

**KONKA GROUP CO., LTD.**  
**FIRST QUARTERLY REPORT 2021**

**2021-43**

**April 2021**

## **Part I Important Notes**

**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.**

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

**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.**

**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.**

## Part II Key Corporate Information

### I Key Financial Information

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

Yes  No

	Q1 2021	Q1 2020	Change (%)
Operating revenue (RMB)	9,822,169,119.30	7,806,520,237.49	25.82%
Net profit attributable to the listed company's shareholders (RMB)	72,822,573.66	-220,602,940.37	133.01%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	-389,266,066.84	-333,520,116.21	-16.71%
Net cash generated from/used in operating activities (RMB)	-529,240,793.59	-1,031,223,468.58	48.68%
Basic earnings per share (RMB/share)	0.0302	-0.0916	132.97%
Diluted earnings per share (RMB/share)	0.0302	-0.0916	132.97%
Weighted average return on equity (%)	0.86%	-2.77%	3.63%
	31 March 2021	31 December 2020	Change (%)
Total assets (RMB)	51,058,825,129.67	49,876,267,493.61	2.37%
Equity attributable to the listed company's shareholders (RMB)	8,508,179,883.71	8,428,640,176.97	0.94%

Exceptional gains and losses:

Applicable  Not applicable

Unit: RMB

Item	Q1 2021	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	126,657,276.21	
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	422,340,713.56	
Gain/Loss on changes in fair value arising from holding of held-for-trading financial assets and liabilities, derivative financial assets and liabilities and investment income from disposal of held-for-trading financial assets and liabilities, derivative financial assets and liabilities, other debt obligations other than effective hedge business related to the Company's normal operating businesses	20,876,259.35	
Gain/loss on entrustment loans	15,710,462.53	
Non-operating income and expense other than the above	2,197,249.52	
Less: Income tax effects	122,848,096.78	
Non-controlling interests effects (net of tax)	2,845,223.89	

Total	462,088,640.50
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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 (RMB)	Reason
Tax rebates on software	1,943,763.63	Government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards

## II Total Number of Shareholders and Holdings of Top 10 Shareholders at 31 March 2021

### 1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders at the period-end	121,050	Number of preferred shareholders with resumed voting rights at the period-end (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen	
					Status	Shares
OVERSEAS CHINESE TOWN ENTERPRISES CO., LTD	State-owned legal person	21.75%	523,746,932	0		
CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD.	Foreign legal person	7.48%	180,001,110	0		
WANG JINGFENG	Domestic natural person	4.61%	111,000,000	0		
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	Foreign legal person	2.40%	57,850,325	0		
HOLY TIME GROUP LIMITED	Foreign legal person	2.38%	57,289,100	0		
GAOLING FUND,L.P.	Foreign legal person	2.19%	52,801,250	0		
NAM NGAI	Foreign natural person	0.94%	22,567,540	0		
CHINA MERCHANTS SECURITIES (HK) LIMITED	State-owned legal person	0.80%	19,358,220	0		
HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED-ACCOUNT CLIENT	Foreign legal person	0.50%	12,146,654	0		
LI PENG	Domestic natural person	0.40%	9,673,280	0		
Top 10 unrestricted shareholders						

Name of shareholder	Unrestricted shares held	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.	180,001,110	Domestically listed foreign stock	180,001,110
WANG JINGFENG	111,000,000	RMB-denominated ordinary stock	111,000,000
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	57,850,325	Domestically listed foreign stock	57,850,325
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	19,358,220	Domestically listed foreign stock	19,358,220
HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED-ACCOUNT CLIENT	12,146,654	Domestically listed foreign stock	12,146,654
LI PENG	9,673,280	RMB-denominated ordinary stock	9,673,280
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.		
Top 10 shareholders involved in securities margin trading (if any)	Wang Jingfeng holds 111,000,000 A-shares in the Company through his securities account for customer credit trading guarantee in Guotai Junan Securities Co., Ltd. Li Peng holds 9,673,280 A-shares in the Company through his securities account for customer credit trading guarantee in Industrial Securities Co., Ltd.		

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. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable  Not applicable

## Part III Significant Events

### I Changes in Key Financial Statement Line Items and Explanation of why

√ Applicable □ Not applicable

(I) During the Reporting Period, the Company carried on with its long-term development strategy of “Technology + Industry + Parks”. It continued to enhance R&D investments and technological innovation, carry out quality product programs, and optimized the product mix in a market-oriented manner. New products including 8K Mini LED TV, K-Fresh Cell-Level Fresh-Keeping Refrigerator and own-branded solid-state drive products were launched. The R&D and Industrialization of the Key Technology for New Fresh-Keeping Refrigerator Based on Multi-Field Coupling with the Company as one of the participant was granted the Sci-Tech Progress Award (Third Prize) of Anhui Province.

In the Reporting Period, as the COVID-19 pandemic was effectively controlled domestically, the industry began to see increasing prospects, and the Company’s relevant business operations gradually returned to normal. As a result, the Company recorded a 25.82% year-on-year growth in operating revenue. It continued to enhance R&D investments and technological innovation, carry out quality product programs, and increase quality and efficiency. All these efforts contributed to improving profitability.

### (II) Changes in Key Financial Statement Line Items

Unit: RMB

Item	31 March 2021	31 December 2020	Amount of change	Change (%)	Explanation of why
Held-for-trading financial assets	0	618,249,541.66	-618,249,541.66	-100.00%	Maturity of held-for-trading financial assets
Current portion of non-current assets	76,834,884.42	112,310,158.82	-35,475,274.40	-31.59%	Withdrawal of debt investments due within one year
Long-term borrowings	8,046,731,152.78	5,964,748,997.54	2,081,982,155.24	34.90%	New borrowing
Deferred income	231,069,638.99	446,900,524.64	-215,830,885.65	-48.30%	Government grants
Item	Q1 2021	Q1 2020	Amount of change	Change (%)	Explanation of why
Operating revenue	9,822,169,119.30	7,806,520,237.49	2,015,648,881.81	25.82%	Relevant businesses gradually returned to normal with improving prospects in the industry
Cost of sales	9,414,483,468.99	7,239,731,075.92	2,174,752,393.07	30.04%	

R&D expense	119,087,736.76	89,539,723.57	29,548,013.19	33.00%	Greater R&D investments
Net cash generated from/used in operating activities	-529,240,793.59	-1,031,223,468.58	501,982,674.99	48.68%	Cash outflow in the current period decreased compared with that in the previous period
Net cash flow from investment activities	-1,801,820,739.71	-495,855,234.17	-1,305,965,505.54	-263.38%	Increase in payments or fixed assets, intangible assets and other long-lived assets

## II Progress, Influence and Solutions with regard to Significant Events

√ Applicable □ Not applicable

(I) Private placements of corporate bonds: So far, RMB1 billion out of the private placement plan of RMB2.3 billion corporate bonds has been issued on 8 January 2021. The balance of RMB1.3 billion corporate bonds and another private placement plan of RMB600 million corporate bonds are in the process.

(II) Establishment of funds: Currently, Orient Konka Industry M&A Fund respectively holds 7.4969%, 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., and Gma Optoelectronic Technology Co., Ltd., respectively. Kunshan Xinjia Emerging Industrial Development Investment Fund holds 0.38% equity interest in Tongxin Software Technology Co., Ltd. Tongxiang Wuzhen Jiayu Digital Economy Industry Fund holds 12.00% equity interest in Flying Science And Technology (Shenzhen) Co., Ltd. Yibin Kanghui Electronic Information Industry Equity Investment Fund and Yancheng Kangyan Information Industry Investment Fund have completed the filing in Asset Management Association of China. Chongqing Kangxin Equity Investment Fund has accomplished the signing of the partnership agreement and now the filing in Asset Management Association of China is underway.

(III) 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. The main body of Yancheng Semiconductor Assembly & Test Base was basically put in place, the interior decoration is in progress, and equipment has been partially in place.

Summary of the significant event	Disclosure date	Index to the related announcement
Private placement of corporate bonds of RMB0.6 billion	18 September 2019	<a href="http://www.cninfo.com.cn/new/in">http://www.cninfo.com.cn/new/in</a>
Investment and construction of Dongguan Konka Smart Industrial Park	11 March 2017	

Investment and construction of Konka Chuzhou Smart Appliances and Equipment Industrial Park	5 December 2018	dex
Investment and construction of Yibin Smart Terminal High-Tech Industrial Park	16 December 2017	
Investment and construction of Suining Konka Electronic Technology Industrial Park	17 October 2018	
Investment and construction of Chongqing Konka Semiconductor Optoelectronic Industrial Park	9 October 2019	
Investment and construction of Yancheng Semiconductor Closed Beta Base	26 November 2019	
Investment and construction of Guxian Environmental Protection Technology Town	26 November 2019	
Orient Konka Industrial M &A Fund	7 September 2018	
Xinjia Emerging Industry Development Investment Fund	4 March 2020	
Wuzhen Jiayu Digital Economy Industrial Fund	28 March 2020	
Private placement of corporate bonds of RMB2.3 billion	6 June 2020	
Investment and construction of Frestec Refrigeration Park	21 July 2020	
Yibin Kanghui Emerging Industrial Fund	21 July 2020	
Yancheng Electronic Information Industrial Fund	23 September 2020	
Progress of investment and construction of Guxian Environmental Protection Technology Town in Yantai	1 December 2020	
Chongqing Kangxin Semi-conductor Industrial Fund	16 December 2020	
Issuing result of private placement of corporate bonds (Phase I) in 2021	9 January 2021	
Signing the project entry agreement with Xi'an International Trade & Logistics Park	10 February 2021	
Plan of transfer of 51% of equity in Shenzhen Kangxin Property Co., Ltd.	27 March 2021	
Completing the changes in the registration for transferring 17% of equity in Yantai Kangyun Industrial Development Co., Ltd.	1 April 2021	
Signing the agreement regarding transferring 39% of equity in Shanghai Konka Green Technology Co., Ltd. and receiving the equity transfer money	14 April 2021	

Progress of any share repurchase:

Applicable  Not applicable

Progress of any reduction of the repurchased shares through centralized bidding:

Applicable  Not applicable

**III Commitments that the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company Itself or Other Parties, Failed to Fulfill on Time during the Reporting Period**



Applicable  Not applicable

#### **IV 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.

#### **V Progress of Projects Financed with Raised Funds**

Applicable  Not applicable

#### **VI Operating Performance Forecast for January-June 2021**

Warning of a forecast loss on or a forecast significant YoY change in accumulative net profit from the beginning of the year to the end of the next reporting period, as well as explanation of why:

Applicable  Not applicable

#### **VII Significant Contracts Arising from the Company's Ordinary Course of Business**

Applicable  Not applicable

#### **VIII Cash Entrusted for Wealth Management**

Applicable  Not applicable

Unit: RMB'0,000

Specific type	Capital resources	Amount incurred	Undue Balance	Overdue amount
Bank financial products	Self-owned funds	61,990.62	0	0
Total		61,990.62	0	0

High-risk wealth management transactions with a significant single amount, or with low security, low liquidity or no principal protection:

Applicable  Not applicable

Wealth management transactions with possible impairments including an expectedly unrecoverable principal:

Applicable  Not applicable

**IX Irregularities in the Provision of Guarantees**

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

No such cases in the Reporting Period.

**XI Communications with the Investment Community such as Researches, Inquiries and Interviews Received 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
11 January 2021	Conference Room in the Office Building of Konka R&D Building	By phone	Institution	Wang Anya from Taiwan Dongteng Innovation Investment Co., Ltd.	Inquired about the Company's development direction and business segments, the development situation of businesses including Micro LED, technology industrial park and white household appliance with no materials provided.	<a href="http://www.cninfo.com.cn/new/index">http://www.cninfo.com.cn/new/index</a>

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

31 March 2021

Unit: RMB

Item	31 March 2021	31 December 2020
Current assets:		
Monetary assets	5,495,828,722.35	5,431,530,180.90
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets		618,249,541.66
Derivative financial assets		
Notes receivable	2,105,805,615.98	2,358,180,193.96
Accounts receivable	4,307,128,915.94	3,900,897,623.59
Accounts receivable financing	62,075,923.80	84,057,197.44
Prepayments	1,425,647,455.16	1,183,270,543.41
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	1,955,080,618.62	2,145,736,640.60
Including: Interest receivable	49,890,695.48	45,109,425.85
Dividends receivable	547,848.62	4,947,848.62
Financial assets purchased under resale agreements		
Inventories	4,956,993,055.96	4,521,300,677.41
Contract assets	2,925,007,726.20	2,870,006,710.39
Assets held for sale		
Current portion of non-current assets	76,834,884.42	112,310,158.82
Other current assets	2,272,999,345.72	1,913,146,483.39
Total current assets	25,583,402,264.15	25,138,685,951.57
Non-current assets:		
Loans and advances to customers		

Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables	394,038,233.01	399,497,204.03
Long-term equity investments	4,532,885,748.17	4,375,833,584.65
Investments in other equity instruments	25,343,293.16	25,343,293.16
Other non-current financial assets	1,909,816,210.38	1,878,154,796.76
Investment property	534,822,949.03	538,585,668.29
Fixed assets	3,167,964,226.63	3,178,642,017.84
Construction in progress	9,582,480,644.29	9,236,643,931.68
Productive living assets		
Oil and gas assets		
Right-of-use assets	92,864,940.64	
Intangible assets	1,169,901,220.57	1,189,191,001.51
Development costs		
Goodwill	675,795,873.17	675,795,873.17
Long-term prepaid expense	167,019,596.15	153,198,562.82
Deferred income tax assets	1,278,750,415.51	1,265,916,437.39
Other non-current assets	1,943,739,514.81	1,820,779,170.74
Total non-current assets	25,475,422,865.52	24,737,581,542.04
Total assets	51,058,825,129.67	49,876,267,493.61
Current liabilities:		
Short-term borrowings	11,111,298,316.46	10,990,550,475.78
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,205,764,073.28	1,335,987,026.21
Accounts payable	9,316,824,302.89	9,632,366,325.76
Advances from customers		
Contract liabilities	933,131,420.21	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	256,391,033.99	476,616,244.45
Taxes payable	466,991,812.68	508,214,059.16
Other payables	2,146,803,355.59	1,999,430,899.69
Including: Interest payable	176,712,151.95	220,837,380.17
Dividends payable	4,410,000.00	
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	333,303,997.49	376,896,566.29
Other current liabilities	428,194,177.59	441,774,317.23
Total current liabilities	26,198,702,490.18	26,979,203,650.51
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	8,046,731,152.78	5,964,748,997.54
Bonds payable	4,992,387,316.57	4,993,212,788.32
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	55,993,583.49	
Long-term payables	471,260,368.44	481,409,849.96
Long-term employee benefits payable	5,212,124.66	5,248,309.14
Provisions	107,556,088.18	102,353,567.91
Deferred income	231,069,638.99	446,900,524.64
Deferred income tax liabilities	79,880,961.80	75,819,231.93
Other non-current liabilities	126,520,389.88	106,475,449.02
Total non-current liabilities	14,116,611,624.79	12,176,168,718.46
Total liabilities	40,315,314,114.97	39,155,372,368.97
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	236,887,329.26	230,185,310.09
Less: Treasury stock		
Other comprehensive income	-16,290,398.70	-16,583,042.42

Specific reserve		
Surplus reserves	1,211,721,109.67	1,211,721,109.67
General reserve		
Retained earnings	4,667,916,435.48	4,595,371,391.63
Total equity attributable to owners of the Company as the parent	8,508,179,883.71	8,428,640,176.97
Non-controlling interests	2,235,331,130.99	2,292,254,947.67
Total owners' equity	10,743,511,014.70	10,720,895,124.64
Total liabilities and owners' equity	51,058,825,129.67	49,876,267,493.61

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 March 2021	31 December 2020
Current assets:		
Monetary assets	3,437,036,404.30	3,481,445,560.17
Held-for-trading financial assets		298,497,458.33
Derivative financial assets		
Notes receivable	784,921,259.76	879,589,355.91
Accounts receivable	5,478,711,363.15	4,473,251,691.85
Accounts receivable financing	5,659,400.00	5,659,400.00
Prepayments	927,168,571.94	1,021,218,285.46
Other receivables	10,850,207,248.05	10,034,869,353.07
Including: Interest receivable	47,533,681.27	41,138,869.97
Dividends receivable	750,486,555.50	749,431,635.50
Inventories	276,282,611.59	202,406,456.36
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	1,296,191,313.75	1,020,031,186.39
Total current assets	23,056,178,172.54	21,416,968,747.54
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		

Long-term equity investments	9,030,064,013.22	8,806,166,599.56
Investments in other equity instruments	17,940,215.36	17,940,215.36
Other non-current financial assets	203,000,000.00	250,230,000.00
Investment property	402,774,818.66	406,237,236.91
Fixed assets	426,930,324.47	431,762,044.14
Construction in progress	204,671,143.65	132,464,938.18
Productive living assets		
Oil and gas assets		
Right-of-use assets	5,680,074.59	
Intangible assets	57,685,850.89	59,506,272.63
Development costs		
Goodwill		
Long-term prepaid expense	15,016,575.03	16,532,521.69
Deferred income tax assets	1,016,449,004.26	980,095,292.53
Other non-current assets	11,045,888.84	10,867,888.84
Total non-current assets	11,391,257,908.97	11,111,803,009.84
Total assets	34,447,436,081.51	32,528,771,757.38
Current liabilities:		
Short-term borrowings	5,065,072,539.35	5,052,990,048.93
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	716,219,094.93	1,344,958,738.50
Accounts payable	8,671,785,626.53	6,811,467,585.39
Advances from customers		
Contract liabilities	718,379,517.96	723,022,740.95
Employee benefits payable	62,286,222.16	147,391,317.06
Taxes payable	5,941,749.75	4,094,133.23
Other payables	4,182,811,180.78	4,275,347,622.57
Including: Interest payable	171,666,688.63	215,828,625.04
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	9,565,029.64	5,867,425.49
Other current liabilities	1,268,104.34	6,108,675.36
Total current liabilities	19,433,329,065.44	18,371,248,287.48

Non-current liabilities:		
Long-term borrowings	3,928,904,773.28	2,930,034,612.32
Bonds payable	4,992,387,316.57	4,993,212,788.32
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	3,329,397.02	
Long-term payables	14,900,875.71	17,633,249.67
Long-term employee benefits payable		
Provisions	1,015,259.19	832,465.72
Deferred income	46,815,659.44	61,530,557.55
Deferred income tax liabilities		2,334,364.58
Other non-current liabilities	52,254,630.52	54,162,098.05
Total non-current liabilities	9,039,607,911.73	8,059,740,136.21
Total liabilities	28,472,936,977.17	26,430,988,423.69
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	112,570,352.72
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	2,229,100,775.74	2,352,385,005.09
Total owners' equity	5,974,499,104.34	6,097,783,333.69
Total liabilities and owners' equity	34,447,436,081.51	32,528,771,757.38

### 3. Consolidated Income Statement

Unit: RMB

Item	Q1 2021	Q1 2020
1. Revenue	9,822,169,119.30	7,806,520,237.49
Including: Operating revenue	9,822,169,119.30	7,806,520,237.49
Interest income		
Insurance premium income		



Handling charge and commission income		
2. Costs and expenses	10,328,392,295.03	8,238,718,867.67
Including: Cost of sales	9,414,483,468.99	7,239,731,075.92
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	19,689,328.47	15,308,409.56
Selling expense	384,406,831.83	474,319,677.27
Administrative expense	190,572,518.95	240,679,941.63
R&D expense	119,087,736.76	89,539,723.57
Finance costs	200,152,410.03	179,140,039.72
Including: Interest expense	241,076,377.51	299,701,187.78
Interest income	38,353,963.17	75,521,808.48
Add: Other income	423,439,468.60	91,772,474.77
Return on investment (“-” for loss)	143,491,581.78	54,859,916.67
Including: Share of profit or loss of joint ventures and associates	-562,268.87	
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)	3,691,020.84	
Credit impairment loss (“-” for loss)	1,841,004.17	-1,851,680.71
Asset impairment loss (“-” for loss)	340,422.57	1,008,713.42
Asset disposal income (“-” for loss)	-150,371.12	-21,776.59
3. Operating profit (“-” for loss)	66,429,951.11	-286,430,982.62
Add: Non-operating income	3,641,173.82	6,708,221.29
Less: Non-operating expense	659,880.52	329,999.39
4. Profit before tax (“-” for loss)	69,411,244.41	-280,052,760.72
Less: Income tax expense	50,676,074.79	-5,687,275.24
5. Net profit (“-” for net loss)	18,735,169.62	-274,365,485.48

5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	18,735,169.62	-274,365,485.48
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to shareholders of the Company as the parent	72,822,573.66	-220,602,940.37
5.2.1 Net profit attributable to non-controlling interests	-54,087,404.04	-53,762,545.11
6. Other comprehensive income, net of tax	601,064.90	305,885.47
Attributable to owners of the Company as the parent	292,643.72	-1,213,168.07
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	292,643.72	-1,213,168.07
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	292,643.72	-1,213,168.07
6.2.7 Other		
Attributable to non-controlling interests	308,421.18	1,519,053.54
7. Total comprehensive income	19,336,234.52	-274,059,600.01
Attributable to owners of the Company as the parent	73,115,217.38	-221,816,108.44
Attributable to non-controlling interests	-53,778,982.86	-52,243,491.57
8. Earnings per share		
8.1 Basic earnings per share	0.0302	-0.0916

8.2 Diluted earnings per share	0.0302	-0.0916
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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	Q1 2021	Q1 2020
1. Operating revenue	572,828,936.17	2,173,088,156.73
Less: Cost of sales	526,837,769.50	1,908,039,936.17
Taxes and surcharges	1,530,199.56	1,190,131.21
Selling expense	90,725,439.78	206,626,489.19
Administrative expense	63,447,264.56	122,812,588.05
R&D expense	12,244,133.13	10,427,818.73
Finance costs	84,383,746.30	98,317,835.64
Including: Interest expense	214,458,640.65	247,210,956.09
Interest income	123,379,686.00	116,118,501.10
Add: Other income	21,437,602.25	47,511,070.74
Return on investment (“-” for loss)	47,236,157.82	37,878,815.64
Including: Share of profit or loss of joint ventures and associates	-8,613,603.76	
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	1,656,645.84	
Credit impairment loss (“-” for loss)	-27,664,804.19	
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	-163,674,014.94	-88,936,755.88
Add: Non-operating income	1,720,057.44	141,649.22
Less: Non-operating expense	30,890.57	101,484.58
3. Profit before tax (“-” for loss)	-161,984,848.07	-88,896,591.24
Less: Income tax expense	-38,699,601.30	-21,239,920.46
4. Net profit (“-” for net loss)	-123,285,246.77	-67,656,670.78
4.1 Net profit from continuing operations (“-” for net loss)	-123,285,246.77	-67,656,670.78
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		

5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
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	-123,285,246.77	-67,656,670.78
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2021	Q1 2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	9,512,332,772.71	8,499,871,584.58
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	56,409,474.20	61,099,379.53
Cash generated from other operating activities	657,621,963.41	517,064,976.00
Subtotal of cash generated from operating activities	10,226,364,210.32	9,078,035,940.11
Payments for commodities and services	9,476,296,648.41	8,277,120,758.49
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	625,328,886.69	522,535,841.05
Taxes paid	185,945,308.90	497,454,218.72
Cash used in other operating activities	468,034,159.91	812,148,590.43
Subtotal of cash used in operating activities	10,755,605,003.91	10,109,259,408.69
Net cash generated from/used in operating activities	-529,240,793.59	-1,031,223,468.58
2. Cash flows from investing activities:		
Proceeds from disinvestment	45,012,770.66	51,626,012.60
Return on investment	31,075,186.16	42,185,934.10
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	159,251,958.00	291,834.00
Net proceeds from the disposal of subsidiaries and other business units	34,089,192.68	
Cash generated from other investing activities	101,331,124.10	484,929,444.44
Subtotal of cash generated from investing activities	370,760,231.60	579,033,225.14
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	1,803,853,686.63	986,208,459.31
Payments for investments	188,127,428.68	400,000.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	180,599,856.00	88,280,000.00

Subtotal of cash used in investing activities	2,172,580,971.31	1,074,888,459.31
Net cash generated from/used in investing activities	-1,801,820,739.71	-495,855,234.17
3. Cash flows from financing activities:		
Capital contributions received	44,368,539.07	92,900,439.00
Including: Capital contributions by non-controlling interests to subsidiaries	44,368,539.07	92,900,439.00
Borrowings raised	7,240,208,717.59	5,990,188,961.51
Cash generated from other financing activities	296,375,956.73	120,900,000.00
Subtotal of cash generated from financing activities	7,580,953,213.39	6,203,989,400.51
Repayment of borrowings	4,466,489,496.89	3,561,043,093.07
Interest and dividends paid	226,688,210.14	251,247,798.13
Including: Dividends paid by subsidiaries to non-controlling interests	3,087,000.00	
Cash used in other financing activities	171,080,346.77	80,860,476.44
Subtotal of cash used in financing activities	4,864,258,053.80	3,893,151,367.64
Net cash generated from/used in financing activities	2,716,695,159.59	2,310,838,032.87
4. Effect of foreign exchange rates changes on cash and cash equivalents	3,140,025.95	9,479,762.14
5. Net increase in cash and cash equivalents	388,773,652.24	793,239,092.26
Add: Cash and cash equivalents, beginning of the period	4,298,056,113.24	4,493,701,917.22
6. Cash and cash equivalents, end of the period	4,686,829,765.48	5,286,941,009.48

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

Unit: RMB

Item	Q1 2021	Q1 2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	999,059,567.78	2,771,899,784.42
Tax rebates	22,557,838.62	20,649,207.83
Cash generated from other operating activities	217,038,045.37	2,075,822,222.03
Subtotal of cash generated from operating activities	1,238,655,451.77	4,868,371,214.28
Payments for commodities and services	898,514,624.74	1,450,487,246.54
Cash paid to and for employees	140,791,858.87	133,423,344.93
Taxes paid	2,964,844.09	4,136,871.33
Cash used in other operating activities	223,573,250.93	2,873,144,580.53
Subtotal of cash used in operating activities	1,265,844,578.63	4,461,192,043.33
Net cash generated from/used in operating activities	-27,189,126.86	407,179,170.95
2. Cash flows from investing activities:		

Proceeds from disinvestment	69,047,750.00	32,450,000.00
Return on investment	158,365.75	15,939,565.72
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets		40,484.00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	586,521,708.23	432,059,444.44
Subtotal of cash generated from investing activities	655,727,823.98	480,489,494.16
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	70,146,625.59	25,216,708.68
Payments for investments	196,500,000.00	167,400,000.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	1,364,896,522.33	88,280,000.00
Subtotal of cash used in investing activities	1,631,543,147.92	280,896,708.68
Net cash generated from/used in investing activities	-975,815,323.94	199,592,785.48
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	4,888,475,384.37	2,292,002,445.87
Cash generated from other financing activities	2,645,944,956.96	
Subtotal of cash generated from financing activities	7,534,420,341.33	2,292,002,445.87
Repayment of borrowings	3,520,533,434.80	2,559,852,000.00
Interest and dividends paid	196,717,205.76	218,167,563.74
Cash used in other financing activities	2,551,627,277.85	4,759,802.05
Subtotal of cash used in financing activities	6,268,877,918.41	2,782,779,365.79
Net cash generated from/used in financing activities	1,265,542,422.92	-490,776,919.92
4. Effect of foreign exchange rates changes on cash and cash equivalents	1,751,291.25	2,905,864.39
5. Net increase in cash and cash equivalents	264,289,263.37	118,900,900.90
Add: Cash and cash equivalents, beginning of the period	2,910,762,592.99	1,337,342,186.92
6. Cash and cash equivalents, end of the period	3,175,051,856.36	1,456,243,087.82

## II Adjustments to the Financial Statements

### 1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of the New Standards Governing Leases from 2021

√ Applicable □ Not applicable

Whether items of the balance sheets at the beginning of the year need adjustments

√ Yes □ No

#### (1) Consolidated Balance Sheet

Unit: RMB

Item	31 December 2020	1 January 2021	Adjustment
Current assets:			
Monetary assets	5,431,530,180.90	5,431,530,180.90	
Settlement reserve			
Interbank loans granted			
Held-for-trading financial assets	618,249,541.66	618,249,541.66	
Derivative financial assets			
Notes receivable	2,358,180,193.96	2,358,180,193.96	
Accounts receivable	3,900,897,623.59	3,900,897,623.59	
Accounts receivable financing	84,057,197.44	84,057,197.44	
Prepayments	1,183,270,543.41	1,182,471,715.24	-798,828.17
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables	2,145,736,640.60	2,145,209,803.70	-526,836.90
Including: Interest receivable	45,109,425.85	45,109,425.85	
Dividends receivable	4,947,848.62	4,947,848.62	
Financial assets purchased under resale agreements			
Inventories	4,521,300,677.41	4,521,300,677.41	
Contractual assets	2,870,006,710.39	2,870,006,710.39	
Assets classified as held for sale			
Current portion of non-current assets	112,310,158.82	112,310,158.82	
Other current assets	1,913,146,483.39	1,913,146,483.39	
Total current assets	25,138,685,951.57	25,137,360,286.50	-1,325,665.07
Non-current assets:			
Loans and advances to customers			
Investments in debt obligations			



Investments in other debt obligations			
Long-term receivables	399,497,204.03	399,497,204.03	
Long-term equity investments	4,375,833,584.65	4,375,833,584.65	
Investments in other equity instruments	25,343,293.16	25,343,293.16	
Other non-current financial assets	1,878,154,796.76	1,878,154,796.76	
Investment property	538,585,668.29	538,585,668.29	
Fixed assets	3,178,642,017.84	3,178,642,017.84	
Construction in progress	9,236,643,931.68	9,236,643,931.68	
Productive living assets			
Oil and gas assets			
Use rights assets		103,838,847.54	103,838,847.54
Intangible assets	1,189,191,001.51	1,189,191,001.51	
R&D expense			
Goodwill	675,795,873.17	675,795,873.17	
Long-term prepaid expense	153,198,562.82	153,198,562.82	
Deferred income tax assets	1,265,916,437.39	1,265,916,437.39	
Other non-current assets	1,820,779,170.74	1,820,779,170.74	
Total non-current assets	24,737,581,542.04	24,841,420,389.58	103,838,847.54
Total assets	49,876,267,493.61	49,978,780,676.08	102,513,182.47
Current liabilities:			
Short-term borrowings	10,990,550,475.78	10,990,550,475.78	
Borrowings from the central bank			
Interbank loans obtained			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	1,335,987,026.21	1,335,987,026.21	
Accounts payable	9,632,366,325.76	9,632,366,325.76	
Advances from customers			
Contractual liabilities	1,217,367,735.94	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			
Payroll payable	476,616,244.45	476,616,244.45	

Taxes payable	508,214,059.16	508,214,059.16	
Other payables	1,999,430,899.69	1,991,555,887.10	-7,875,012.59
Including: Interest payable	220,837,380.17	220,837,380.17	
Dividends payable			
Handling charges and commissions payable			
Reinsurance payables			
Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities	376,896,566.29	425,552,664.43	48,656,098.14
Other current liabilities	441,774,317.23	441,774,317.23	
Total current liabilities	26,979,203,650.51	27,019,984,736.06	40,781,085.55
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	5,964,748,997.54	5,964,748,997.54	
Bonds payable	4,993,212,788.32	4,993,212,788.32	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		61,732,096.92	61,732,096.92
Long-term payables	481,409,849.96	481,409,849.96	
Long-term payroll payable	5,248,309.14	5,248,309.14	
Provisions	102,353,567.91	102,353,567.91	
Deferred income	446,900,524.64	446,900,524.64	
Deferred income tax liabilities	75,819,231.93	75,819,231.93	
Other non-current liabilities	106,475,449.02	106,475,449.02	
Total non-current liabilities	12,176,168,718.46	12,237,900,815.38	61,732,096.92
Total liabilities	39,155,372,368.97	39,257,885,551.44	102,513,182.47
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	230,185,310.09	
Less: Treasury stock			
Other comprehensive income	-16,583,042.42	-16,583,042.42	
Specific reserve			

Surplus reserves	1,211,721,109.67	1,211,721,109.67	
General reserve			
Retained earnings	4,595,371,391.63	4,595,371,391.63	
Total equity attributable to owners of the Company as the parent	8,428,640,176.97	8,428,640,176.97	
Non-controlling interests	2,292,254,947.67	2,292,254,947.67	
Total owners' equity	10,720,895,124.64	10,720,895,124.64	
Total liabilities and owners' equity	49,876,267,493.61	49,978,780,676.08	102,513,182.47

#### Notes for adjustment

The Ministry of Finance issued the revised "Accounting Standards for Business Enterprises No. 21-Leases"(Cai Kuai [2018]No.35) in 2018, and the Company implemented it since 1 January 2021. According to the new standards governing leases, enterprises implementing this standard for the first time should adjust the amount of retained earnings and other related items in the financial statements at the beginning of the year when the standard is first implemented based on the cumulative impact of the first implementation of the standard, and no adjustment is made to the information for the comparable period.

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

Unit: RMB

Item	31 December 2020	1 January 2021	Adjusted
Current assets:			
Monetary assets	3,481,445,560.17	3,481,445,560.17	
Held-for-trading financial assets	298,497,458.33	298,497,458.33	
Derivative financial assets			
Notes receivable	879,589,355.91	879,589,355.91	
Accounts receivable	4,473,251,691.85	4,473,251,691.85	
Accounts receivable financing	5,659,400.00	5,659,400.00	
Prepayments	1,021,218,285.46	1,021,218,285.46	
Other receivables	10,034,869,353.07	10,034,869,353.07	
Including: Interest receivable	41,138,869.97	41,138,869.97	
Dividends receivable	749,431,635.50	749,431,635.50	
Inventories	202,406,456.36	202,406,456.36	
Contractual assets			
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets	1,020,031,186.39	1,020,031,186.39	
Total current assets	21,416,968,747.54	21,416,968,747.54	

Non-current assets:			
Investments in debt obligations			
Investments in other debt obligations			
Long-term receivables			
Long-term equity investments	8,806,166,599.56	8,806,166,599.56	
Investments in other equity instruments	17,940,215.36	17,940,215.36	
Other non-current financial assets	250,230,000.00	250,230,000.00	
Investment property	406,237,236.91	406,237,236.91	
Fixed assets	431,762,044.14	431,762,044.14	
Construction in progress	132,464,938.18	132,464,938.18	
Productive living assets			
Oil and gas assets			
Use rights assets		6,321,843.42	6,321,843.42
Intangible assets	59,506,272.63	59,506,272.63	
R&D expense			
Goodwill			
Long-term prepaid expense	16,532,521.69	16,532,521.69	
Deferred income tax assets	980,095,292.53	980,095,292.53	
Other non-current assets	10,867,888.84	10,867,888.84	
Total non-current assets	11,111,803,009.84	11,118,124,853.26	6,321,843.42
Total assets	32,528,771,757.38	32,535,093,600.80	6,321,843.42
Current liabilities:			
Short-term borrowings	5,052,990,048.93	5,052,990,048.93	
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	1,344,958,738.50	1,344,958,738.50	
Accounts payable	6,811,467,585.39	6,811,467,585.39	
Advances from customers			
Contractual liabilities	723,022,740.95	723,022,740.95	
Payroll payable	147,391,317.06	147,391,317.06	
Taxes payable	4,094,133.23	4,094,133.23	
Other payables	4,275,347,622.57	4,275,347,622.57	
Including: Interest payable	215,828,625.04	215,828,625.04	
Dividends payable			

Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities	5,867,425.49	8,297,306.42	2,429,880.93
Other current liabilities	6,108,675.36	6,108,675.36	
Total current liabilities	18,371,248,287.48	18,373,678,168.41	2,429,880.93
Non-current liabilities:			
Long-term borrowings	2,930,034,612.32	2,930,034,612.32	
Bonds payable	4,993,212,788.32	4,993,212,788.32	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		3,891,962.49	3,891,962.49
Long-term payables	17,633,249.67	17,633,249.67	
Long-term payroll payable			
Provisions	832,465.72	832,465.72	
Deferred income	61,530,557.55	61,530,557.55	
Deferred income tax liabilities	2,334,364.58	2,334,364.58	
Other non-current liabilities	54,162,098.05	54,162,098.05	
Total non-current liabilities	8,059,740,136.21	8,063,632,098.70	3,891,962.49
Total liabilities	26,430,988,423.69	26,437,310,267.11	6,321,843.42
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	112,570,352.72	
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	2,352,385,005.09	
Total owners' equity	6,097,783,333.69	6,097,783,333.69	
Total liabilities and owners' equity	32,528,771,757.38	32,535,093,600.80	6,321,843.42

### Notes for adjustment

The Ministry of Finance issued the revised "Accounting Standards for Business Enterprises No. 21-Leases"(Cai Kuai [2018]No.35) in 2018, and the Company implemented it since 1 January 2021. According to the new standards governing leases, enterprises implementing this standard for the first time should adjust the amount of retained earnings and other related items in the financial statements at the beginning of the year when the standard is first implemented based on the cumulative impact of the first implementation of the standard, and no adjustment is made to the information for the comparable period.

### **2. Retrospective Restatement of Previous Comparative Data due to the First Execution of the New Standards Governing Leases from 2021**

Applicable  Not applicable

The Ministry of Finance issued the revised "Accounting Standards for Business Enterprises No. 21-Leases"(Cai Kuai [2018]No.35) in 2018, and the Company implemented it since 1 January 2021. According to the new standards governing leases, enterprises implementing this standard for the first time should adjust the amount of retained earnings and other related items in the financial statements at the beginning of the year when the standard is first implemented based on the cumulative impact of the first implementation of the standard, and no adjustment is made to the information for the comparable period.

### **III Independent Auditor's Report**

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes  No

These financial statements have not been audited by such an auditor.

The Board of Directors

Konka Group Co., Ltd.

28 April 2021