000.00	5.70%	5.70%	2021/10/24
<b>Total</b>	<b>75,000,000.00</b>			

(Continued)

<b>Debt investment in</b>	<b>Beginning balance</b>			
	<b>Par value</b>	<b>Coupon rate</b>	<b>Actual rate</b>	<b>Expiry Date</b>
Yibin OCT Sanjiang Real estate Co. Ltd.	60,000,000.00	5.70%	5.70%	2020/4/24
<b>Total</b>	<b>60,000,000.00</b>			

**11. Other Current Assets**

<b>Item</b>	<b>Ending balance</b>	<b>Beginning balance</b>
Prepayments and deductible taxes, and refund of tax for export receivable	926,643,711.18	598,034,887.02
Principal of entrusted loans to joint ventures	826,684,400.00	1,323,295,500.40
Temporary difference of input tax	148,183,307.23	134,571,124.94
Receivables from sales returns net of cost	7,458,293.85	11,005,603.81
Others	4,176,771.13	37,311,039.89
<b>Total</b>	<b>1,913,146,483.39</b>	<b>2,104,218,156.06</b>

**12. Long-term Receivables**

**(1) List of Long-term Receivables**

<b>Item</b>	<b>Ending balance</b>		
	<b>Carrying amount</b>	<b>Bad debt provision</b>	<b>Carrying value</b>
Finance leasing amount	44,609,921.40		44,609,921.40
Of which: unrealized financing income	2,526,836.56		2,526,836.56

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance		
	Carrying amount	Bad debt provision	Carrying value
Cash deposits of long-term receivables	41,090,400.00		41,090,400.00
Long-term receivables of projects with franchise rights	351,107,041.45		351,107,041.45
Less: Current portion of long-term receivable (See Note VI. 10 for details)	37,310,158.82		37,310,158.82
<b>Total</b>	<b>399,497,204.03</b>		<b>399,497,204.03</b>

(Continued)

Item	Beginning balance		
	Carrying amount	Bad debt provision	Carrying value
Finance leasing amount	77,783,250.17		77,783,250.17
Of which: unrealized financing income	9,635,891.82		9,635,891.82
Cash deposits of long-term receivables	28,951,495.81		28,951,495.81
Long-term receivables of projects with franchise rights	351,861,826.09		351,861,826.09
Less: Current portion of long-term receivable (See Note VI. 10 for details)	48,087,016.22		48,087,016.22
<b>Total</b>	<b>410,509,555.85</b>		<b>410,509,555.85</b>

(2) List of Projects with Franchise Rights

Item	Type	Project scale	Franchise rights	Date of contract	Operation
PPP Project of water supply and sewage Rushan Silver Beach	PPP	452,802,100.00	Right of charge for sewage disposal	July 2016	Partial trial operation

(3) Changes in Long-term Receivables of Projects with Franchise Rights

Item	Initial invested	Beginning	Decreased	Ending balance
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**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

	amount	balance	Principal recover	Other decrease	
PPP Project of water supply and sewage Rushan Silver Beach	351,107,041.45	351,861,826.09		754,784.64	351,107,041.45
<b>Total</b>	<b>351,107,041.45</b>	<b>351,861,826.09</b>		<b>754,784.64</b>	<b>351,107,041.45</b>

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

13. Long-term Equity Investment

Investee	Beginning balance	Change in the Current Period				
		New investment	Investment reduced	Cost method to equity method	Gain/loss recognized at equity method	Adjustment to other comprehensive income
Konka Ventures Development (Shenzhen) Co., Ltd.	2,354,141.80				-103,551.80	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	1,446,968.41				126,862.82	
Feide Technology (Shenzhen) Co., Ltd.	14,314,621.68				-3,642,635.23	
Shenzhen Kangyue Industrial Co., Ltd.	33,856,942.00				-709,987.58	
Foshan Pearl River Media Creative Park Cultural Development Co., Ltd.		4,900,000.00				
Shenzhen Konka Cross-Border Technological Innovation Service Co., Ltd.				19,020.00		
Chengdu Konka Incubator Management Co., Ltd.				254,670.00		
Dongguan Konka Smart Electronic Technology Co., Ltd.		14,700,000.00			1,472,903.60	
Puchuang Jiakang Technology Co., Ltd.		400,000.00			999,457.69	
Guoguang Ruiyan (Shenzhen) Network Technology Co., Ltd.	192,323.20				-140,359.11	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Beginning balance	Change in the Current Period				
		New investment	Investment reduced	Cost method to equity method	Gain/loss recognized at equity method	Adjustment to other comprehensive income
Khorgos Yilingfang Information Technology Co., Ltd.					1,795.48	
Chongqing Qingjia Electronic Co., Ltd.	19,168,701.08				-367,047.24	
Shenzhen Jielunte Technology Co., Ltd.	85,665,123.77				3,522,781.63	
Panxu Intelligence Co., Ltd.	51,084,991.78				-1,867,032.63	1,486,737.16
Beijing Konka Jingyuan Technology Co., Ltd.	763,492.84				2,798.13	
Dongfang Jiahui (Zhuhai) Asset Management Co., Ltd.	2,978,676.27				49,295.23	
Orient Konka no.1 (zhuhai) private equity investment fund (limited partnership)	310,024,401.51	76,183,020.50	100,905,698.76		50,868,896.59	
Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.	-	3,500,000.00			-	
Shenzhen Xiaorui Technology Co., Ltd.	88,000,000.00				-9,884,863.61	
Weihai Water Environmental Protection Technology Co., Ltd.	2,493,211.96				33,271.19	
Weihai Yiheng Environmental Technology Co., Ltd.	4,668,292.89				144,337.36	
Huoqiu Kangrun Kaitian Water	32,434,987.50	20,000,000.00			-	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Beginning balance	Change in the Current Period				
		New investment	Investment reduced	Cost method to equity method	Gain/loss recognized at equity method	Adjustment to other comprehensive income
Environmental Protection Co., Ltd.						
Huarun Environmental Protection Water Treatment Co., Ltd.	16,018,870.31				1,297,571.97	
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.	133,633,089.95				63,732,938.30	
Shandong Bishuiyuan Environmental Technology Co., Ltd.	26,174,621.66				215,816.32	
Yunnan Hongkang Solid Waste Disposal Utilization Co., Ltd.		2,880,000.00			-70,224.87	
Shandong Konka Zhijia Electrical Appliances Co., Ltd.	4,052,660.23				-1,904,596.76	
Henan Konka Zhijia Electrical Appliances Co., Ltd.	709,634.82	918,000.00			-568,497.48	
Anhui Kaikaishijie E-commerce Co., Ltd.	424,850,308.67				-5,785,276.34	
Wanjun Technology (Kunshan) Co., Ltd.	182,413,766.51				-7,209,123.66	
Kunshan Kangsheng Investment Development Co., Ltd.	269,673,264.00				-	
Chutianlong Co., Ltd.	636,061,636.70				23,385,170.32	
Heilongjiang Longkang Zhijia	2,380,000.00				-1,319,274.21	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Beginning balance	Change in the Current Period				
		New investment	Investment reduced	Cost method to equity method	Gain/loss recognized at equity method	Adjustment to other comprehensive income
Technology Co., Ltd.						
Konka Green, Konka Technology	77,342,419.36				-2,081,114.80	
Shaanxi Silu Yunqi Smart Technology Co., Ltd.	17,202,315.43				446,980.38	
Shenzhen Konka Information Network Co., Ltd.						
Shenzhen Zhongbing Konka Technology Co., Ltd.	7,273,228.41				-5,058,921.08	
Shenzhen Konka Smart Electrical Appliance Technology Co., Ltd.	2,882,149.72				1,091,237.23	
Zhuhai Jinsu Plastic Co., Ltd.	10,166,404.14	-	10,549,865.19	-	383,461.05	
Shenzhen Fusheng New Material Co., Ltd.	73,600,000.00				-1,884,086.91	
Shenzhen Yaode Technology Co., Ltd.	229,740,245.47				-10,382,472.71	
Wuhan Tianyuan Environmental Protection Co., Ltd.	275,577,332.21				29,076,911.48	
Shenzhen Konka Yishijie Commercial Display Co., Ltd.	84,273,594.93				-2,317,736.66	
Chuzhou Konka Technology Industry Development Co., Ltd.	61,029,500.00				-11,371,102.98	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Beginning balance	Change in the Current Period				
		New investment	Investment reduced	Cost method to equity method	Gain/loss recognized at equity method	Adjustment to other comprehensive income
Chuzhou Kangjin Healthcare Industry Development Co., Ltd.	117,460,056.00				662,742.37	
Haimen Kangjian Technology Industrial Park Operation and Management Co., Ltd.	131,273,550.00				-10,544,214.33	
Nanjing Kangxing Technology Industrial Park Operation and Management Co., Ltd.	32,305,671.68		32,305,671.68	-		
Chuzhou Kangxin Healthcare Industry Development Co., Ltd.				187,180,000.00		
Dongguan Konka Investment Co., Ltd.				563,500,000.00		
Chongqing Konka Real Estate Development Co., Ltd.				49,500,000.00		
Chongqing Chengda Real Estate Co., Ltd.				29,205,000.00		
Yilifang (Hainan) Technology Co., Ltd.				53,372,944.09	5,342,734.88	
Shenzhen Morsemi Technology Co., Ltd.				3,000,000.00	-276,313.64	
<b>Total</b>	<b>3,465,541,196.89</b>	<b>123,481,020.50</b>	<b>143,761,235.63</b>	<b>886,031,634.09</b>	<b>105,369,530.39</b>	<b>1,486,737.16</b>

(Continued)

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Change in the Current Period				Ending balance	Closing balance of impairment provision
	Other equity changes	Cash dividend or profit distribution declared	Impairment allowance	Others		
Konka Ventures Development (Shenzhen) Co., Ltd.					2,250,590.00	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.					1,573,831.23	
Feide Technology (Shenzhen) Co., Ltd.					10,671,986.45	
Shenzhen Kangyue Industrial Co., Ltd.					33,146,954.42	
Foshan Pearl River Media Creative Park Cultural Development Co., Ltd.					4,900,000.00	
Shenzhen Konka Cross-Border Technological Innovation Service Co., Ltd.					19,020.00	
Chengdu Konka Incubator Management Co., Ltd.					254,670.00	
Dongguan Konka Smart Electronic Technology Co., Ltd.					16,172,903.60	
Puchuang Jiakang Technology Co., Ltd.					1,399,457.69	
Guoguang Ruilian (Shenzhen) Network Technology Co., Ltd.			51,964.09			51,964.09
Khorgos Yilingfang Information Technology Co., Ltd.					1,795.48	
Chongqing Qingjia Electronic Co., Ltd.					18,801,653.84	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Change in the Current Period				Ending balance	Closing balance of impairment provision
	Other equity changes	Cash dividend or profit distribution declared	Impairment allowance	Others		
Shenzhen Jielunte Technology Co., Ltd.					89,187,905.40	
Panxu Intelligence Co., Ltd.					50,704,696.31	
Beijing Konka Jingyuan Technology Co., Ltd.					766,290.97	
Dongfang Jiahui (Zhuhai) Asset Management Co., Ltd.					3,027,971.50	
Orient Konka no.1 (zhuhai) private equity investment fund (limited partnership)					336,170,619.84	
Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.					3,500,000.00	
Shenzhen Xiaorui Technology Co., Ltd.			25,007,421.57		53,107,714.82	33,684,243.40
Weihai Water Environmental Protection Technology Co., Ltd.					2,526,483.15	
Weihai Yiheng Environmental Technology Co., Ltd.					4,812,630.25	
Huoqiu Kangrun Kaitian Water Environmental Protection Co., Ltd.					52,434,987.50	
Huarun Environmental Protection Water Treatment Co., Ltd.					17,316,442.28	
Binzhou Beihai Weiqiao Solid Waste		14,700,000.00			182,666,028.25	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Change in the Current Period				Ending balance	Closing balance of impairment provision
	Other equity changes	Cash dividend or profit distribution declared	Impairment allowance	Others		
Treatment Co., Ltd.						
Shandong Bishuiyuan Environmental Technology Co., Ltd.					26,390,437.98	
Yunnan Hongkang Solid Waste Disposal Utilization Co., Ltd.					2,809,775.13	
Shandong Konka Zhijia Electrical Appliances Co., Ltd.					2,148,063.47	
Henan Konka Zhijia Electrical Appliances Co., Ltd.					1,059,137.34	
Anhui Kaikaishijie E-commerce Co., Ltd.					419,065,032.33	
Wanjun Technology (Kunshan) Co., Ltd.					175,204,642.85	
Kunshan Kangsheng Investment Development Co., Ltd.					269,673,264.00	
Chutianlong Co., Ltd.		9,240,000.00			650,206,807.02	
Heilongjiang Longkang Zhijia Technology Co., Ltd.					1,060,725.79	2,470,398.03
Konka Green, Konka Technology					75,261,304.56	
Shaanxi Silu Yunqi Smart Technology Co., Ltd.					17,649,295.81	
Shenzhen Konka Information Network						12,660,222.73

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Change in the Current Period				Ending balance	Closing balance of impairment provision
	Other equity changes	Cash dividend or profit distribution declared	Impairment allowance	Others		
Co., Ltd.						
Shenzhen Zhongbing Konka Technology Co., Ltd.					2,214,307.33	
Shenzhen Konka Smart Electrical Appliance Technology Co., Ltd.					3,973,386.95	
Zhuhai Jinsu Plastic Co., Ltd.						
Shenzhen Fusheng New Material Co., Ltd.			13,315,913.09		58,400,000.00	18,536,771.07
Shenzhen Yaode Technology Co., Ltd.					219,357,772.76	
Wuhan Tianyuan Environmental Protection Co., Ltd.					304,654,243.69	
Shenzhen Konka Yishijie Commercial Display Co., Ltd.					81,955,858.27	
Chuzhou Konka Technology Industry Development Co., Ltd.					49,658,397.02	
Chuzhou Kangjin Healthcare Industry Development Co., Ltd.					118,122,798.37	
Haimen Kangjian Technology Industrial Park Operation and Management Co., Ltd.					120,729,335.67	
Nanjing Kangxing Technology Industrial						

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Change in the Current Period				Ending balance	Closing balance of impairment provision
	Other equity changes	Cash dividend or profit distribution declared	Impairment allowance	Others		
Park Operation and Management Co., Ltd.						
Chuzhou Kangxin Healthcare Industry Development Co., Ltd.					187,180,000.00	
Dongguan Konka Investment Co., Ltd.					563,500,000.00	
Chongqing Konka Real Estate Development Co., Ltd.					49,500,000.00	
Chongqing Chengda Real Estate Co., Ltd.					29,205,000.00	
Yilifang (Hainan) Technology Co., Ltd.					58,715,678.97	
Shenzhen Morsemi Technology Co., Ltd.					2,723,686.36	
<b>Total</b>		<b>23,940,000.00</b>	<b>38,375,298.75</b>		<b>4,375,833,584.65</b>	<b>67,403,599.32</b>

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### 14. Other Equity Instrument Investment

#### (1) Investment in non-trading equity instruments

Item	Ending balance	Beginning balance
Shenzhen Tianyilian Science & Technology Co., Ltd.		
Shenzhen Adopt Network Co., Ltd.		
Beijing Konka Technology Co., Ltd.		1,200,000.00
AVO	5,901,121.80	6,000,000.00
Shaoyang Haishang Ecological Agricultural Technology Co., Ltd.	1,501,956.00	1,501,956.00
Feihong Electronics Co., Ltd.		
ZAEFI		
Shenzhen Chuangce Investment Development Co., Ltd.		
Shanlian Information Technology Engineering Center	1,860,809.20	1,860,809.20
Shenzhen CIU Science & Technology Co., Ltd.	953,000.00	953,000.00
Shenzhen Digital TV National Engineering Laboratory Co., Ltd.	7,726,405.16	7,726,405.16
Shanghai National Engineering Research Center of Digital TV Co., Ltd.	2,400,000.00	2,400,000.00
Bohu UHD	5,000,001.00	
<b>Total</b>	<b>25,343,293.16</b>	<b>21,642,170.36</b>

#### (2) Non-transactional Equity Instrument Investment

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Dividend income recognized in the current period	Accumulative gain	Accumulative loss	Amount of retained earnings transferred from other comprehensive income	Reason for being designated to be measured at fair value of which recorded in other comprehensive income	Reason for retained earnings transferred from other comprehensive income
Shenzhen Tianyilian Science & Technology Co., Ltd.				4,800,000.00	Long-term holding based on strategic purpose	
Shenzhen Adopt Network Co., Ltd.				5,750,000.00	Long-term holding based on strategic purpose	
Beijing Konka Technology Co., Ltd.				-1,700,000.00	Long-term holding based on strategic purpose	Sales of equity
AVO				98,878.20	Long-term holding based on strategic purpose	
Shaoyang Haishang Ecological Agricultural Technology Co., Ltd.					Long-term holding based on strategic purpose	
Feihong Electronics Co., Ltd.				1,300,000.00	Long-term holding based on strategic purpose	
ZAEFI				100,000.00	Long-term holding based on strategic purpose	
Shenzhen Chuangce				485,000.00	Long-term holding based on	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Dividend income recognized in the current period	Accumulative gain	Accumulative loss	Amount of retained earnings transferred from other comprehensive income	Reason for being designated to be measured at fair value of which recorded in other comprehensive income	Reason for retained earnings transferred from other comprehensive income
Investment Development Co., Ltd.					strategic purpose	
Shanlian Information Technology Engineering Center			3,139,190.80		Long-term holding based on strategic purpose	
Shenzhen CIU Science & Technology Co., Ltd.			200,000.00		Long-term holding based on strategic purpose	
Shenzhen Digital TV National Engineering Laboratory Co., Ltd.			1,273,594.84		Long-term holding based on strategic purpose	
Shanghai National Engineering Research Center of Digital TV Co., Ltd.					Long-term holding based on strategic purpose	
Bohu UHD					Long-term holding based on strategic purpose	
<b>Total</b>			<b>17,146,663.84</b>	<b>-1,700,000.00</b>		

15. Other Non-current Financial Assets

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance	Beginning balance
China Asset Management-Jiayi Overseas Designated Plan	203,000,000.00	203,000,000.00
Hunan Wanrong Technology Co., Ltd.	47,230,000.00	47,230,000.00
Yibin OCT Sanjiang Property Co., Ltd.	200,000,000.00	200,000,000.00
Yili Ecological Restoration Co., Ltd.	90,000,000.00	90,000,000.00
Kunshan Xinjia Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	13,028,268.90	
Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)	17,754,800.00	
Tongxiang Wuzhen Jiayu Digital Economy Industry Equity Investment Partnership (Limited Partnership)	40,000,000.00	
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	4,000,000.00	
Chuzhou Jiachen Information Technology Consulting Service Partnership (Limited Partnership)	49,200,000.00	
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	1,050,000.00	
<b>Subtotal of equity investments</b>	<b>665,263,068.90</b>	<b>540,230,000.00</b>
Chuzhou Huike Smart Household Appliances Industry Investment Partnership (Limited Partnership)	1,049,891,727.86	1,049,891,727.83
Ningbo Yuanqing No. 9 Investment Partnership	98,000,000.00	98,000,000.00
Shenzhen Beihu Technology Partnership (Limited Partnership)	65,000,000.00	65,000,000.00
<b>Subtotal of debt investments</b>	<b>1,212,891,727.86</b>	<b>1,212,891,727.83</b>
<b>Total</b>	<b>1,878,154,796.76</b>	<b>1,753,121,727.83</b>

### 16. Investment Property

#### (1) Investment properties measured at cost

Item	Plant & buildings and land use right
I. Original carrying value	
1. Beginning balance	447,413,230.79

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Plant &amp; buildings and land use right</b>
2. Increase in the current year	238,325,000.85
(1) Outsourcing	
(2) Fixed assets\Construction in progress\Transfer of intangible assets	238,325,000.85
3. Decrease in the current year	85,175,552.93
(1) Disposal	1,739,906.85
(2) Other transfer out	83,435,646.08
4. Ending balance	600,562,678.71
II. The accumulative depreciation and accumulative amortization	
1. Beginning balance	47,215,856.72
2. Increase in the current year	20,751,174.80
(1) Provision or amortization	20,751,174.80
3. Decrease in the current year	5,990,021.10
(1) Disposal	342,544.16
(2) Other transfer out	5,647,476.94
4. Ending balance	61,977,010.42
III. Depreciation reserves	
1. Beginning balance	
2. Increase in the current year	
(1) Withdrawal	
3. Decrease in the current year	
(1) Disposal	
(2) Other transfer out	
4. Ending balance	
IV. Carrying value	
1. Ending carrying value	538,585,668.29
2. Beginning carrying value	400,197,374.07

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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Note: The increase of investment real estate in the current period is mainly due to the completion of Konka Yibin Industrial Park and Konka Yantai Industrial Park.

**(2) Investment properties measured at fair value**

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

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

<b>Item</b>	<b>Carrying value</b>	<b>Reason</b>
Konka Yibin Industrial Park	153,966,037.13	Incorporation and under processing
Konka Yantai Industrial Park	37,976,833.18	Incorporation and under processing
<b>Total</b>	<b>191,942,870.31</b>	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### 17. Fixed assets

Item	Ending carrying value	Beginning carrying value
Fixed Assets	3,178,642,017.84	2,561,254,191.55
Fixed assets pending for disposal		
<b>Total</b>	<b>3,178,642,017.84</b>	<b>2,561,254,191.55</b>

#### (1) List of Fixed Assets

Item	Houses and buildings	Mechanical equipment	Electronic equipment	Transportation equipment	Other equipment	Total
I. Original carrying value						
1. Beginning balance	2,035,218,106.99	2,017,148,345.41	184,064,655.85	58,063,867.63	241,613,861.33	4,536,108,837.21
2. Increased amount of the period	278,011,579.92	785,892,811.65	30,295,330.99	10,259,226.45	67,290,896.84	1,171,749,845.85
(1) Purchase	46,512,597.89	158,307,301.21	29,379,778.67	10,259,226.45	61,819,125.07	306,278,029.29
(2) Transfer of construction in progress	155,209,187.40	627,585,510.44	915,552.32		5,471,771.77	789,182,021.93
(3) Increase for business	76,289,794.63					76,289,794.63

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Houses and buildings	Mechanical equipment	Electronic equipment	Transportation equipment	Other equipment	Total
combination						
(4) Increase for other reasons	428,097,969.36	111,846,244.51	7,433,057.11	3,380,172.25	10,854,225.10	561,611,668.33
3. Decreased amount of the period	117,153,018.44	111,846,244.51	7,081,833.81	3,380,172.25	10,854,225.10	250,315,494.11
(1) Disposal or Scrap	310,944,950.92		351,223.30			311,296,174.22
(2) Decrease for loss of controlling right	1,885,131,717.55	2,691,194,912.55	206,926,929.73	64,942,921.83	298,050,533.07	5,146,247,014.73
(3) Decrease for other reasons						
4. Ending balance	633,844,572.99	939,156,102.95	139,979,797.13	39,874,403.17	153,386,011.72	1,906,240,887.96
II. Accumulative depreciation	73,340,031.13	193,852,179.42	13,928,212.30	6,651,909.48	14,469,197.25	302,241,529.58
1. Beginning balance	69,498,866.64	193,852,179.42	13,928,212.30	6,651,909.48	14,469,197.25	298,400,365.09
2. Increased amount of the period	3,841,164.49					3,841,164.49

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Houses and buildings	Mechanical equipment	Electronic equipment	Transportation equipment	Other equipment	Total
(1) Withdrawal	205,462,260.22	88,701,873.57	5,889,810.99	2,956,257.05	7,190,858.00	310,201,059.83
(2) Increase for business combination	60,421,028.86	88,701,873.57	5,670,143.24	2,956,257.05	7,150,911.79	164,900,214.51
(3) Increase for other reasons	145,041,231.36		219,667.75		39,946.21	145,300,845.32
3. Decreased amount of the period	501,722,343.90	1,044,306,408.80	148,018,198.44	43,570,055.60	160,664,350.97	1,898,281,357.71
(1) Disposal or Scrap						
(2) Decrease for loss of controlling right	1,247,805.91	64,023,905.57	1,156,577.28	820,215.24	1,365,253.70	68,613,757.70
(3) Decrease for other reasons		627,051.21	71,982.74		248,453.22	947,487.17
4. Ending balance		627,051.21	71,982.74		248,453.22	947,487.17
III. Depreciation reserves		210,272.52	7,330.00		20,003.17	237,605.69
1. Beginning balance		210,272.52	7,330.00		20,003.17	237,605.69

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Houses and buildings</b>	<b>Mechanical equipment</b>	<b>Electronic equipment</b>	<b>Transportation equipment</b>	<b>Other equipment</b>	<b>Total</b>
2. Increased amount of the period	1,247,805.91	64,440,684.26	1,221,230.02	820,215.24	1,593,703.75	69,323,639.18
(1) Withdrawal						
(2) Increase for business combination	1,382,161,567.74	1,582,447,819.49	57,687,501.27	20,552,650.99	135,792,478.35	3,178,642,017.84
3. Decreased amount of the period	1,400,125,728.09	1,013,968,336.89	42,928,281.44	17,369,249.22	86,862,595.91	2,561,254,191.55
(1) Disposal or Scrap						
(2) Decrease for loss of controlling right	2,035,218,106.99	2,017,148,345.41	184,064,655.85	58,063,867.63	241,613,861.33	4,536,108,837.21
4. Ending balance	278,011,579.92	785,892,811.65	30,295,330.99	10,259,226.45	67,290,896.84	1,171,749,845.85
IV. Carrying value	46,512,597.89	158,307,301.21	29,379,778.67	10,259,226.45	61,819,125.07	306,278,029.29
1. Ending carrying value	155,209,187.40	627,585,510.44	915,552.32		5,471,771.77	789,182,021.93
2. Beginning carrying value	76,289,794.63					76,289,794.63

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

**(2) List of Temporarily Idle Fixed Assets**

Item	Original carrying value	Accumulative depreciation	Impairment provision	Carrying value
Mechanical equipment	3,673,206.93	1,657,315.38	1,933,845.35	82,046.20
Electronic equipment	1,492,298.49	1,083,615.47		408,683.02
Other equipment	866,004.14	738,638.36	26,675.22	100,690.56
<b>Total</b>	<b>6,031,509.56</b>	<b>3,479,569.21</b>	<b>1,960,520.57</b>	<b>591,419.78</b>

**(3) Fixed Assets Leased in from Financing Lease**

Item	Original carrying value	Accumulative depreciation	Impairment provision	Carrying value
Buildings	104,725,378.00	10,310,322.92		94,415,055.08
Mechanical equipment	747,492,485.33	373,493,777.70		373,998,707.63
Transportation equipment	10,078,398.20	8,363,765.16		1,714,633.04
Electronic equipment	46,006,058.20	39,652,392.14		6,353,666.06
Other equipment	55,613,076.42	42,553,960.39		13,059,116.03
<b>Total</b>	<b>963,915,396.15</b>	<b>474,374,218.31</b>		<b>489,541,177.84</b>

**(4) Fixed Assets Leased out from Operation Lease**

Item	Ending carrying value
Mechanical equipment	17,281,963.09
Transportation vehicles and electronic equipment	173,606.48
<b>Total</b>	<b>17,455,569.57</b>

**(5) Details of Fixed Assets Failed to Accomplish Certification of Property**

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Original carrying value	Accumulative depreciation	Impairment provision	Net carrying value	Reason
Konka Yibin Industrial Park	122,091,094.58			122,091,094.58	New construction with pending certificate
Yikang Building property	76,610,752.33	36,904,816.64		39,705,935.69	Historical reasons
Jingyuan Building property	20,018,497.00	9,545,350.92		10,473,146.08	Historical reasons
26-1 Longzhimeng, Pangjiang Street Property in Dadong District, Shenyang	6,072,572.34	1,019,177.51		5,053,394.83	Under processing
Purification tank for liquid waste of XingDa HongYe	2,653,000.00	1,482,363.75		1,170,636.25	Under processing
<b>Total</b>	<b>105,354,821.67</b>	<b>48,951,708.82</b>		<b>56,403,112.85</b>	

(6) Fixed Assets with Restricted Ownership or Use Right

Item	Ending carrying value	Reasons
Housing and buildings of Anhui Tongchuang	154,681,545.21	Mortgage loans
Machinery equipment of Jiangxi Konka	141,962,217.67	Finance lease mortgage
Machinery equipment of Xinfeng Microcrystalline	109,794,046.99	Finance lease mortgage
Housing and buildings of Frestec	94,415,055.08	Mortgage loans

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Refrigeration		
Machinery equipment of Nano Crystallized Glass	80,230,031.99	Finance lease mortgage
Buildings of Konka Group	72,448,630.14	As collateral for loan
Housing and buildings of XingDa HongYe	40,867,928.18	Finance lease mortgage
Electronic equipment, transportation equipment and other equipment of Konka Group	21,626,382.29	Finance lease mortgage
Machinery equipment of Dongguan Konka and other equipment	15,650,423.83	Finance lease mortgage
Machinery equipment of Xingda Hongye	14,753,054.76	Finance lease mortgage
Machinery equipment of Boluo Konka Precision	11,109,965.23	Finance lease mortgage
Factories of Boluo Konka	7,526,113.83	Mortgage loans
Buildings of Jiangxi Konka	3,676,370.92	As collateral for former shareholder's guarantee
<b>Total</b>	<b>768,741,766.12</b>	

18. Construction in Progress

Item	Ending balance	Beginning balance
Construction in Progress	9,236,643,931.68	4,291,544,368.52
<b>Total</b>	<b>9,236,643,931.68</b>	<b>4,291,544,368.52</b>

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### 18.1 Construction in progress

#### (1) List of Construction in Progress

Item	Ending balance			Beginning balance		
	Carrying amount	Impairment provision	Carrying value	Carrying amount	Impairment provision	Carrying value
Comprehensive improvement engineering project of drainage basins in the city of Donggang	878,298,840.85		878,298,840.85	715,838,346.63		715,838,346.63
Central City Comprehensive accelerated programs in Economic and Technological Development Zone of Binhai, Weifang	854,403,424.70		854,403,424.70	329,745,585.38		329,745,585.38
Sewage treatment and water environment project in Ankang County	736,291,181.05		736,291,181.05			
PPP Project of Lushan Shahe Ecological Rehabilitation and Improvement (Phase I)	712,003,094.27		712,003,094.27	511,792,398.90		511,792,398.90
PPP Project of Funan Sewage Treatment	698,546,462.73		698,546,462.73	592,295,248.19		592,295,248.19
Comprehensive water environment improvement project in Mengcheng County, Anhui Province	693,071,428.99		693,071,428.99			
Water supply engineering project in Mazongshan Town, Subei Mongol Autonomous County, Gansu Province	651,327,229.42		651,327,229.42	571,112,712.15		571,112,712.15
Integrated PPP Project of Huangpi Sewage	566,856,746.38		566,856,746.38	385,214,225.65		385,214,225.65

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance			Beginning balance		
	Carrying amount	Impairment provision	Carrying value	Carrying amount	Impairment provision	Carrying value
Treatment						
Ankang Smart Plant	549,848,298.86		549,848,298.86	143,320,357.80		143,320,357.80
The second line of Jiangxi Nano Crystallized Glass	335,893,840.77		335,893,840.77	336,485,492.44		336,485,492.44
Dayi Project	317,578,212.72		317,578,212.72	79,258,722.98		79,258,722.98
Phase I of ecological restoration and protection of Danhe River Basin in Gaoping City	315,363,263.81		315,363,263.81			
Water environment improvement project in downtown Chongzhou	294,709,246.41		294,709,246.41			
Tongchuan Project	265,143,141.30		265,143,141.30	99,720,949.28		99,720,949.28
The second sewage plant of Laizhou	188,185,801.03		188,185,801.03	90,971,785.34		90,971,785.34
Construction of Suining Electronic Industrial Park Workshops	185,205,457.46		185,205,457.46	49,129,811.44		49,129,811.44
Franchise project of disposal of kitchen waste in Gaoling, Xi'an	170,314,313.43		170,314,313.43			
Water supply and water resources development project in Changning	159,947,876.21		159,947,876.21			
R&D equipment construction project of Chongqing Optoelectronic Research Institute	129,766,743.81		129,766,743.81			
Phase II of Rural Residential Environment	129,657,635.39		129,657,635.39			

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance			Beginning balance		
	Carrying amount	Impairment provision	Carrying value	Carrying amount	Impairment provision	Carrying value
Improvement and Reconstruction Project (domestic sewage treatment) in Qinhan New Town						
Guangming Project	122,764,816.91		122,764,816.91	39,753,607.36		39,753,607.36
Yibin Konka High-Tech Industrial Park				86,183,539.65		86,183,539.65
Xinfeng Line 1 modification project				85,768,083.75		85,768,083.75
Other projects	281,466,875.18		281,466,875.18	174,953,501.58		174,953,501.58
<b>Total</b>	<b>9,236,643,931.68</b>		<b>9,236,643,931.68</b>	<b>4,291,544,368.52</b>		<b>4,291,544,368.52</b>

(2) Changes of Significant Construction in Progress

Name of item	Beginning balance	Increased	Decreased		Ending balance
			Transferred to long-term assets	Other decrease	
Comprehensive improvement engineering project of drainage basins in the city of Donggang	715,838,346.63	162,460,494.22			878,298,840.85
Central City Comprehensive accelerated programs in Economic and Technological Development Zone of Binhai, Weifang	329,745,585.38	524,657,839.32			854,403,424.70

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name of item	Beginning balance	Increased	Decreased		Ending balance
			Transferred to long-term assets	Other decrease	
Sewage treatment and water environment project in Ankang County		736,291,181.05			736,291,181.05
PPP Project of Lushan Shahe Ecological Rehabilitation and Improvement (Phase I)	511,792,398.90	200,210,695.37			712,003,094.27
PPP Project of Funan Sewage Treatment	592,295,248.19	106,251,214.54			698,546,462.73
Comprehensive water environment improvement project in Mengcheng County, Anhui Province		693,071,428.99			693,071,428.99
Water supply engineering project in Mazongshan Town, Subei Mongol Autonomous County, Gansu Province	571,112,712.15	80,214,517.27			651,327,229.42
Integrated PPP Project of Huangpi Sewage Treatment	385,214,225.65	181,642,520.73			566,856,746.38
Ankang Smart Plant	143,320,357.80	406,527,941.06			549,848,298.86
The second line of Jiangxi Nano Crystallized Glass	336,485,492.44			591,651.67	335,893,840.77
Dayi Project	79,258,722.98	238,319,489.74			317,578,212.72
Phase I of ecological restoration and protection of Danhe River Basin in Gaoping City		315,363,263.81			315,363,263.81
Water environment improvement project in downtown Chongzhou		294,709,246.41			294,709,246.41
Tongchuan Project	99,720,949.28	165,422,192.02			265,143,141.30

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name of item	Beginning balance	Increased	Decreased		Ending balance
			Transferred to long-term assets	Other decrease	
The second sewage plant of Laizhou	90,971,785.34	97,214,015.69			188,185,801.03
Construction of Suining Electronic Industrial Park Workshops	49,129,811.44	138,669,460.06	2,593,814.04		185,205,457.46
Franchise project of disposal of kitchen waste in Gaoling, Xi'an		170,314,313.43			170,314,313.43
Water supply and water resources development project in Changning		159,947,876.21			159,947,876.21
R&D equipment construction project of Chongqing Optoelectronic Research Institute		543,924,950.08	414,158,206.27		129,766,743.81
Phase II of Rural Residential Environment Improvement and Reconstruction Project (domestic sewage treatment) in Qinhan New Town		129,657,635.39			129,657,635.39
Guangming Project	39,753,607.36	83,780,590.74	769,381.19		122,764,816.91
Yibin Konka High-Tech Industrial Park	86,183,539.65	189,873,592.06	276,057,131.71		
Xinfeng Line 1 modification project	85,768,083.75	8,847,307.77	94,615,391.52		
Other projects	511,438,994.02	375,768,538.94	265,950,228.28	3,304,937.06	617,360,715.95
<b>Total</b>	<b>4,291,544,368.52</b>	<b>6,003,140,304.90</b>	<b>1,054,144,153.01</b>	<b>3,896,588.73</b>	<b>9,236,643,931.68</b>

(Continued)

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name of item	Estimate d number (RMB10 0 million)	Proportion estimated of the project accumulative input (%)	Engineerin g Schedule (%)	Accumulative amount of capitalized interests	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
Comprehensive improvement engineering project of drainage basins in the city of Donggang	12.99	67.61	67.61	69,458,190.80	36,309,241.28	6.05	Self-owned fund and bank financing
Central City Comprehensive accelerated programs in Economic and Technological Development Zone of Binhai, Weifang	16.50	51.78	51.78	22,075,641.66	16,389,971.72	5.36	Self-owned fund and bank financing
Sewage treatment and water environment project in Ankang County	22.41	32.86	32.86				Self-owned fund
PPP Project of Lushan Shahe Ecological Rehabilitation and Improvement (Phase I)	12.68	56.16	56.16				Self-owned fund
PPP Project of Funan Sewage Treatment	9.72	71.84	71.84	25,861,378.47	21,938,159.72	4.82	Self-owned fund and bank financing
Comprehensive water environment improvement project in Mengcheng County, Anhui Province	15.93	43.49	43.49				Self-owned fund
Water supply engineering project	9.70	67.14	67.14	20,628,731.25	20,628,731.25	5.05	Self-owned fund and bank financing

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name of item	Estimate d number (RMB10 0 million)	Proportion estimated of the project accumulative input (%)	Engineerin g Schedule (%)	Accumulative amount of capitalized interests	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
in Mazongshan Town, Subei Mongol Autonomous County, Gansu Province							financing
Integrated PPP Project of Huangpi Sewage Treatment	7.38	76.77	76.77	14,431,587.50	14,431,587.50	4.80	Self-owned fund and bank financing
Ankang Smart Plant	9.3	59.12	59.12				Self-owned fund
Dayi Project	3.92	80.99	80.99	6,075,035.28	6,075,035.28	7.91	Self-owned fund and bank financing
Phase I of ecological restoration and protection of Danhe River Basin in Gaoping City	8.93	35.32	35.32				Self-owned fund
Water environment improvement project in downtown Chongzhou	8.82	33.40	33.40				Self-owned fund
Tongchuan Project	3.93	67.46	67.46				Self-owned fund
The second sewage plant of Laizhou	2.56	73.41	73.41	5,288,393.57	5,288,393.57	5.30	Self-owned fund
Construction of Suining Electronic Industrial Park Workshops	7.04	31.09	31.09				Self-owned fund
Franchise project of disposal of	2.46	69.32	69.32				Self-owned fund

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name of item	Estimate d number (RMB10 0 million)	Proportion estimated of the project accumulative input (%)	Engineerin g Schedule (%)	Accumulative amount of capitalized interests	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Capital resources
kitchen waste in Gaoling, Xi'an							
Water supply and water resources development project in Changning	5.57	28.71	28.71				Self-owned fund
R&D equipment construction project of Chongqing Optoelectronic Research Institute	7.08	71.65	71.65				Self-owned fund
Phase II of Rural Residential Environment Improvement and Reconstruction Project (domestic sewage treatment) in Qinhan New Town	7.99	16.23	16.23				Self-owned fund
Guangming Project	5.33	23.19	23.19	1,318,597.14	1,318,597.14	1.57	Self-owned fund and project financing
Yibin Konka High-Tech Industrial Park	3.50	100.00	100.00				Self-owned fund
Xinfeng Line 1 modification project	0.2	44.24	44.24				Bank financing and finance lease
Other projects				39,229,802.86			
<b>Total</b>				<b>236,617,352.69</b>	<b>122,379,717.46</b>		

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### 19. Intangible Assets

#### (1) List of intangible assets

Item	Land use right	Intellectual property					Total
		Trademark right	Patent and know-how	Franchise rights	Right to use	Subtotal	
I. Original carrying value							
1. Beginning balance	1,026,423,067.19	75,482,617.43	102,532,417.78	106,571,344.10	99,690,005.24	384,276,384.55	1,410,699,451.74
2. Increased amount of the period	191,543,920.63	5,000.00			18,655,803.18	18,660,803.18	210,204,723.81
(1) Purchase	184,398,069.18	5,000.00			7,219,776.82	7,224,776.82	191,622,846.00
(2) Transfer of construction in progress					9,624,190.74	9,624,190.74	9,624,190.74
(3) Internal R&D					1,811,835.62	1,811,835.62	1,811,835.62
(4) Transfer from investment property	7,145,851.45						7,145,851.45
3. Decreased amount of the period	171,140,223.69						171,140,223.69
(1) Disposal	73,038,856.61						73,038,856.61
(2) Decrease for loss of controlling right	45,779,912.32						45,779,912.32
(3) Decrease in transfer-in of investment real estate	52,321,454.76						52,321,454.76
4. Ending balance	1,046,826,764.13	75,487,617.43	102,532,417.78	106,571,344.10	118,345,808.42	402,937,187.73	1,449,763,951.86

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Land use right	Intellectual property					Total
		Trademark right	Patent and know-how	Franchise rights	Right to use	Subtotal	
II. Accumulated amortization							-
1. Beginning balance	78,757,617.42	5,272,221.47	56,417,825.66	11,105,062.50	42,973,928.86	115,769,038.49	194,526,655.91
2. Increased amount of the period	36,970,965.44	231.48	26,413,690.21	4,442,025.00	12,810,539.69	43,666,486.38	80,230,695.34
(1) Withdrawal	35,164,652.99	231.48	26,413,690.21	4,442,025.00	12,810,539.69	43,666,486.38	78,424,382.89
(2) Other increases	1,806,312.45						1,806,312.45
3. Decreased amount of the period	17,085,483.51						17,085,483.51
(1) Disposal	7,524,347.17						7,524,347.17
(2) Decrease for loss of controlling right	1,655,203.71						1,655,203.71
(3) Decrease in transfer-in of investment real estate	7,905,932.63						7,905,932.63
4. Ending balance	98,643,099.35	5,272,452.95	82,831,515.87	15,547,087.50	55,377,712.07	159,028,768.39	257,671,867.74
III. Depreciation reserves							
1. Beginning balance			2,901,082.61			2,901,082.61	2,901,082.61
2. Increased amount of the period							
(1) Withdrawal							
(2) Increase for business combination							

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Land use right	Intellectual property					Total
		Trademark right	Patent and know-how	Franchise rights	Right to use	Subtotal	
3. Decreased amount of the period							
(1) Disposal							
(2) Decrease for loss of controlling right							
4. Ending balance			2,901,082.61			2,901,082.61	2,901,082.61
IV. Carrying value							
1. Ending carrying value	948,183,664.78	70,215,164.48	16,799,819.30	91,024,256.60	62,968,096.35	241,007,336.73	1,189,191,001.51
2. Beginning carrying value	947,665,449.77	70,210,395.96	43,213,509.51	95,466,281.60	56,716,076.38	265,606,263.45	1,213,271,713.22

The ratio of intangible assets formed through internal R&D to the balance of intangible assets by the end of this year was 0.15%.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

(2) Intangible assets leased through financial leasing

Item	Original book value	Accumulated amortization	Provision for impairment	Carrying value
land use right	74,399,250.00	4,710,869.54		69,688,380.46
Patents and know-how	28,000,000.00	16,000,000.00		12,000,000.00
<b>Total</b>	<b>102,399,250.00</b>	<b>20,710,869.54</b>		<b>81,688,380.46</b>

(3) Land Use Right with Certificate of Title Uncompleted

Item	Carrying value	Reason
Land usage right of the subsidiary Nanocrystalline	5,236,420.37	Under processing
<b>Total</b>	<b>5,236,420.37</b>	

(4) Significant Intangible Assets

Item	Ending carrying value	Remaining amortization period
Land usage right of Fenggang Konka Intelligent Industrial Park	198,040,434.67	48.67
Frestec Zhijia land use right	96,024,621.61	49.75
Franchise rights of sewage treatment in Laizhou	95,503,537.51	21.50
Land usage right of Chongqing Konka	61,789,103.75	48.67
Land usage right of Frestec	69,688,380.46	35.75
Land usage right of Huanjia (Henan)	65,894,816.06	48.50
Land usage right of Anhui Konka 2 # land	55,952,866.67	47.83
Land usage right of Anhui Konka 3# land	19,212,162.54	47.92
<b>Total</b>	<b>662,105,923.27</b>	

(5) Intangible Assets with restricted ownership or using right

Item	Ending carrying value	Reasons
Land usage right of Frestec	69,688,380.46	As collateral for

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending carrying value	Reasons
		loan
Land usage right of Anhui Konka 2 # land	55,952,866.67	As collateral for loan
Land use right of Anhui Tongchuang	18,920,247.71	As collateral for loan
Land usage right of XingDa HongYe	14,517,613.34	As collateral for loan
Yikang technology patents and know-how	12,000,000.00	Finance lease mortgage
Land usage right of Jiangxi Konka	10,518,420.58	Original shareholder guarantee mortgage
Land use right of Kangjia in Yibin	5,705,407.85	As collateral for loan
Land use right of Konka Guangming	5,339,539.00	As collateral for loan
Land use right of Boluo Konka	1,113,084.13	As collateral for loan
<b>Total</b>	<b>193,755,559.74</b>	

### 20. Development expenditures

Item	Begin ning balanc e	Increased	Decreased		Endin g balan ce
		Expenditure of internal development	Amount recognized as intangible assets	Transferred into current profit or loss	
AIOT scene audio system based on NLP algorithm	-	1,811,835.62	1,811,835.62	-	-
<b>Total</b>		<b>1,811,835.62</b>	<b>1,811,835.62</b>		

Note: In November 2020, the AIOT voice system based on NLP algorithm developed by the Company reached the serviceable conditions and was accepted and moved from development expense to intangible assets as it met the conditions to be reported as intangible assets.

### 21. Goodwill

#### (1) Original Carrying Value of Goodwill

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name of the investees	Beginning balance	Increased		Decreased		Ending balance
		Formed from the	Others	Dispose	Others	
Anhui Konka	3,597,657.15			3,597,657.15		
Econ Technology	467,825,151.34					467,825,151.34
Jiangxi Konka	340,111,933.01					340,111,933.01
XingDa HongYe	44,156,682.25					44,156,682.25
<b>Total</b>	<b>855,691,423.75</b>			<b>3,597,657.15</b>		<b>852,093,766.60</b>

(2) Provisions for Goodwill Impairment

Name of the investees	Beginning balance	Increased		Decreased		Ending balance
		Withdrawal	Others	Dispose	Others	
Anhui Konka		3,597,657.15		3,597,657.15		
Econ Technology						
Jiangxi Konka	76,431,127.34	77,906,818.95				154,337,946.29
XingDa HongYe		21,959,947.14				21,959,947.14
<b>Total</b>	<b>76,431,127.34</b>	<b>103,464,423.24</b>		<b>3,597,657.15</b>		<b>176,297,893.43</b>

(3) Relevant information on the asset group or combination of asset groups where goodwill is located

This year, the company hired an appraisal agency to assess the recoverable amount of the asset group or combination of asset groups where the goodwill is located. The asset group composed of identifiable intangible assets (excluding working capital and non-operating assets) is related to goodwill. The confirmation of the asset group at the time of goodwill impairment test is consistent with the asset group or combination of asset groups determined at the date of purchase

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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and the previous year's goodwill impairment test.

(4) The key assumptions and basis for calculating the recoverable amount of the asset group are as follows:

① Assuming that the assessed unit continues to operate, and there are no major changes in the key aspects of the business scope, sales model and channels, management, etc. that affect production and operation from the current situation;

② Assume that the social and economic environment of the assessed unit does not change significantly, and the relevant laws, regulations, and policies of the country and the region where the company is located have no major changes;

③ Assume that the business scope, operation mode, management mode, etc. of the assessed unit are continuously improved and improved on the basis of maintaining consistency, and can make timely adjustments and innovations as the economy develops;

④ Assume that the various products provided by the assessed unit can adapt to market demand, the formulated goals and measures can be achieved as scheduled and at the scheduled time, and the expected benefits are obtained;

⑤ Assuming that interest rates, exchange rates, tax bases and tax rates do not change significantly within the normal range prescribed by the state.

⑥ The recoverable amount of the asset group and asset group combination is based on the five-year budget approved by the management and calculated using the cash flow forecast method.

(5) The goodwill impairment of each asset group of the company is as follows:

The recoverable amount of Jiangxi Konka is determined according to the present value of the expected future cash flow. The future cash flow is determined based on the financial budget approved by management from 2021 to 2025, and uses a discount rate of 13.48%. Jiangxi Konka's cash flow for more than 5 years is calculated based on a growth rate of 0%. The company hired an appraisal agency, Beijing Zhongtianhe Assets Appraisal Co., Ltd., to evaluate the company's subsidiary Jiangxi Konka Company using the income method and cost method, using the present value of the asset group's estimated future cash flows as its recoverable amount. On 22 March 2021, *Konka Group Co., Ltd.'s Asset Evaluation Report on Recoverable Amount Items of Goodwill Asset Group of Konka New Materials Asset Group for Financial Reporting Purposes after Goodwill Impairment Test* (ZTHPZ [2021] No. 90006), was issued with 31 December 2020 as the base date. The current value of Jiangxi Konka Assets Group on the assessment base date is RMB 1,481,000,000, and the book value of the asset group after fair

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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value adjustment (including overall goodwill) is RMB 1,633,758,400 of which the book value of goodwill (converted minority shareholders) is RMB 517,021,100. As the recoverable amount of the asset group is less than the book value of the asset group containing goodwill, Jiangxi Konka's goodwill provision for asset impairment is RMB 77,906,800 in the current period.

The recoverable amount of XingDa HongYe is determined according to the present value of the expected future cash flow. The future cash flow is determined based on the financial budget approved by management from 2021 to 2025, and uses a discount rate of 13.50%. XingDa HongYe's cash flow for more than 5 years is calculated based on a growth rate of 0%. The Company hired an appraisal agency, Beijing Zhongtianhe Assets Appraisal Co., Ltd., to evaluate the Company's subsidiary XingDa HongYe using the income method and the cost method, using the present value of the asset group's estimated future cash flows as its recoverable amount. On 22 March 2021, *Konka Group Co., Ltd.'s Asset Evaluation Report on Recoverable Amount Items of Goodwill Asset Group of XingDa HongYe for Financial Reporting Purposes after Goodwill Impairment Test* (ZTHPZ [2021] No. 90007), was issued with 31 December 2020 as the base date. The current value of XingDa HongYe on the base date is RMB 2.95182 million, and the book value of the asset group after fair value adjustment (including overall goodwill) is RMB 338,240,700, of which the book value of goodwill (minority shareholders included) is RMB 86,581,700. The recoverable amount of the asset group is less than the book value of the asset group containing goodwill. Therefore, XingDa HongYe Company's goodwill provision for asset impairment is RMB 21.96 million in this period.

All the asset groups of Anhui Konka that contain goodwill have been disposed of. Therefore, Anhui Konka's goodwill provision for asset impairment is RMB 3,597,700 in the current period and treat the goodwill as decrease.

The recoverable amount of Econ Technology is determined according to the present value of the expected future cash flow. The future cash flow is determined based on the financial budget approved by management from 2021 to 2025, and uses a discount rate of 13.68%. Econ Technology's cash flow for more than 5 years is calculated based on a growth rate of 0%. The company hired an appraisal agency, Beijing Zhongtianhe Assets Appraisal Co., Ltd., to evaluate the company's subsidiary Econ Technology using the income method, using the present value of the asset group's estimated future cash flows as its recoverable amount. On 22 March 2021, *Konka Group Co., Ltd.'s Asset Evaluation Report on Recoverable Amount Items of Goodwill Asset Group of Econ Technology for Financial Reporting Purposes after Goodwill Impairment Test* (ZTHPZ [2021] No. 90008), was issued with 31 December 2020 as the base date. The current value of Econ Technology Assets Group on the assessment base date is RMB 989,000,000, and the book value of the asset group after fair value adjustment (including overall goodwill) is RMB 929,908,300 of which the book value of goodwill (converted minority shareholders) is RMB

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

917,304,200. The recoverable amount of the asset group is more than the book value of the asset group containing goodwill. Therefore, Econ Technology has passed the goodwill impairment test, and there is no impairment provision.

### 22. Long-term Deferred Expenses

Item	Beginning balance	Increased	Amortization amount	Other decreased amount	Ending balance
Renovation costs	35,841,835.32	74,298,710.43	17,050,791.01	167,517.29	92,922,237.45
Shoppe expense	44,140,602.62	26,144,987.84	29,972,968.23	15,633,992.77	24,678,629.46
Others	27,607,640.94	51,456,808.36	40,693,905.40	2,772,847.99	35,597,695.91
<b>Total</b>	<b>107,590,078.88</b>	<b>151,900,506.63</b>	<b>87,717,664.64</b>	<b>18,574,358.05</b>	<b>153,198,562.82</b>

### 23. Deferred Income Tax Assets/Deferred Income Tax Liabilities

#### (1) Deferred Income Tax Assets without Offset

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax liabilities assets	Deductible temporary difference	Deferred income tax liabilities assets
Deductible losses	3,454,342,497.93	765,781,935.91	2,855,624,412.76	706,342,740.49
Assets impairment provision	1,672,345,584.63	355,173,623.87	1,079,890,030.44	231,517,239.58
Deferred Income	302,984,312.52	75,408,820.37	66,778,170.56	15,971,309.52
Accrued expenses	206,844,865.32	40,844,897.61	70,273,842.14	12,047,558.72
Unrealized internal sales profits	37,257,399.14	9,068,649.87	18,570,975.99	4,642,744.00
Others	90,902,865.84	19,638,509.76	75,254,629.43	17,241,589.86
<b>Total</b>	<b>5,764,677,525.38</b>	<b>1,265,916,437.39</b>	<b>4,166,392,061.32</b>	<b>987,763,182.17</b>

#### (2) Lists of Deferred Income Tax Liabilities without Offset

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities Liability	Taxable temporary difference	Deferred income tax liabilities Liability
Estimated added value of assets not under the same control	303,689,567.68	57,097,842.23	406,494,736.72	76,293,954.88
Prepaid interest	48,578,683.63	11,840,140.77	68,199,141.94	16,489,202.46
Accelerated depreciation of fixed assets	4,443,598.64	959,974.66	3,732,276.80	559,841.52
Others	27,585,930.42	5,921,274.27	8,496,388.76	2,124,097.19
<b>Total</b>	<b>384,297,780.37</b>	<b>75,819,231.93</b>	<b>486,922,544.22</b>	<b>95,467,096.05</b>

(3) List of Unrecognized Deferred Income Tax Assets

Item	Ending balance	Beginning balance
Deductible losses	1,526,406,964.50	2,693,777,327.44
Deductible temporary difference	766,691,485.59	407,628,243.69
<b>Total</b>	<b>2,293,098,450.09</b>	<b>3,101,405,571.13</b>

(4) Deductible loss of the unrecognized deferred income tax assets will be due in the following years

Year	Ending balance
2021	375,609,938.04
2022	333,312,677.24
2023	146,623,243.29
2024	165,757,234.71
2025	505,103,871.22
<b>Total</b>	<b>1,526,406,964.50</b>

24. Other Non-current Assets

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

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Item	Ending balance		
	Carrying amount	Impairment provision	Carrying value
Prepayment for land-purchase	1,538,728,032.15		1,538,728,032.15
Prepaid amount for engineering, equipment and other long-term assets	247,719,684.59		247,719,684.59
Entrusted loans	10,867,888.84		10,867,888.84
Construction of government projects	23,463,565.16		23,463,565.16
<b>Total</b>	<b>1,820,779,170.74</b>		<b>1,820,779,170.74</b>

(Continued)

Item	Beginning balance		
	Carrying amount	Impairment provision	Carrying value
Prepayment for land-purchase	820,340,528.30		820,340,528.30
Prepaid amount for engineering, equipment and other long-term assets	277,656,830.39		277,656,830.39
Entrusted loans	40,000,000.00		40,000,000.00
Construction of government projects	34,475,365.16		34,475,365.16
<b>Total</b>	<b>1,172,472,723.85</b>		<b>1,172,472,723.85</b>

**25. Short-term Borrowings**

Item	Ending balance	Beginning balance	Description
Unsecured borrowings	7,164,301,258.30	7,305,280,566.00	
Borrowings secured by guarantee	2,038,705,892.75	1,505,320,018.29	①②③
Borrowings secured by collateral	1,787,543,324.73	1,522,086,655.34	④⑤⑥⑦⑧⑨ ⑩⑪⑫⑬⑭
<b>Total</b>	<b>10,990,550,475.78</b>	<b>10,332,687,239.63</b>	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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Notes: ① The Company provides joint liability guarantees for its subsidiary Anhui Konka, Dongguan Konka, Sichuan Konka, Anhui Tongchuang, Pengrun Technology, Electronics Technology, Econ Technology, Kong Kong Konka, Jiangxi Konka, Nano Crystallized Glass, Xinfeng Microcrystalline and Ningbo Kanghanrui Appliances for a total of RMB 1,477,297,053.28.

② The Company obtained a short-term loan of RMB 500,000,000.00 from Chegongmiao Sub-branch of China Everbright Bank, under maximum joint liability guarantee provided by Electronics Technology, a subsidiary of the Company.

③ The Company provided a maximum-amount joint-liability guarantee for a short-term borrowing of RMB61,408,839.47 granted by the Yantai sub-branch of Industrial Bank to the Company's subsidiary Econ Technology.

④ The Company put bank deposits of RMB81,839,066.89 in pledge for a short-term borrowing of RMB157,135,000.00 and bank acceptance notes of RMB69,398,133.78 from China Zheshang Bank.

⑤ The Company put certificates of deposit of RMB200,000,000.00 in pledge for a short-term borrowing of RMB199,778,333.33 from the Shenzhen branch of China Everbright Bank.

⑥ The Company put security deposits of RMB150,000,000.00 in pledge for a short-term borrowing of RMB297,933,333.35 from the Shenzhen branch of Guangdong Huaxing Bank.

⑦ The Company put structured deposits of RMB289,160,000.00 in pledge for a short-term borrowing of RMB298,377,374.45 from Xiamen International Bank.

⑧ The Company's subsidiary Electronic Technology put structured deposits of RMB310,000,000.00 in pledge for a short-term borrowing of RMB318,033,786.31 from Xiamen International Bank.

⑨ The Company's subsidiary Anhui Tongchuang put security deposits of RMB15,000,000.00 and notes receivable of RMB100,800,000 in pledge for a short-term borrowing of RMB137,655,744.43 from the Hefei branch of China Zheshang Bank.

⑩ The Company's subsidiary Econ Technology put RMB75,000,000.00 in pledge for a short

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

term borrowing of RMB148,629,752.86 from the Yantai branch of China Zheshang Bank, with the Company providing the joint-liability guarantee.

⑪ The Company's subsidiary XingDa HongYe obtained a short-term loan of RMB 95,000,000.00 from the Zhongshan Rural Commercial Bank using, by creating a pledge on time deposit certificates with a book value of RMB 19,800,000.00 and on a mortgage on buildings of RMB40,867,928.18 and land use rights of RMB14,517,613.34. Hu Zehong provided joint liability guarantee for the loan.

⑫ The Company's subsidiary Boluo Konka Precision obtained a short-term loan of RMB 5,000,000.00 from Guangzhou Bank Co., Ltd. Huizhou Branch with the real estate of Boluo Konka with the book value of RMB 7,526,113.83 and land use rights of RMB1,113,084.13 as collateral. Konka Group provides joint liability guarantee.

⑬ The Company's subsidiary Anhui Konka obtained a short-term loan of RMB 80,000,000.00 from Chuzhou Branch of Bank of China by creating mortgage on land use right with a book value of RMB 55,952,866.67 and ongoing projects worth RMB 328,756,028.19. The Company provided joint liability guarantee for the loan.

⑭ The Company's subsidiary Anhui Tongchuang obtained a short-term loan of RMB 50,000,000.00 from China Zheshang Bank Hefei Branch with a mortgage on real estate with a book value of RMB 154,681,545.21 and collateral on land use right worth RMB 18,920,247.71.

### 26. Notes Payable

Category	Ending balance	Beginning balance
Bank's acceptance bill	1, 159, 251, 569. 31	1, 136, 168, 273. 60
Commercial acceptance bill	176, 735, 456. 90	183, 228, 100. 77
<b>Total</b>	<b>1, 335, 987, 026. 21</b>	<b>1, 319, 396, 374. 37</b>

### 27. Accounts Payable

#### (1) List of Accounts Payable

Item	Ending balance	Beginning balance
Within 1 year	8, 134, 924, 659. 58	4, 589, 056, 681. 97

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance	Beginning balance
1 to 2 years	1, 279, 766, 515. 39	1, 000, 925, 754. 57
2 to 3 years	87, 184, 184. 40	165, 360, 015. 84
Over 3 years	130, 490, 966. 39	42, 480, 027. 22
<b>Total</b>	<b>9, 632, 366, 325. 76</b>	<b>5, 797, 822, 479. 60</b>

(2) Significant Accounts Payable Aging over One Year

Item	Ending balance	Unpaid/Un-carry-over reason
Hunan Fifth Engineering Co. Ltd	592,728,404.31	Not meet the settlement conditions
China Railway No. 4 Engineering Group Co., Ltd.	305,090,587.47	Not meet the settlement conditions
Chongqing Jiulong Kuiguan Building Materials Co., Ltd.	115,552,377.45	Not meet the settlement conditions
Henan Yaofeng Industrial Co., Ltd.	98,891,330.28	Not meet the settlement conditions
Rushan Water Group Co., Ltd.	99,558,100.00	Not meet the settlement conditions
<b>Total</b>	<b>1,211,820,799.51</b>	—

28. Contractual liabilities

(1) Details of Contractual liabilities

Item	Ending balance	Beginning balance
Sales advances received	1, 217, 367, 735. 94	959, 538, 151. 80
<b>Total</b>	<b>1, 217, 367, 735. 94</b>	<b>959, 538, 151. 80</b>

(2) There is no significant change in carrying amount of contractual liabilities in the current period

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

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### 29. Payroll Payable

#### (1) List of Payroll Payable

Item	Beginning balance	Increased	Decreased	Ending balance
List of Short-term Salary	422,361,193.20	1,772,852,908.34	1,722,013,304.70	473,200,796.84
Post-employment benefit-defined contribution plans	3,408,038.58	68,338,032.86	69,462,795.62	2,283,275.82
Termination benefits	1,101,266.80	39,874,526.02	39,843,621.03	1,132,171.79
Current portion of other benefits	-	-	-	-
<b>Total</b>	<b>426,870,498.58</b>	<b>1,881,065,467.22</b>	<b>1,831,319,721.35</b>	<b>476,616,244.45</b>

#### (2) List of Short-term Salary

Item	Beginning balance	Increased	Decreased	Ending balance
Salary, bonus, allowance, subsidy	407,335,502.77	1,568,242,877.25	1,517,512,854.56	458,065,525.46
Welfare for employees	5,147,293.66	59,180,912.56	63,324,920.30	1,003,285.92
Social securities expense	3,211,419.29	47,645,814.91	45,969,544.25	4,887,689.95
Of which: Medical insurance premiums	289,685.48	42,276,867.29	41,308,977.99	1,257,574.78
Work-related injury insurance	39,991.73	977,895.80	930,601.24	87,286.29
Maternity insurance	2,881,742.08	4,391,051.82	3,729,965.02	3,542,828.88
Housing fund	604,087.40	51,740,892.25	50,850,048.27	1,494,931.38
Labor union budget and employee education budget	5,237,407.88	12,986,389.12	10,940,610.59	7,283,186.41

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

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Item	Beginning balance	Increased	Decreased	Ending balance
Short-term absence with payment				
Short-term profit sharing plan				
Others	825,482.20	11,751,566.42	12,110,870.90	466,177.72
<b>Total</b>	<b>422,361,193.20</b>	<b>1,751,548,452.51</b>	<b>1,700,708,848.87</b>	<b>473,200,796.84</b>

(3) List of Defined Contribution Plan

Item	Beginning balance	Increased	Decreased	Ending balance
Basic pension benefits	3,353,470.05	66,664,960.26	67,851,155.26	2,167,275.05
Unemployment insurance	54,568.53	1,672,701.23	1,611,640.36	115,629.40
Annuity		371.37		371.37
<b>Total</b>	<b>3,408,038.58</b>	<b>68,338,032.86</b>	<b>69,462,795.62</b>	<b>2,283,275.82</b>

30. Taxes Payable

Item	Ending balance	Beginning balance
Corporate income tax	264,749,734.19	341,818,196.88
VAT	186,891,111.62	197,795,056.62
Fund for disposing abandoned appliances and electronic products	19,157,745.00	22,862,428.00
Urban maintenance and construction tax	10,206,690.62	12,363,121.25
Education fees and local education Surcharge	7,361,219.22	9,346,458.05
Stamp duty	6,041,179.34	5,046,657.96
Land use tax	5,095,730.68	3,587,908.55
Individual income tax	3,023,518.75	7,468,808.32
Property tax	2,209,076.63	2,868,061.86
Tariff	2,008,914.61	2,440,099.93
Others	1,469,138.50	2,248,497.57

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For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance	Beginning balance
<b>Total</b>	<b>508, 214, 059. 16</b>	<b>607, 845, 294. 99</b>

31. Other payables

Item	Ending balance	Beginning balance
Interest payable	220, 837, 380. 17	227, 831, 108. 53
Other Payables	1, 778, 593, 519. 52	2, 053, 341, 998. 25
<b>Total</b>	<b>1, 999, 430, 899. 69</b>	<b>2, 281, 173, 106. 78</b>

31.1. Interests payable

(1) Classification

Item	Ending balance	Beginning balance
Interest on corporate bonds	180, 268, 944. 49	180, 268, 944. 49
Interest on long-term borrowings with interest paid by installment and principal paid at maturity	17, 162, 676. 76	27, 783, 745. 85
Interest payable on short-term borrowings	23, 350, 524. 40	19, 189, 933. 23
Others	55, 234. 52	588, 484. 96
<b>Total</b>	<b>220, 837, 380. 17</b>	<b>227, 831, 108. 53</b>

31.2 Other payables

(1) Listed by Nature of Account

Item	Ending balance	Beginning balance
Expenses payable	626, 909, 820. 31	854, 281, 815. 33
Come-and-go money	330, 967, 783. 33	162, 935, 213. 66
Equity transfer payment	157, 682, 796. 96	374, 725, 896. 96
Related party borrowing	344, 520, 800. 92	374, 227, 833. 11
money Generation of advances	243, 197, 538. 56	260, 078, 756. 86
Cash deposit and front	7, 795, 410. 38	13, 789, 615. 70
Others	67, 519, 369. 06	13, 302, 866. 63
<b>Total</b>	<b>1, 778, 593, 519. 52</b>	<b>2, 053, 341, 998. 25</b>

(2) Other Significant Payables Aging over One Year

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

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Item	Ending balance	Unpaid/Un-carry-over reason
Equity transfer money of Econ Technology	96,500,000.00	Not meet the settlement conditions
Equity transfer money of Jiangxi Konka	61,180,000.00	Not meet the settlement conditions
<b>Total</b>	<b>157,680,000.00</b>	—

32. Current Portion of Non-current Liabilities

Item	Ending balance	Beginning balance
Current portion of long-term borrowings	18,150,000.00	123,000,000.00
Current portion of long-term payables	358,746,566.29	87,066,077.13
<b>Total</b>	<b>376,896,566.29</b>	<b>210,066,077.13</b>

33. Other current liabilities

Item	Ending balance	Beginning balance
Accounts payable with trade acceptance notes	432,420,000.00	
Sales return payable	9,354,317.23	16,726,801.27
<b>Total</b>	<b>441,774,317.23</b>	<b>16,726,801.27</b>

34. Long-term Borrowings

(1) Classification

Item	Ending balance	Beginning balance	Description
Guaranteed borrowings	2,058,000,000.00		①、②
Pledge borrowings	3,123,838,997.54	1,556,255,729.90	③、④、⑤、 ⑥、⑦、⑧、 ⑨、⑩、⑫、 ⑬

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

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Entrusted borrowings	611,060,000.00	3,334,060,000.00	(11)
Credit loan	190,000,000.00	123,000,000.00	
Less: Current portion	18,150,000.00	123,000,000.00	
<b>Total</b>	<b>5,964,748,997.54</b>	<b>4,890,315,729.90</b>	

Notes: ① The Company obtained a long-term loan of RMB 2,000,000,000.00 from the Export-Import Bank of China, with a loan term from 22 June 2020 to 24 June 2022. OCT Group, the parent of the Company provides joint liability guarantee for the loan.

② Subsidiary XingDa HongYe obtained a long-term loan of RMB 58,000,000.00 from the Xiamen International Bank, with a loan term from 25 November 2020 to 25 February 2022. The Company provides maximum joint liability guarantee for the loan.

③ Donggang Kangrun, a subsidiary, took the accounts receivable under the Contract of the PPP project of Donggang City Inland Comprehensive Treatment Project as a pledge to obtain a long-term loan of RMB 600,000,000.00 from the China Construction Bank Donggang Sub-branch. The loan period is from 31 January 2019 to 30 January 2036.

④ Subsidiary Funan Kangrun obtained a long-term loan of RMB 465,000,000.00 from the Agricultural Development Bank of China Funan County Sub-branch with the feasibility gap subsidy and government payment under the PPP project of the whole area sewage treatment project of Funan County <PPP contract> as pledge. The loan period is from 30 August 2019 to 22 August 2039.

⑤ Weifang Sihai, a subsidiary of the company, pledged the long-term loan amount of RMB 512,746,900.00 from Industrial Bank Co., Ltd. Weifang Branch with the accounts receivable formed from all the proceeds and income rights of the Weifang Binhai Economic Development Zone PPP project. The loan period is from 26 June 2019 to 25 June 2035.

⑥ Subsidiary Laizhou Lairun obtained a long-term loan of RMB 118,007,485.22 from Laizhou Branch of Postal Savings Bank of China ,by pledging its the accounts receivable from all the proceeds and right to proceeds under the contract in relation to the PPP project of Laizhou Second Sewage Treatment Plant and supplementary agreements thereto. The loan term is from 17 January 2020 to 16 January 2040.

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⑦ Subsidiary Econ Technology provides a commitment letter of balance complement for Wuhan Runyuan when Wuhan Runyuan obtains a long-term loan of RMB 378,600,000.00 from Wuhan Dongxihu District Sub-branch of Agricultural Development Bank of China by pledging its accounts receivable under the contract in connection with Huangling District Rural Sewage Treatment PPP Project. The loan term is from 22 January 2020 to 19 January 2040.

⑥ Subsidiary Econ Technology provides joint liability guarantee for Subei Kangrun when Subei Kangrun obtains a long-term loan of RMB 516,000,000.00 from Dunhuang Sub-branch of Agricultural Development Bank of China by pledging its accounts receivable under the contract in connection with the Mazongshan water supply PPP project, in Subei Mongol Autonomous County, Gansu. The loan term is from 10 March 2020 to 9 March 2035.

⑨ Subsidiary Rushan Econ pledged its long-term accounts receivable with a book value of RMB 351,107,041.45 to obtain a long-term loan of RMB 115,810,000.00 from Yantai Economic Development Zone Sub-branch of China Everbright Bank. The loan term is from 29 December 2016 to 28 December 2026, and the subsidiary Econ Technology provides joint liability guarantee.

⑩ Subsidiary Dayi Kangrun Water obtained a long-term loan of RMB 188,700,000.00 from Chengdu Qinglong Sub-branch of Industrial and Commercial Bank of China by pledging its right to RMB 1,000,000,000.00 yields from the operation of the Dayi Industrial Sewage and Recycled Water Treatment Plant under franchise. The loan term is from 29 April 2020 to 10 April 2035, and the subsidiary Econ Technology provides a commitment letter of balance complement.

⑪ OCT Group, the parent of the Company, issued an entrusted loan of RMB 611,060,000.00 to the Company through the China Merchants Bank. The loan term is from 12 November 2020 to 9 December 2022.

⑫ The company obtained a long-term loan of RMB 12,897,4612.32 from Shenzhen Branch of Guangdong Huaxing Bank Co., Ltd. with the book value of RMB 187,546,621.37 and the right to use state-owned construction land of RMB 13,735,772.90 as collateral. The loan term is from April 12, 2019 to April 11, 2024.

⑬ Subsidiary Sichuan Konka obtain an entrusted borrowing of RMB 100,000,000.00 from Sichuan Gangrong Investment Development Group Co., Ltd. under the pledge on the land use right of subsidiary Yibin Konka Hi-Tech Industrial Park with a book value of RMB

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13,532,751.06. The subsidiary Communication Technology provided joint liability guarantee for the loan. The life of loan was from 8 May 2018 to 24 May 2025.

**35. Bonds Payable**

**(1) List of Bonds Payable**

<b>Item</b>	<b>Ending balance</b>	<b>Beginning balance</b>
Non-public offering corporate bonds	4,993,212,788.32	4,987,709,643.64
<b>Total</b>	<b>4,993,212,788.32</b>	<b>4,987,709,643.64</b>

**(2) Increase/Decrease of Bonds Payable**

<b>Bonds name</b>	<b>Total par value</b>	<b>Issuing date</b>	<b>Duration</b>	<b>Issuing amount</b>	<b>Beginning balance</b>
19Konka01 (note ①)	1,000,000,000.00	2019-1-14	2+1 years	996,500,000.00	997,798,742.17
19Konka02 (note ②)	1,500,000,000.00	2019-1-14	3	1,494,750,000.00	1,496,698,113.21
19Konka03 (note ③)	500,000,000.00	2019-6-3	2+1 years	498,250,000.00	498,670,073.37
19Konka04 (note ④)	500,000,000.00	2019-6-3	3	498,250,000.00	498,670,073.37
19Konka05 (note ⑤)	800,000,000.00	2019-7-22	2+1 years	797,200,000.00	797,798,742.14
19Konka06 (note ⑥)	700,000,000.00	2019-7-22	3	697,550,000.00	698,073,899.38
<b>Total</b>	<b>5,000,000,000.00</b>	<b>—</b>	<b>—</b>	<b>4,982,500,000.00</b>	<b>4,987,709,643.64</b>

(Continued)

<b>Bonds name</b>	<b>Issued during the Reporting Period</b>	<b>Withdraw interest at face value</b>	<b>Amortization of premium and discount</b>	<b>Repay during the Reporting Period</b>	<b>Ending balance</b>

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Bonds name</b>	<b>Issued during the Reporting Period</b>	<b>Withdraw interest at face value</b>	<b>Amortization of premium and discount</b>	<b>Repay during the Reporting Period</b>	<b>Ending balance</b>
19Konka01 (note ①)		50,000,000.00	1,100,628.96		998,899,371.13
19Konka02 (note ②)		75,000,000.00	1,650,943.44		1,498,349,056.65
19Konka03 (note ③)		22,500,000.00	550,314.48		499,220,387.85
19Konka04 (note ④)		23,500,000.00	550,314.48		499,220,387.85
19Konka05 (note ⑤)		36,240,000.00	880,503.12		798,679,245.26
19Konka06 (note ⑥)		32,900,000.00	770,440.20		698,844,339.58
<b>Total</b>		<b>240,140,000.00</b>	<b>5,503,144.68</b>		<b>4,993,212,788.32</b>

Note 1: ① On 14 January 2019, RMB 1 billion of private placement corporate bonds was issued with the duration of two plus one years, the annual interest rate of 5.00% and the due date of 14 January 2021.

② On 14 January 2019, RMB 1.5 billion of private placement corporate bonds was issued with the duration of three years, the annual interest rate of 5.00% and the due date of 14 January 2022.

③ On 3 June 2019, RMB 0.5 billion of private placement corporate bonds was issued with the duration of two plus one years, the annual interest rate of 4.50% and the due date of 3 June 2021.

④ On 15 January 2019, RMB 0.5 billion of private placement corporate bonds was issued with the duration of three years, the annual interest rate of 4.70% and the due date of 3 June 2022.

⑤ On 22 July 2019, RMB 0.8 billion of private placement corporate bonds was issued with the duration of two plus one years, the annual interest rate of 4.53% and the due date of 22 July 2021.

⑥ On 22 July 2019, RMB 0.7 billion of private placement corporate bonds was issued with the duration of three years, the annual interest rate of 4.70% and the due date of 22 July 2022.

Note 2: OCT Group provided full-amount, unconditional and irrevocable joint and several

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

liability guarantee for the due payment of the private offering of corporate bonds.

### 36. Long-term Payables

Item	Ending balance	Beginning balance
Accrued financing lease outlay	921,958,930.55	519,416,941.74
Of which: unrecognized financing expense	81,802,514.30	49,063,759.99
Less: Current portion	358,746,566.29	87,066,077.13
<b>Total</b>	<b>481,409,849.96</b>	<b>383,287,104.62</b>

### 37. Long-term Payroll Payable

Classification

Item	Ending balance	Beginning balance
Termination benefits-net liabilities of defined contribution plans	5,248,309.14	5,565,646.72
<b>Total</b>	<b>5,248,309.14</b>	<b>5,565,646.72</b>

### 38. Provisions

Item	Ending balance	Beginning balance	Reason for formation
Product quality assurance	102,146,976.40	93,114,136.42	After-sales of household appliances
Others	206,591.51	206,591.51	
<b>Total</b>	<b>102,353,567.91</b>	<b>93,320,727.93</b>	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### 39. Deferred Income

#### (1) Category of Deferred Income

Item	Beginning balance	Increased	Decreased	Ending balance	Reason for formation
Government subsidies	151,874,258.45	331,672,713.46	36,646,447.27	446,900,524.64	Asset-related/income related
<b>Total</b>	<b>151,874,258.45</b>	<b>331,672,713.46</b>	<b>36,646,447.27</b>	<b>446,900,524.64</b>	

#### (2) Government subsidy

List of Government Subsidy	Beginning balance	New amount in the period	Amount charged to non-operating income in the period	Amount charged to other income in the period	Other changes	Ending balance	Asset/income -related
Subsidy for construction of Yibin factory of Yibin Konka Industrial Park	56,943,815.54	16,035,384.46				72,979,200.00	Asset-related
Subsidy for Dual HDR OLED Smart TV R&D and industrialization	13,300,000.00					13,300,000.00	Asset-related

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Beginning balance</b>	<b>New amount in the period</b>	<b>Amount charged to non-operating income in the period</b>	<b>Amount charged to other income in the period</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Asset/income -related</b>
project							
Subsidy for the smart TV industrial chain project of Konka Group Co., Ltd.	10,860,500.00			4,494,000.00		6,366,500.00	Asset-related
Operating subsidy for Konka Zhifu Life Science Innovation Center project	6,500,000.14			1,999,999.92		4,500,000.22	Asset-related
Subsidy for Konka Yibin Intelligent Terminal Innovation Center Incubation Project	6,000,000.00			6,000,000.00			Asset-related
Subsidy for 2017 Shenzhen Industrial Chain Weak Links Investment Project	4,500,000.00					4,500,000.00	Asset-related
Subsidy for supporting the next-generation Internet intelligent terminal system development and	3,798,349.54			1,981,747.56		1,816,601.98	Asset-related

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Beginning balance</b>	<b>New amount in the period</b>	<b>Amount charged to non-operating income in the period</b>	<b>Amount charged to other income in the period</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Asset/income -related</b>
production project							
Subsidy for Konka smart home cloud smart control platform construction project	2,896,000.04			2,896,000.04			Asset-related
Capital subsidy for Shenzhen Economy and Trade and Informatization Committee 2015 Shenzhen Industrial Design Center	2,550,000.00			1,276,000.02		1,273,999.98	Asset-related
Subsidy for Konka next-generation multi-media terminal technology engineering lab project	2,500,000.10			999,999.96		1,500,000.14	Asset-related
Post grant for 2016 Industrial Enterprise Technological Renovation	2,187,360.00			546,840.00		1,640,520.00	Asset-related

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Beginning balance</b>	<b>New amount in the period</b>	<b>Amount charged to non-operating income in the period</b>	<b>Amount charged to other income in the period</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Asset/income -related</b>
Subsidy for NB-IOT-based display terminal smart factory new model project	2,184,000.00			819,000.00		1,365,000.00	Asset-related
Subsidy for development and industrialization of digital products that are collaborative and connected	2,080,000.04			519,999.96		1,560,000.08	Asset-related
Subsidy for next-generation household multi-media terminal technology engineering lab improvement project	2,000,000.00					2,000,000.00	Asset-related
Subsidy for 8K equipment end-to-end signal connection key technology and terminal display product R&D project	1,800,000.00					1,800,000.00	Asset-related
Subsidy for vein R&D	1,750,000.00					1,750,000.00	Asset-related

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Beginning balance</b>	<b>New amount in the period</b>	<b>Amount charged to non-operating income in the period</b>	<b>Amount charged to other income in the period</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Asset/income -related</b>
center project							
Specific subsidy for mobile Internet 4th-generation mobile communication industrialization	1,734,662.37			412,490.04		1,322,172.33	Asset-related
Subsidy for IGRS-based information terminal R&D and industrialization project	1,400,000.00					1,400,000.00	Asset-related
2017 provincial major specific subsidy	1,400,000.00			480,000.00		920,000.00	Asset-related
Subsidy for big data mining-based user operation system R&D and industrialization project	1,320,000.00					1,320,000.00	Asset-related
Subsidy for AVS/DRA-based terminal and supporting core chip R&D project	1,311,333.18			1,311,333.18			Asset-related

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Beginning balance</b>	<b>New amount in the period</b>	<b>Amount charged to non-operating income in the period</b>	<b>Amount charged to other income in the period</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Asset/income -related</b>
Subsidy for true three-dimensional video continual view point real-time integration and advance testing project	1,277,999.98			284,000.04		993,999.94	Asset-related
Subsidy for module whole-machine integration project	1,275,000.00			300,000.00		975,000.00	Asset-related
Subsidy for mobile intelligent terminal new application service system R&D and industrialization project	1,265,783.60			727,279.92		538,503.68	Asset-related
Subsidy for special decoration of Huiqi flagship store of Shenzhen International Consumer Electronics Exchange/Exhibition Center Co., Ltd.	1,200,000.00			1,200,000.00			Asset-related
Specific subsidy for Dongguan Fiscal	1,200,000.00			600,000.00		600,000.00	Asset-related

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Beginning balance</b>	<b>New amount in the period</b>	<b>Amount charged to non-operating income in the period</b>	<b>Amount charged to other income in the period</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Asset/income -related</b>
Provincial-level strategic emerging industries							
Subsidy for super-short focus laser projecting smart TV R&D project	1,075,000.00			935,000.00		140,000.00	Asset-related
Subsidy for built-in operation system for TV application R&D project	1,033,110.10			459,159.96		573,950.14	Asset-related
Subsidy for secure and reliable chip-based satellite ground receiver project	1,000,000.00					1,000,000.00	Asset-related
Central infrastructure investment budgetary subsidy for preliminary work of PPP project	1,000,000.00			1,000,000.00			Asset-related
2016 Guangdong Province enterprise research and development provincial fiscal subsidy	916,879.90			229,217.73		687,662.17	Asset-related

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Beginning balance</b>	<b>New amount in the period</b>	<b>Amount charged to non-operating income in the period</b>	<b>Amount charged to other income in the period</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Asset/income -related</b>
2010-2012 industrial technology specific subsidy	840,000.00			420,000.00		420,000.00	Asset-related
Subsidy for mobile intelligent terminal information security system key technology R&D project	835,187.04			480,000.00		355,187.04	Asset-related
Specific subsidy for business restructuring	799,999.80			200,000.04		599,999.76	Asset-related
2018 Anhui Province robotics specific subsidy	780,000.00			180,000.00		600,000.00	Asset-related
Subsidy for dual-channel new 3D smart TV R&D and industrialization project	778,166.79			405,999.96		372,166.83	Asset-related
Post fiscal subsidy for 2016 industrial enterprise technological renovation	733,480.08			183,369.96		550,110.12	Asset-related
Subsidy for multiple	675,000.00			300,000.00		375,000.00	Asset-related

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Beginning balance</b>	<b>New amount in the period</b>	<b>Amount charged to non-operating income in the period</b>	<b>Amount charged to other income in the period</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Asset/income -related</b>
view point high-definition nuke-eye 3D smart LCD TV project							
Subsidy for new man-machine interaction smart TV R&D and industrialization project	525,689.15			525,689.15			Asset-related
Subsidy for three-networks integration smart TV and system support platform project	266,666.84			266,666.84			Asset-related
Anhui Province Technology Office R&D devices subsidy	176,250.00			45,000.00		131,250.00	Asset-related
Subsidy for 3D TV terminal development and industrialization project	108,333.15			108,333.15			Asset-related
Supporting fund for Suining Konka		229,420,000.00				229,420,000.00	Income-related

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Beginning balance</b>	<b>New amount in the period</b>	<b>Amount charged to non-operating income in the period</b>	<b>Amount charged to other income in the period</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Asset/income -related</b>
Industrial Park							
Special government grants for Tongchuan Project		30,000,000.00				30,000,000.00	Income-related
(CCTV 2) 8K UHD display chip R&D and industrialization project		20,000,000.00				20,000,000.00	Asset-related
Subsidy for return of the land in Konka Chongqing Industrial Park		19,440,000.00		327,272.73		19,112,727.27	Asset-related
NB-IOT-based display terminal smart factory new model		4,095,000.00		682,500.00		3,412,500.00	Asset-related
Subsidy for cost of Wuzhen Konka digitalization of physical spaces		3,000,000.00				3,000,000.00	Asset-related
Subsidy for new equipment purchased by Sichuan Konka		2,133,169.00				2,133,169.00	Asset-related

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Beginning balance</b>	<b>New amount in the period</b>	<b>Amount charged to non-operating income in the period</b>	<b>Amount charged to other income in the period</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Asset/income -related</b>
Special subsidy for quality development (technical upgrading) for Tongchuang		1, 546, 519. 00		71, 650. 28		1, 474, 868. 72	Asset-related
Grant for major provincial science & technology programs at Anhui Konka		1, 500, 000. 00		25, 000. 00		1, 475, 000. 00	Asset-related
Subsidy for new equipment purchased by Yibin Yanjiang Construction Investment & Development Co., Ltd.		1, 215, 523. 00		230, 208. 29		985, 314. 71	Asset-related
Subsidy for municipal technological upgrading program at Dongguan		668, 700. 00		5, 814. 79		662, 885. 21	Asset-related

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>List of Government Subsidy</b>	<b>Beginning balance</b>	<b>New amount in the period</b>	<b>Amount charged to non-operating income in the period</b>	<b>Amount charged to other income in the period</b>	<b>Other changes</b>	<b>Ending balance</b>	<b>Asset/income -related</b>
Konka							
Z20200104 5G Smart TV key technologies R&D project		600,000.00				600,000.00	Asset-related
Basic construction fund of Suining Industrial Park		500,000.00				500,000.00	Asset-related
Equipment subsidy for Anhui Konka technical upgrading project		490,000.00		98,000.04		391,999.96	Asset-related
Municipal technological breakthrough project at Anhui Konka		400,000.00		20,000.01		379,999.99	Asset-related
Other asset-related government subsidies	5,095,691.07	628,418.00		2,598,873.70		3,125,235.37	Asset-related
<b>Total</b>	<b>151,874,258.45</b>	<b>331,672,713.46</b>		<b>36,646,447.27</b>		<b>446,900,524.64</b>	

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

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**40. Other non-current liabilities**

Item	Ending balance	Beginning balance
Contract obligations over one year	106,475,449.02	117,318,235.28
<b>Total</b>	<b>106,475,449.02</b>	<b>117,318,235.28</b>

**41. Share capital**

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

**42. Capital Reserves**

Item	Beginning balance	Increased	Decreased	Ending balance
Other capital reserves	230,368,577.09		183,267.00	230,185,310.09
<b>Total</b>	<b>230,368,577.09</b>		<b>183,267.00</b>	<b>230,185,310.09</b>

Note: The other capital reserves decreased by RMB 183,267.00 due to the disposal of Zhuhai Jinsu Plastic Co., Ltd., an associate of the Company.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

**43. Other Comprehensive Income**

Item	Beginning balance	Income before taxation in the Current Period	Reporting Period					Ending balance
			Less: Recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in retained earnings in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
I. Items that will not be reclassified to profit or loss	-9,652,181.00	1,701,121.80		-1,628,195.00		3,253,302.80	76,014.00	-6,398,878.20
Changes in fair value of other equity instrument investment	-9,652,181.00	1,701,121.80		-1,628,195.00		3,253,302.80	76,014.00	-6,398,878.20
Others								
II. Items that will be reclassified to profit or loss	-11,640,922.52	-4,501,482.44				1,456,758.30	-5,958,240.74	-10,184,164.22

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Beginning balance	Income before taxation in the Current Period	Reporting Period					Ending balance
			Less: Recorded in other comprehensiv e income in prior period and transferred in profit or loss in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in retained earnings in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
Of which: Other comprehensive income that will be reclassified to profit or loss under the equity method	-2,397,350.96							-2,397,350.96
Differences arising from the translation of foreign currency denominated financial statements	-9,243,571.56	-4,501,482.44			1,456,758.30	-5,958,240.74	-7,786,813.26	
<b>Total Other Comprehensive</b>	<b>-21,293,103.52</b>	<b>-2,800,360.64</b>		<b>-1,628,195.00</b>		<b>4,710,061.10</b>	<b>-5,882,226.74</b>	<b>-16,583,042.42</b>

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For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Beginning balance	Income before taxation in the Current Period	Reporting Period					Ending balance
			Less: Recorded in other comprehensiv e income in prior period and transferred in profit or loss in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in retained earnings in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
Income								

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### 44. Surplus Reserves

Item	Beginning balance	Increased	Decreased	Ending balance
Statutory surplus reserves	973,502,519.62			973,502,519.62
Discretionary surplus reserves	238,218,590.05			238,218,590.05
<b>Total</b>	<b>1,211,721,109.67</b>			<b>1,211,721,109.67</b>

### 45. Retained Earnings

Item	Reporting Period	Same period of last year
<b>Ending balance of last year</b>	<b>4,239,763,606.89</b>	<b>4,271,408,192.21</b>
Add: Total beginning balance of retained earnings before adjustments		
Of which: change of accounting policy		-2,884,254.62
Other adjustment factors		
<b>Beginning balance of the Reporting Period</b>	<b>4,239,763,606.89</b>	<b>4,268,523,937.59</b>
Add: Net profit attributable to owners of the Company as the parent	477,633,250.14	212,034,210.08
Retained incomes carried forward from other comprehensive income	-1,628,195.00	
Less: Withdrawal of statutory surplus reserves		
Withdrawal of discretionary surplus reserves		
Dividend of ordinary shares payable	120,397,270.40	240,794,540.78
<b>Ending balance of this year</b>	<b>4,595,371,391.63</b>	<b>4,239,763,606.89</b>

### 46. Operating Revenue and Cost of Sales

#### (1) Operating Revenue and Cost of Sales

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	49,869,938,568.55	47,324,236,629.26	54,571,250,596.51	51,874,875,221.16

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Reporting Period		Same period of last year	
Other operations	481,897,986.32	270,827,720.72	547,874,882.21	263,323,279.88
<b>Total</b>	<b>50,351,836,554.87</b>	<b>47,595,064,349.98</b>	<b>55,119,125,478.72</b>	<b>52,138,198,501.04</b>

### (2) Deduction from Operating Revenue

Item	Reporting Period	Same period of last year	Remark
Operating Revenue	50, 351, 836, 554. 87	55, 119, 125, 478. 72	
Deduction items of operating revenue	445, 172, 864. 05	490, 479, 238. 61	
Of which: Material sales revenue	166, 864, 921. 37	200, 090, 835. 48	Material sales revenue are unrelated to the main business
Rent revenue	149, 433, 237. 64	100, 692, 214. 92	Rent revenue are unrelated to the main business
Scrap sales revenue	30, 676, 771. 37	13, 628, 880. 00	Scrap sales revenue are unrelated to the main business
Factoring revenue	2, 360, 483. 05	32, 226, 997. 88	Factoring revenue are unrelated to the main business
Other	95, 837, 450. 62	143, 840, 310. 33	Water and electricity fees, loading and unloading fees and other are unrelated to the main business
Subtotal of income from business unrelated to the main business	445, 172, 864. 05	490, 479, 238. 61	
Subtotal of income without commercial substance			None
<b>Operating revenue</b>	<b>49, 906, 663, 690. 82</b>	<b>54, 628, 646, 240. 11</b>	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Reporting Period	Same period of last year	Remark
<b>after deduction</b>			

### (3) Main Operations (Classified by product)

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Supply chain trading business	30,483,602,365.87	30,183,532,940.90	32,744,925,411.86	32,376,857,384.01
Color TV business	7,519,625,331.33	6,925,658,808.00	8,765,607,417.92	8,005,508,211.90
Environmental protection business	4,823,779,902.39	4,097,138,754.02	7,079,397,665.91	6,379,216,880.51
Consumer appliances business	3,842,051,456.02	3,317,107,750.97	3,829,318,820.56	3,299,314,084.65
Semi-conductor business	282,969,230.63	275,286,437.09		
Others	2,917,910,282.31	2,525,511,938.28	2,152,001,280.26	1,813,978,660.09
<b>Total</b>	<b>49,869,938,568.55</b>	<b>47,324,236,629.26</b>	<b>54,571,250,596.51</b>	<b>51,874,875,221.16</b>

### (4) Information on the transaction price allocated to the remaining performance obligation

The income corresponding to the performance obligations signed at the end of the year but not yet fulfilled or not completed is 2,914,470,639.31 yuan, of which, 2,474,070,687.55 yuan is expected to recognize revenue in 2021, 376,489,946.62yuan is expected to recognize revenue in 2022, and 63,910,005.14yuan is expected to recognize revenue in 2023.

### 47. Taxes and Surtaxes

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Reporting Period	Same period of last year
Stamp duty	25,112,454.61	22,123,062.33
Urban maintenance and construction tax	21,225,457.65	26,917,643.05
Land use tax	17,657,115.79	17,468,778.99
Property tax	13,264,477.94	15,307,845.93
Education surcharge	9,423,102.41	12,222,254.16
Local education surcharge	6,341,838.85	8,143,404.48
VAT of land	1,072,685.63	3,071,897.09
Water resources fund	766,504.35	758,046.72
Others	2,372,230.08	3,838,898.36
<b>Total</b>	<b>97,235,867.31</b>	<b>109,851,831.11</b>

### 48. Selling Expense

Item	Reporting Period	Same period of last year
Payroll	410,820,148.47	587,024,261.02
Advertising expense	405,038,820.57	459,598,430.49
Logistic Fee	395,728,038.37	406,337,281.28
Promotional activities	199,811,766.50	299,435,084.44
Warranty fee	186,239,759.56	197,180,754.12
Taxes and fund	58,646,916.00	53,068,717.14
Business travel charges	18,952,238.58	38,355,711.50
Rental charges	18,695,062.27	20,839,323.65
Exhibition expenses	17,841,836.83	46,248,959.80
Business entertainment expenses	13,710,892.65	19,360,409.81
Others	100,141,324.47	175,683,798.81
<b>Total</b>	<b>1,825,626,804.27</b>	<b>2,303,132,732.06</b>

### 49. Administrative Expense

Item	Reporting Period	Same period of last year
Payroll	524,488,419.75	485,140,844.16
Depreciation charge	147,324,296.40	101,216,934.52
Intermediary fees	100,879,921.97	45,022,285.82
Business travel charges	14,489,183.36	21,665,580.27
Patent fee	38,863,726.67	16,457,657.10

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Reporting Period	Same period of last year
Loss on scraping of inventories	5,515,711.35	11,955,696.11
Water & electricity fees	11,737,097.44	12,761,543.31
Others	179,683,586.40	162,308,786.33
<b>Total</b>	<b>1,022,981,943.34</b>	<b>856,529,327.62</b>

### 50. R&D Expense

Item	Reporting Period	Same period of last year
Salary	297,465,065.33	197,406,785.63
Material drawing out	120,181,005.28	104,755,285.94
Expenses on trial production of new products	116,276,268.41	88,111,358.93
Commission service charge	32,833,667.49	41,462,134.39
Depreciation and amortization	23,530,284.84	12,437,250.53
Information charges	14,229,413.16	11,747,617.21
Testing fees	9,552,419.94	5,812,646.23
Others	67,810,487.20	38,867,023.37
<b>Total</b>	<b>681,878,611.65</b>	<b>500,600,102.23</b>

### 51. Finance Costs

Item	Reporting Period	Same period of last year
Interest expense	979,223,522.98	1,031,068,425.69
Less: Interest income	164,580,939.30	247,559,600.76
Add: Exchange loss	220,044,519.70	-67,740,367.81
Other	56,922,864.38	60,120,356.02
<b>Total</b>	<b>1,091,609,967.76</b>	<b>775,888,813.14</b>

### 52. Other Income

Item	Reporting Period	Same period of last year
Support fund	566,075,801.50	967,721,870.00
Rewards and subsidies	247,663,680.35	156,190,460.00
Transfer of deferred income	36,646,447.27	31,183,437.20

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Reporting Period	Same period of last year
Software tax rebates	30,710,313.50	39,348,087.93
Post subsidies	21,703,015.11	19,185,216.90
L/C export subsidy	5,555,574.57	3,560,576.00
Land tax rebates	15,955,706.27	10,906,489.80
Others	4,622,989.46	1,078,696.50
<b>Total</b>	<b>928,933,528.03</b>	<b>1,229,174,834.33</b>

### 53. Investment Income

Item	Reporting Period	Same period of last year
Long-term equity investment income measured by equity method	104,288,418.75	141,264,035.96
Investment income from disposal of long-term equity investment	1,343,712,485.37	569,444,481.69
Investment income from holding of held-for-trading financial assets	4,800,000.00	2,330,000.00
Investment income from disposal of held-for-trading financial assets	3,405,333.03	-10,285,883.02
Income from remeasurement of residual stock rights at fair value after losing control power	885,804,841.25	342,337,346.63
Interest income from holding of debt investments	68,621,917.82	60,433,679.86
Income from entrusted wealth management, entrusted loans	21,221,916.72	73,534,655.05
Investment income adjusted due to unrealized profits generated from upstream transactions	1,081,111.64	4,322,774.22
Investment income from disposal of financial assets at fair value through current profit or loss	399,980.27	
<b>Total</b>	<b>2,433,336,004.85</b>	<b>1,183,381,090.39</b>

### 54. Gain on Changes in Fair Value

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Sources	Reporting Period	Same period of last year
Trading financial assets	19,089,541.66	
Of which: gain on changes in fair value of derivative financial instruments		
Trading financial liabilities		-3,005,381.67
<b>Total</b>	<b>19,089,541.66</b>	<b>-3,005,381.67</b>

### 55. Credit Impairment Loss

Item	Reporting Period	Same period of last year
Loss on bad debts of notes receivable	-24,930,991.28	-4,306,077.35
Bad debt losses of accounts receivable	-444,069,685.68	-339,398,520.50
Bad debt losses of other receivables	-258,255,844.49	-183,525,075.35
Bad debt loss of prepayment	4,880,671.30	-4,649,595.56
<b>Total</b>	<b>-722,375,850.15</b>	<b>-531,879,268.76</b>

### 56. Asset Impairment Loss

Item	Reporting Period	Same period of last year
Inventory depreciation loss and contract performance cost impairment loss	-172,812,626.21	-197,576,487.91
Contractual Asset Impairment Loss	-146,807,263.10	
Impairment loss on long-term equity investment	-38,375,298.75	-29,028,300.57
Impairment loss on fixed assets	-947,487.17	
Impairment loss on goodwill	-103,464,423.24	-76,431,127.34
<b>Total</b>	<b>-462,407,098.47</b>	<b>-303,035,915.82</b>

### 57. Asset Disposal Income ("—" for loss)

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Incomes from disposal of disposal groups held for sale			
Incomes from disposal of non-current assets	206,315,700.34	293,706,640.64	206,315,700.34
Including: incomes from disposal of non-current assets not classified as the held-for-sale assets	206,315,700.34	293,706,640.64	206,315,700.34
Of which: Fixed assets disposal income	19,882,250.97	199,562,396.99	19,882,250.97
Intangible assets disposal income	186,433,449.37	94,144,243.65	186,433,449.37
<b>Total</b>	<b>206,315,700.34</b>	<b>293,706,640.64</b>	<b>206,315,700.34</b>

58. Non-operating Income

(1) List of Non-operating Income

Item	Reporting Period	Same Period of last year	Amount recorded in the current non-recurring profit or loss
Insurance indemnity		74,801,658.73	
Non-current assets damage and retirement gains	1,076,972.21		1,076,972.21
Compensation and penalty income	55,750,466.90	41,951,152.92	55,750,466.90
Government subsidies unrelated to the normal operation of the Company	10,322,986.31	14,692,600.00	10,322,986.31
Gains on debt restructuring	6,030,592.00	14,536,434.36	6,030,592.00

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Reporting Period	Same Period of last year	Amount recorded in the current non-recurring profit or loss
Other	13,945,777.99	19,861,542.93	13,945,777.99
<b>Total</b>	<b>87,126,795.41</b>	<b>165,843,388.94</b>	<b>87,126,795.41</b>

(2) Of which, government subsidies recorded into current profit or loss:

Item	Distribution entity	Distribution reason	Nature
Project subsidy of Chuzhou Huike intelligent appliance industry investment	Chuzhou Tongsheng Investment Development Co., Ltd.	Subsidy for participating in Chuzhou Huike intelligent appliance industry investment	Subsidy
Subsidy of removal of Anhui Konka Zhilian	Chuzhou Tongsheng Investment Development Co., Ltd.	Subsidy obtained for removal to establishing Intelligent Appliances and Equipment Industrial Park	Subsidy
Subsidies for placement of retired soldiers		VAT relief for the placement of retired soldiers	Subsidy
<b>Total</b>			

(continued)

Item	Whether subsidies influence the current profits and losses or not	Special subsidy or not	Reporting Period	Same Period of last year	Related to assets/related to income
Project subsidy of Chuzhou Huike intelligent appliance industry	Not	Not	10,136,986.31	9,692,600.00	Related to income

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Whether subsidies influence the current profits and losses or not	Special subsidy or not	Reporting Period	Same Period of last year	Related to assets/related to income
investment					
Subsidy of removal of Anhui Konka Zhilian	Not	Not		5,000,000.00	Related to income
Subsidies for placement of retired soldiers	Not	Not	186,000.00		Related to income
<b>Total</b>			<b>10,322,986.31</b>	<b>14,692,600.00</b>	

**59. Non-operating Expense**

Item	Reporting Period	Same Period of last year	Amount recorded into the current non-recurring profit or loss
Losses on damage and scraping of non-current assets	5, 261, 743. 91	4, 445, 790. 35	5, 261, 743. 91
Compensation expense	12, 762, 989. 57	9, 631, 943. 32	12, 762, 989. 57
Donations	7, 565, 741. 38	4, 455, 618. 74	7, 565, 741. 38
<b>Total</b>	<b>25, 590, 474. 86</b>	<b>18, 533, 352. 41</b>	<b>25, 590, 474. 86</b>

**60. Income Tax Expense**

(1) Lists of Income Tax Expense

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Reporting Period	Same period of last year
Current income tax expense	259, 865, 247. 09	514, 367, 217. 82
Deferred income tax expense	-298, 071, 552. 16	-398, 727, 126. 00
<b>Total</b>	<b>-38, 206, 305. 07</b>	<b>115, 640, 091. 82</b>

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

Item	Reporting Period
Profit before taxation	501, 867, 157. 37
Current income tax expense accounted at statutory/applicable tax rate	125, 466, 789. 34
Influence of applying different tax rates by subsidiaries	-23, 762, 554. 65
Influence of income tax before adjustment	-927, 927. 53
Influence of non-taxable income	-277, 877, 836. 51
Influence of not deductible costs, expenses and losses	42, 085, 079. 82
Influence of deductible loss of unrecognized deferred income tax assets in prior period	-31, 774, 540. 17
Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax in the Reporting Period	173, 029, 456. 41
Changes in the balance of deferred income tax assets/liabilities in previous period due to adjustment of tax rate	-319, 183. 21
Other	-44, 125, 588. 57
<b>Income tax expense</b>	<b>-38, 206, 305. 07</b>

### 61. Other Comprehensive Income

Refer to "Note VI-43. Other Comprehensive Income" for details.

### 62. Cash Flow Statement

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

##### 1) Cash Generated from Other Operating Activities

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Reporting Period</b>	<b>Same Period of last year</b>
Commercial factoring accounts received	701, 570, 000. 00	1, 350, 090, 436. 53
Intercourse funds	737, 849, 254. 12	88, 274, 570. 49
Income from government subsidy	1, 171, 789, 839. 65	1, 253, 240, 751. 45
Front money and guarantee deposit	1, 343, 399, 027. 31	1, 164, 255, 729. 60
Interest income from bank deposits	43, 947, 377. 51	31, 706, 637. 33
Compensation of suppliers	56, 949, 337. 80	24, 896, 023. 45
Other	168, 111, 950. 02	98, 551, 896. 43
<b>Total</b>	<b>4, 223, 616, 786. 41</b>	<b>4, 011, 016, 045. 28</b>

2) Cash Used in Other Operating Activities

<b>Item</b>	<b>Reporting Period</b>	<b>Same Period of last year</b>
The commercial factoring payment (Note)	700, 000, 000. 00	955, 963, 886. 78
Expense for cash payment	1, 396, 622, 206. 87	1, 529, 577, 152. 08
Payment made on behalf	24, 937, 901. 55	30, 691, 357. 02
Payment for guarantee deposit, cash deposit	807, 211, 303. 53	1, 019, 583, 946. 33
Expense for bank handling charges	26, 997, 496. 86	37, 748, 563. 79
Energy conversation subsidy returned		89, 960, 000. 00
Other	509, 182, 248. 35	275, 060, 717. 61
<b>Total</b>	<b>3, 464, 951, 157. 16</b>	<b>3, 938, 585, 623. 61</b>

3) Cash Generated from Other Investing Activities

<b>Item</b>	<b>Reporting Period</b>	<b>Same Period of last year</b>
Recovery of financial products	531, 953, 067. 30	454, 850, 000. 00
Recovery of entrusted loans	1, 669, 305, 006. 07	1, 268, 950, 000. 00
Other	521, 000, 071. 70	361, 869, 168. 69
<b>Total</b>	<b>2, 722, 258, 145. 07</b>	<b>2, 085, 669, 168. 69</b>

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

**4) Cash Used in Other Investing Activities**

<b>Item</b>	<b>Reporting Period</b>	<b>Same Period of last year</b>
Purchase of financial products	639,160,000.00	1,020,737,610.69
Payment for entrusted loans	375,578,000.00	
Other	342,199,320.83	507,903,146.78
<b>Total</b>	<b>1,356,937,320.83</b>	<b>1,528,640,757.47</b>

**5) Cash Generated from Other Financing Activities**

<b>Item</b>	<b>Reporting Period</b>	<b>Same Period of last year</b>
Recovery of margin deposit pledged	1,139,622,285.43	601,239,942.14
Finance lease	659,602,970.00	417,095,790.00
Receiving entrusted loans	955,993,888.99	807,263,000.00
<b>Total</b>	<b>2,755,219,144.42</b>	<b>1,825,598,732.14</b>

**6) Cash Used in Other Financing Activities**

<b>Item</b>	<b>Reporting Period</b>	<b>Same Period of last year</b>
Deposit as margin for pledge	1,116,447,153.50	1,154,091,959.94
Repayment of entrusted loans	266,946,710.52	71,200,000.00
Finance lease	346,079,008.76	275,515,872.11
Financing expense	31,573,001.17	29,297,829.55
Other	213,638,809.72	93,037,101.26
<b>Total</b>	<b>1,974,684,683.67</b>	<b>1,623,142,762.86</b>

**(2) Supplemental Information for Cash Flow Statement**

<b>Supplemental information</b>	<b>Reporting Period</b>	<b>Same period of last year</b>
<b>1. Reconciliation of net profit to net cash flows generated from operating activities</b>		
Net profit	540,073,462.44	334,936,115.34

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Supplemental information</b>	<b>Reporting Period</b>	<b>Same period of last year</b>
Add: Provision for impairment of assets	462, 407, 098. 47	303,035,915.82
Credit impairment loss	722, 375, 850. 15	531,879,268.76
Depreciation of fixed assets, oil-gas assets, and productive living assets	319, 151, 539. 89	256,657,385.35
Amortization of intangible assets	78, 424, 382. 89	63,777,612.08
Amortization of long-term prepaid expenses	87, 717, 664. 64	89,040,814.19
Losses on disposal of fixed assets, intangible assets and other long-lived assets (gains: negative)	-206, 315, 700. 34	-293,706,640.64
Losses on scrap of fixed assets (gains: negative)	4, 184, 771. 70	3,087,048.55
Losses on changes in fair value (gains: negative)	-19, 089, 541. 66	3,005,381.67
Finance costs (gains: negative)	893, 158, 757. 67	837,555,538.04
Investment loss (gains: negative)	-2, 433, 336, 004. 8 5	-1,183,381,090.39
Decrease in deferred income tax assets (gains: negative)	-278, 153, 255. 22	-354,179,532.93
Increase in deferred income tax liabilities ("-" means decrease)	-19, 647, 864. 12	-45,502,532.99
Decrease in inventories (gains: negative)	623, 886, 945. 84	-88,405,617.33
Decrease in accounts receivable generated from operating activities (gains: negative)	-2, 928, 968, 789. 7 9	-1,524,655,193.77
Increase in accounts payable used in operating activities (decrease: negative)	2, 369, 393, 657. 77	-445,715,482.41
Other	-36, 646, 447. 27	-31,376,273.93
<b>Net cash generated from/used in operating activities</b>	<b>178, 616, 528. 21</b>	<b>-1,543,947,284.59</b>
<b>2. Significant investing and financing activities without involvement of cash receipts and</b>		

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Supplemental information	Reporting Period	Same period of last year
<b>payments</b>		
Transfer of debt to capital		
Current portion of convertible corporate bonds		
Fixed assets leased in by financing		
<b>3. Net increase/decrease of cash and cash equivalent:</b>		
Ending balance of cash	4, 298, 056, 113. 24	4,493,701,917.22
Less: beginning balance of cash	4, 493, 701, 917. 22	3,434,149,481.72
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
<b>Net increase in cash and cash equivalents</b>	<b>-195, 645, 803. 98</b>	<b>1,059,552,435.50</b>

(3) Net Cash Receive from Disposal of the Subsidiaries

Item	Amount
Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the Current Period	911,058,150.00
Of which: Dongguan Konka Investment	586,500,000.00
Chuzhou Kangxin	194,820,000.00
E3info	28,000,000.00
Chongqing Konka Real Estate	27,000,000.00
Chongqing Chengda	15,930,000.00
Morsemi	2,100,000.00
Zhongshan Kangao	56,000,000.00
Chengdu Konka Incubator	600,000.00
Konka Cross-Border Technological Innovation	108,150.00
Less: cash and cash equivalents held by subsidiaries on the date of losing control power	37,290,851.97
Of which: Dongguan Konka Investment	2,285,772.79
Chuzhou Kangxin	3,317,421.35

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Amount
E3info	24,712,706.14
Chongqing Konka Real Estate	326,803.37
Chongqing Chengda	138,308.59
Morsemi	981,084.01
Zhongshan Kangao	5,505,972.10
Chengdu Konka Incubator	8,878.67
Konka Cross-Border Technological Innovation	13,904.95
Add: Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the prior period	
<b>Net cash received from disposal of subsidiaries</b>	<b>873,767,298.03</b>

### (4) Cash and Cash Equivalents

Item	Ending balance	Beginning balance
Cash	4,298,056,113.24	4,493,701,917.22
Including: Cash on hand	16,052.88	18,699.99
Bank deposit on demand	4,298,040,060.36	4,493,683,217.23
<b>Ending balance of cash and cash equivalents</b>	<b>4,298,056,113.24</b>	<b>4,493,701,917.22</b>

### 63. Items in the Statement of Changes in Shareholders' Equity

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

### 64. Assets with Restricted Ownership or Right to Use

Item	Ending carrying value	Reason for restriction
Monetary assets	1,133,474,067.66	Among them, RMB1,067,872,557.16 is margin deposit, pledge is used for borrowing or issuing bank acceptance bill, RMB37,701,403.94 is financial supervision account fund; RMB20,903,555.17 is fixed deposit that can not be withdrawn in advance; RMB6,996,551.39 is restricted due to other reasons.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending carrying value	Reason for restriction
Held-for-trading financial assets	599, 160, 000. 00	Structural deposits
Notes receivable	784, 732, 739. 73	The company pledged bank acceptance bills with a book value of RMB 784,732,739.73 for comprehensive financing services such as issuing bank acceptance bills, letters of credit, guarantees, and trade finance.
Investment property	131, 321, 568. 34	For mortgage loan
Fixed assets	768, 741, 766. 12	Used for mortgage loan, finance lease and guarantee.
Construction in progress	328, 756, 028. 19	For mortgage loan
Intangible assets	193, 755, 559. 74	For mortgage loan
Long-term receivables	351, 107, 041. 45	For pledge loan
<b>Total</b>	<b>4, 291, 048, 771. 23</b>	

### 65. Foreign Currency Monetary Items

#### (1) Foreign Currency Monetary Items

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
Monetary assets			
Of which: USD	95,989,561.32	6.5249	626,322,288.66
EUR	12,845.44	8.0250	103,084.66
EGP	1,013,290.04	0.4159	421,427.33
HKD	14,902,253.81	0.8416	12,541,736.81
PLN	854,889.37	1.7519	1,497,680.69
Accounts receivable			
Of which: USD	132,221,173.92	6.5249	862,729,937.71
EGP	4,887,951.32	0.4159	2,032,898.95

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
GBP	564,195.30	8.8903	5,015,865.48
HKD	33,361,549.15	0.8416	28,077,079.76
Other receivables			
Of which: USD	135,938,277.17	6.5249	886,983,664.71
EGP	5,519,421.05	0.4159	2,295,527.21
HKD	1,515,079.53	0.8416	1,275,090.93
Short-term borrowings			
Of which: USD	59,159,714.38	6.5249	386,011,220.36
Accounts payable			
Of which: USD	42,417,352.11	6.5249	276,768,980.78
EUR	7,752.00	8.0250	62,209.80
HKD	13,378,276.37	0.8416	11,259,157.39
Other payables			
Of which: EUR	40,359.30	8.0250	323,883.38
EGP	735,934.30	0.4159	306,075.08
HKD	23,661,059.12	0.8416	19,913,147.36
Interest payable			
Of which: USD	99,200.24	6.5249	647,271.65

(2) Notes to Overseas Entities

The significant overseas entities include Hong Kong Konka, Konka Electrical Appliances International Trading, Chain Kingdom Memory Technologies, Kangjetong and Jiali International.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

The main overseas operating place is Hong Kong. The Company's recording currency is HKD since the main currency in circulation in Hong Kong is HKD.

### 66. Government Subsidy

#### (1) Basic Information on Government Subsidy

Category	Amount	Listed items	Amount recorded in the current profit or loss
Supporting fund of Chongqing Bishan project	530,000,000.00	Other income	530,000,000.00
Supporting fund of Suining Konka Industrial Park Suining project	245,972,074.00	Deferred income/Other income	16,552,074.00
Rewards and subsidies	247,663,680.35	Other income	247,663,680.35
Tax rebates on software	30,710,313.50	Other income	30,710,313.50
Post subsidies	21,703,015.11	Other income	21,703,015.11
(Central 2) 8K Ultra HD Display Chip R&D and Industrialization Project	20,000,000.00	Deferred income	
Chongqing Konka Land Compensation Fund	19,440,000.00	Deferred income	327,272.73
Support Fund of Konka Semiconductor Chip Packaging and Testing Project	17,767,345.50	Other income	17,767,345.50
Subsidy of plant construction of Yibin Konka Industrial Park project	16,035,384.46	Deferred income	
Subsidies for L/C exports	5,555,574.57	Other income	5,555,574.57
Land tax rebates	15,955,706.27	Other income	15,955,706.27
Supporting fund of Yibin Konka Industrial Park project	1,756,382.00	Other income	1,756,382.00
Other	67,265,387.77	Deferred income/Other income/Non-operating	15,790,648.48

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Category</b>	<b>Amount</b>	<b>Listed items</b>	<b>Amount recorded in the current profit or loss</b>
		income/Financial expenses	
<b>Total</b>	<b>1,239,824,863.53</b>		<b>902,937,339.80</b>

### (2) Return of Government Subsidy

No such cases in the Reporting Period.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

**VII. Changes of Consolidation Scope**

1. Disposal of subsidiary

Name of the subsidiary	The equity disposal price	Equity disposal proportion (%)	Method of equity disposal	Time of losing control	Recognition basis for the time of losing control power	The differences of enjoyed net assets share of the subsidiary in corresponding consolidated statements of the disposal price and the disposal investment (RMB'0,000)
Dongguan Konka Investment	58,650.00	51.00	Transfer	2020/9/25	The rights and obligations related to the underlying equity have been transferred	66,661.40
Chuzhou Kangxin	19,482.00	51.00	Transfer	2020/12/21	The rights and obligations related to the underlying equity have been transferred	17,951.56
E3info	2,800.00	20.00	Transfer	2020/11/25	The rights and obligations related to the underlying equity have been transferred	1,238.41
Chongqing Konka Real Estate	2,700.00	18.00	Transfer	2020/11/25	The rights and obligations related to the underlying equity have been transferred	1,839.35

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Name of the subsidiary</b>	<b>The equity disposal price</b>	<b>Equity disposal proportion (%)</b>	<b>Method of equity disposal</b>	<b>Time of losing control</b>	<b>Recognition basis for the time of losing control power</b>	<b>The differences of enjoyed net assets share of the subsidiary in corresponding consolidated statements of the disposal price and the disposal investment (RMB'0,000)</b>
					transferred	
Chongqing Chengda	1,593.00	18.00	Transfer	2020/12/24	The rights and obligations related to the underlying equity have been transferred	846.56
Morsemi	210.00	21.00	Transfer	2020/8/30	The rights and obligations related to the underlying equity have been transferred	167.70
Zhongshan Kangao	5,600.00	100.00	Transfer	2020/12/15	The rights and obligations related to the underlying equity have been transferred	1,110.47
Chengdu Konka Incubator	60.00	70.00	Transfer	2020/12/22	The rights and obligations related to the underlying equity have been transferred	108.24

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Name of the subsidiary</b>	<b>The equity disposal price</b>	<b>Equity disposal proportion (%)</b>	<b>Method of equity disposal</b>	<b>Time of losing control</b>	<b>Recognition basis for the time of losing control power</b>	<b>The differences of enjoyed net assets share of the subsidiary in corresponding consolidated statements of the disposal price and the disposal investment (RMB'0,000)</b>
Konka Cross-Border Technological Innovation	10.82	21.00	Transfer	2020/12/22	The rights and obligations related to the underlying equity have been transferred	10.21

(Continued)

<b>Name of the subsidiary</b>	<b>Residual equity proportion on the date of losing control power (%)</b>	<b>Carrying value of residual equity on the date of losing control power (RMB'0,000)</b>	<b>Fair value of residual equity on the date of losing control power (RMB'0,000)</b>	<b>Gains or losses from re-measurement of residual equity at fair value (RMB'0,000)</b>	<b>Recognition method and main assumption of fair value of residual equity on the date of losing control power</b>	<b>Amount of other comprehensive income related to former subsidiaries transferred into investment profit or loss (RMB'0,000)</b>
Dongguan Konka Investment	49.00	4,215.78	56,350.00	52,134.22	Evaluated price	
Chuzhou Kangxin	49.00	1,470.45	18,718.00	17,247.55	Evaluated price	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name of the subsidiary	Residual equity proportion on the date of losing control power (%)	Carrying value of residual equity on the date of losing control power (RMB'0,000)	Fair value of residual equity on the date of losing control power (RMB'0,000)	Gains or losses from re-measurement of residual equity at fair value (RMB'0,000)	Recognition method and main assumption of fair value of residual equity on the date of losing control power	Amount of other comprehensive income related to former subsidiaries transferred into investment profit or loss (RMB'0,000)
E3info	40.00	3,123.19	5,197.93	2,074.74	Evaluated price	
Chongqing Konka Real Estate	33.00	1,577.86	4,950.00	3,372.14	Evaluated price	
Chongqing Chengda	33.00	1,368.48	2,920.50	1,552.02	Evaluated price	
Morsemi	30.00	60.43	300.00	239.57	Evaluated price	
Zhongshan Kangao					Evaluated price	
Chengdu Konka Incubator	30.00	-20.67	25.47	46.14	Evaluated price	
Konka Cross-Border Technological Innovation	30.00	0.86	1.90	1.04	Evaluated price	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### 2. Changes in Combination Scope for Other Reasons

#### (1) Subsidiaries Established by the Company in 2020

Name	Registered capital	Shareholding percentage (%)	Time and place of obtaining control power	Method of obtaining
Suining Konka Intelligent	100,000,000.00	100.00	2020/12/21	Newly established
Frestec Smart Home	50,000,000.00	51.00	2020/8/26	Newly established
Jiangsu Konka Intelligent	120,000,000.00	51.00	2020/9/11	Newly established
Liaoyang Kangshun Intelligent	10,000,000.00	100.00	2020/5/9	Newly established
Liaoyang Kangshun Regeneration	50,000,000.00	100.00	2020/9/10	Newly established
Nanjing Konka	10,000,000.00	100.00	2020/6/18	Newly established
Gaoping Kangrun	100,000,000.00	48.45	2020/5/29	Newly established
Mengcheng Kangrun	100,000,000.00	43.35	2020/6/19	Newly established
Xixian Kangrun	163,780,500.00	26.01	2020/4/16	Newly established
Chongzhou Kangrun	50,000,000.00	42.67	2020/8/28	Newly established
Xi'an Kangrun	73,710,000.00	48.45	2020/8/28	Newly established
Ankang Kangrun	100,000,000.00	26.01	2020/9/10	Newly established
Changning Kangrun	50,000,000.00	45.89	2020/10/19	Newly established
Linfen Kangrun	95,000,000.00	39.24	2020/12/30	Newly

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name	Registered capital	Shareholding percentage (%)	Time and place of obtaining control power	Method of obtaining
				established
Jiangsu Konka Special Materials	100,000,000.00	51.00	2020/12/24	Newly established
Chongqing Kangxingrui Automobile Recycling	100,000,000.00	51.00	2020/4/17	Newly established
Konka Xinyun Semiconductor	100,000,000.00	56.00	2020/4/17	Newly established
Yantai Kangyun Real Estate	10,000,000.00	51.00	2020/11/27	Newly established
Chongqing Kanglei Optoelectronics	50,000,000.00	51.00	2020/2/27	Newly established
Yibin Kangrun	100,000,000.00	83.83	2020/4/21	Newly established
Henan Kangxin Real Estate	50,000,000.00	51.00	2020/8/24	Newly established
Shenzhen Kangxin Real Estate	50,000,000.00	51.00	2020/12/21	Newly established
Henan Kanghan Real Estate	50,000,000.00	51.00	2020/12/28	Newly established
Kangshi Virtual	100,000,000.00	100.00	2020/9/21	Newly established
Zhongshan Kangxin Electronics	1,000,000.00	51.00	2020/6/9	Newly established
Zhongshan Kangao	43,500,000.00	51.00	2020/9/3	Newly established
Chongqing Chengda	50,000,000.00	51.00	2020/9/14	Newly established
Chongqing Chunfu	50,000,000.00	51.00	2020/9/21	Newly established

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name	Registered capital	Shareholding percentage (%)	Time and place of obtaining control power	Method of obtaining
Chongqing Langheng	50,000,000.00	51.00	2020/9/23	Newly established
Hong Kong Morsemi	HKD10,000.00	51.00	2020/4/20	Newly established

(2) The situation of the company's cancellation of the distribution of remaining assets of the subsidiary in 2020

Name	Registered capital	Shareholding percentage (%)	Liquidation completion time
Konka Enterprise Management	5,000,000.00	51.00	2020/8/26
Youshi Kangrong	70,000,000.00	70.00	2020/7/1
Life Electric Appliance	42,000,000.00	75.00	2020/12/10
Commercial System Technology	12,000,000.00	81.00	2020/12/7
Frestec Smart	10,000,000.00	51.00	2020/9/27
Yuekang Semiconductor	100,000,000.00	100.00	2020/2/24
Kangshi Virtual	100,000,000.00	100.00	2020/12/28
Kangxin Technology	10,000,000.00	51.00	2020/11/20
Hainan Technology	100,000,000.00	51.00	2020/11/17
Nanjing Konka Smart	50,000,000.00	100.00	2020/11/17
Zhongshan Kangxin Electronic	1,000,000.00	51.00	2020/12/4
Boxing Xingkang Environmental	100,000,000.00	35.70	2020/11/19
Yantai Konka Industrial	100,000,000.00	89.71	2020/12/31
Shandong Kangxin	100,000,000.00	51.00	2020/12/24
Kanghong (Yantai) Environmental Protection Industrial Park	10,000,000.00	51.00	2020/9/29
Debao New Materials	50,000,000.00	51.00	2020/12/7
Kangxinlong Environmental Protection	30,000,000.00	100.00	2020/12/8

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

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### VIII. Equity in Other Entities

#### 1. Equity in Subsidiary

##### (1) Subsidiaries

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
1	Konka Ventures	Shenzhen, Guangdong	Shenzhen, Guangdong	Other organization and management service	51		Establishment or investment
2	Yantai Konka	Yantai, Shandong	Yantai, Shandong	Other professional consultancy and investigation		51	Establishment or investment
3	Chengdu Anren	Chengdu, Sichuan	Chengdu, Sichuan	Commercial service		51	Establishment or investment
4	Konka Enterprise Service	Guiyang, Guizhou	Guiyang, Guizhou	Headquarters management		51	Establishment or investment
5	Chuanghui Intelligent	Nanjing, Jiangsu	Nanjing, Jiangsu	Entrepreneurial space service		40.8	Establishment or investment
6	Yibin Konka Incubator	Yibin, Sichuan	Yibin, Sichuan	Commercial service		51	Establishment or investment
7	Anhui Konka	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing industry	78		Establishment or investment
8	Kangzhi Trade	Chuzhou, Anhui	Chuzhou, Anhui	Wholesale industry		78	Establishment or investment

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

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Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
9	Konka Factoring	Shenzhen, Guangdong	Shenzhen, Guangdong	Insurance agents (non-bank finance)	100		Establishment or investment
10	Konka Unifortune	Shenzhen, Guangdong	Shenzhen, Guangdong	Retail industry	51		Establishment or investment
11	Jiali International	Hong Kong, China	Hong Kong, China	Retail industry		51	Establishment or investment
12	Wankaida	Shenzhen, Guangdong	Shenzhen, Guangdong	Software development	100		Establishment or investment
13	Dongguan Konka	Dongguan, Guangdong	Dongguan, Guangdong	Manufacturing industry	75	25	Establishment or investment
14	Suining Konka Intelligent	Suining, Sichuan	Suining, Sichuan	Wholesale industry		100	Establishment or investment
15	Konka Europe	Frankfurt, Germany	Frankfurt, Germany	International trading	100		Establishment or investment
16	Konka Electrical Appliances	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacturing industry, trading	100		Establishment or investment
17	Telecommunication Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacturing industry	75	25	Establishment or investment
18	Konka Mobility	Hong Kong, China	Hong Kong, China	Manufacturing industry		100	Establishment or investment

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Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
19	Mobile Interconnection	Shenzhen, Guangdong	Shenzhen, Guangdong	Commerce	100		Establishment or investment
20	Sichuan Konka	Yibin, Sichuan	Yibin, Sichuan	Manufacturing industry		100	Establishment or investment
21	Yibin Intelligent	Yibin, Sichuan	Yibin, Sichuan	Information service		100	Establishment or investment
22	Anhui Tongchuang	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing industry	100		Establishment or investment
23	Electrical Appliance Technology	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing industry		51	Establishment or investment
24	Frestec Refrigeration	Xinxiang, Henan	Xinxiang, Henan	Manufacturing industry		51	Establishment or investment
25	Frestec Smart Home	Xinxiang, Henan	Xinxiang, Henan	Retail industry		51	Establishment or investment
26	Frestec Electrical Appliances	Xinxiang, Henan	Xinxiang, Henan	Manufacturing industry		51	Establishment or investment
27	Frestec Household Appliances	Xinxiang, Henan	Xinxiang, Henan	Manufacturing industry		51	Establishment or investment
28	Jiangsu Konka Smart	Changzhou, Jiangsu	Changzhou, Jiangsu	Electrical machinery and equipment manufacturing		51	Establishment or investment

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Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
29	Kangjiatong	Yibin, Sichuan	Yibin, Sichuan	Service industry	51		Establishment or investment
30	Pengrun Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Retail industry	51		Establishment or investment
31	Jiaxin Technology	Hong Kong, China	Hong Kong, China	Retail industry		51	Establishment or investment
32	Dongguan Packing	Dongguan, Guangdong	Dongguan, Guangdong	Manufacturing industry	75	25	Establishment or investment
33	E2info	Shenzhen, Guangdong	Shenzhen, Guangdong	Information service	95.78		Establishment or investment
34	E2info (Hainan)	Haikou, Hainan	Haikou, Hainan	Information service		95.78	Establishment or investment
35	Beijing Konka Electronic	Beijing	Beijing	Sale of home appliance	100		Establishment or investment
36	Konka Leasing	Tianjin Pilot Free Trade Zone	Tianjin Pilot Free Trade Zone	Leasing industry		100	Establishment or investment
37	Shenzhen Konka Circuit	Shenzhen, Guangdong	Shenzhen, Guangdong	Investment holding	100		Establishment or investment
38	Boluo Konka Precision	Boluo, Guangdong	Boluo, Guangdong	Manufacturing industry		100	Establishment or investment

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

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Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
39	Xiamen Dalong	Xiamen, Fujian	Xiamen, Fujian	Commerce		69.23	Establishment or investment
40	Boluo Konka	Boluo, Guangdong	Boluo, Guangdong	Manufacturing industry		100	Establishment or investment
41	Hong Kong Konka	Hong Kong, China	Hong Kong, China	International trading	100		Establishment or investment
42	Konka Household Appliances Investment	Hong Kong, China	Hong Kong, China	Investment holding		100	Establishment or investment
43	Chain Kingdom	Hong Kong, China	Hong Kong, China	International trading		51	Establishment or investment
44	Chain Kingdom Shenzhen	Shenzhen, Guangdong	Shenzhen, Guangdong	Wholesale industry		51	Establishment or investment
45	Hefei Chain Kingdom	Hefei, Anhui	Hefei, Anhui	Information service		51	Establishment or investment
46	Konka Zhisheng	Hong Kong, China	Hong Kong, China	International trading		61	Establishment or investment
47	Kangjetong	Hong Kong, China	Hong Kong, China	Service industry		51	Establishment or investment
48	Konka Household Appliances International Trading	Hong Kong, China	Hong Kong, China	International trading		100	Establishment or investment

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

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Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
49	KONKO TECHNOLOGIES CO.	Cairo, Egypt	Cairo, Egypt	International trading		67	Establishment or investment
50	Konka North America LLC	California, USA	California, USA	International trading		100	Establishment or investment
51	Konka Invstment	Shenzhen, Guangdong	Shenzhen, Guangdong	Capital markets service	100		Establishment or investment
52	Yibin Konka	Yibin, Sichuan	Yibin, Sichuan	Development and management of industrial park		100	Establishment or investment
53	Konka Capital	Shenzhen, Guangdong	Shenzhen, Guangdong	Capital markets service		100	Establishment or investment
54	Konka Suiyong	Shenzhen, Guangdong	Shenzhen, Guangdong	Investment in industry, commercial information consultancy and investment advisor		51	Establishment or investment
55	Kangquan Enterprise	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial service		51	Establishment or investment
56	Konka Suyuan	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial service		51	Establishment or investment
57	Shengxing Enterprise	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial service		51	Establishment or investment

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Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
58	Industrial Park Development	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial service		51	Establishment or investment
59	Zhitong Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Software and information technology service		51	Establishment or investment
60	Electronics Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacturing industry	100		Establishment or investment
61	Anhui Zhilian	Chuzhou, Anhui	Chuzhou, Anhui	Electronic commerce		100	Establishment or investment
62	Youzihui	Shenzhen, Guangdong	Shenzhen, Guangdong	Software and information technology service industry		100	Establishment or investment
63	Xiaojia Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Retail industry		100	Establishment or investment
64	Haimen Konka	Nantong, Jiangsu	Nantong, Jiangsu	Wholesale and retail industry		100	Establishment or investment
65	Chengdu Konka Intelligent	Chengdu, Sichuan	Chengdu, Sichuan	Wholesale and retail industry		100	Establishment or investment
66	Chengdu Konka Electronic	Chengdu, Sichuan	Chengdu, Sichuan	Manufacturing industry		100	Establishment or investment
67	XingDa HongYe	Zhongshan, Guangdong	Zhongshan, Guangdong	Manufacturing industry		51	Establishment or

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
68	Shanghai Xinfeng	Shanghai	Shanghai	Commerce		51	Establishment or investment
69	Liaoyang Kangshun Intelligent Technology	Liaoyang, Liaoning	Liaoyang, Liaoning	Wholesale industry		100	Establishment or investment
70	Liaoyang Kangshun Renewable Resources	Liaoyang, Liaoning	Liaoyang, Liaoning	Comprehensive utilization of waste resources		100	Establishment or investment
71	Nanjing Konka	Nanjing, Jiangsu	Nanjing, Jiangsu	Wholesale industry		100	Establishment or investment
72	Yantai Laikang	Yantai, Shandong	Yantai, Shandong	Commercial service	51		Establishment or investment
73	Econ Technology	Yantai, Shandong	Yantai, Shandong	Environmental technology service industry	51		Establishment or investment
74	Beijing Kangyi	Beijing	Beijing	Environmental technology service industry		51	Establishment or investment
75	Shanghai Jiyi	Shanghai	Shanghai	Environmental technology service industry		51	Establishment or investment
76	Binzhou Econ	Binzhou, Shandong	Binzhou, Shandong	Environmental technology service industry		51	Establishment or investment
77	Lairun Holdings	Yantai, Shandong	Yantai, Shandong	Environmental technology		30.6	Establishment or

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
				service industry			investment
78	Lairun Environmental Protection	Yantai, Shandong	Yantai, Shandong	Environmental technology service industry		27.54	Establishment or investment
79	Laizhou Lairun Sewage Treatment	Yantai, Shandong	Yantai, Shandong	Environmental protection and environment management		24.14	Establishment or investment
80	Binhai Sewage Treatment	Yantai, Shandong	Yantai, Shandong	Environmental technology service industry		30.6	Establishment or investment
81	Econ Environmental Engineering	Chengdu, Sichuan	Chengdu, Sichuan	Environmental technology service industry		51	Establishment or investment
82	Rushan Yike	Weihai, Shandong	Weihai, Shandong	Environmental technology service industry		44.37	Establishment or investment
83	Binzhou Weiyijie	Binzhou, Shandong	Binzhou, Shandong	Environmental technology service industry		35.7	Establishment or investment
84	Beihai Jingmai	Binzhou, Shandong	Binzhou, Shandong	Environmental technology service industry		24.99	Establishment or investment
85	Yantai Chunzhiran	Yantai, Shandong	Yantai, Shandong	Environmental technology service industry		35.7	Establishment or investment
86	Donggang Kangrun	Dandong, Liaoning	Dandong, Liaoning	Environmental technology service industry		50.7	Establishment or investment
87	Kangrunhong Environmental	Yantai,	Yantai,	Environmental technology		51	Establishment or

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
	Protection	Shandong	Shandong	service industry			investment
88	Dayi Kangrun Water	Chengdu, Sichuan	Chengdu, Sichuan	Environmental technology service industry		51	Establishment or investment
89	Suining Pengxi Kangrun	Suining, Sichuan	Suining, Sichuan	Environmental technology service industry		40.75	Establishment or investment
90	Subei Kangrun Water	Jiuquan, Gansu	Jiuquan, Gansu	Environmental technology service industry		39.78	Establishment or investment
91	Weifang Sihai Kangrun	Weifang, Shandong	Weifang, Shandong	Environmental technology service industry		32.09	Establishment or investment
92	Lushan Kangrun Environmental Protection	Pingdingshan, Henan	Pingdingshan, Henan	Environmental protection and environment management		45.44	Establishment or investment
93	Funan Kangrun Water	Fuyang, Anhui	Fuyang, Anhui	Environmental protection and environment management		40.55	Establishment or investment
94	Wuhan Runyuan Sewage Treatment	Wuhan, Hubei	Wuhan, Hubei	Environmental protection and environment management		35.7	Establishment or investment
95	Tongchuan Kangrun Honghui	Tongchuan, Shaanxi	Tongchuan, Shaanxi	Environmental protection and environment management		45.39	Establishment or investment
96	Tingyuan Environmental	Shanghai	Shanghai	Research and experimental		51	Establishment or

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Serial num ber	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
	Protection			development			investment
97	Gaoping Kangrun	Jincheng, Shanxi	Jincheng, Shanxi	Ecological protection and environmental governance industry		48.45	Establishmen t or investment
98	Mengcheng Kangrun	Bozhou, Anhui	Bozhou, Anhui	Water conservancy management industry		43.35	Establishmen t or investment
99	Xi Xian Kangrun	Xi Xian New Area, Shaanxi	Xi Xian New Area, Shaanxi	Public facilities management industry		26.01	Establishmen t or investment
100	Chongzhou Kangrun	Chongzhou, Sichuan	Chongzhou, Sichuan	Ecological protection and environmental management industry		42.67	Establishmen t or investment
101	Xi 'an Kangrun	Xi'an, Shaanxi	Xi'an, Shaanxi	Ecological protection and environmental management industry		48.45	Establishmen t or investment
102	Ankang Kangrun	Ankang, Shaanxi	Ankang, Shaanxi	Ecological protection and environmental management industry		26.01	Establishmen t or investment
103	Changning Kangrun	Hengyang, Hunan	Hengyang, Hunan	Water production and supply industry		45.89	Establishmen t or investment

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
104	Bokang Renewable	Yantai, Shandong	Yantai, Shandong	Internet and related services		26.01	Establishment or investment
105	Linfen Kangrun	Linfen, Shanxi	Linfen, Shanxi	Water production and supply industry		39.24	Establishment or investment
106	Konka Huanjia	Dalian, Liaoning	Dalian, Liaoning	Processing of renewable resources	51		Establishment or investment
107	Konka Huanjia (Henan)	Lankao, Henan	Lankao, Henan	Technology extension and application service industry		51	Establishment or investment
108	Shanghai Konka	Shanghai	Shanghai	Real estate industry	100		Establishment or investment
109	Yantai Kangjin	Yantai, Shandong	Yantai, Shandong	Real estate industry	0	62.80	Establishment or investment
110	Jiangxi Konka	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Production, manufacturing and processing	51		Establishment or investment
111	Xinfeng Microcrystalline	Nanchang, Jiangxi	Nanchang, Jiangxi	Production, manufacturing and processing		51	Establishment or investment
112	Nanocrystalline	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Production, manufacturing and processing		51	Establishment or investment
113	Jiangsu Konka Special Materials	Jiangsu	Yancheng	Wholesale industry		51	Establishment or investment

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
114	Shenzhen Nianhua	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial service	100		Establishment or investment
115	Shenzhen Kangxinwei	Shenzhen, Guangdong	Shenzhen, Guangdong	Semi-conductor	100		Establishment or investment
116	Hefei Kangxinwei	Hefei, Anhui	Hefei, Anhui	Design of integrated circuit		51	Establishment or investment
117	Yihe Electronic	Hefei, Anhui	Hefei, Anhui	Wholesale industry		51	Establishment or investment
118	Chongqing Konka	Chongqing	Chongqing	Software and information technology service		100	Establishment or investment
119	Shenzhen Huiying Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Wholesale industry		51	Establishment or investment
120	Chongqing Huiying Technology	Chongqing	Chongqing	Manufacturing industry in computer, communication and other electronic equipment		51	Establishment or investment
121	Konkan Ecological Development	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial service	51		Establishment or investment
122	Suining Konka Industrial Park	Suining, Sichuan	Suining, Sichuan	Industrial park development and	100		Establishment or

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
				operation management			investment
123	Konka Integration	Jiaxing, Zhejiang	Jiaxing, Zhejiang	Wholesale and retail industry	51		Establishment or investment
124	Suining Electronic Technological Innovation	Suining, Sichuan	Suining, Sichuan	Commercial service	100		Establishment or investment
125	Shenzhen Chuangzhi Appliances	Shenzhen, Guangdong	Shenzhen, Guangdong	Wholesale industry	100		Establishment or investment
126	Koanghong (Yantai) Environmental Protection	Yantai, Shandong	Yantai, Shandong	Comprehensive utilization of waste resources industry	51		Establishment or investment
127	Chongqing Kangxingrui	Chongqing	Chongqing	Technology extension and application service industry	51		Establishment or investment
128	Chongqing Kangxingrui Automobile Recycling	Chongqing	Chongqing	Wholesale industry		51	Establishment or investment
129	Chongqing Konka Photoelectric Technology Research Institute	Chongqing	Chongqing	Research and experimental development	75		Establishment or investment
130	Xinying Semiconductor	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacturing industry in computer, communication	56		Establishment or investment

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
				and other electronic equipment			
131	Konka Xinyun Semiconductor	Yancheng, Jiangsu	Yancheng, Jiangsu	Computer, communications and other electronic equipment manufacturing		56	Establishment or investment
132	Jiangkang (Shanghia) Technology	Shanghai	Shanghai	Research and experimental development	51		Establishment or investment
133	Ningbo Kanghanrui Appliances	Ningbo, Zhejiang	Ningbo, Zhejiang	Electrical machinery and equipment manufacturing	60		Establishment or investment
134	Konka Zhizao	Shenzhen, Guangdong	Shenzhen, Guangdong	Research and experimental development	51		Establishment or investment
135	Suining Jiarun Properties	Suining, Sichuan	Suining, Sichuan	Real estate industry	100		Establishment or investment
136	Yantai Kangyun	Yantai, Shandong	Yantai, Shandong	Commercial service	51		Establishment or investment
137	Yantai Kangyun Real Estate	Yantai, Shandong	Yantai, Shandong	Real estate industry		51	Establishment or investment
138	Chongqing Kanglei Optoelectronic	Chongqing	Chongqing	Computer, communications and other	51		Establishment or investment

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Serial number	Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
					Directly	Indirectly	
				electronic equipment manufacturing			
139	Yibin Kangrun	Yibin, Sichuan	Yibin, Sichuan	Retail industry	67	16.83	Establishment or investment
140	Henan Kangxin Real Estate	Xinxiang, Henan	Xinxiang, Henan	Real estate industry	51		Establishment or investment
141	Konka Material	Haikou, Hainan	Haikou, Hainan	Commercial service		51	Establishment or investment
142	Shenzhen Kangxin Real Estate	Shenzhen, Guangdong	Shenzhen, Guangdong	Real estate industry	51		Establishment or investment
143	Henan Kanghan Real Estate	Xinxiang, Henan	Xinxiang, Henan	Real estate industry		51	Establishment or investment

Note: The indirect shareholding of the Company shall be the penetration ratio of the subsidiary enjoyed by the Company at the consolidation level, and belongs to the final equity share of the subsidiary enjoyed by the Company.

(2) Significant Non-wholly-owned Subsidiary

Name	Shareholdi	The profit or loss	Declaring	Balance of
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**Notes to the Financial Statements of Konka Group Co., Ltd.**

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

	<b>ng proportion of non-controlling interests (%)</b>	<b>attributable to the non-controlling interests</b>	<b>dividends distributed to non-controlling interests</b>	<b>non-controlling interests at the period-end</b>
Econ Technology	49.00%	175,727,753.55		1,006,599,295.10
Chain Kingdom Memory Technologies	49.00%	15,320,687.02		62,712,463.12

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

January 1, 2020 to December 31, 2020

(Unless otherwise specified, the notes to this financial statement are all listed in RMB)

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

Name	Ending balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Econ Technology	4, 462, 132, 589. 77	8, 755, 726, 357. 81	13, 217, 858, 947. 58	8, 703, 704, 732. 25	2, 962, 052, 834. 96	11, 665, 757, 567. 21
Chain Kingdom Memory Technologies	1, 222, 933, 011. 37	515, 766. 12	1, 223, 448, 777. 49	1, 095, 464, 158. 88		1, 095, 464, 158. 88

(Continued)

Name	Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Econ Technology	2, 301, 862, 406. 07	4, 188, 510, 893. 24	6, 490, 373, 299. 31	4, 112, 410, 680. 62	1, 228, 550, 874. 55	5, 340, 961, 555. 17
Chain Kingdom Memory Technologies	1, 589, 255, 895. 39	681, 653. 19	1, 589, 937, 548. 58	1, 485, 611, 244. 88		1, 485, 611, 244. 88

(Continued)

Name	Reporting Period

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

January 1, 2020 to December 31, 2020

(Unless otherwise specified, the notes to this financial statement are all listed in RMB)

	<b>Operating revenue</b>	<b>Net profit</b>	<b>Total comprehensive income</b>	<b>Cash flows from operating activities</b>
Econ Technology	3,272,636,835.33	320,737,166.02	320,737,166.02	-571,785,929.67
Chain Kingdom Memory Technologies	8,261,027,364.98	31,266,708.21	23,658,314.91	-66,646,309.67

(Continued)

<b>Name</b>	<b>Same period of last year</b>			
	<b>Operating revenue</b>	<b>Net profit</b>	<b>Total comprehensive income</b>	<b>Cash flows from operating activities</b>
Econ Technology	2,089,742,540.39	257,946,089.57	257,946,089.57	-255,466,347.95
Chain Kingdom Memory Technologies	7,255,440,615.91	57,623,214.42	60,113,821.08	-3,025,942.67

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

2. Changes in the share of owners' equity in subsidiaries this year have no impact on equity.

3. Equity in Joint Ventures or Associated Enterprises

(1) Significant Joint Ventures or Associated Enterprises

Name	Main operating place	Regi strati on place	Nature of business	Holding percentage (%)		Accounting treatment of the investment to joint venture or associated enterprise
				Direct ly	Indir ectly	
Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Zhuhai	Zhuhai	Investment management		49.95	Equity method
Chutian Dragon Co., Ltd.	Dongguan	Dongguan	Electronic Equipment Manufacturing	20.00		Equity method

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Binzhou Beihai Weiqiao Solid Waste Disposal Co., Ltd.	Binzh ou	Binz hou	Environme ntal protection and environmental	49.00	Equity method
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**(2) Main Financial Information of Significant Associated Enterprise**

Item	Ending balance/Reporting Period		
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Chutian Dragon Co., Ltd.	Binzhou Beihai Weiqiao Solid Waste Disposal Co., Ltd.
Current assets	686,710,061.46	1,379,255,401.46	287,246,826.69
Non-current assets		265,580,626.48	178,087,639.51
Total assets	686,710,061.46	1,644,836,027.94	465,334,466.20
Current liabilities	285,530.00	541,529,388.70	87,098,339.17
Non-current liability		25,206,327.43	
Total liabilities	285,530.00	566,735,716.13	87,098,339.17
Equity of		-3,256,204.02	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance/Reporting Period		
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Chutian Dragon Co., Ltd.	Binzhou Beihai Weiqiao Solid Waste Disposal Co., Ltd.
non-controlling interests			
Equity attributable to shareholders of the Company as the parent	686,424,531.46	1,081,356,515.83	378,236,127.03
Share of net assets accounted by shareholding percentage	336,170,619.84	236,744,836.67	185,335,702.24
Adjustment items			
-Goodwill		413,461,970.35	
-Unrealized profit of internal transaction			-2,535,163.18
Others			-134,510.81
Book value of equity investment in joint venture	336,170,619.84	650,206,807.02	182,666,028.25

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance/Reporting Period		
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Chutian Dragon Co., Ltd.	Binzhou Beihai Weiqiao Solid Waste Disposal Co., Ltd.
Fair value of equity investment of joint venture with public offer			
Operating revenue		1,025,155,857.95	220,586,264.46
Finance costs	-257,638.57	-4,018,451.37	-82,236.61
Income tax expense		14,153,788.28	-2,050,943.53
Net profit	84,878,495.25	96,798,712.97	130,067,221.02
Net profit from discontinued operations			
Other comprehensive income			
Total comprehensive	84,878,495.25	96,798,712.97	130,067,221.02

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Item</b>	<b>Ending balance/Reporting Period</b>		
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Chutian Dragon Co., Ltd.	Binzhou Beihai Weiqiao Solid Waste Disposal Co., Ltd.
income			
Dividends received from the joint venture in the current year		9, 240, 000. 00	10, 300, 000. 00

(Continued)

<b>Item</b>	<b>Beginning balance/Same period of last year</b>		
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Chutian Dragon Co., Ltd.	Binzhou Beihai Weiqiao Solid Waste Disposal Co., Ltd.
Current assets	632, 869, 229. 53	1, 243, 797, 727. 50	168, 736, 029. 14
Non-current assets		290, 274, 962. 74	182, 046, 220. 08
Total assets	632, 869, 229. 53	1, 534, 072, 690. 24	350, 782, 249. 22

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Beginning balance/Same period of last year		
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Chutian Dragon Co., Ltd.	Binzhou Beihai Weiqiao Solid Waste Disposal Co., Ltd.
Current liabilities	44, 259, 288. 94	485, 651, 089. 30	72, 613, 343. 21
Non-current liability		25, 018, 287. 84	
Total liabilities	44, 259, 288. 94	510, 669, 377. 14	72, 613, 343. 21
Equity of non-controlling interests			
Equity attributable to shareholders of the Company as the parent	588, 609, 940. 59	1, 023, 403, 313. 10	278, 168, 906. 01
Share of net assets accounted by shareholding percentage	310, 024, 401. 51	222, 599, 666. 35	136, 302, 763. 94
Adjustment items			
-Goodwill		413, 461, 970. 35	
-Unrealized profit of internal transaction			-2, 535, 163. 18

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Beginning balance/Same period of last year		
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Chutian Dragon Co., Ltd.	Binzhou Beihai Weiqiao Solid Waste Disposal Co., Ltd.
Others			-134,510.81
Book value of equity investment in joint venture	310,024,401.51	636,061,636.70	133,633,089.95
Fair value of equity investment of joint venture with public offer			
Operating revenue		1,182,099,672.38	291,745,561.77
Finance costs	-12,631.40	-2,473,856.91	420,534.06
Income tax expense	344,172.57	16,916,284.79	
Net profit	94,882,517.71	117,058,262.27	201,212,689.88
Net profit from discontinued operations			

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Beginning balance/Same period of last year		
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Chutian Dragon Co., Ltd.	Binzhou Beihai Weiqiao Solid Waste Disposal Co., Ltd.
Other comprehensive income			
Total comprehensive income	94,882,517.71	117,058,262.27	201,212,689.88
Dividends received from the joint venture in the current year		11,088,000.00	24,500,000.00

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

Item	Ending balance/Reportin g Period	Beginning balance/The Same period of last year
<b>Associated enterprise:</b>		
Total carrying value of investment	3,637,302,366.34	3,249,236,533.91

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance/Reportin g Period	Beginning balance/The Same period of last year
The total of following items according to the shareholding proportions		
--Net profit	-32,617,474.82	431,670.21
--Other comprehensive income	1,486,737.16	-335,456.79
--Total comprehensive income	-31,130,737.66	96,213.42

## IX. The Risk Related to Financial Instruments

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

### 1. Various Risk Management Objectives and Policies

The goals of the Company engaged in the risk management is to achieve the proper balance between the risks and benefits, reduced the negative impact to the Company operating performance risk to a minimum, maximized the profits of shareholders and other equity investors. Based on the risk management

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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goal, the basic strategy of the Company's risk management is determine and analyze the various risks faced by the Company, set up the bottom line of risk and conducted appropriate risk management, and timely supervised various risks in a reliable way and controlled the risk within the range of limit.

### (1) Market Risk

#### 1) Foreign Exchange Risk

Foreign exchange risk refers to the risks that may lead to losses due to fluctuation in exchange rate. The foreign exchange risk borne by the Company is related to USD. Except the procurement and sales by USD for several subsidiaries of the Company, the other main businesses of the Company were settled by RMB. The foreign exchange risks produced by the assets and liabilities balance may affect the business performance of the Company. As of December 31, 2020, except for the assets or liabilities mentioned in the table below, the assets and liabilities of the Company are mainly the balance of RMB.

Item	Period-end	Period-begin
Cash and cash equivalents	95,989,561.32	161,346,670.90
Accounts receivable	132,221,173.92	118,602,602.84
Other receivables	135,938,277.17	6,281,335.37
Interest receivables		
Short-term borrowings	59,159,714.38	98,297,903.18
Accounts payable	42,417,352.11	42,269,219.38
Interest payable	99,200.24	275,923.30

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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

### 2) Interest Rate Risk

The Company bears interest rate risk due to interest rate changes of interest bearing financial assets and liabilities. The Company's interest bearing financial assets are mainly bank deposits, of which the variable interest rate is mostly short-term, while the interest bearing financial liabilities are mainly bank loans and corporate bonds. The Company's long-term bank borrowings and corporate bonds are fixed interest rates. Therefore, it is considered that the risk caused by the change of interest rate is mainly related to the short-term bank borrowings. The Company's policy is to maintain the floating interest rate of these borrowings in order to eliminate the fair value risk of interest rate changes. On December 31, 2019, the balance of such short-term borrowings is RMB 10,990,550,475.78.

### (2) Credit Risk

As of December 31, 2020, the maximum credit risk exposure that may cause financial losses to the Company mainly came from losses generated from the Company's financial assets due to failure of the other party in a contract to perform its obligations and the financial guarantee undertaken by the Company, including:

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

In order to reduce credit risk, the company has set up a group to determine the credit limit, conduct credit approval, and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the company reviews the recovery of each single receivable on

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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each balance sheet date to ensure that sufficient bad debt provision is made for the unrecoverable amount. Therefore, the company's management believes that the company's credit risk has been greatly reduced.

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

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

### **(3) Liquidity Risk**

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

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

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Amount on December 31, 2020:

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
<b>Financial assets</b>					
Monetary assets	5, 431, 530, 180. 90				5, 431, 530, 180. 90
Held-for-trading financial assets	618, 249, 541. 66				618, 249, 541. 66
Notes receivable	2, 358, 180, 193. 96				2, 358, 180, 193. 96
Accounts receivable	2, 569, 915, 591. 31	897, 205, 290. 70	433, 321, 830. 59	454, 911. 00	3, 900, 897, 623. 59
Other receivables	1, 573, 166, 227. 32	421, 239, 674. 89	126, 426, 976. 91	24, 903, 761. 48	2, 145, 736, 640. 60
Long-term receivables	37, 310, 158. 82	48, 853, 780. 97	56, 233, 905. 16	294, 409, 517. 90	436, 807, 362. 85
Other current assets	1, 913, 146, 483. 39				1, 913, 146, 483. 39
<b>Financial liabilities</b>					
Short-term borrowings	10, 990, 550, 475. 78				10, 990, 550, 475. 78
Notes payable	1, 335, 987, 026. 21				1, 335, 987, 026. 21
Accounts payable	8, 134, 924, 659. 58	1, 279, 766, 515. 39	217, 675, 150. 79		9, 632, 366, 325. 76
Other payables	1, 656, 395, 339. 19	89, 458, 935. 79	253, 576, 624. 71		1, 999, 430, 899. 69
Payroll payable	476, 616, 244. 45				476, 616, 244. 45
Current portion of non-current	376, 896, 566. 29				376, 896, 566. 29

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
liabilities					
Long-term borrowings	18, 150, 000. 00	2, 687, 210, 000. 00	478, 624, 612. 32	2, 798, 914, 385. 22	5, 982, 898, 997. 54
Bonds payable		4, 993, 212, 788. 32			4, 993, 212, 788. 32
Long-term payables	358, 746, 566. 29	325, 321, 841. 94	156, 088, 008. 02		840, 156, 416. 25

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### 2. Sensitivity Analysis

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

#### (1) Sensitivity analysis of foreign exchange risk

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

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

Item	Change in the exchange rate	2020	
		Impact on net profit	Impact on shareholders' equity
USD	Appreciation of 1% against RMB	16,211,942.87	13,375,843.78
USD	Depreciation of 1% against RMB	-16,211,942.87	-13,375,843.78

#### (2) Sensitivity analysis of interest rate risk

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

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

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

The fair value changes of derivative financial instruments and other financial assets and liabilities are calculated with the market interest rate on the balance sheet date and the DCF (discounted cash flow) method.

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	Change in	2020
------	-----------	------

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

	<b>the interest rate</b>	<b>Impact on net profit</b>	<b>Impact on shareholders' equity</b>
Borrowings with a floating rate	Up by 0.5%	41,364,032.83	39,778,444.84
Borrowings with a floating rate	Down by 0.5%	-41,364,032.83	-39,778,444.84

**X. The Disclosure of Fair Value**

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

Item	Ending fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
<b>I. Consistent fair value measurement</b>			<b>618,249,541.66</b>	<b>618,249,541.66</b>
(I) Trading financial assets				
1. Financial assets at fair value through profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(3) Derivative financial assets				
(4) Structured deposits			618,249,541.66	618,249,541.66
(II) Accounts receivable financing		84,057,197.44		84,057,197.44
(III) Investment in other debt obligations				
(IV) Other equity instrument investment			25,343,293.16	25,343,293.16
(V) Other non-current financial assets			1,878,154,796.73	1,878,154,796.73

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
<b>Total assets of consistent fair value measurement</b>			2,521,747,631.55	2,521,747,631.55
<b>Total liabilities of consistent fair value measurement</b>				
<b>Total assets of inconsistent fair value measurement</b>				
<b>Total liabilities of inconsistent fair value measurement</b>				

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

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

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

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

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

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

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### XI. Related Party and Related-party Transaction

#### (I) Relationship of Related Party

##### 1. Controlling Shareholder and the Ultimate Controller

###### (1) Controlling Shareholder and the Ultimate Controller

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

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

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

Controlling shareholder	Beginning balance	Increase	Decrease	Ending balance
OCT Group Co., Ltd.	12,000,000,000.00			12,000,000,000.00

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

Controlling shareholder	Shareholding amount	Shareholding ratio (%)
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## Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

	<b>Ending balance</b>	<b>Beginning balance</b>	<b>Percentage at the end of the year</b>	<b>Percentage at the beginning of the year</b>
OCT Group Co., Ltd.	722,383,542.00	722,383,542.00	29.999997	29.999997

### 2. Subsidiary

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

### 3. Associated Enterprises and Joint Ventures

Refer to Note VIII-3. (1) Significant Associated Enterprises for details of significant associated enterprises of the Company. Information on other joint ventures or associated enterprises occurring connected transactions with the Company in Reporting Period, or forming balance due to connected transactions made in previous period:

<b>Name</b>	<b>Relationship with the Company</b>
Puchuang Jiakang Technology Co, Ltd.	Associated enterprise
Dongguan Konka Electronic Smart Technology Co., Ltd.	Associated enterprise
Shenzhen Konka E-display Co., Ltd.	Associated enterprise
Wanjun Technology (Kunshan) Co., Ltd.	Associated enterprise
E3info (Hainan) Technology Co., Ltd.	Associated enterprise
Shenzhen Konka Information Network Co., Ltd.	Associated enterprise
Anhui Kaikai Sihjie E-commerce Co., Ltd.	Associated enterprise
Shenzhen Konka Smart Electric Appliances Technology Co., Ltd.	Associated enterprise
Shandong Konka Smart Electrical Appliance Co., Ltd.	Associated enterprise
Henan Konka Smart Electrical Appliance Co., Ltd.	Associated enterprise
Shenzhen Yaode Technology Co., Ltd.	Associated enterprise
Heilongjiang Longkang Smart Electrical Appliance Co., Ltd.	Associated enterprise

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Name</b>	<b>Relationship with the Company</b>
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.	Associated enterprise
Chongqing Qingjia Electronics Co., Ltd.	Associated enterprise
Chuzhou Kangxin Health Industry Development Co., Ltd.	Associated enterprise
Dongguan Konka Investment Co., Ltd.	Associated enterprise
Shenzhen Jielunte Technology Co., Ltd.	Associated enterprise
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	Associated enterprise
Shenzhen RF-LINK Technology Co., Ltd	Associated enterprise

**4. Information on Other Related Parties**

<b>Name</b>	<b>Relationship with the Company</b>
Chuzhou Hanshang Electric Appliance Co., Ltd.	Minority shareholder of subsidiary
Shenzhen Jinzhu Industry Co., Ltd	Minority shareholder of subsidiary
HOHOELECTRICAL&FURNITURECO.,LIM ITED	Minority shareholder of subsidiary
Shenzhen Trade Link Supply Chain Management Co., Ltd.	Minority shareholder of subsidiary
Huanjia Group Co., Ltd	Minority shareholder of subsidiary
AUJET INDUSTRY LIMITED	Minority shareholder of subsidiary
Handian Group Co., Ltd.	Minority shareholder of subsidiary
Chongqing Liangshan Industrial Investment Co., Ltd.	Minority shareholder of subsidiary
Shenzhen Unifortune Supply Chain Management Co., Ltd	Minority shareholder of subsidiary
Shenzhen Musen Industrial Co., Ltd.	Minority shareholder of subsidiary
Yantai Baijiangyuan Enterprise Management Center (Limited Partnership)	Minority shareholder of subsidiary
Yantai Fengqingtai Investment Center (Limited Partnership)	Minority shareholder of subsidiary

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Name</b>	<b>Relationship with the Company</b>
Yantai Qingrunyuan Enterprise Management Center (Limited Partnership)	Minority shareholder of subsidiary
Yantai Qingjiangchuan Enterprise Management Center (Limited Partnership)	Minority shareholder of subsidiary
Hu Zehong	Minority shareholder of subsidiary
Chuzhou State-owned Assets Operation Co., Ltd.	Minority shareholder of subsidiary
Shenzhen Guoxin Microelectronics Co., Ltd.	Minority shareholder of subsidiary
Yudong Environmental Technology Co., Ltd.	Minority shareholder of subsidiary
Shenzhen Henglongtong Electronic Technology Co., Ltd.	Minority shareholder of subsidiary
Guizhou Huajinrun Technology Group Co., Ltd.	Minority shareholder of subsidiary
Wu Guoren	Minority shareholder of subsidiary
Econ Holdings (Yantai) Co., Ltd.	Minority shareholder of subsidiary
Zhu Xinming	Minority shareholder of subsidiary
Liang Ruiling	Minority shareholder of subsidiary
Dai Yaojin	Minority shareholder of subsidiary
Xiao Yongsong	Minority shareholder of subsidiary
Unifortune (Hong Kong) Co., Ltd.	Companies controlled by minority shareholders of subsidiaries
Haiying Technology Group (Hong Kong) Co., Ltd.	The company controlled by the ultimate controller of the minority shareholders of the subsidiary
Chongqing Lvfeng Renewable Resources Co., Ltd.	The company controlled by the ultimate controller of the minority shareholders of the subsidiary
Jiangxi Meiji Enterprise Co., Ltd.	The company controlled by the ultimate controller of the minority shareholders of the subsidiary
Chongqing Ruiyin Renewable Resources Co., Ltd.	The ultimate controller of the minority shareholders of the subsidiary

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name	Relationship with the Company
Shenzhen Junxing Communication Technology Co., Ltd.	Companies controlled by directors of subsidiaries
Shenzhen Konka Yifang Technology Co., Ltd.	Affiliated subsidiary
Zhanxiang Electronic Technology Co., Ltd.	Affiliated subsidiary
Chongqing Konka Fuze Real Estate Co., Ltd.	Affiliated subsidiary
Chuzhou Kangjin Health Industry Development Co., Ltd.	Participating company
Dai Rongxing	Close family members of minority shareholders
Hu Jiawen	Close family members of minority shareholders

### (II) Related-party Transactions

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

#### (1) Purchasing goods/receiving services

Related party	Content	Reporting Period	Same period of last year
Haiying Technology Group (Hong Kong) Co., Ltd.	Purchase of goods	6,855,261,976.07	1,816,674,632.68
Chongqing Lvfeng Renewable Resources Co., Ltd.	Purchase of goods and services	1,309,805,108.45	
Chuzhou Hanshang Electric Appliance Co., Ltd.	Purchase of goods	698,636,167.54	966,302,431.62
Puchuang Jiakang Technology Co, Ltd.	Purchase of goods	373,695,088.37	48,793,853.67
Shenzhen Jielunte Technology Co., Ltd.	Purchase of goods	90,173,202.26	163,434,289.73
Shenzhen Jinzhu Industry Co., Ltd	Purchase of goods	62,584,789.34	29,039,118.22

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Related party</b>	<b>Content</b>	<b>Reporting Period</b>	<b>Same period of last year</b>
OCT Group Co., Ltd. and its subsidiaries and associated enterprises	Purchase of goods and services	31,079,892.62	19,021,005.05
Chongqing Ruiyin Renewable Resources Co., Ltd.	Purchase of goods and services	55,093,641.50	
HOHOELECTRICAL&FURNITURE CO.,LIMITED	Purchase of goods	50,041,528.06	
Dongguan Konka Electronics Smart Technology Co., Ltd.	Purchase of goods	15,988,606.86	
Shenzhen Konka E-display Co., Ltd.	Purchase of goods and services	13,372,446.76	
Wanjun Technology (Kunshan) Co., Ltd. (formerly known as "Kunshan Konka Electronics Co., Ltd.")	Purchase of goods	6,317,019.16	5,787,467.53
Shenzhen Trade Link Supply Chain Management Co., Ltd.	Purchase of goods	5,617,295.12	146,267,088.53
E3info (Hainan) Technology Co., Ltd.	Purchase of goods and services	5,006,164.56	
Shenzhen Konka Information Network Co., Ltd.	Purchase of goods and services	2,798,788.35	31,244,486.68
Anhui Kaikai Sihjie E-commerce Co., Ltd.	Purchase of goods	306,706.67	23,713,758.38
Huanjia Group Co., Ltd.	Purchase of goods		434,647,381.86
Subtotal of other related parties	Purchase of goods and services	5,158,078.73	22,702,314.29

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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

<b>Related party</b>	<b>Content</b>	<b>Reporting Period</b>	<b>Same Period of last year</b>
Anhui Kaikai Sihjie E-commerce Co., Ltd.	Sales of goods and render labor service	443,843,708.04	582,052,622.44
HOHOELECTRICAL&FURNITURECO.,LIMITED	Sales of goods and render labor service	115,451,594.04	56,895,724.52
OCT Group Co., Ltd. and its subsidiaries and associated enterprises	Sales of goods and render labor service	112,863,678.04	127,353,778.04
Shenzhen Konka Smart Electrical Apparatus Technology Co., Ltd.	Sales of goods and render labor service	75,623,621.40	
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	Sales of goods	66,305,912.40	22,467,519.24
Chuzhou Hanshang Electric Appliance Co., Ltd.	Sales of goods and render labor service	47,780,642.42	42,844,475.34
Shandong Konka Smart Electrical Appliance Co., Ltd.	Sales of goods	47,720,206.98	76,954,416.15
Henan Konka Smart Electrical Appliance Co., Ltd.	Sales of goods	35,730,677.80	39,294,628.59
Shenzhen Konka E-display Commercial Display Co., Ltd.	Sales of goods and render labor service	33,606,160.84	19,335,967.50

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Related party</b>	<b>Content</b>	<b>Reporting Period</b>	<b>Same Period of last year</b>
Shenzhen Yaode Technology Co., Ltd.	Sales of goods	32,701,728.34	372,927,101.60
E3info (Hainan) Technology Co., Ltd.	Sales of goods and render labor service	17,158,367.26	
AUJET INDUSTRY LIMITED	Sales of goods	9,332,254.17	245,808,684.12
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	Render labor service	4,338,841.78	
Unifortune (Hong Kong) Co., Ltd.	Sales of goods	3,582,516.56	
Shenzhen Konka Information Network Co., Ltd.	Sales of goods and render labor service	2,701,125.58	4,350,063.13
Heilongjiang Longkang Smart Electrical Appliance Co., Ltd.	Sales of goods	5,837.17	17,497,025.47
Wanjun Technology (Kunshan) Co., Ltd. (formerly known as "Kunshan Konka Electronics Co., Ltd.")	Sales of goods		2,182,486.57
Shenzhen Trade Link Supply Chain Management Co., Ltd.	Sales of goods and render labor service		28,711,000.66
Dongguan Konka Electronics Smart Technology Co., Ltd.	Sales of goods	22,454,105.62	
Subtotal of other related parties	Sales of goods and render labor service	3,415,674.73	6,238,691.36

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### 2. Information on Related-party Lease

#### (1) Lease situation

Leasee	Lessee's name	Category	The lease fee confirmed in the Reporting Period	The lease fee confirmed in the same period of last year
OCT Group Co. Ltd. And its subsidiaries	Konka Group Co., Ltd.	Commercial residences and office buildings	1,793,893.44	1,640,143.78
OCT Group Co. Ltd. And its subsidiaries	Konka Ventures Development (Shenzhen) Co., Ltd.	Commercial residences and office buildings	25,095,479.94	

### 3. Information on Related-party Guarantee

#### (1) The Company was guarantor

Secured party	Guarantee amount (RMB'0,000 )	Currency	Start date	End date	Execution accomplished or not
Ningbo Kanghanrui Electric	6,000.00	CNY	2020-7-27	2021-7-26	Not
Kunshan Kangsheng Investment Development Co., Ltd.	24,500.00	CNY	2019-9-23	2022-9-22	Not
Pengrun Technology	5,000.00	CNY	2020-8-25	2021-8-25	Not
Anhui Tongchuang	4,500.00	CNY	2019-8-1	2020-8-1	Not

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

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Anhui Tongchuang	3,000.00	CNY	2019-11-5	2020-11-4	Not
Anhui Tongchuang	5,000.00	CNY	2019-12-25	2020-12-25	Not
Anhui Tongchuang	3,500.00	CNY	2020-1-13	2021-1-13	Not
Anhui Tongchuang	5,800.00	CNY	2020-3-11	2021-3-11	Not
Anhui Tongchuang	3,000.00	CNY	2020-8-7	2021-8-5	Not
Anhui Tongchuang	3,000.00	CNY	2020-10-19	2021-10-18	Not
Dongguan Konka	3,000.00	CNY	2020-1-16	2021-1-15	Not
Dongguan Konka	2,000.00	CNY	2019-11-8	2024-11-5	Not
Electronics Technology	6,000.00	CNY	2020-6-9	2021-6-8	Not
Electronics Technology	10,000.00	CNY	2020-7-24	2021-6-28	Not
Electronics Technology	50,000.00	CNY	2020-11-16	2021-5-22	Not
Electronics Technology	8,000.00	CNY	2020-8-14	2021-6-9	Not
Econ Technology	5,000.00	CNY	2019-11-14	2020-11-13	Not
Econ Technology	8,800.00	CNY	2020-4-29	2021-4-28	Not
Econ Technology	5,000.00	CNY	2020-5-25	2021-5-24	Not
Econ Technology	24,000.00	CNY	2020-6-5	2021-3-17	Not
Econ	5,000.00	CNY	2020-9-22	2021-9-21	Not

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Technology					
Econ Technology	5,000.00	CNY	2020-8-21	2020-8-20	Not
Telecommunication Technology	7,500.00	CNY	2020-8-26	2021-8-26	Not
Sichuan Konka	4,000.00	CNY	2019-3-18	2022-3-19	Not
Yibin OCT Sanjiang Properties Co., Ltd.	14,000.00	CNY	2019-9-29	2022-9-28	Not
XingDa HongYe	5,800.00	CNY	2020-11-12	2022-11-12	Not
XingDa HongYe	2,000.00	CNY	2020-12-25	2023-12-25	Not
Boluo Konka Precision	2,500.00	CNY	2019-2-20	2021-2-20	Not
Boluo Konka Precision	2,480.11	CNY	2020-8-19	2023-8-19	Not
Jiangxi Konka	11,960.58	CNY	2019-3-18	2021-9-18	Not
Jiangxi Konka	5,500.00	CNY	2019-6-26	2022-6-25	Not
Jiangxi Konka	6,500.00	CNY	2019-10-30	2022-10-30	Not
Jiangxi Konka	990.00	CNY	2020-3-20	2022-3-19	Not
Jiangxi Konka	6,000.00	CNY	2020-6-28	2021-6-27	Not
Jiangxi Konka	3,000.00	CNY	2020-8-4	2021-8-4	Not
Jiangxi Konka	10,000.00	CNY	2020-9-29	2023-9-29	Not
Jiangxi Konka	10,000.00	CNY	2020-11-6	2023-12-6	Not
Jiangxi Konka	5,000.00	CNY	2020-12-21	2022-12-31	Not
Jiangxi Konka	1,000.00	CNY	2020-12-30	2023-12-30	Not
Nano Crystallized Glass	10,000.00	CNY	2019-6-26	2022-6-25	Not
Nano Crystallized Glass	5,000.00	CNY	2019-12-20	2022-12-20	Not

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

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Nano Crystallized Glass	5,000.00	CNY	2020-1-8	2023-1-8	Not
Nano Crystallized Glass	5,000.00	CNY	2020-1-8	2022-1-8	Not
Nano Crystallized Glass	990.00	CNY	2020-3-20	2022-3-19	Not
Nano Crystallized Glass	5,975.00	CNY	2020-5-29	2022-11-29	Not
Nano Crystallized Glass	7,000.00	CNY	2020-6-24	2021-6-23	Not
Nano Crystallized Glass	6,000.00	CNY	2020-7-14	2023-7-14	Not
Xinfeng Microcrystalline	5,000.00	CNY	2020-5-19	2023-5-19	Not
Xinfeng Microcrystalline	3,478.85	CNY	2020-5-29	2022-11-29	Not
Xinfeng Microcrystalline	7,200.00	CNY	2020-6-18	2021-6-17	Not
Xinfeng Microcrystalline	2,100.00	CNY	2020-12-8	2023-12-8	Not
Xinfeng Microcrystalline	7,200.00	CNY	2020-12-28	2021-12-27	Not
Hong Kong Konka	2,000.00	USD	2020-3-6	2021-2-19	Not
Hong Kong Konka	20,000.00	CNY	2020-12-28	2021-9-9	Not
Anhui Konka	10,000.00	CNY	2020-11-25	2021-11-24	Not

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Anhui Konka	26,800.00	CNY	2020-12-24	2021-9-2	Not
Yibin Kangrun	10,000.00	CNY	2020-11-13	2024-12-31	Not
Rushan Econ	29,000.00	CNY	2016-12-29	2026-12-28	Not
Subei Kangrun Water	77,600.00	CNY	2020-3-10	2035-3-9	Not
Wuhan Runyuan Wastewater	55,200.00	CNY	2020-1-20	2040-1-19	Not
Dayi Kangrun Water	27,400.00	CNY	2020-4-29	2035-4-10	Not
Sichuan Konka	14,000.00	CNY	2018-5-28	2027-5-24	Not
Xi'an Gaoling Food Waste Harmless Treatment Franchise Project Cooperation Agreement	24,571.00	CNY	2020-12-17	2035-12-16	Not

(2) The Company was secured party

Guarantor:	Guarante e amount (RMB'0,0 00)	Curren cy	Start date	End date	Execution accomplished or not
OCT Group Co. Ltd.	200,000.00	CNY	2020-6-19	2022-6-19	Not
OCT Group Co. Ltd.	500,000.00	CNY	2019-1-10	2023-7-21	Not
Shenzhen Musen Enterprise Co., Ltd.	3,325.73	CNY	2019-3-19	2022-3-18	Not
Yantai Baijiangyuan Business Management Center	23,851.98	CNY	2019-6-6	2021-6-1	Not

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Guarantor:</b>	<b>Guarante e amount (RMB'0,0 00)</b>	<b>Curren cy</b>	<b>Start date</b>	<b>End date</b>	<b>Execution accomplis hed or not</b>
(LP)					
Yantai Fengqingtai Investment Center (LP)	10,606.39	CNY	2019-6-6	2021-6-1	Not
Yantai Qingrunyuan Business Management Center (LP)	9,749.83	CNY	2019-6-6	2021-6-1	Not
Yantai Qingjiangchuan Business Management Center (LP)	676.29	CNY	2019-6-6	2021-6-1	Not
Yantai Baijiangyuan Business Management Center (LP)	13,748.59	CNY	2019-4-23	2021-5-24	Not
Yantai Fengqingtai Investment Center (LP)	6,113.66	CNY	2019-4-23	2021-5-24	Not
Yantai Qingrunyuan Business Management Center (LP)	5,619.93	CNY	2019-4-23	2021-5-24	Not
Yantai Qingjiangchuan Business Management Center (LP)	389.82	CNY	2019-4-23	2021-5-24	Not
Hu Zehong	980.00	CNY	2020-1-24	2021-1-23	Not

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Guarantor:</b>	<b>Guarante e amount (RMB'0,0 00)</b>	<b>Curren cy</b>	<b>Start date</b>	<b>End date</b>	<b>Execution accomplis hed or not</b>
Hu Zehong	1,959.02	CNY	2020-4-21	2021-4-20	Not
Hu Zehong	490.00	CNY	2020-4-22	2021-4-20	Not
Hu Zehong	2,450.00	CNY	2020-8-4	2021-8-3	Not
Hu Zehong	183.75	CNY	2020-11-3	2021-11-2	Not
Hu Zehong	142.10	CNY	2020-11-4	2021-11-2	Not
Hu Zehong	1,014.30	CNY	2020-11-5	2021-11-2	Not
Hu Zehong	105.35	CNY	2020-11-16	2021-11-2	Not
Hu Zehong	24.50	CNY	2020-11-30	2021-11-2	Not
Hu Zehong	343.00	CNY	2020-12-31	2021-1-31	Not
Hu Zehong, Liang Ruiling, Dai Yaojin	5,800.00	CNY	2020-11-12	2022-11-12	Not
Hu Zehong, Liang Ruiling, Dai Yaojin	2,000.00	CNY	2020-12-25	2023-12-25	Not
Chuzhou State-owned Assets Management Co., Ltd.	2,200.00	CNY	2020-11-25	2021-11-24	Not
Chuzhou State-owned Assets Management Co., Ltd.	5,896.00	CNY	2020-12-24	2021-9-2	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	14,161.00	CNY	2020-10-12	2021-10-11	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	4,900.00	CNY	2020-11-6	2023-11-6	Not
Jiangxi Xinzixin Real Estate Co.,	5,860.69	CNY	2019-3-18	2021-9-18	Not

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Guarantor:</b>	<b>Guarante e amount (RMB'0,0 00)</b>	<b>Curren cy</b>	<b>Start date</b>	<b>End date</b>	<b>Execution accomplished or not</b>
Ltd., Zhu Xinming					
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	2,940.00	CNY	2020-6-28	2021-6-27	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	2,695.00	CNY	2019-6-26	2022-6-25	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	3,185.00	CNY	2019-10-30	2022-10-30	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	485.10	CNY	2020-3-20	2022-3-19	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	1,470.00	CNY	2020-8-4	2021-8-4	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	4,900.00	CNY	2020-9-29	2023-9-29	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	490.00	CNY	2020-12-30	2023-12-30	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	3,528.00	CNY	2020-6-18	2021-6-17	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	2,450.00	CNY	2020-5-19	2023-5-19	Not
Jiangxi Xinzixin Real Estate Co.,	1,704.64	CNY	2020-5-29	2022-11-29	Not

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Guarantor:</b>	<b>Guarante e amount (RMB'0,0 00)</b>	<b>Curren cy</b>	<b>Start date</b>	<b>End date</b>	<b>Execution accomplished or not</b>
Ltd., Zhu Xinming					
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	1,029.00	CNY	2020-12-8	2023-12-8	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	3,528.00	CNY	2020-12-28	2021-12-27	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming, Xiong Muzhi, Zeng Xiaohong, Zhu Chengfu	4,900.00	CNY	2019-6-26	2022-6-25	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	2,450.00	CNY	2019-12-20	2022-12-20	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	2,450.00	CNY	2020-1-8	2023-1-8	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	2,450.00	CNY	2020-1-8	2022-1-8	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	485.10	CNY	2020-3-20	2022-3-19	Not
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	2,927.75	CNY	2020-5-29	2022-11-29	Not
Jiangxi Xinzixin Real Estate Co.,	3,430.00	CNY	2020-6-24	2021-6-23	Not

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Guarantor:</b>	<b>Guarante e amount (RMB'0,0 00)</b>	<b>Curren cy</b>	<b>Start date</b>	<b>End date</b>	<b>Execution accomplished or not</b>
Ltd., Zhu Xinming					
Jiangxi Xinzixin Real Estate Co., Ltd., Zhu Xinming	2,940.00	CNY	2020-7-14	2023-7-14	Not
Chuzhou Hanshang Electric Appliance Co.,Ltd.	4,533.96	CNY	2020-6-24	2021-5-20	Not
Shenzhen Guoxin Micro-electronics Co., Ltd.	2,630.44	CNY	2020-8-22	2021-8-21	Not
Yudong Environmental Protection Technology Co., Ltd.	8,820.00	CNY	2019-8-24	2021-6-5	Not
Yuan Shengxiang		CNY	2019-8-24	2021-6-5	Not
Shenzhen Henglongtong Technology Co., Ltd.	1,041.09	CNY	2021-1-1	2021-12-31	Not
Huaying Gaokede Electronic Technology Co., Ltd.	40,146.00	CNY	2018-1-1	2021-12-31	Not
Huaying Gaokelong Electronic Technology Co., Ltd.	40,146.00	CNY	2018-1-1	2021-12-31	Not
Guizhou Huajinrun Technology Co. Ltd.	5,740.57	USD	2021-1-1	2021-12-31	Not
Shenzhen Trade Link Supply Chain Management Co., Ltd.	7,331.18	USD	2018-9-27	2021-4-30	Not

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Guarantor:</b>	<b>Guarante e amount (RMB'0,0 00)</b>	<b>Curren cy</b>	<b>Start date</b>	<b>End date</b>	<b>Execution accomplished or not</b>
AUJET INDUSTRY LIMITED	21,641.85	USD	2018-5-17	2021-4-30	Not
Shenzhen Unifortune Supply Chain Management Co., Ltd.	8,856.25	USD	2019-7-12	2023-6-30	Not
Shenzhen Unifortune Supply Chain Management Co., Ltd.	14,438.56	USD	2018-1-1	2023-6-30	Not
Wu Guoren and Xiao Yongsong	5,914.82	USD	2018-8-21	2023-12-31	Not
Wu Guoren and Xiao Yongsong	43,481.93	USD	2019-1-1	2023-12-31	Not
Electronics Technology	50,000.00	CNY	2019-9-26	2020-9-25	Not
Electronics Technology	50,000.00	CNY	2019-9-27	2020-9-26	Not

**4. Borrowings of Funds**

<b>Name</b>	<b>Amount</b>	<b>Curren cy</b>	<b>Start date</b>	<b>Due date</b>	<b>Note</b>
<b>Borrowing</b>					
OCT Group Co. Ltd.	111,060,000.00	CNY	2020/11/12	2022/12/09	
OCT Group Co. Ltd.	500,000,000.00	CNY	2020/12/07	2022/12/09	
Econ Holdings (Yantai) Co., Ltd.	37,559,970.00	CNY	2020/11/23	2021/11/22	
E3info (Hainan) Technology Co., Ltd.	50,000,000.00	CNY	2020/12/05	2021/06/04	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name	Amount	Currency	Start date	Due date	Note
Chuzhou Hanshang Electric Appliance Co., Ltd.	134,750,000.00	CNY	2020/02/01	2021/01/31	
<b>Total</b>	<b>833,369,970.00</b>				
<b>Lending</b>					
Yibin OCT Sanjiang Properties Co., Ltd.	35,000,000.00	CNY	2020/04/25	2021/04/24	
Yibin OCT Sanjiang Properties Co., Ltd.	40,000,000.00	CNY	2018/10/25	2021/10/24	
Chongqing Konka Fuze Real Estate Co., Ltd.	188,430,000.00	CNY	2020/11/25	2021/11/24	
Chongqing Qingjia Electronics Co., Ltd.	8,900,000.00	CNY	2019/04/12	2020/04/11	
Yantai Kangyue Investment Co., Ltd.	128,527,000.00	CNY	2020/12/16	2021/12/15	
Chuzhou Kangxin Health Industry Development Co., Ltd.	132,880,000.00	CNY	2020/10/20	2021/08/23	
Chuzhou Kangxin Health Industry Development Co., Ltd.	20,000,000.00	CNY	2020/12/10	2021/12/09	
Chuzhou Kangjin Health Industry Development Co., Ltd.	58,800,000.00	CNY	2020/09/16	2021/09/15	
Chuzhou Kangjin Health Industry Development Co., Ltd.	77,547,400.00	CNY	2020/02/27	2021/01/12	
Chuzhou Kangjin Health Industry Development Co., Ltd.	24,500,000.00	CNY	2020/06/15	2021/06/14	
Dongguan Konka Investment Co., Ltd.	22,231,944.48	CNY	2020/08/06	2021/08/05	
Dongguan Konka Investment Co., Ltd.	7,000,000.00	CNY	2020/08/14	2021/08/05	
Dongguan Konka Investment Co., Ltd.	166,768,055.5	CNY	2020/08/14	2021/08/05	
<b>Total</b>	<b>910,584,399.98</b>				

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### 5. Assets Transfer of Related Party

Name	Content	Reporting Period	Same period of last year
Shenzhen Konka Holding Group Co., Ltd.	Assignment of patent rights	188,200,000.00	-
Shenzhen Konka Holding Group Co., Ltd.	Equity transfer	470,986,530.00	-
Shenzhen OCT Capital Investment Management Co., Ltd.	Equity transfer	-	63,520,500.00
Shanghai OCT Investment Development Co., Ltd.	Equity transfer	-	122,254,344.00
Shenzhen OCT Property Commercial Development Co., Ltd.	Equity transfer	-	4,538,210.00
<b>Total</b>		<b>659,186,530.00</b>	<b>190,313,054.00</b>

### 6. Information on Remuneration for Key Management Personnel

Item	Reporting Period (RMB'0,000)	Same period of last year (RMB'0,000)
<b>Total remuneration</b>	2,953.87	2,872.87

## (III) Balances with Related Party

### 1. Accounts Receivable

Related party	Ending balance		Beginning balance	
	Carrying amount	Bad debt	Carrying amount	Bad debt
<b>Accounts receivable:</b>				
Anhui Kaikai Shijie E-commerce Co., Ltd.	153, 854, 753. 25	3, 170, 897. 81	19, 822, 544. 45	402, 397. 65
HOHOELECTRICAL&FURNITURECO.,LIMITED	124, 721, 168. 78	6, 447, 669. 98	112, 180, 062. 15	2, 277, 255. 26
OCT Group Co. Ltd. And its subsidiaries, associated enterprises	68, 938, 082. 60	1, 503, 214. 49	21, 207, 204. 72	430, 506. 25

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Beginning balance	
	Carrying amount	Bad debt	Carrying amount	Bad debt
Shenzhen Yaode Technology Co., Ltd.	134,098,413.80	12,181,165.68	119,160,752.64	2,426,038.42
Shenzhen Konka Information Network Co., Ltd.	38,956,293.90	5,163,003.42	38,384,430.47	1,536,141.16
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	38,228,985.16	974,569.50	75,330,999.32	1,645,079.86
Shenzhen Konka E-display Co., Ltd.	12,709,150.65	343,432.80	63,110,212.25	1,281,137.31
Wanjun Technology (Kunshan) Co., Ltd. (formerly known as "Kunshan Konka Electronics Co., Ltd.")			235,078.99	4,772.10
<b>Subtotal of other related parties</b>	<b>67,279,675.44</b>	<b>5,088,645.55</b>	<b>13,829,893.57</b>	<b>1,940,210.75</b>
<b>Total</b>	<b>638,786,523.58</b>	<b>34,872,599.23</b>	<b>463,261,178.56</b>	<b>11,943,538.76</b>
<b>Notes receivable:</b>				
Anhui Kaikai Shijie E-commerce Co., Ltd.	2,231,739.87		37,000,000.00	
<b>Subtotal of other related parties</b>	<b>2,243,687.84</b>		<b>6,739,171.02</b>	
<b>Total</b>	<b>4,475,427.71</b>		<b>43,739,171.02</b>	
<b>Interest receivable:</b>				
Chuzhou Kangjin Health Industry Development Co., Ltd.	7,564,562.01		1,120,466.66	
Yantai Kangyue Investment Co., Ltd.	10,910,514.22			

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Beginning balance	
	Carrying amount	Bad debt	Carrying amount	Bad debt
Chongqing Konka Fuze Real Estate Co., Ltd.	15,828,119.98			
Chongqing Qingjia Electronics Co., Ltd.			1,244,022.19	
<b>Total</b>	<b>34,303,196.21</b>		<b>2,364,488.85</b>	
<b>Dividends receivable</b>				
Chongqing Qingjia Electronics Co., Ltd.	547,848.62		547,848.62	
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.	4,400,000.00			
Dai Rongxing	<b>4,947,848.62</b>		<b>547,848.62</b>	
<b>Other receivables:</b>				
Chongqing Liangshan Industrial Investment Co., Ltd.	262,878,000.00	5,362,711.20		
Haiying Technology Group (Hong Kong) Co., Ltd.	247,361,920.74	5,046,183.18		
Jiangxi Meiji Enterprise Co., Ltd.	93,512,640.31	18,833,017.29	93,612,640.31	2,068,839.35
Dai Rongxing	82,914,871.05	21,175,816.98	85,104,483.48	4,161,412.98
OCT Group Co., Ltd. and its subsidiaries, associated enterprises	30,431,127.39	14,223,018.11	29,609,699.81	8,794,143.64
Huanjia Group Co., Ltd.	23,065,103.20	9,226,041.28	23,065,103.20	4,613,020.64
HOHOELECTRICAL&FURNITURECO.,LIMITED	5,519,421.05	112,596.19		
Hu Jiawen			251,625.20	12,300.31
<b>Subtotal of other related parties</b>	<b>473,279.18</b>	<b>21,303.41</b>	<b>84,194.95</b>	<b>6,951.75</b>

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Beginning balance	
	Carrying amount	Bad debt	Carrying amount	Bad debt
<b>Total</b>	<b>746, 156, 362. 92</b>	<b>74, 000, 687. 64</b>	<b>231, 727, 746. 95</b>	<b>19, 656, 668. 67</b>
<b>Prepayments:</b>				
Haiying Technology Group (Hong Kong) Co., Ltd.	306, 033, 571. 06		439, 434, 346. 00	
Shenzhen Konka Information Network Co., Ltd.	40, 220, 535. 22		40, 983, 577. 99	
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	13, 483, 626. 36		13, 763, 739. 19	
HOHOELECTRICAL&FURNITURECO.,LIMITED	7, 655, 079. 81			
Puchuang Jiakang Technology Co, Ltd.	5, 111, 181. 00		39, 920, 926. 00	
Shenzhen Unifortune Supply Chain Management Co., Ltd.			28, 623, 157. 08	
<b>Subtotal of other related parties</b>	<b>5, 647, 733. 34</b>		<b>883, 108. 32</b>	
<b>Total</b>	<b>378, 151, 726. 79</b>		<b>563, 608, 854. 58</b>	
<b>Current portion of non-current assets:</b>				
OCT Group Co., Ltd. and its subsidiaries, associated enterprises	75, 000, 000. 00		60, 000, 000. 00	
Feidi Technology (Shenzhen) Co., Ltd.	30, 630, 065. 09		31, 827, 347. 83	
<b>Subtotal of other related parties</b>			<b>6, 873, 893. 20</b>	
<b>Total</b>	<b>105, 630, 065. 09</b>		<b>98, 701, 241. 03</b>	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Beginning balance	
	Carrying amount	Bad debt	Carrying amount	Bad debt
<b>Other current assets:</b>				
Chongqing Konka Fuze Real Estate Co., Ltd.	188, 430, 000. 00			
Dongguan Konka Investment Co., Ltd.	196, 000, 000. 00			
Chuzhou Kangjin Health Industry Development Co., Ltd.	160, 847, 400. 00		58, 800, 000. 00	
Chuzhou Kangxin Health Industry Development Co., Ltd.	152, 880, 000. 00			
Yantai Kangyue Investment Co. Ltd.	128, 527, 000. 00		128, 983, 984. 89	
<b>Total</b>	<b>826, 684, 400. 00</b>		<b>187, 783, 984. 89</b>	
<b>Long-term receivables:</b>				
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	12, 749, 762. 58		37, 980, 796. 18	
<b>Subtotal of other related parties</b>			<b>421, 998. 80</b>	
<b>Total</b>	<b>12, 749, 762. 58</b>		<b>38, 402, 794. 98</b>	
<b>Other non-current assets:</b>				
OCT Group Co., Ltd. and its subsidiaries, associated enterprises			40, 000, 000. 00	
Chongqing Qingjia Electronics Co., Ltd.	10, 867, 888. 84		8, 900, 000. 00	
<b>Total</b>	<b>10, 867, 888. 84</b>		<b>48, 900, 000. 00</b>	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

**2. Accounts Payable**

<b>Related party</b>	<b>Ending carrying amount</b>	<b>Beginning carrying</b>
<b>Accounts payable:</b>		
Chongqing Lvfeng Renewable Resources Co., Ltd.	18,510,819.80	
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	12,618,777.74	35,164,809.08
OCT Group Co., Ltd. and its subsidiaries, associated enterprises	10,042,155.58	
Anhui Kaikai Shijie E-commerce Co., Ltd.	2,633,353.42	60,733,455.22
Wanjun Technology (Kunshan) Co., Ltd. (formerly known as "Kunshan Konka Electronics Co., Ltd.")	434,816.51	13,012,382.66
<b>Subtotal of other related parties</b>	<b>38,370,021.37</b>	<b>20,584,918.26</b>
<b>Total</b>	<b>82,609,944.42</b>	<b>129,495,565.22</b>
<b>Notes payable:</b>		
<b>Subtotal of other related parties</b>	<b>17,085,784.47</b>	<b>10,863,352.03</b>
<b>Total</b>	<b>17,085,784.47</b>	<b>10,863,352.03</b>
<b>Contract liabilities/other non-current liabilities:</b>		
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	27,430,700.76	
OCT Group Co., Ltd. and its subsidiaries, associated enterprises	15,357,854.41	15,378,600.41
Wanjun Technology (Kunshan) Co., Ltd. (formerly known as "Kunshan Konka Electronics Co., Ltd.")	16,903.16	13,150,116.07
Shenzhen Unifortune Supply Chain Management Co., Ltd.		28,673,472.74
<b>Subtotal of other related parties</b>	<b>4,501,631.71</b>	<b>395,776.64</b>
<b>Total</b>	<b>47,307,090.04</b>	<b>57,597,965.86</b>
<b>Other payables:</b>		

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Related party</b>	<b>Ending carrying amount</b>	<b>Beginning carrying</b>
Chuzhou Hanshang Electric Appliance Co., Ltd.	151,494,362.56	94,093,715.34
Chongqing Lvfeng Renewable Resources Co., Ltd.	5,800,221.60	
E3info (Hainan) Technology Co., Ltd.	50,166,438.36	
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	13,215,861.75	11,767,561.85
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	786,209.02	10,240,000.00
Shenzhen Yaode Technology Co., Ltd.	280,000.00	39,727,606.67
<b>Subtotal of other related parties</b>	<b>6,178,569.39</b>	<b>7,224,602.98</b>
<b>Total</b>	<b>227,921,662.68</b>	<b>163,053,486.84</b>
<b>Current portion of non-current liabilities:</b>		
OCT Group Co., Ltd. and its subsidiaries	10,777,675.49	7,512,375.00
<b>Total</b>	<b>10,777,675.49</b>	<b>7,512,375.00</b>
<b>Long-term payables:</b>		
OCT Group Co., Ltd. and its subsidiaries and associates	40,485,591.71	41,434,396.98
<b>Total</b>	<b>40,485,591.71</b>	<b>41,434,396.98</b>

**XII. Contingency**

(1) As the company holds commercial bills guaranteed to be accepted by Jiangsu Hongtu High-Tech Co., Ltd., the acceptor has not paid the bills after maturity. The company, as the plaintiff, filed a lawsuit with the court for bills with a total amount of 200 million yuan. The debtors Hongtu Sanpower Technology Co., Ltd., Jiangsu Hongtu High Technology Co., Ltd., Sanpower Group Co., Ltd., Nanjing Jiongjiong Electronic Technology Co., Ltd., and Shenzhen Qianhai Benniu Agricultural Technology Co., Ltd. bear joint and several liability for the settlement of the bill amount and overdue interest. In July 2019, the company filed a lawsuit with the court, and the court has preserved the defendant's corresponding property. As of the date of issuance of this report, property execution is ongoing.

(2) The Company held commercial acceptance bills of Shanghai Huaxin International Group Co., Ltd., while the acceptor failed to accept the matured bills. The Company as the plaintiff filed

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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a lawsuit for bills of RMB 300,018,021.01 to the court, asked bill acceptor and Shanghai Huixin International Group Co., Ltd. involves bills before hand the bill amount and default interest shall bear joint liability. As of the date of issuance of this report, the case involving 150 million yuan in the case has been in the compulsory execution stage, and the shareholder has been added as the person to be executed in the case; the courts of the remaining 150 million cases have ruled that the defendant should pay bills and interest to Konka Group Enforced. As of the date of issuance of this report, property execution is ongoing.

(3) The Company held commercial acceptance bills of China Nuclear Engineering & Construction Group Corporation Limited, while the acceptor failed to accept the matured bills. The Company as the plaintiff filed a lawsuit for bills of RMB 78,300,690.24 to court among companies and involves bills before hands the bill amount and default interest shall bear joint liability, and applied for property preservation. As of the date of issuance of this report, more than 1.75 million yuan has been frozen in the defendant's bank account; The court has ordered the defendant to pay the bill and the corresponding interest to Konka Group, and the case is being executed.

(4) The Company's subsidiary, Konka Factoring held commercial acceptance bills of CCCC First Harbor Engineering Co., Ltd., while the acceptor failed to accept the matured bills. The Company as the plaintiff filed a lawsuit for bills of RMB 65,221,300.00 to court among companies and involves bills before hands the bill amount and default interest shall bear joint liability. The Company held commercial acceptance bills of Shanghai Huixin International Group Co., Ltd., while the acceptor failed to accept the matured bills. The Company as the plaintiff filed a lawsuit for bills of RMB 300,018,021.01 to the court, asked bill acceptor and Shanghai Huixin International Group Co., Ltd. involves bills before hand the bill amount and default interest shall bear joint liability. As of the date of issuance of this report, the case involving 150 million yuan in the case has been in the compulsory execution stage, and the shareholder has been added as the person to be executed in the case; the courts of the remaining 150 million cases have ruled that the defendant should pay bills and interest to Konka Group Enforced. As of the date of issuance of this report, the property has not yet been implemented.ability. As of the date of this report, the case is still on trial and the above commercial acceptance bill has not been honored.

(5) The dispute among the Company and China Energy Electric Fuel Co., Ltd., China Energy (Shanghai) Enterprise Co., Ltd., Shanghai Nengping Enterprise Co., Ltd. and Shenzhen Qianhai Baoying Commercial Factoring Co., Ltd. over the right of recourse for bills involves the amount of the subject matter of the lawsuit to be RMB 50 million and the corresponding interest. In September 2018, the Company filed a lawsuit with Shenzhen Intermediate People's Court, which has preserved the defendant's corresponding property. The judgment of this case has come into effect. In the court's judgment, defendants such as China Energy Electric Fuel Co., Ltd. shall pay the bill amount of RMB50 million and the relevant interest to the Company. As of the

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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issuance date of this report, the case was in the execution stage and has applied to the court for additional shareholders to be the executor.

(6) The dispute in bill recourse among the subsidiary of the Company, Konka Factoring (Shenzhen) Co., Ltd., Tahoe Group Co., Ltd., Fuzhou Taijia Enterprise Co., Ltd. and Xiamen Lianchuang Micro-electronics Co., Ltd., has involved with the underlying amount of RMB 50 million and relevant interest. In January 2019, the Company filed a lawsuit to Xiamen Municipal Intermediate People's Court, and the Company has applied for property preservation to the court. As of the issuance date of this report, the case has not given judgment.

(7) The loan contract disputes related to the Company's subsidiary Jiangxi Konka and its subsidiary Xinfeng Microcrystalline, Nanocrystalline, China Great Wall AMC Jiangxi Branch, Zhu Xinming, Leng Sumin, Jiangxi Xinzixin, Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material, Jiangxi Shanshi Science and Technology and etc. Due to the affiliated parties of Jiangxi Konka's original shareholder, i.e. Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material, Jiangxi Shanshi Technology, failed to repay the loan on schedule. Therefore, China Great Wall AMC Jiangxi Branch filed a lawsuit and demanded Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material, Jiangxi Shanshi Science and Technology to repay the loan principal of RMB 300 million, liquidated damages of RMB 108,000 and interest of RMB 13.65 million. Guarantors Jiangxi Konka, Zhu Xinming, Leng Sumin, Nano Crystallized Glass and Xinfeng Microcrystalline were required to bear joint liability for the above debts.

On October 31, 2019, the Jiangxi Provincial Superior People's Court ruled in first instance that Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material, Jiangxi Shanshi Technology would repay the loan principal of RMB 100 million, interest and liquidated damages to China Great Wall AMC Jiangxi Branch within 10 days from the effective date of the judgment respectively. Jiangxi Konka, Zhu Xinming, Leng Sumin, Nano Crystallized Glass and Xinfeng Microcrystalline shall bear joint and several liabilities for all debts determined by the above judgment. The defendants have appealed against the judgment of the first instance, and the Supreme People's Court has accepted the case. As of the date of issuance of this report, the case is still under trial.

The actual controller of Konka New Materials, Zhu Xinming, and his spouse, Leng Sumin, as guarantors, provided a total of about RMB 143 million of real estate mortgage guarantee to Great Wall AMC for the above loans. Zhu Xinming and Leng Sumin also provided joint liability guarantees. In order to avoid the adverse impact of this case on the Company, the Company has agreed in the acquisition agreement of Jiangxi Konka, Xinfeng Microcrystalline and nanometer microcrystalline that all contingent debts incurred by Jiangxi Konka by the original shareholders of Konka new material in the form of joint and several liability. Jiangxi Xinzixin Real Estate Co., Ltd. has held a total of about RMB 243 million of real estate assets as the case of the

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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anti-guarantee mortgage to Konka group and went through the mortgage registration procedures. As of the date of this report, the case is still on trial and the above commercial acceptance bill has not been honored.

(8) The company's subsidiary Konka Huanjia Environmental Protection Technology Co., Ltd. and Huanjia Group Co., Ltd., Dalian Jinshunda Material Recycling Co., Ltd. and other 14 companies have filed a case involving disputes over the sale and purchase contract, and the amount involved in the litigation is RMB 568,491,466.67. Konka Huanjia Environmental Technology Co., Ltd. has applied for the court to seal up and freeze the defendant's corresponding property. As of the date of issuance of this report, no effective judgment has been issued for this case.

(9) The company holds bank acceptance bills accepted by Tianjin Materials Group Finance Co., Ltd., and the acceptor did not redeem the bills after maturity. Therefore, as the plaintiff, the company filed a lawsuit with the court for the bills with a total amount of RMB 200,000,000.00 and requested the bills to be handed over to Wuhan Jialian Agricultural Technology Development Co., Ltd. shall be liable for the settlement of the bill amount and default interest. As of the date of issuance of this report, the case is still under trial, and the above-mentioned commercial acceptance bill has not yet been paid.

(10) The dispute in sales contract between the subsidiary of the Company, Dongguan Konka and Dongguan Gaoneng Polymer Materials Co., Ltd., Wang Dong, Shenzhen Xinlian Xingyao Trading Co., Ltd., Shenzhen Jinchuan Qianchao Network Technology Co., Ltd., Puning Junlong Trading Co., Ltd., Huang Zhihao have involved in RMB 89,405,998.78 (including RMB 52,718,868.54 of overdue payment, the corresponding liquidated damages and litigation costs). In December 2020, the company filed a lawsuit with the court, and the case is currently being heard in Shenzhen Nanshan District People's Court. As of the date of issuance of this report, no effective judgment has been issued for this case.

(11) The dispute over liability for freight forwarding contracts at sea and in sea areas between the subsidiary of the Company, Anhui Konka and Shanghai Triangle Link Logistics Co., Ltd. Shenzhen Branch and Shanghai Triangle Link Logistics Co., Ltd. have involved in RMB 37,966,066.73. In January 2020, the company filed a lawsuit with the court, and the case is currently being heard by the Shanghai Higher People's Court. As of the date of issuance of this report, no effective judgment has been issued for this case.

(12) The dispute in capital increase among the subsidiary of the Company, Shenzhen Nianhua, Fang Xianglong and Jiang Yan has involved in RMB 20,451,631.52, and Shenzhen Nianhua has applied for property preservation to the court. As of the date of issuance of this report, the case has been completed, and the Shenzhen Court of International Arbitration has issued an award, which is currently being implemented.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

### XIII. Commitment and Contingency

#### 1. Capital Commitments

Item	Ending balance	Beginning balance
Commitments signed but hasn't been recognized in financial statements		
—Commitment on construction and purchase of long-lived assets	277,628,800.00	
—Contract with large amount	4,310,308,187.10	3,889,900,964.09
—Foreign investment commitments		103,090,000.00
Total	<b>4,587,936,987.10</b>	<b>3,992,990,964.09</b>

#### 2. Operating Lease Commitments

As of the balance sheet date, the irrevocable operating lease commitments that the Company signed were as followed:

Item	Ending balance	Beginning balance
Minimum lease payments of irrevocable operating lease		
1 year after balance date	52, 265, 285. 12	29, 370, 366. 16
2 years after balance date	36, 586, 799. 43	29, 016, 143. 76
3 years after balance date	8, 779, 702. 07	17, 502, 940. 47
Following years	26, 662, 526. 63	5, 349, 676. 50
Total	<b>124, 294, 313. 26</b>	<b>81, 239, 126. 89</b>

#### 3. Other Commitments

As of 31 December 2020, there were no other significant commitments for the Company to disclose.

### XIV. Events after Balance Sheet Date

#### 1. Significant Non-adjusted Events

The impact of the implementation of the new accounting standards from January 1, 2021

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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The Ministry of Finance of the People's Republic of China (hereinafter referred to as the "Ministry of Finance") issued the Notice on Revising and Issuing (CK No. [2018]35) in December 2018, which shall be implemented from January 1, 2019 by companies listed in both domestic and overseas markets that adopt IFRS or ASBE to prepare financial statements, while other companies that adopt ASBE shall implement the Notice from January 1, 2021.

Main changes of new leasing criteria include: ① Under the new leasing criteria, except for short-term leasing and low-value asset leasing, the lessee shall no longer distinguish separate financial leasing and operating leasing, both of which shall follow the same accounting treatment and recognize the right-of-use assets and leasing liabilities; ② For the right-of-use assets, depreciation shall be accrued over the remaining useful life of the leased assets when the lessee can reasonably determine that ownership of the leased asset can be acquired at the expiration of lease term, otherwise, depreciation shall be accrued within the lease term or remaining useful life of the leased asset, whichever is shorter. The lessee shall also determine the occurrence of impairment of right-of-use assets, and conduct accounting treatment for identified impairment loss; ③ For lease liabilities, the lessee shall calculate interest expense of the lease liabilities during each period of the lease term and include it into profits and losses of the current period; ④ For short-term lease and lease of low-value assets, the lessee may choose not to recognize the right-of-use assets and lease liabilities, and include them in the relevant asset costs or current profits and losses according to straight-line method or other systematic and reasonable methods in each period of the leasing term. To follow the convergence provisions of new leasing criteria, the Company adjusted the retained earnings at the beginning of the current year and amounts of other relevant items in the financial statements based on the cumulative impact of the first implementation of new leasing criteria, without adjusting information of comparable periods. It is expected that the implementation of new leasing criteria will not generate a significant impact on the current or previous owner's equity and net profit of the Company.

From January 1, 2021, Konka Group Co., Ltd. (hereinafter referred to as the "Company") will change its accounting policies in accordance with the "Notice on Revising and Issuing of the Accounting Standards for Business Enterprises No. 21- Leases".

2. No significant non-adjusted events

3. Profit distribution

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Profit or dividend declared to be paid after review and approval (pending approval by the general meeting of shareholders)	Based on the total share capital of 2,407,945,408 shares at the end of 2020, it is proposed to pay a cash dividend of 1 yuan (including tax) for every 10 shares to all shareholders, and the distributed dividend is RMB240,794,540.80. The remaining undistributed profits will be carried forward for distribution in future years. No bonus shares will be sent this time, and no accumulation fund will be converted into increased share capital.
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### 4. Sales returns

After the balance sheet date, no significant sales returns occurred.

5. Except for the above-mentioned disclosure of matters after the balance sheet date, the Company has no other significant events after the balance sheet date.

## XV. Other Significant Events

The Company has no other significant events.

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

### 1. Accounts Receivable

#### (1) Listed by Withdrawal Method of Expected Credit Loss

Category	Ending balance					Carrying value	
	Carrying amount		Bad debt provision		Withdra wal proporti on (%)		
	Amount	Proporti on (%)	Amount	Withdra wal proporti on (%)			
Accounts receivable for which expected credit loss withdrawn separately	948,510,887.48	18.22	552,922,400.60	58.29		395,588,486.88	
Accounts receivable							

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Category	Ending balance				Carrying value	
	Carrying amount		Bad debt provision			
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)		
for which expected credit loss withdrawn by group						
Of which: Aging group	574,995,507.05	11.05	178,675,741.20	31.07	396,319,765.85	
Related party group	3,681,343,439.12	70.73			3,681,343,439.12	
Subtotal of groups	4,256,338,946.17	81.78	178,675,741.20	4.20	4,077,663,204.97	
<b>Total</b>	<b>5,204,849,833.65</b>	<b>100.00</b>	<b>731,598,141.80</b>	<b>14.06</b>	<b>4,473,251,691.85</b>	

(Continued)

Category	Beginning balance				Carrying value	
	Carrying amount		Bad debt provision			
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)		
Accounts receivable for which expected credit loss withdrawn separately	851,581,146.54	8.52	243,095,956.82	28.55	608,485,189.72	
Accounts receivable for which expected credit loss withdrawn by group						
Of which: Aging group	562,863,234.05	5.63	176,154,824.04	31.30	386,708,410.01	
Related	8,585,700,872.27	85.86			8,585,700,872.27	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Category	Beginning balance				Carrying value	
	Carrying amount		Bad debt provision			
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)		
party group						
Subtotal of groups	9,148,564,106.32	91.48	176,154,824.04	1.93	8,972,409,282.28	
<b>Total</b>	<b>10,000,145,252.86</b>	<b>100.00</b>	<b>419,250,780.86</b>	<b>4.19</b>	<b>9,580,894,472.00</b>	

1) Withdrawal of Expected Credit Loss Separately

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion (%)	Reason
CEFC (Shanghai) Group Co., Ltd.	300,018,021.01	240,014,416.81	80.00	Debt default
Tewoo Group Co., Ltd.	200,000,000.00	90,000,000.00	45.00	Judicial reorganization
Jiangsu Hongtu Sanbao High-Tech Technology Co., Ltd.	200,000,000.00	80,000,000.00	40.00	Agreement reorganization
China Nuclear Engineering Construction Group Co., Ltd.	74,582,619.13	22,374,785.74	30.00	Increased credit risk
CCCC No.1 Navigation Bureau No.1 Engineering Co., Ltd	55,438,105.00	48,915,975.00	88.24	Expected to be difficult to recover in full

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Name	Ending balance			Reason
	Carrying amount	Bad debt provision	Withdrawal proportion (%)	
Other	118,472,142.34	71,617,223.05	60.45	
<b>Total</b>	<b>948,510,887.48</b>	<b>552,922,400.60</b>	<b>58.29</b>	

2) Withdrawal of Expected Credit Loss by Group

① Among Groups, Withdrawal of Expected Credit Loss by Aging

Aging	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Within 1 year	337,825,208.74	6,891,634.26	2.04
1 to 2 years	55,708,526.76	5,581,994.38	10.02
2 to 3 years	18,682,949.00	4,239,161.13	22.69
3 to 4 years	2,323,095.43	1,507,224.31	64.88
Over 4 years	160,455,727.12	160,455,727.12	100.00
<b>Total</b>	<b>574,995,507.05</b>	<b>178,675,741.20</b>	<b>31.07</b>

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

Aging	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion (%)
Related party group	3,681,343,439.12		
<b>Total</b>	<b>3,681,343,439.12</b>		

(2) Listed by aging group

Aging	Ending balance
Within 1 year	3, 562, 326, 085. 73
1 to 2 years	772, 416, 357. 56
2 to 3 years	650, 373, 734. 58

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Aging	Ending balance
3 to 4 years	48,616,790.62
Over 4 years	171,116,865.16
<b>Total</b>	<b>5,204,849,833.65</b>
	731,598,141.80
	<b>4,473,251,691.85</b>

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

Category	Beginning balance	Changed amount			Ending balance
		Withdrawn	Collected or reversed	Write-off or verified	
Accounts Receivable Bad Debt Provision	419,250,780.86	312,347,360.94			731,598,141.80
<b>Total</b>	<b>419,250,780.86</b>	<b>312,347,360.94</b>			<b>731,598,141.80</b>

(4) Actual Verification of Accounts Receivable

No actual verified accounts receivable in the Reporting Period.

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

Total amount of Top 5 of ending balance of accounts receivable collected according to arrears party was RMB4,375,127,326.21 accounting for 84.06% of total ending balance of accounts receivable. Total ending balance of bad debt provision withdrawn was RMB410,014,416.81.

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

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

2. Other Receivables

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance	Beginning balance
Interest receivable	41,138,869.97	7,431,353.86
Dividends receivable	749,431,635.50	518,580,871.02
Other receivables	9,244,298,847.60	10,026,808,690.59
<b>Total</b>	<b>10,034,869,353.07</b>	<b>10,552,820,915.47</b>

### 2.1 Interest receivable

Item	Ending balance	Beginning balance
Term deposits	6,830,211.26	4,807,630.04
loan by mandate	34,303,196.21	2,623,723.82
Entrustment loans	5,462.50	
<b>Total</b>	<b>41,138,869.97</b>	<b>7,431,353.86</b>

### 2.2 Dividends receivable

Investee	Ending balance	Beginning balance
Hong Kong Konka Limited	250,808,720.00	214,987,200.00
Konka Factoring (Shenzhen) Co., Ltd.		70,000,000.00
Suining Konka Industrial Park Development Co., Ltd.	280,000,000.00	
Dongguan Konka Electronic Co., Ltd.	218,622,915.50	233,593,671.02
<b>Total</b>	<b>749,431,635.50</b>	<b>518,580,871.02</b>

### 2.3 Other receivables

#### (1) Classified by Account Nature

Nature	Ending carrying amount	Beginning carrying amount
Deposit and margin	9,180,409.27	383,449,285.99
Intercourse funds among subsidiaries	9,378,801,127.33	9,453,745,035.03
Intercourse funds with other related parties	118,043,953.69	182,971,639.02
Energy-saving subsidy receivable	141,549,150.00	141,539,850.00

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Other	89,315,201.21	52,265,159.90
<b>Total</b>	<b>9,736,889,841.50</b>	<b>10,213,970,969.94</b>

(2) Withdrawal of Bad Debt Provision

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (with credit impairment)	
Balance on 1 January 2020	7,296,330.73	17,404,579.39	162,461,369.23	187,162,279.35
In the Reporting Period, Carrying amount of other receivables on 1 January 2020:				
—Transferred to the Phase II	-157,153.93	157,153.93		
—Transferred to the Phase III	-410.58	-18,204.86	18,615.44	
—Transferred back to the Phase II				
—Transferred back to the Phase I				
Withdrawal	-5,237,575.75	738,679.09	323,477,996.93	318,979,100.27
Recovery				
Write-off				
Verification		153,528.90	13,396,856.82	13,550,385.72
Other changes				
<b>Balance on 31 December 2020</b>	<b>1,901,190.46</b>	<b>18,128,678.66</b>	<b>472,561,124.78</b>	<b>492,590,993.90</b>

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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

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

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

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

Category	Ending balance					Carrying value	
	Carrying amount		Bad debt provision		Withdr awal proport ion		
	Amount	Propo rtion	Amount	Withdr awal proport ion			
Other receivables with significant individual amount and make independent provision for expected credit loss	1,764,691,060.74	18.00	472,561,124.78	26.78		1,292,129,935.96	
Other receivables withdrawn bad debt provision according to							

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Category	Ending balance					Carrying value	
	Carrying amount		Bad debt provision		Withdr awal proport ion		
	Amount	Propo rtion	Amount	Withdr awal proport ion			
credit risks characteristics							
Aging group	128,885,012.86	1.00	15,447,446.31	11.99	113,437,566.55		
Low-risk group	17,273,953.16		4,582,422.81	26.53	12,691,530.35		
Related party group	7,826,039,814.74	80.00			7,826,039,814.74		
Subtotal of groups	7,972,198,780.76	82.00	20,029,869.12	0.25	7,952,168,911.64		
<b>Total</b>	<b>9,736,889,841.50</b>	<b>100.00</b>	<b>492,590,993.90</b>	<b>5.06</b>	<b>9,244,298,847.60</b>		

(Continued)

Category	Beginning balance					Carrying value	
	Carrying amount		Bad debt provision		Withdr awal proport ion		
	Amount	Propo rtion	Amount	Withdr awal proport ion			
Other receivables with significant individual amount and make independent provision for expected credit	173,092,959.33	1.69	162,461,369.23	93.86	10,631,590.10		

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

loss					
Other receivables withdrawn bad debt provision according to credit risks characteristics					
Aging group	196,772,672.55	1.93	16,787,423.23	8.53	179,985,249.32
Low-risk group	390,582,659.31	3.82	7,913,486.89	2.03	382,669,172.42
Related party group	9,453,522,678.75	92.55			9,453,522,678.75
Subtotal of groups	10,040,878,010.61	98.30	24,700,910.12	0.25	10,016,177,100.49
<b>Total</b>	<b>10,213,970,969.94</b>	<b>100.00</b>	<b>187,162,279.35</b>	<b>1.83</b>	<b>10,026,808,690.59</b>

(4) Listed by aging

<b>Aging</b>	<b>Ending balance</b>
Within 1 year	6,174,537,325.77
1 to 2 years	2,915,238,116.54
2 to 3 years	243,665,416.10
3 to 4 years	96,722,054.13
4 to 5 years	49,208,593.53
Over 5 years	257,518,335.43
<b>Subtotal</b>	<b>9,736,889,841.50</b>
Less: bad debt provision	492,590,993.90
<b>Total</b>	<b>9,244,298,847.60</b>

(5) Bad Debt Provision for Other Receivables

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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The amount of bad debt provision for this year was RMB318,979,100.27, and other receivables actually written off in this period were RMB13,550,385.72.

(6) Other receivables with top five ending balances collected by debtors.

In this year, the total amount of the top five other receivables collected by debtors at the end of the year was RMB7,395,358,555.11, accounting for 75.95% of the total amount of other receivables at the end of the year, and the total amount of the corresponding accrued bad debt reserves at the end of the year was RMB315,005,562.96.

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

(8) There Was No Asset and Liability Formed by the Transfer and the Continues Involvement of Other Receivables.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

3. Long-term Equity Investment

(1) Category of Long-term Equity Investment

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserve	Carrying value	Carrying amount	Depreciation reserve	Carrying value
Investment to subsidiaries	7,083,817,068.77	102,532,484.69	6,981,284,584.08	5,983,370,982.51	10,732,484.69	5,972,638,497.82
Investment to associates and joint ventures	1,851,048,093.64	26,166,078.16	1,824,882,015.48	1,752,296,635.13	12,850,165.07	1,739,446,470.06
<b>Total</b>	<b>8,934,865,162.41</b>	<b>128,698,562.85</b>	<b>8,806,166,599.56</b>	<b>7,735,667,617.64</b>	<b>23,582,649.76</b>	<b>7,712,084,967.88</b>

(2) Investment to Subsidiaries

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

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this year	Ending balance of depreciation reserve
Konka Unifortune	15,300,000.00			15,300,000.00		
Wankaida	10,000,000.00			10,000,000.00		
Dongguan Konka	274,783,988.91			274,783,988.91		
Life Electric Appliance	31,500,000.00		31,500,000.00			
Konka Europe	3,637,470.00			3,637,470.00		
Commercial System Technology	5,832,000.00		5,832,000.00			
Konka Electrical Appliances	1.00			1.00		10,732,484.69
Telecommunication Technology	360,000,000.00			360,000,000.00		
Mobile Interconnection	20,000,000.00	80,000,000.00		100,000,000.00		
Anhui Tongchuang	481,702,612.22	298,000,000.00		779,702,612.22		
Kangjiatong	15,300,000.00			15,300,000.00		
Konka Pengrun	25,500,000.00			25,500,000.00		

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this year	Ending balance of depreciation reserve
E3info	12,000,000.00		12,000,000.00			
Dongguan Packing	8,602,009.10			8,602,009.10		
E2info	19,322,040.00			19,322,040.00		
Beijing Konka Electronic	200,000,000.00			200,000,000.00		
Konka Circuit	48,750,000.00	42,250,000.00		91,000,000.00		
Hong Kong Konka	781,828.61			781,828.61		
Konka Investment	477,000,000.00	23,000,000.00		500,000,000.00		
Electronics Technology	1,000,000,000.00			1,000,000,000.00		
Yantai Laikang						
Econ Technology	688,500,000.00			688,500,000.00		
Konka Huanjia	91,800,000.00			91,800,000.00	91,800,000.00	91,800,000.00
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		

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

<b>Investee</b>	<b>Beginning balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Provision for impairment this year</b>	<b>Ending balance of depreciation reserve</b>
Shenzhen KONSEMI	100,000,000.00			100,000,000.00		
Konka Eco-Development	50,000.00			50,000.00		
Suining Konka	200,000,000.00			200,000,000.00		
Konka Ronghe	5,100,000.00			5,100,000.00		
Suining Electronic Technological Innovation	200,000,000.00			200,000,000.00		
Dongguan Konka Investment	44,400,000.00	55,600,000.00	100,000,000.00			
Shenzhen Chuangzhi Electrical Appliances	10,000,000.00			10,000,000.00		
Kanghong (Yantai) Environmental Protection	5,100.00	1,020,000.00		1,025,100.00		

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this year	Ending balance of depreciation reserve
Chongqing Kangxinguai	25,500,000.00			25,500,000.00		
Chongqing Optoelectronic Institute	350,000,000.00	650,000,000.00	66,666,666.67	933,333,333.33		
Xinying Semiconductor	14,000,000.00	42,000,000.00		56,000,000.00		
Jiangkang (Shanghai) Technology						
Chongqing Real Estate Development	25,500,000.00		25,500,000.00			
Ningbo Kanghanrui Electrical Appliances	9,000,000.00	81,000,000.00		90,000,000.00		
Konka Zhizao	510.00			510.00		
Debao New Material	3,750,000.00		3,750,000.00			

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Beginning balance	Increase	Decrease	Ending balance	Provision for impairment this year	Ending balance of depreciation reserve
Technology						
Suining Jiarun Real Estate	10,000,000.00			10,000,000.00		
Chuzhou Kangxin Health Industry		30,000,000.00	30,000,000.00			
Kangxinglong Environmental Protection	10,000.00		10,000.00			
Yantai Kangyun		1,530,000.00		1,530,000.00		
Chongqing Kanglei						
Chongqing Kanglei		67,000,000.00		67,000,000.00		
Henan Kangxin Real Estate						
Chongqing Chengda		25,500,000.00	25,500,000.00			
Konka Material		4,304,752.93		4,304,752.93		
<b>Total</b>	<b>5,972,638,497.82</b>	<b>1,401,204,752.93</b>	<b>300,758,666.67</b>	<b>7,073,084,584.08</b>	<b>91,800,000.00</b>	<b>102,532,484.69</b>

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

**(3) Investment to Joint Ventures and Associated Enterprises**

Investee	Balance at the end of last year at the beginning of the year	Increase-decrease			
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Anhui Kaikai Shijie E-commerce Co., Ltd.	23, 529, 741. 15			-6, 129, 002. 71	
Wanjun Technology (Kunshan) Co., Ltd.	128, 896, 753. 19			-7, 317, 169. 02	
Kunshan Kangsheng	175, 254, 554. 65				
Chutian Dragon Co., Ltd.	636, 061, 636. 70			23, 385, 170. 32	
Helongjiang Longkang Zhijia Technology Co., Ltd.	2, 380, 000. 00			-1, 279, 157. 71	
Konka Green, Konka Technology	77, 342, 419. 36			-2, 081, 114. 80	
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.	17, 202, 315. 43			446, 980. 38	
Shenzhen Konka Information Network Co., Ltd.					
Shenzhen Zhongbin Konka	7, 273, 228. 41			-5, 058, 921. 08	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Balance at the end of last year at the beginning of the year	Increase-decrease			
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Technology Co., Ltd.					
Shenzhen Konka Intelligent Electrical Apparatus Co., Ltd.	2, 882, 149. 72			930, 984. 56	
Zhuhai Jinsu Plastic Co., Ltd.	10, 166, 404. 14		10, 549, 865. 19	383, 461. 05	
Shenzhen Bosser New Materials Co., Ltd.	73, 600, 000. 00			-1, 884, 086. 91	
Shenzhen Yaode Technology Co., Ltd.	229, 740, 245. 47			-10, 611, 583. 85	
Wuhan Tianyuan Environmental Protection Co., Ltd.	275, 577, 332. 21			29, 076, 911. 48	
Konka E-display	14, 399, 858. 75			-2, 625, 717. 49	
Chuzhou Konka Technology Industry Development Co., Ltd.	17, 270, 427. 37			-11, 371, 102. 98	
Chuzhou Kangjin Health Industrial Development Co., Ltd.	14, 588, 741. 64			662, 742. 37	
Haimen Kangjian Technology	29, 589, 201. 10			-10, 544, 214. 33	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Balance at the end of last year at the beginning of the year	Increase-decrease			
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Industrial Park Operations and Management Co., Ltd.					
Shenzhen Kangyue Enterprise Co., Ltd.	3,691,460.77			-343,163.72	
Dongguan Konka Investment Co., Ltd.		49,004,878.51		-6,846,600.88	
Chongqing Konka Real Estate Development Co., Ltd.		15,780,864.75		-2,438.71	
Chongqing Chengda Real Estate Co., Ltd.		16,500,000.00		-2,815,247.76	
Chuzhou Kangxin Health Industry Development Co., Ltd.		14,700,000.00		4,242.50	
E3info (Hainan) Technology Co., Ltd.		28,256,240.41		8,318,369.32	
Nanjing Kangxing Science and Technology Industrial Park Operation Management Co., Ltd.		23,462,938.10	23,462,938.10		

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Balance at the end of last year at the beginning of the year	Increase-decrease			
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
<b>Total</b>	<b>1,739,446,470.06</b>	<b>147,704,921.77</b>	<b>34,012,803.29</b>	<b>-5,700,659.97</b>	

(Continued)

Investee	Increase/decrease				Ending balance (carrying value)	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
Anhui Kaikai Shijie E-commerce Co., Ltd.					17,400,738.44	
Wanjun Technology (Kunshan) Co., Ltd.					121,579,584.17	
Kunshan Kangsheng					175,254,554.65	
Chutian Dragon Co., Ltd.		9,240,000.00			650,206,807.02	
Helongjiang Longkang Zhijia Technology Co., Ltd.					1,100,842.29	2,470,398.03

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease				Ending balance (carrying value)	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
Shanghai Konka Technology Co., Ltd.					75,261,304.56	
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.					17,649,295.81	
Shenzhen Konka Information Network Co., Ltd.						5,158,909.06
Shenzhen Zhongbin Konka Technology Co., Ltd.					2,214,307.33	
Shenzhen Konka Intelligent Electrical Apparatus Co., Ltd.					3,813,134.28	
Zhuhai Jinsu Plastic Co., Ltd.						
Shenzhen Bosser New Materials Co., Ltd.			13,315,913.09		58,400,000.00	18,536,771.07
Shenzhen Yaode Technology Co., Ltd.					219,128,661.62	
Wuhan Tianyuan Environmental Protection Co., Ltd.					304,654,243.69	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease				Ending balance (carrying value)	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
Konka E-display					11,774,141.26	
Chuzhou Konka Technology Industry Development Co., Ltd.					5,899,324.39	
Chuzhou Kangjin Health Industrial Development Co., Ltd.					15,251,484.01	
Haimen Kangjian Technology Industrial Park Operations and Management Co., Ltd.					19,044,986.77	
Shenzhen Kangyue Enterprise Co., Ltd.					3,348,297.05	
Dongguan Konka Investment Co., Ltd.					42,158,277.63	
Chongqing Konka Real Estate Development Co., Ltd.					15,778,426.04	
Chongqing Chengda Real Estate Co., Ltd.					13,684,752.24	

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Investee	Increase/decrease				Ending balance (carrying value)	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
Chuzhou Kangxin Health Industry Development Co., Ltd.					14,704,242.50	
E3info (Hainan) Technology Co., Ltd.					36,574,609.73	
Nanjing Kangxing Science and Technology Industrial Park Operation Management Co., Ltd.						
<b>Total</b>		9,240,000.00	13,315,913.09		1,824,882,015.48	26,166,078.16

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

January 1, 2020 to December 31, 2020

(Unless otherwise specified, the notes to this financial statement are all listed in RMB)

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### 4. Operating Revenue and Cost of Sales

#### (1) Operating revenue and operating costs

Item	Reporting Period		Same Period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	3,076,325,721.91	2,769,474,547.43	5,036,032,864.08	4,960,650,274.98
Other operations	638,561,930.58	506,745,792.19	650,069,282.90	452,981,509.79
<b>Total</b>	<b>3,714,887,652.49</b>	<b>3,276,220,339.62</b>	<b>5,686,102,146.98</b>	<b>5,413,631,784.77</b>

(2)Information relating to the transaction price allocated to the remaining performance obligation

At the end of this year, the amount of income corresponding to the performance obligations that have been signed but not yet fulfilled or not fulfilled is 12,142,638.84 yuan, of which 12,142,638.84 yuan is expected to be recognized in 2021.

### 5. Investment Income

Item	Reporting Period	Same Period of last year
Long-term equity investment income accounted by cost method	585,217,964.13	537,735,966.91
Long-term equity investment income accounted by equity method	-5,700,659.97	5,132,712.27
Investment income from disposal of long-term equity investment	1,215,083,684.94	393,939,191.83
Investment income from holding of trading financial assets	4,800,000.00	2,330,000.00
Investment income from disposal of trading	3,405,333.03	-10,285,883.02

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

January 1, 2020 to December 31, 2020

(Unless otherwise specified, the notes to this financial statement are all listed in RMB)

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<b>Item</b>	<b>Reporting Period</b>	<b>Same Period of last year</b>
financial assets		
Income from entrust financial products and entrust loans	19, 038, 445. 39	70, 346, 322. 45
<b>Total</b>	<b>1, 821, 844, 767. 52</b>	<b>999, 198, 310. 44</b>

**XVII. Approval of Financial Statements**

The financial statement was approved on 22 March 2021 by the Board of Directors.

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

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### XVIII. Supplementary Materials

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

Item	Amount	Note
Gain-Loss arising from disposal of non-current assets	2, 431, 648, 255. 26	
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents		
Government subsidies recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	908, 546, 202. 24	
Capital occupation charges on non-financial enterprises that are recorded into current profit or loss		
Gains due to that the investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments		
Gain/Loss on non-monetary asset swap		
Gain/Loss on entrusting others with investments or asset management	18, 476, 648. 12	
Asset impairment provisions due to acts of God such as natural disasters		
Gain/Loss from debt restructuring	1, 127, 066. 94	
Expenses on business reorganization, such as expenses on staff arrangements, integration, etc.		
Gain/Loss on the part over the fair value due to transactions with distinctly unfair prices		
Current net profit or loss of subsidiaries acquired in business combination under the same control from period-beginning to combination date		

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Amount	Note
Gain/Loss incurred from contingency unrelated to the Company's normal operating businesses.		
Gain/loss from change of fair value of trading financial assets and liabilities, and derivative financial assets and liabilities, and investment gains from disposal of trading financial assets and liabilities, and derivative financial assets and liabilities, and investment in other obligatory rights, other than valid hedging related to the Company's common businesses	96,316,772.78	
Reverse of bad debt provision of accounts receivable individually conducting impairment test		
Gain/loss on entrustment loans	64,616,181.90	
Gain/loss on change in fair value of investment property of which the subsequent measurement is carried out adopting fair value method		
Effect on current profit or loss when a one-off adjustment is made to current profit or loss according to requirements of taxation, accounting and other relevant laws and regulations		
Custody fee income when entrusted with operation		
Other non-operating income and expense other than the above	54,271,037.60	
Project confirmed with the definition of non-recurring gains and losses	1,081,111.64	
<b>Subtotal</b>	<b>3,576,083,276.48</b>	
Less: Income tax effects	544,211,364.67	
Non-controlling interests effects (after tax)	186,647,854.72	
<b>Total</b>	<b>2,845,224,057.09</b>	<b>—</b>

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

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

For the Year from 1 January 2020 to 31 December 2020 (all amounts in RMB yuan unless otherwise stated)

Item	Amount	Reason
Software tax refund	30,710,313.50	Government subsidies which are closely related to the normal business of the company and which are in accordance with national policies and certain standard quota or quantitative amount
<b>Total</b>	<b>30,710,313.50</b>	

2. Return on Equity and Earnings Per Share

Profit as of Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to ordinary shareholders of the Company	5.79	0.1984	0.1984
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	-28.72	-0.9832	-0.9832

## **Part XIII Documents Available for Reference**

- I. The financial statements with the signatures and seals of the Company's legal representative, Chief Financial Officer and head of the financial department;
- II. The original copy of the Independent Auditor's Report with the seal of the CPA firm and the signatures & seals of the certified public accountants;
- III. The originals of all the Company's documents and announcements disclosed to the public via newspapers designated by the CSRC in the Reporting Period; and
- IV. Other relevant materials.

The Board of Directors  
Konka Group Co., Ltd.  
23 March 2021