

KONKA GROUP CO., LTD.

ANNUAL REPORT 2021

2022-22

March 2022

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.

Zhou Bin, the Company’s legal representative, Li Chunlei, the Company’s Chief Financial Officer (CFO), and Guo Zhihua, the 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 RMB0.50 (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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Documents Available for Reference

1. The financial statements with the signatures and seals of the Company's legal representative, Chief Financial Officer and head of the financial department;
2. The original copy of the Independent Auditor's Report with the seal of the CPA firm and the signatures & seals of the certified public accountants;
3. The originals of all the Company's documents and announcements disclosed to the public in the Reporting Period;
4. This Report and its summary with the signature of the Company's legal representative and the seal of the Company; and
5. Other relevant materials.

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
Electronics Technology	Shenzhen Konka Electronics Technology Co., Ltd.
Anhui Zhilian	Anhui Konka Zhilian E-Commerce 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.
Nantong Hongdin	Nantong Hongdin Smart Technology Co., Ltd.
Youzhihui	Shenzhen Youzhihui Technology Co., Ltd.
Xiaojia Technology	Xiaojia Technology Co., Ltd.
Liaoyang Kangshun Smart	Liaoyang Kangshun Smart Technology Co., Ltd.
Liaoyang Kangshun Renewable	Liaoyang Kangshun Renewable Resources Co., Ltd.
Nanjing Konka	Nanjing Konka Electronics Co., Ltd.
Chuzhou Konka	Chuzhou Konka Precision Intelligent Manufacturing Technology Co., Ltd.
Xi'an Huasheng	Xi'an Huasheng Jiacheng Real Estate Co., Ltd.
XingDa HongYe	GuangDong XingDa HongYe Electronic Co., Ltd.
Shanghai Xinfeng	Shanghai Xinfeng Zhuoqun PCB Co., Ltd.
Konka Circuit	Shenzhen Konka Circuit Co., Ltd.
Konka Flexible Electronic	Suining Konka Flexible Electronic Technology Co., Ltd.
Konka Hongye Electronics	Suining Konka Hongye Electronics Co., Ltd.
Boluo Precision	Boluo Konka Precision Technology Co., Ltd.
Boluo Konka	Boluo Konka PCB Co., Ltd.
Xiamen Dalong	Xiamen Dalong Trading Co., Ltd.
Anhui Tongchuang	Anhui Konka Tongchuang Electrical Appliances Co., Ltd.
Jiangsu Konka Smart	Jiangsu Konka Smart Electrical Appliances Co., Ltd.
Anhui Electrical Appliance	Anhui Konka Electrical Appliance Technology Co., Ltd.
Frestec Refrigeration	Henan Frestec Refrigeration Appliance Co., Ltd.
Frestec Electrical Appliances	Henan Frestec Electrical Appliances Co., Ltd.
Frestec Household Appliances	Henan Frestec Household Appliances Co., Ltd.
Frestec Smart Home	Henan Frestec Smart Home Technology Co., Ltd.
Konka Investment	Shenzhen Konka Investment Holdings Co., Ltd.

Yibin Konka Technology Park	Yibin Konka Technology Park Operation Co., Ltd.
Konka Capital	Shenzhen Konka Capital Equity Investment Management Co., Ltd.
Industrial Park Development	Shenzhen Konka Industrial Park Development 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.
Zhitong Technology	Shenzhen Konka Zhitong Technology Co., Ltd.
Konka Factoring	Konka Factoring (Shenzhen) Co., Ltd.
Beijing Konka Electronic	Beijing Konka Electronic Co., Ltd.
Konka Leasing	Konka Financial Leasing (Tianjin) Co., Ltd.
Suining Konka Industrial Park	Suining Konka Industrial Park Development Co., Ltd.
Suining Electronic Technological Innovation	Suining Konka Electronic Technological Innovation Co., Ltd.
Shanghai Konka	Shanghai Konka Industrial Co., Ltd.
Yantai Kangjin	Yantai Kangjin Technology Development Co., Ltd.
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.
Shenzhen KONSEMI	Shenzhen KONSEMI Co., Ltd.
Chongqing Konka	Chongqing Konka Technology Development Co., Ltd.
Hefei KONSEMI	Hefei KONSEMI Storage Technology Co., Ltd.
Yihe Electronic	Hefei Yihe Electronic Co., Ltd.
Shenzhen Kanghuijia Technology	Shenzhen Kanghuijia Technology Co., Ltd.
Chongqing Huiying Technology	Chongqing Konka Huiying Technology Co., Ltd.
Kowin Memory (Shenzhen)	Kowin Memory Technology (Shenzhen) Co., Limited
Kowin Memory (Hong Kong)	Kowin Memory Technology (Hong Kong) Co., Limited
Konka Xinyun Semiconductor	Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd.
Industrial and Trade Technology	Konka Industrial and Trade Technology (Shenzhen) Co., Ltd.
Shenzhen Nianhua	Shenzhen Nianhua Enterprise Management Co., Ltd.
Konka Huazhong	Konka Huazhong (Hunan) Technology Co., Ltd.
Wankaida	Shenzhen Wankaida Science and Technology Co., Ltd.
Shenzhen Chuangzhi Electrical Appliances	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.
Suining Jiarun Property	Suining Jiarun Property Co., Ltd.
Konka Electrical Appliances	Shenzhen Konka Electrical Appliances Co., Ltd.
E2info	Shenzhen E2info Network Technology Co., Ltd.

E2info (Hainan)	E2info (Hainan) Network Technology Co., Ltd.
Anhui Konka	Anhui Konka Electronic Co., Ltd.
Kangzhi Trade	Anhui Kangzhi Trade Co., Ltd.
Telecommunication Technology	Shenzhen Konka Telecommunications Technology Co., Ltd.
Konka Mobility	Konka Mobility Co., Limited
Dongguan Kangjia	Dongguan Kangjia New Materials Technology Co., Ltd.
Dongguan Konka	Dongguan Konka Electronic Co., Ltd.
Suining Konka Smart	Suining Konka Smart Technology Co., Ltd.
Chongqing Optoelectronic Technology Research Institute	Chongqing Konka Optoelectronic Technology Research Institute Co., Ltd.
Yibin Kangrun	Yibin Kangrun Environmental Technology Co., Ltd.
Yibin Kangrun Medical	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.
Yibin Kangrun Environmental Protection	Yibin Kangrun Environmental Protection Power Generation Co., Ltd.
Ningbo Khr Electric Appliance	Ningbo Khr Electric Appliance Co., Ltd.
Jiangxi Konka	Jiangxi Konka New Material Technology Co., Ltd.
Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	Jiangxi High Transparent Substrate Material Technology Co., Ltd. (formerly known as “Jiangxi Golden Phoenix Nano-Grystallized Glass Co., Ltd.”)
Jiangsu Konka Special Material	Jiangsu Konka Special Material Technology Co., Ltd.
Xinfeng Microcrystalline	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.
Konka Huanjia	Konka Huanjia Environmental Technology Co., Ltd.
Konka Huanjia (Henan)	Konka Huanjia (Henan) Environmental Technology Co., Ltd.
Econ Technology	Shandong Econ Technology Co., Ltd.
Econ Environmental Engineering	Econ Environmental Engineering Co., Ltd.
Beijing Econ	Beijing Econ Runfeng Technology Co., Ltd.
Binzhou Econ Zhongke	Binzhou Econ Zhongke Environmental Technology Co., Ltd.
Dayi Kangrun Water	Dayi Kangrun Water Co., Ltd.
Tingyuan Environmental	Tingyuan Environmental Technology (Shanghai) Co., Ltd.
Shanghai Jiyi	Shanghai Jiyi Environmental Technology Co., Ltd.
Kangrunhong Environmental	Kangrunhong Environmental Technology (Yantai) Co., Ltd.
Donggang Kangrun	Donggang Kangrun Environmental Management Co., Ltd.
Gaoping Kangrun	Gaoping Kangrun Environmental Protection & Water Co., Ltd.
Xi'an Kangrun	Xi'an Gaoling Kangrun Environmental Engineering Co., Ltd.
Changning Kangrun	Changning Kangrun Water Co., Ltd.
Lushan Kangrun Environmental	Lushan Kangrun Environmental Management Co., Ltd.
Tongchuan Kangrun Honghui	Tongchuan Kangrun Honghui Environmental Management Co., Ltd.

Rushan Econ	Rushan Econ Water Environment Management Co., Ltd.
Mengcheng Kangrun	Mengcheng Kangrun Anjian Water Co., Ltd.
Chongzhou Kangrun	Chongzhou Kangrun Environment Co., Ltd.
Suining Pengxi Kangrun	Suining Pengxi Kangrun Environmental Management Co., Ltd.
Funan Kangrun Water	Funan Kangrun Water Co., Ltd.
Subei Kangrun Water	Subei Mongol Autonomous County Kangrun Water Co., Ltd.
Linfen Kangrun	Linfen Kangrun Jinze Water Supply Co., Ltd.
Wuhan Runyuan Wastewater	Wuhan Runyuan Wastewater Treatment 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.
Lairun Holding	Laizhou Lairun Holding Co., Ltd.
Binhai Wastewater	Laizhou Binhai Wastewater Treatment Co., Ltd.
Lairun Environmental Protection	Laizhou Lairun Environmental Protection Co., Ltd.
Lairun Wastewater	Laizhou Lairun Wastewater Treatment Co., Ltd.
Weifang Sihai Kangrun	Weifang Sihai Kangrun Investment Operation Co., Ltd.
Xixian Kangrun	Xixian Kangrun Xijian Water Environment Development Co., Ltd.
Ankang Kangrun	Ankang Kangrun Xinheng Water Environment Co., Ltd.
Bokang Renewable	Bokang Renewable Resources (Yantai) Co., Ltd.
Kangruncheng Environmental Technology	Kangruncheng Environmental Technology (Yantai) Co., Ltd.
Shaanxi Konka Intelligent	Shaanxi Konka Intelligent Appliance Co., Ltd.
Pengrun Technology	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.
Jiixin Technology	Jiixin Technology Co., Ltd.
Konka Ronghe	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.
Chongqing Kangxingrui	Chongqing Kangxingrui Environmental Technology Co., Ltd.
Chongqing Kangxingrui Automobile Recycling	Chongqing Kangxingrui Scraped Automobile Recycling Co., Ltd.
Chongqing Kanglei Optoelectronic	Chongqing Kanglei Optoelectronic Technology Co., Ltd.
Henan Kangxin Property	Henan Kangxin Property Co., Ltd.
Konka Unifortune	Shenzhen Konka Unifortune Technology Co., Ltd.
Jiali International	Jiali International (Hong Kong) Limited
Kangjiatong	Sichuan Kangjiatong Technology Co., Ltd.
Kanghong (Yantai) Environmental	Kanghong (Yantai) Environmental Technology Co., Ltd.
Jiangkang (Shanghai) Technology	Jiangkang (Shanghai) Technology Co., Ltd.
Konka Intelligent Manufacturing	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.

Yantai Laikang	Yantai Laikang Industrial Development Co., Ltd.
Konka Material	Hainan Konka Material Technology Co., Ltd.
Konka Ventures	Konka Ventures Development (Shenzhen) Co., Ltd.
Yibin Konka Incubator	Yibin Konka Incubator Management 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.
Konka Eco-Development	Shenzhen Konka Eco-Development Investment Co., Ltd.
Shenzhen Kangxin Property	Shenzhen Kangxin Property Co., Ltd.
Henan Kanghan Property	Henan Kanghan Property Co., Ltd.
Konka Europe	Konka (Europe) Co., Ltd.
Hong Kong Konka	Hong Kong Konka Limited
Kangxin Semiconductor	Kangxin Semiconductor (Yantai) Co., Ltd.
Hongdin Trading	Hongdin International Trading Limited
Konka North America	Konka North America LLC
Kanghao Technology	Kanghao Technology Co., Ltd.
Hongdin Invest	Hongdin Invest Development Limited
Chain Kingdom Memory Technologies	Chain Kingdom Memory Technologies Co., Limited
Chain Kingdom Memory Technologies (Shenzhen)	Chain Kingdom Memory Technologies (Shenzhen) Co., Limited
Hefei Chain Kingdom Memory Technologies	Hefei Chain Kingdom Memory Technologies Co., Limited
KK Smartech	KK Smartech Limited
Hongjet	Hongjet (Hong Kong) Company Limited
Yantai Kangyun	Yantai Kangyun Industrial Development Co., Ltd.
Yantai Kangyun Property	Yantai Kangyun Property Development Co., Ltd.
Xi'an Feihe	Xi'an Feihe Real Estate Development Co., Ltd.
Chongqing Xinyuan Semiconductor	Chongqing Xinyuan Semiconductor Co., Ltd.
Jiangxi Konka Industrial Park	Jiangxi Konka Industrial Park Development Co. Ltd.
Ruichang Kangrui Real Estate	Ruichang Kangrui Real Estate Co., Ltd.
Industrial development in Wuhan	Konka Industrial Development (Wuhan) Co., Ltd.
Kangxiaojia Digital	Shenzhen Kangxiaojia Digital Information Technology Co., Ltd.
Kanghong Dongsheng	Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)
Yijiakang Smart Terminal	Shenzhen Yijiakang Smart Terminal Technology Co., Ltd.
Chongqing E2info	E2info (Chongqing) Network Technology Co., Ltd.

Lanrun Environmental Protection	Lanrun Environment Protection Technology (Yantai) Co., Ltd.
Guizhou Kangkai Material Technology	Guizhou Kangkai Material Technology Co., Ltd.
Guizhou Konka New Material Technology	Guizhou Konka New Material Technology Co., Ltd.
Guizhou Kanggui Energy	Guizhou Kanggui Energy Co., Ltd.
Guangdong Xinwei	Guangdong Xinwei Semiconductor Co., Ltd.
Kangxinrun Renewable Resources	Chongqing Kangxingrui Renewable Resources Co., Ltd.
Guizhou Kanggui Material Technology	Guizhou Kanggui Material Technology Co., Ltd.
Sichun Chengrui	Sichuan Chengrui Real Estate Co., Ltd.
Chongqing Jiarun	Chongqing Jiarun Real Estate Co., Ltd.
Nantong Kanghai	Nantong Kanghai Technology Industry Development Co., Ltd.
Chongqing Kangyiyun	Chongqing Kangyiyun Business Operation Management Co., Ltd.
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 RMB, expressed in tens of thousands of RMB, expressed in hundreds of millions of RMB

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	Zhou Bin		
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		
Past changes of registered address	On 1 July 2015, due to the relocation of the Company Headquarters, the registered address has changed from OCT, Nanshan District, Shenzhen, Guangdong Province, China to 15-24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, China.		
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
Address	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	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
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

Stock exchange website where this	Securities Times, etc.
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Report is disclosed	
Media and website where this Report is disclosed	http://www.cninfo.com.cn/new/index
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	Tang Qimei and Liu Jianhua

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

	2021	2020	2021-over-2020 change (%)	2019
Operating revenue (RMB)	49,106,513,669.58	50,351,836,554.87	-2.47%	55,119,125,478.72
Net profit attributable to the listed company's shareholders (RMB)	905,352,997.68	477,633,250.14	89.55%	212,034,210.08

Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	-3,250,798,107.49	-2,367,590,806.95	-37.30%	-1,875,722,546.18
Net cash generated from/used in operating activities (RMB)	808,756,394.11	178,616,528.21	352.79%	-1,543,947,284.59
Basic earnings per share (RMB/share)	0.3760	0.1984	89.52%	0.0881
Diluted earnings per share (RMB/share)	0.3760	0.1984	89.52%	0.0881
Weighted average return on equity (%)	10.33%	5.79%	4.54%	2.62%
	31 December 2021	31 December 2020	Change of 31 December 2021 over 31 December 2020 (%)	31 December 2019
Total assets (RMB)	39,874,520,771.26	49,876,267,493.61	-20.05%	42,586,955,452.27
Equity attributable to the listed company's shareholders (RMB)	9,095,278,436.41	8,428,640,176.97	7.91%	8,068,505,598.13

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	2021	2020	Note
Operating revenue (RMB)	49,106,513,669.58	50,351,836,554.87	
Deductions from operating revenue (RMB)	579,266,272.20	445,172,864.05	Scrap sales revenue, utilities revenue, lease revenue, material sales revenue and other revenue irrelevant to the principal operations
Operating revenue net of	48,527,247,397.38	49,906,663,690.82	

deductions (RMB)			
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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	9,822,169,119.30	11,987,992,753.78	9,816,584,505.55	17,479,767,290.95
Net profit attributable to the listed company's shareholders	72,822,573.66	12,627,345.91	-211,828,259.25	1,031,731,337.36
Net profit attributable to the listed company's shareholders before exceptional gains and losses	-389,266,066.84	-320,858,571.01	-343,893,316.75	-2,196,780,152.89
Net cash generated from/used in operating activities	-529,240,793.59	-755,520,428.44	-157,473,161.06	2,250,990,777.20

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	2021	2020	2019	Note
Gain or loss on disposal of non-current	4,047,094,117.70	2,431,648,255.26	1,202,401,420.41	

assets (inclusive of impairment allowance write-offs)				
Government subsidies charged to current profit or loss (exclusive of government subsidies consistently given in the Company's ordinary course of business at fixed quotas or amounts as per governmental policies or standards)	1,352,377,548.16	908,546,202.24	1,204,519,346.40	
Gain or loss on assets entrusted to other entities for investment or management		18,476,648.12	71,541,978.85	
Gain or loss on debt restructuring	19,777.25	1,127,066.94	14,515,006.57	
Gain or loss on fair-value changes in held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	67,789,442.65	96,316,772.78	49,472,415.17	
Gain or loss on loan entrustments	80,625,356.41	64,616,181.90	1,992,676.20	
Non-operating income and expense other than the above	48,615,769.37	54,271,037.60	121,189,478.51	
Other gains and losses that meet the definition of exceptional gain/loss	-1,907,936.23	1,081,111.64	145,586,810.18	
Less: Income tax effects	1,190,629,946.56	544,211,364.67	545,067,993.60	
Non-controlling interests effects (net of tax)	247,833,023.58	186,647,854.72	178,394,382.43	
Total	4,156,151,105.17	2,845,224,057.09	2,087,756,756.26	--

Particulars about other gains and losses that meet the definition of exceptional gain/loss:

Applicable Not applicable

No such cases in the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item 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	12,585,857.26	Government subsidies given in the Company's ordinary course of business at fixed

rebates on software		quotas or amounts as per government's uniform standards
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Part III Management Discussion and Analysis

I Industry Overview for the Reporting Period

At present, the core businesses of the Company include consumer electronics, industry trade, semiconductors and environmental protection. Among them, for the industry trade business, the Company carries out the procurement, processing and distribution of related materials around the upstream and downstream of the consumer electronics business, thus it can be categorized to the consumer electronics industry or semiconductor business. Therefore, the industries in which the Company operates during the Reporting Period are consumer electronics industry, semiconductor industry and environmental protection industry. The relevant information is as follows:

(I) Consumer electronics industry

In the color TV industry, with the gradual fading of demographic dividends and real estate dividends, since 2016, the competition in China's color TV industry has shifted from the incremental market to the stock market. In 2021, affected by factors such as increasingly fierce market competition, sharp fluctuations in raw material prices, and sluggish domestic consumption, the gross profit level of the color TV industry continued to be diluted. According to statistics from All View Cloud (AVC for short), the retail sales volume in China's color TV market in 2021 was 38.35 million units, declining by 13.8% YoY, and the retail sales value was RMB128.9 billion, increasing by 6.6% YoY. In the future, as technologies such as Internet of Things (IoT), big data, cloud computing, artificial intelligence, etc. promote the upgrade of the intelligentialization of various electronic products, as well as the iterative update of future display technologies such as Micro LED, the scale of the color TV industry is expected to grow.

On the side of the white goods industry, at present, the inventory of white goods in urban households in China is basically saturated. Traditional white goods such as air conditioners, refrigerators, washing machines, freezers, etc. have gradually started transforming from low-end products to mid-to-high-end products. The white goods industry showed distinct trend of consumption upgrade. In terms of the air-conditioning industry, statistics from AVC showed that the retail sales volume of China's air-conditioning market was 46.89 million units in 2021, decreasing by 8.7% YoY, and the retail sales value was RMB152.7 billion, decreasing by 1.2% YoY. As the need for replacement at the consumer side recovers, the air-conditioning industry is expected to maintain a steady growth trend in the future. In the refrigerator industry, statistics from AVC showed that the retail sales volume in China's refrigerator market in 2021 was 31.88 million units, decreasing by 2.1% YoY, and the retail sales value was RMB97.1 billion, increasing by 7.9% YoY. As people are paying more attention to health, food preservation and promoting the trend of upgrading their quality of life, the future refrigerator market will be mainly characterized by steady

development and product upgrades. In respect of the washing machine industry, statistics from AVC showed that the retail sales volume in China's washing machine market in 2021 was 37.18 million units, increasing by 0.8% YoY, and the retail sales value was RMB76.6 billion, increasing by 7.3% YoY. Offline channels of the washing machine market, which was greatly affected by the pandemic, have been recovering gradually, and the overall market uncertainty is decreasing.

(II) Semiconductor industry

The semiconductor industry is a strategic, fundamental and leading industry that supports economic and social development and safeguards national security. Driven by the development of 5G, artificial intelligence, the IoT, and intelligentization, the semiconductor industry is expected to usher in a new wave of growth cycles. Among them, semiconductor storage is the largest subdivision in the semiconductor industry in recent years. At present, South Korean companies represented by Samsung and Hynix are in the leading position in the field of semiconductor storage. China has also accelerated in boosting the production capacity of semiconductor storage in recent years. It is expected that the self-sufficiency rate will continue to increase.

Micro LED is the prevailing trend and development direction of future display technology. The industrial chain is divided into four main links: the upstream chip manufacturing, mass transfer, the midstream panel manufacturing, and the downstream complete machine application. The Micro LED has wide industrial application and a broad market.

(III) Environmental protection industry

With the introduction of a series of favorable policies to encourage the recycling and utilization of renewable resources and the continuous strengthening of environmental protection inspections, the total amount and the total value of recycled resources in China have shown rapid growth. It is expected that the industry will continue to develop to a good prospect in the future, and the development scale of the renewable resource recycling industry will continue to grow steadily.

II 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's multimedia business faces the global market, mainly including domestic color TV business and export color TV business.

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.

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. Meanwhile, the establishment of the Ningbo A/C production base as a joint venture has helped the Company build its own A/C manufacturing capability. The weakness in the front-loading washing machine technology has been overcome by the acquisition of Beko (Front-loading Washing Machine) China Factory. In addition, the Company went on a new path of exploring the dishwasher world by setting up Xi'an Smart Appliances Park. The Company also optimized the internal R&D, production, procurement, sales, and services processes, integrated the external channel resources to enable channel sharing between the upstream procurement processes and downstream sales processes, and improved the product sales structure and competitiveness of the white goods business.

(II) The Industry Trade Business

The company's industry and trade business mainly focuses on the procurement, processing and distribution of IC chip storage, LCD and other materials involved in the company's traditional main business. The operating profit comes from the processing fee and the price difference between upstream procurement and downstream sales.

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 recycling of renewable resources and the new material of glass ceramic. 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.

III Core Competitiveness Analysis

The Company's core competitiveness lies in its R&D ability, brand, marketing network and human resources. It has developed an R&D system of "Konka Research Institute-secondary Group/division research centers-technology application centers", 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 technologies and about 1,500 R&D talents. The Company has introduced around 100 experts on two projects of micro LED and memory master chip. 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. Regarding offline channels, the Company has more than 40 branches, more than 200 offices, more than 3,000 after-sales service stores across China, and the marketing and service network is all over the country; as for online channels, the Company has settled in Tmall, JD, 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. In terms of human resources, the Company boasts a leadership team of many years of management and industry experience, as well as a high quality execution team.

IV Core Business Analysis

1. Overview

In 2021, the Company adhered to the development strategy of "Technology + Business + Industrial Parks", closely centered on the mainline of "Semiconductor Technology+ New Consumer Electronics + New Energy", continuously accelerated the transformation and upgrading of traditional business and the layout of strategic emerging businesses, and steadily promoted the Company's transformation from "Konka Electronic" to "Konka Technology".

For 2021, the Company recorded operating revenue of RMB49.107 billion. Net profit attributable to the Company as the parent stood at RMB905 million, representing a year-on-year rise of 89.55%. What the Company has accomplished in 2021 is summarized as follows:

(1) Maintained strategic strength and reshaped the business structure

In 2021, the Company firmly implemented the development strategy of “Technology + Business + Industrial Parks” and closely centered on the three leading businesses of “Semiconductor Technology+ New Consumer Electronics + New Energy” and the two supporting businesses of “high-tech parks + investment”, pointing out the direction for the Company to achieve leading technology, industrial expansion and leapfrog development during the 14th Five-Year Plan.

(2) Made breakthrough in investment business

In 2021, Chutian Dragon Co., Ltd. and Wuhan Tianyuan Environmental Protection Co., Ltd., in which the Company has a shareholding, were successfully listed on the Shenzhen Stock Exchange. Also, the Company completed the strategic investor introduction of yikang Technology Co., Ltd. and Shenzhen E2info Network Technology Co., Ltd., laying the foundation for its subsequent capitalization operation. In addition, the Company, together with its partners, has initiated the establishment of a number of industrial funds, in a bid to establish a synergistic enabling industrial fund system for the Company's industrial implementation and achieve better investment returns.

(3) Steadily improved operations in consumer electronics sub-division

In 2021, the Company intensified efforts to strengthen technological innovation and intelligent manufacturing capabilities of multimedia products, actively controlled fees to reduce costs and increase efficiency, lengthened the industrial chain, and expanded product groups. In terms of white goods sub-division, the Company introduced the Konka Kitchen Appliance Project in Shaanxi, forming a new industrial pattern of “Konka + Frestec” dual-brand operation and “refrigerators + washing machines + freezers + air conditioners + kitchen appliance” full-category layout.

(4) The technology park business grew steadily

In 2021, the Company, through diversified business forms such as industrial parks, headquarters economy, and K-Care Towns, pooled partners upstream and downstream of the industrial chain with an open and cooperative attitude, strengthened coordination with internal and external units, and established a park project investment expansion mode, development and construction system and investment promotion operation path with Konka characteristics. Amid macro-control, the Company actively responded to the challenges, overcame various difficulties, and developed and launched projects such as Changsha Central China Headquarters Project, Xi'an Konka Smart Home Appliances Headquarters Project, Xinfeixi Land Plot Upgrading Project, Yantai Guxian Project, and Chongqing Bishan Project, so as to further promote the sustainable development of the technology park sub-division.

(5) Realized technical breakthroughs in semiconductor sub-division

In 2021, the Company has continuously increased investment in research and development of the semiconductor sub-division, made breakthroughs in chip miniaturization, mass transfer and other technology links, independently designed and produced 15 * 30 micron level MicroLED display

chips, and developed "hybrid mass transfer technology" with a transfer yield reaching 99.9%, providing a solid foundation for further expansion of the wearable display, vehicle display, immersive display and other application markets for industry entry and rapid development. In 2021, Yancheng Semiconductor Assembly & Test Base was successfully completed and put into production.

(6) Transformed environmental protection sub-division into new energy field

In 2021, the Company actively transformed its environmental protection sub-division into the photovoltaic field, and extended to silicon materials, silicon wafers and related photovoltaic modules upstream of the photovoltaic glass industry chain relying on the photovoltaic glass production line of Jiangxi Konka New Material Technology Co., Ltd., to explore new business.

(7) Optimized PCB business structure and achieved significant improvement in operating condition

In 2021, the Company adopted a range of operating measures such as cost reduction and fee control, revenue generation and profit increase in PCB sub-division. As a result, the product structure was greatly optimized, the sales of multi-layer circuit boards accounted for over 40%, and the operating condition improved markedly.

2. Revenue and Cost Analysis

(1) Breakdown of Operating Revenue

Unit: RMB

	2021		2020		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	49,106,513,669.58	100%	50,351,836,554.87	100%	-2.47%
By operating division					
Electronics	13,873,074,181.46	28.25%	14,279,587,069.66	28.36%	-2.85%
Industry trade	29,682,677,483.94	60.45%	30,483,602,365.87	60.54%	-2.63%
Environmental business	4,354,614,711.52	8.87%	4,823,779,902.39	9.58%	-9.73%
Semiconductor	321,958,525.17	0.66%	282,969,230.63	0.56%	13.78%
Other	874,188,767.49	1.78%	481,897,986.32	0.96%	81.41%
By product category					
Color TVs	7,300,340,878.11	14.87%	7,519,625,331.33	14.93%	-2.92%
White goods	3,699,285,362.91	7.53%	3,842,051,456.02	7.63%	-3.72%
Industry trade	29,682,677,483.94	60.45%	30,483,602,365.87	60.54%	-2.63%
Environmental	4,354,614,711.52	8.87%	4,823,779,902.39	9.58%	-9.73%

business					
Semiconductor	321,958,525.17	0.66%	282,969,230.63	0.56%	13.78%
Other	3,747,636,707.93	7.63%	3,399,808,268.63	6.75%	10.23%
By operating segment					
Domestic	22,033,965,598.67	44.87%	19,911,879,269.36	39.55%	10.66%
Overseas	27,072,548,070.91	55.13%	30,439,957,285.51	60.45%	-11.06%
By marketing model					
Direct sales	8,947,974,287.40	18.22%	8,142,993,900.81	16.17%	9.89%
Distribution	40,158,539,382.18	81.78%	42,208,842,654.06	83.83%	-4.86%

(2) Operating Division, Product Category, Operating Segment or Marketing Model 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	13,873,074,181.46	12,838,911,837.79	7.45%	-2.85%	0.55%	-3.13%
Industry trade	29,682,677,483.94	29,514,534,704.12	0.57%	-2.63%	-2.22%	-0.42%
Environmental business	4,354,614,711.52	4,030,685,013.80	7.44%	-9.73%	-1.62%	-7.62%
By product category						
Color TVs	7,300,340,878.11	6,922,606,555.81	5.17%	-2.92%	-0.04%	-2.72%
White goods	3,699,285,362.91	3,395,382,780.50	8.22%	-3.72%	2.36%	-5.45%
Environmental business	4,354,614,711.52	4,030,685,013.80	7.44%	-9.73%	-1.62%	-7.62%
Industry trade	29,682,677,483.94	29,514,534,704.12	0.57%	-2.63%	-2.22%	-0.42%
By operating segment						
Domestic	22,033,965,598.67	20,644,926,945.76	6.30%	10.66%	17.71%	-5.62%
Overseas	27,072,548,070.91	26,756,958,035.77	1.17%	-11.06%	-10.98%	-0.09%
By marketing model						
Direct sales	8,947,974,287.40	8,128,674,428.08	9.16%	9.89%	12.44%	-2.06%

Distribution	40,158,539,382.18	39,273,210,553.45	2.20%	-4.86%	-2.71%	-2.16%
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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	2021	2020	Change (%)
Electronics	Unit sales	0,000 units	1,247	1,269	-1.73%
	Output	0,000 units	1,184	1,244	-4.82%
	Inventory	0,000 units	79	89	-11.24%

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

Applicable Not applicable

(4) Execution Progress of Major Signed Sales and Purchase Contracts in the Reporting Period

Applicable Not applicable

(5) Breakdown of Cost of Sales

By product category

Unit: RMB

Product category	Item	2021		2020		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Color TVs	Color TVs	6,922,606,555.81	14.60%	6,925,658,808.00	14.55%	-0.04%
White goods	White goods	3,395,382,780.50	7.16%	3,317,107,750.97	6.97%	2.36%
Industry trade	Industry trade	29,514,534,704.12	62.26%	30,183,532,940.90	63.42%	-2.22%
Environmental business	Environmental business	4,030,685,013.80	8.50%	4,097,138,754.02	8.61%	-1.62%
Semiconductor	Semiconductor	306,296,431.81	0.65%	275,286,437.09	0.58%	11.26%
Other	Other	3,232,379,495.49	6.82%	2,796,339,659.00	5.87%	15.59%

Note:

Cost of sales changed accordingly with operating revenue.

(6) Changes in the Scope of Consolidated Financial Statements for the Reporting Period

Yes No

Name of subsidiary	Registered capital (RMB)	The Company's interest (%)	Date of change	Reason for change
Chongqing Kanglei Optoelectronic Technology Co., Ltd.	50,000,000.00	51.00%	2021-4-7	De-registered
Henan Kangxin Real Estate Co., Ltd.	50,000,000.00	51.00%	2021-5-18	De-registered

Shenzhen Kangquan Enterprise Management Consulting Co., Ltd.	10,000,000.00	51.00%	2021-10-25	De-registered
Shenzhen Konka Suyuan Investment Industrial Limited Company	10,000,000.00	51.00%	2021-10-27	De-registered
Shenzhen Konka Industrial Park Development Co., Ltd.	100,000,000.00	51.00%	2021-10-28	De-registered
Xiamen Dalong Trade Co., Ltd.	2,600,000.00	69.23%	2021-11-10	De-registered
Nanjing Chuanghui Smart Technology Co., Ltd.	1,000,000.00	40.80%	2021-11-18	De-registered
Hefei Chain Kingdom Memory Technologies Co., Limited.	5,000,000.00	51.00%	2021-11-19	De-registered
Kangxin Semiconductor (Yantai) Co., Ltd.	70,000,000.00	100.00%	2021-8-4	De-registered
Konka Kowin Memory Technology (Hong Kong) Co., Limited.	10,000,000.00 (HKD)	100.00%	2021-2-2	Newly incorporated
Kanka Industrial and Trade Technology.	50,000,000.00	100.00%	2021-2-7	Newly incorporated
Shaanxi Konka Intelligent Appliance Co., Ltd.	120,000,000.00	51.00%	2021-3-5	Newly incorporated
Kangruncheng Environmental Technology (Yantai) Co., Ltd.	10,000,000.00	26.01%	2021-3-8	Newly incorporated
Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.	50,000,000.00	72.73%	2021-3-26	Newly incorporated
Suining Konka Flexible Electronic Technology Co., Ltd.	100,000,000.00	95.00%	2021-3-31	Newly incorporated
Yibin Kangrun Environmental Protection Power Generation Co., Ltd.	76,000,000.00	54.39%	2021-4-21	Newly incorporated
Nantong Hongdin Smart Technology Co., Ltd.	30,000,000.00	100.00%	2021-4-22	Newly incorporated
Suining Konka Hongye Electronics Co., Ltd.	100,000,000.00	90.10%	2021-5-7	Newly incorporated
Konka Huazhong (Hunan) Technology Co., Ltd.	30,000,000.00	100.00%	2021-6-9	Newly incorporated
Kangxin Semiconductor (Yantai) Co., Ltd.	70,000,000.00	100.00%	2021-6-11	Newly incorporated
Chuzhou Konka Precision Intelligent Manufacturing Technology Co., Ltd.	100,000,000.00	94.90%	2021-6-28	Newly incorporated
Chongqing Xinyuan Semiconductor Co., Ltd.	50,000,000.00	75.00%	2021-9-8	Newly incorporated
Jiangxi Konka Industrial Park Development Co. Ltd.	100,000,000.00	70.00%	2021-9-14	Newly incorporated
Ruichang Kangrui Real Estate Co., Ltd.	10,000,000.00	70.00%	2021-9-14	Newly incorporated
Konka Industrial Development (Wuhan) Co.,	10,000,000.00	51.00%	2021-10-15	Newly incorporated

Ltd.				
Guizhou Konka New Material Technology Co., Ltd.	100,000,000.00	51.00%	2021-10-19	Newly incorporated
Guizhou Kanggui Material Technology Co., Ltd.	100,000,000.00	70.00%	2021-10-25	Newly incorporated
Chongqing Jiarun Real Estate Co., Ltd.	20,000,000.00	80.00%	2021-12-21	Newly incorporated
Nantong Kanghai Technology Industry Development Co., Ltd.	50,000,000.00	51.00%	2021-12-21	Newly incorporated
Guangdong Xinwei Semiconductor Co., Ltd.	20,000,000.00	100.00%	2021-12-29	Newly incorporated
Chongqing Kangyiyun Business Operation Management Co., Ltd.	10,000,000.00	80.00%	2021-12-29	Newly incorporated
Shenzhen Yijiakang Smart Terminal Technology Co., Ltd.	20,000,000.00	100.00%	2021-12-30	Newly incorporated
Shenzhen Kangxiaojia Digital Information Technology Co., Ltd.	20,000,000.00	100.00%	2021-12-30	Newly incorporated
Guizhou Kangkai Material Technology Co., Ltd.	10,000,000.00	51.00%	2021-12-30	Newly incorporated
Chongqing Kangxingrui Renewable Resources Co., Ltd.	60,000,000.00	51.00%	2021-12-30	Newly incorporated
Guizhou Kanggui Energy Co., Ltd.	100,000,000.00	100.00%	2021-12-31	Newly incorporated
Xi'an Feihe Real Estate Development Co., Ltd.	1,000,000.00	100.00%	2021-9-8	Acquired
Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	100,000,000.00	100.00%	2021-10-12	Acquired
Sichuan Chengrui Real Estate Co., Ltd.	25,000,000.00	80.00%	2021-11-30	Acquired
Yantai Kangyun Industrial Development Co., Ltd.	30,000,000.00	34.00%	2021-3-31	Losing control power
Yantai Kangyun Real Estate Development Co., Ltd.	30,000,000.00	34.00%	2021-3-31	Losing control power
Shenzhen Kangxin Real Estate Co., Ltd.	50,000,000.00	0.00%	2021-6-17	Losing control power
Henan Kanghan Real Estate Co., Ltd.	50,000,000.00	0.00%	2021-6-17	Losing control power
Shandong Econ Technology Co., Ltd.	257,984,962.00	24.98%	2021-11-25	Losing control power
Donggang Kangrun Environmental Management Co., Ltd.	100,000,000.00	19.48%	2021-11-25	Losing control power
Subei Mongol Autonomous County Kangrun Water Co., Ltd.	100,000,000.00	19.48%	2021-11-25	Losing control power
Kanghong (Yantai) Environmental Technology Co., Ltd.	5,680,000.00	24.98%	2021-11-25	Losing control power

Weifang Sihai Kangrun Investment Operation Co., Ltd.	171,000,000.00	13.69%	2021-11-25	Losing control power
Dayi Kangrun Water Co., Ltd.	50,000,000.00	24.98%	2021-11-25	Losing control power
Suining Pengxi Kangrun Environmental Management Co., Ltd.	19,272,100.00	19.96%	2021-11-25	Losing control power
Laizhou Lairun Wastewater Treatment Co., Ltd.	56,361,600.00	8.99%	2021-11-25	Losing control power
Funan Kangrun Water Co., Ltd.	122,500,000.00	19.86%	2021-11-25	Losing control power
Lushan Kangrun Environmental Management Co., Ltd.	100,000,000.00	22.26%	2021-11-25	Losing control power
Tongchuan Kangrun Honghui Environmental Management Co., Ltd.	76,000,000.00	22.23%	2021-11-25	Losing control power
Wuhan Runyuan Wastewater Treatment Co., Ltd.	142,800,000.00	17.49%	2021-11-25	Losing control power
Tingyuan Environmental Technology (Shanghai) Co., Ltd.	50,000,000.00	24.98%	2021-11-25	Losing control power
Xixian Kangrun Xijian Water Environment Development Co., Ltd.	163,780,500.00	12.74%	2021-11-25	Losing control power
Gaoping Kangrun Environmental Protection & Water Co., Ltd.	100,000,000.00	23.73%	2021-11-25	Losing control power
Mengcheng Kangrun Anjian Water Co., Ltd.	100,000,000.00	21.23%	2021-11-25	Losing control power
Chongzhou Kangrun Environment Co., Ltd.	50,000,000.00	20.90%	2021-11-25	Losing control power
Xi'an City Gaoling District Kangrun Environmental Engineering Co., Ltd.	73,710,000.00	23.73%	2021-11-25	Losing control power
Ankang Kangrun Xinheng Water Environment Co., Ltd.	100,000,000.00	12.74%	2021-11-25	Losing control power
Changning Kangrun Water Co., Ltd.	50,000,000.00	22.48%	2021-11-25	Losing control power
Linfen Kangrun Jinze Water Supply Co., Ltd.	95,000,000.00	19.22%	2021-11-25	Losing control power
Kangruncheng Environmental Technology (Yantai) Co., Ltd.	10,000,000.00	12.74%	2021-11-25	Losing control power
Bokang Renewable Resources (Yantai) Co., Ltd.	30,000,000.00	12.74%	2021-11-25	Losing control power
Laizhou Binhai Wastewater Treatment Co., Ltd.	30,000,000.00	14.99%	2021-11-25	Losing control power
Binzhou Beihai Jingmai Industrial Development Co., Ltd.	50,000,000.00	12.24%	2021-11-25	Losing control power

Beijing Econ Runfeng Technology Co., Ltd.	50,000,000.00	24.98%	2021-11-25	Losing control power
Econ Environmental Engineering Co., Ltd.	50,000,000.00	24.98%	2021-11-25	Losing control power
Shanghai Jiye Environmental Technology Co., Ltd.	10,000,000.00	24.98%	2021-11-25	Losing control power
Binzhou Econ Zhongke Environmental Technology Co., Ltd.	50,000,000.00	24.98%	2021-11-25	Losing control power
Rushan Econ Water Environment Management Co., Ltd.	100,000,000.00	21.73%	2021-11-25	Losing control power
Laizhou Lairun Holding Co., Ltd.	100,000,000.00	14.99%	2021-11-25	Losing control power
Binzhou Weiyijie Environmental Technology Co., Ltd.	50,000,000.00	17.49%	2021-11-25	Losing control power
Yantai Chunzhiran Environmental Technology Co., Ltd.	50,000,000.00	17.49%	2021-11-25	Losing control power
Laizhou Lairun Environmental Protection Co., Ltd.	50,000,000.00	8.99%	2021-11-25	Losing control power
Dongguan Kangjia New Materials Technology Co., Ltd..	10,000,000.00	35.00%	2021-12-27	Losing control power
Shenzhen E2info Network Technology Co., Ltd.	20,174,070.81	25.78%	2021-12-30	Losing control power
E2info (Hainan) Network Technology Co., Ltd.	3,000,000.00	25.78%	2021-12-30	Losing control power
Shenzhen Kanghuijia Technology Co., Ltd.	24,678,061.22	0.72%	2021-12-30	Losing control power
Chongqing Konka Huiying Technology Co., Ltd.	30,000,000.00	0.72%	2021-12-30	Losing control power
KK Smartech Limited	12,450,000.00 (HKD)	49.00%	2021-7-7	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)	15,597,087,360.71
Total sales to top five customers as % of total sales of the Reporting Period (%)	31.76%
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	As % of total sales revenue (%)
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		for the Reporting Period (RMB)	
1	Customer A	5,453,699,861.07	11.11%
2	Customer B	3,971,105,121.54	8.09%
3	Customer C	2,397,455,165.49	4.88%
4	Customer D	1,892,942,976.86	3.85%
5	Customer E	1,881,884,235.75	3.83%
Total	--	15,597,087,360.71	31.76%

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)	16,706,736,203.10
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	35.15%
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	6,635,611,184.04	13.96%
2	Supplier B	2,831,037,743.63	5.96%
3	Supplier C	2,672,973,208.01	5.62%
4	Supplier D	2,306,061,216.81	4.85%
5	Supplier E	2,261,052,850.60	4.76%
Total	--	16,706,736,203.10	35.15%

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.

3. Expense

Unit: RMB

	2021	2020	Change (%)	Reason for any significant
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				change
Selling expense	1,428,062,895.37	1,825,626,804.27	-21.78%	
Administrative expense	960,449,117.12	1,022,981,943.34	-6.11%	
Finance costs	952,642,273.75	1,091,609,967.76	-12.73%	
R&D expense	616,335,488.01	681,878,611.65	-9.61%	

4. R&D Investments

√ Applicable Not applicable

Names of main R&D projects	Project objectives	Project progress	Objectives to be achieved	Expected impact on the Company
Micro LED Display Key Technology Research and Development Project	Complete 104-inch micro LED panel	Chip on glass stack-up has been researched. The drive backplate of the large-size Micro LED TV is completed. The normal driving of the Micro LED panel is realized.	Enable 8K display for 104-inch Micro LED panel	The completion of this project will help accumulate core Micro LED technology and enhance the Company's R&D strength.
Efficiency Improvement Project for Mini LED & Micro LED	Research and develop Micro LED epitaxy and chip technology to realize independent design and supply of key components in Micro LED.	Small batch and medium batch trial productions of both Micro LED chips and Mini LED chips have been completed.	Mass production of micro LED and mini LED chips	
Advancement of Mass Transfer Technology for Micro LED	Improve the speed and yield of mass transfer, and make the mass production of Micro LED a possibility.	The self-developed mixed mass transfer technology has achieved significant improvements in transfer efficiency and yield.	By using own equipment and independent process technology, the mass transfer yield can be increased to more than 99.99%.	
Research and Development and	Develop the fresh-keeping	The technology development has been	New technologies are developed and applied to	

Industrialization of New Key Technologies for Refrigerators Based on Multi-Field Coupling.	technology of the Company's refrigerator products.	completed and applied in the Company's products.	new products.	fresh-keeping technology and enhance the product competitiveness.
A new Generation of Smart Video Service System for Smart Home Appliances	Enhance the additional value of the operation of the video business for smart home appliance.	It has been applied to smart home appliances such as smart TV.	To realize technologies such as automated and efficient video management, personalized video recommendation, precise advertising, user big data management, multi-platform compatibility design, and two-way human-machine interaction.	The management and operation efficiency of the Company's smart home appliance video business is improved and the digital transformation of the Company's home appliance business is facilitated.

Details about R&D personnel:

	2021	2020	Change (%)
Number of R&D personnel	1,505	1,504	0.07%
R&D personnel as % of total employees	9.27%	8.74%	0.53%
Educational background of R&D personnel	—	—	—
Bachelor's degree and below	1,344	1,339	0.37%
Master's degree	151	155	-2.58%
Doctoral degree	10	10	0.00%
Age structure of R&D personnel	—	—	—
Below 30	649	719	-9.74%
30-40	607	533	13.88%
Over 40	249	252	-1.19%

Details about R&D investments:

	2021	2020	Change (%)
R&D investments (RMB)	633,205,798.71	683,690,447.27	-7.38%
R&D investments as % of operating revenue	1.29%	1.36%	-0.07%
Capitalized R&D investments (RMB)	16,870,310.70	1,811,835.62	831.12%
Capitalized R&D investments as % of total R&D investments	2.66%	0.27%	2.39%

Reason for any significant change in R&D personnel composition and the impact:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Investments in Micro LED R&D projects increased.

5. Cash Flows

Unit: RMB

Item	2021	2020	Change (%)
Subtotal of cash generated from operating activities	51,951,723,686.75	52,043,626,482.73	-0.18%
Subtotal of cash used in operating activities	51,142,967,292.64	51,865,009,954.52	-1.39%
Net cash generated from/used in operating activities	808,756,394.11	178,616,528.21	352.79%
Subtotal of cash generated from investing activities	6,003,236,391.07	4,798,350,613.92	25.11%
Subtotal of cash used in investing activities	8,688,189,017.80	7,250,899,403.98	19.82%
Net cash generated from/used in investing activities	-2,684,952,626.73	-2,452,548,790.06	-9.48%
Subtotal of cash generated from financing activities	24,829,208,403.38	22,866,838,295.94	8.58%
Subtotal of cash used in financing activities	21,264,351,013.39	20,731,825,242.51	2.57%
Net cash generated from/used in financing activities	3,564,857,389.99	2,135,013,053.43	66.97%
Net increase in cash and cash equivalents	1,670,291,105.79	-195,645,803.98	953.73%

Explanation of why any of the data above varies significantly:

Applicable Not applicable

Net cash generated from/used in operating activities changed primarily because the Company actively promoted sales and cash inflow across all the business divisions during the Reporting Period, resulting in a decrease in both inventories and accounts receivable.

Net cash generated from/used in financing activities changed primarily because borrowings

increased during the Reporting Period compared to last year.

Reason for any big difference between the net operating cash flow and the net profit for this Reporting Period:

Applicable Not applicable

V Analysis of Non-Core Businesses

Applicable Not applicable

Unit: RMB

	Amount	As % of total profit	Source/Reason	Recurrent or not
Return on investment	4,216,806,949.38	268.37%	Transfer of part of equity interests in E2info in the current period	Not
Gain/loss on changes in fair value	52,490,907.33	3.34%		Not
Asset impairments	-1,750,376,067.33	-111.40%	Mainly for some assets, there are impairment losses such as receivables, inventory and goodwill	Not
Non-operating income	82,601,532.35	5.26%		Not
Non-operating expense	24,444,724.35	1.56%		Not

VI Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	31 December 2021		1 January 2021		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	6,489,553,211.24	16.27%	5,431,530,180.90	10.87%	5.40%	
Accounts receivable	3,397,729,481.07	8.52%	3,900,897,623.59	7.81%	0.71%	
Contract assets	-	0.00%	2,870,006,710.39	5.74%	-5.74%	
Inventories	4,068,537,809.18	10.20%	4,521,300,677.41	9.05%	1.15%	
Investment property	776,525,061.54	1.95%	538,585,668.29	1.08%	0.87%	
Long-term equity	5,902,588,939.51	14.80%	4,375,833,584.65	8.76%	6.04%	

investments						
Fixed assets	4,010,295,277.14	10.06%	3,178,642,017.84	6.36%	3.70%	
Construction in progress	1,490,777,831.39	3.74%	9,236,643,931.68	18.48%	-14.74%	
Right-of-use assets	71,210,415.37	0.18%	104,222,631.14	0.21%	-0.03%	
Short-term borrowings	9,920,675,121.08	24.88%	10,990,550,475.78	21.99%	2.89%	
Contract liabilities	652,910,408.02	1.64%	1,217,367,735.94	2.44%	-0.80%	
Long-term borrowings	3,529,140,539.09	8.85%	5,964,748,997.54	11.93%	-3.08%	
Lease liabilities	42,532,869.63	0.11%	62,278,691.85	0.12%	-0.01%	

Indicate whether overseas assets account for a larger proportion of the total assets.

Applicable Not applicable

2. Assets and Liabilities at Fair Value

Applicable Not applicable

Unit: RMB

Item	Beginning amount	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
Financial assets								
1. Trading financial assets (derivative financial assets excluded)	618,249,541.66	3,691,020.84				621,940,562.50		
4. Other equity instrument investment	25,343,293.16						-1,501,956.00	23,841,337.16
Subtotal of financial assets	643,592,834.82	3,691,020.84	-	-	-	621,940,562.50	-1,501,956.00	23,841,337.16
Other	1,962,211,994.20	52,705,078.02	-	-	657,201,828.98	307,266,608.98		2,364,852,292.22
Total of the	2,605,804,829.02	56,396,098.86	-	-	657,201,828.98	929,207,171.48	-1,501,956.00	2,388,693,629.38

above								
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 non-current financial assets	1,878,154,796.76	52,705,078.02			585,711,140.44	223,209,411.54		2,293,361,603.68
Receivables financing	84,057,197.44				71,490,688.54	84,057,197.44		71,490,688.54

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	521,205,992.21	Of which, RMB467,911,612.25 was margin deposit pledged for borrowings or issuing bank acceptance bills; RMB19,966,629.15 was financial supervision account funds; RMB20,918,528.76 was fixed-term deposit that cannot be withdrawn in advance; RMB12,409,222.05 was restricted for other reasons.
Notes receivable	540,032,830.08	Pledged for billing
Investment property	354,245,460.11	Mortgaged for borrowings
Fixed assets	1,261,093,738.34	Mortgaged for borrowings, mortgaged for guarantee of former shareholders, mortgaged for financing lease
Intangible assets	380,518,831.80	Mortgaged for borrowings, mortgaged for guarantee of former shareholders
Construction in progress	76,401,305.41	Mortgaged for financing lease
Total	3,133,498,157.95	

VII Investments Made

1. Total Investment Amount

Applicable Not applicable

Amount of Reporting Period (RMB)	Amount of the same period of last year (RMB)	Change (%)
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7,481,330,886.46	5,893,962,083.15	26.93%
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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	Progress	Estimated revenues	Accumulative realized revenues as of the period-end	Reason for not meeting the schedule and expected revenues	Disclosure date (if any)	Disclosure index (if any)
Dongguan Konka Intelligent Industrial Park	Self-build	Yes	Electronic industry	128,898,300.00	347,918,300.00	Self-funded				N/A	2017-03-11	
Suining Konka Electronic Technology Industrial Park	Self-build	Yes	Electronic industry	147,276,950.83	333,062,092.90	Self-funded				N/A	2018-10-17	
Konka Chuzhou Smart Appliances and Equipment Industrial Park	Self-build	Yes	Electronic industry	174,000,546.01	657,202,021.01	Self-funded				N/A	2018-12-05	
Chongqing Konka Semiconductor Photoelectric Industrial Park	Self-build	Yes	Electronic industry	181,506,291.09	284,948,778.36	Self-funded				N/A	2019-06-14	
Yancheng Semiconductor Assembly & Test Base	Self-build	Yes	Electronic industry	147,726,544.36	148,527,208.36	Self-funded				N/A	2019-11-26	

Konka Intelligent Terminal Manufacturing Base for Export	Self-build	Yes	Electronic industry	32,684,007.45	40,923,207.45	Self-funded				N/A	2020-06-06	
Frestec Refrigeration Park	Self-build	Yes	Electronic industry	12,488,805.46	109,172,481.07	Self-funded				N/A	2020-07-21	
Xi'an Konka Smart Appliances Headquarters Project	Self-build	Yes	Electronic industry	141,515,774.75	141,515,774.75	Self-funded				N/A	2021-02-10	
Total	--	--	--	966,097,219.95	2,063,269,863.90	--	--			--	--	--

Note: Regarding Dongguan Konka Intelligent Industrial Park, Chongqing Konka Semiconductor Photoelectric Industrial Park, Suining Konka Electronic Technology Industrial Park, Frestec Refrigeration Park, and Konka Intelligent Terminal Manufacturing Base for Export, project land has been obtained and construction begins. The infrastructure of Konka Chuzhou Smart Appliances and Equipment Industrial Park is going through acceptance check upon the completion of construction. As for Xi'an Konka Smart Appliances Headquarters Project, it is at a stage of construction. Yancheng Semiconductor Assembly & Test Base has been put into production.

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

(1) Overall use of the raised funds

Applicable Not applicable

Unit: Ten thousand Yuan

To raise the year	Raise way	Total fund raised	The total amount of funds collected has been	Accumulated use of the total amount	Total amount of funds raised for	Accumulative total amount of raised	Proportion of the total amount of raised	Total funds raised have not yet been	The purpose and destination of the	Idle more than two years raised

			used in this period	of raised funds	changing purposes during the reporting period	funds for change of use	funds for cumulative change of use	used	raised funds have not been used	funds
2021	Non-public offering of corporate bonds	230,000	230,000	230,000	0	0	0.00%	0	No	0
total	--	230,000	230,000	230,000	0	0	0.00%	0	--	0
Description of the overall use of the raised funds										
The company uses and manages the raised funds strictly in accordance with the Standard Operation Guidelines for Listed Companies of Shenzhen Stock Exchange and other laws and regulations as well as the Company's Management System for Raised Funds, and there is no illegal use of the raised funds.										

(2) Project status of raised funds commitment

Applicable Not applicable

(3) Project changes of raised funds

Applicable Not applicable

No such cases in the Reporting Period.

VIII Sale of Major Assets and Equity Interests

1. Sale of Major Assets

Applicable Not applicable

No such cases in the Reporting Period.

2. Sale of Major Equity Interests

Applicable Not applicable

Counterparty	Equity interest sold	Date of sale	Selling price (RMB '0,000)	Amount contributed by the equity interest of the Company	Effect of the sale on the Company	Amount contributed by the net income of the Company	Principle	Related party transactions	Relationship between counterparties and the Company	Ownership fully transferred or not	Executed as scheduled or not, if not, state reasons and actions taken	Disclosure date	Index to disclosed information
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				ny from period- beginn ing to date of sale (RMB' 0,000)	ny	any as a perce ntage of the Comp any's net incom e (%)		or no t					
Yantai Huayi Kangqiao Real Estate Co., Ltd.	17% interest in Yantai Kangyuan Industrial Development Co., Ltd.	31 Mar. 2021	3,451	-9.3	Op ti mi zin g the Co m pa ny 's	8.48%	Val uati on	No	No	Yes	N/A	14 Janua ry 2021	
Shanghai Songpu Enterprise Management Co., Ltd.	39% interest in Shanghai Konka Green Technology Co., Ltd.	13 Apr. 2021	7,478	0	all oc ati on of ass ets , inc rea sin	3.35%	Val uati on	No	No	Yes	N/A	2 Mar. 2021	http://www.cninfo.com.cn/new/index
Xinxiang Jianteng Real Estate Development Co., Ltd.	51% interest in Shenzhen Kangxin Property Co., Ltd.	17 Jun. 2021	10,442	-705.34	g ca pit al liq ui dit y	7.32%	Val uati on	No	No	Yes	N/A	27 Mar. 2021	

Shandong Hi-speed Company Limited	11.70% interest in Shandong High Economic Technology Co.,Ltd.	25 Nov. 2021	30,624.048	1,526.35	24.97%	Valuation	No	Yes	N/A	21 April 2021
Shenzhen Qiaoyi Digital Technology Co., Ltd., Yancheng Kangyan Information Industry Investment Partnership (limited partnership), Shanghai Huandian Information Technology Co., Ltd., Chongqing Kangxin Equity Investment Fund Partnership (limited partnership), Chongqing Kunyu Innovation Intelligence Private Equity Investment Fund Partnership (limited partnership), Hainan Huilong Investment Partnership (Limited Partnership), Yibin Kanghui Electronic Information Industry Equity Investment Fund Partnership (limited partnership), Xiyue New Media No.2 (Zhuhai) Investment Fund Partnership (limited partnership), Hangzhou Yuanxing Yuhan Investment Fund Partnership (limited partnership), Zhuhai Zhongdi Jinqiao Equity Investment Partnership (Limited Partnership), Tianjin Kaiyuan Future Technology Venture Capital Fund Partnership (limited Partnership), Hangzhou Huashu Zhiping Information Technology Co., Ltd., Hunan Changsha Tianxin District Jiuyue Venture Capital Investment Partnership (limited partnership), Hunan Jiucheng Venture Capital	70% interest in Shenzhen E2info Network Technology Co., Ltd	30 Dec. 2021	280,000	11,587.87	295.68%	Valuation	Yes	Yes	N/A	21 Jul. 2021

Investment Partnership (limited partnership), Jiangxi Junjian Industrial Limited Company, Chutian Dragon Co., Ltd., Beijing All View Cloud Big Data Technology Co., Ltd.																			
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IX 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
Konka Ventures Development (Shenzhen) Co., Ltd.	Subsidiary	Enterprise management consulting and incubation services	RMB5,000,000	127,810,100.31	64,662,755.52	70,087,973.87	11,357,560.21	11,865,216.89
Anhui Konka Electronic Co., Ltd.	Subsidiary	Production and sale of electronics	RMB140,000,000	2,709,207,719.09	623,629,181.19	4,976,928,097.47	20,101,559.06	12,088,889.39
Hong Kong Konka Co., Ltd.	Subsidiary	Export & import of electronics	HKD500,000	2,395,637,944.72	334,620,013.25	2,950,550,106.15	120,196,913.47	99,670,323.83
Shenzhen Wankaidea Science and Technology Co., Ltd.	Subsidiary	Software design and technology development	RMB10,000,000	117,380,831.64	114,721,704.78	39,483,080.00	31,505,474.02	27,814,633.88
Chain Kingdom Memory Technologies Co., Limited	Subsidiary	Export & import of electronics	USD4,876,255.39	1,124,098,702.18	140,892,289.78	9,416,436,242.22	21,235,090.37	16,707,246.42

Subsidiaries obtained or disposed of 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
Chongqing Kanglei Optoelectronic Technology Co., Ltd.	De-registered	For better allocation of assets
Henan Kangxin Real Estate Co., Ltd.	De-registered	
Shenzhen Kangquan Enterprise Management Consulting Co., Ltd.	De-registered	
Shenzhen Konka Suyuan Investment Industrial Limited Company	De-registered	
Shenzhen Konka Industrial Park Development Co., Ltd.	De-registered	
Xiamen Dalong Trade Co., Ltd.	De-registered	
Nanjing Chuanghui Smart Technology Co., Ltd.	De-registered	
Hefei Chain Kingdom Memory Technologies Co., Limited.	De-registered	
Kangxin Semiconductor (Yantai) Co., Ltd.	De-registered	
Konka Kowin Memory Technology (Hong Kong) Co., Limited.	Newly incorporated	
Kanka Industrial and Trade Technology.	Newly incorporated	
Shaanxi Konka Intelligent Appliance Co., Ltd.	Newly incorporated	
Kangruncheng Environmental Technology (Yantai) Co., Ltd.	Newly incorporated	
Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.	Newly incorporated	
Suining Konka Flexible Electronic Technology Co., Ltd.	Newly incorporated	
Yibin Kangrun Environmental Protection Power Generation Co., Ltd.	Newly incorporated	
Nantong Hongdin Smart Technology Co., Ltd.	Newly incorporated	
Suining Konka Hongye Electronics Co., Ltd.	Newly incorporated	
Konka Huazhong (Hunan) Technology Co., Ltd.	Newly incorporated	
Kangxin Semiconductor (Yantai) Co., Ltd.	Newly incorporated	
Chuzhou Konka Precision Intelligent Manufacturing Technology Co., Ltd.	Newly incorporated	
Chongqing Xinyuan Semiconductor Co., Ltd.	Newly incorporated	
Jiangxi Konka Industrial Park Development Co. Ltd.	Newly incorporated	
Ruichang Kangrui Real Estate Co., Ltd.	Newly incorporated	

Konka Industrial Development (Wuhan) Co., Ltd.	Newly incorporated	
Guizhou Konka New Material Technology Co., Ltd.	Newly incorporated	
Guizhou Kanggui Material Technology Co., Ltd.	Acquired	
Chongqing Jiarun Real Estate Co., Ltd.	Newly incorporated	
Nantong Kanghai Technology Industry Development Co., Ltd.	Newly incorporated	
Guangdong Xinwei Semiconductor Co., Ltd.	Newly incorporated	
Chongqing Kangyiyun Business Operation Management Co., Ltd.	Newly incorporated	
Shenzhen Yijiakang Smart Terminal Technology Co., Ltd.	Newly incorporated	
Shenzhen Kangxiaojia Digital Information Technology Co., Ltd.	Newly incorporated	
Guizhou Kangkai Material Technology Co., Ltd.	Newly incorporated	
Chongqing Kangxingrui Renewable Resources Co., Ltd.	Newly incorporated	
Guizhou Kanggui Energy Co., Ltd.	Newly incorporated	
Xi'an Feihe Real Estate Development Co., Ltd.	Acquired	
Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	Acquired	
Sichuan Chengrui Real Estate Co., Ltd.	Acquired	
Yantai Kangyun Industrial Development Co., Ltd.	Equity transfer	Beneficial to the development of the Company's relevant business and bring about a certain amount of gains
Yantai Kangyun Real Estate Development Co., Ltd.	Equity transfer	
Shenzhen Kangxin Real Estate Co., Ltd.	Equity transfer	
Henan Kanghan Real Estate Co., Ltd.	Equity transfer	
Shandong Econ Technology Co., Ltd.	Equity transfer	
Donggang Kangrun Environmental Management Co., Ltd.	Equity transfer	
Subei Mongol Autonomous County Kangrun Water Co., Ltd.	Equity transfer	
Kanghong (Yantai) Environmental Technology Co., Ltd.	Equity transfer	
Weifang Sihai Kangrun Investment Operation Co., Ltd.	Equity transfer	
Dayi Kangrun Water Co., Ltd.	Equity transfer	
Suining Pengxi Kangrun Environmental Management Co., Ltd.	Equity transfer	

Laizhou Lairun Wastewater Treatment Co., Ltd.	Equity transfer
Funan Kangrun Water Co., Ltd.	Equity transfer
Lushan Kangrun Environmental Management Co., Ltd.	Equity transfer
Tongchuan Kangrun Honghui Environmental Management Co., Ltd.	Equity transfer
Wuhan Runyuan Wastewater Treatment Co., Ltd.	Equity transfer
Tingyuan Environmental Technology (Shanghai) Co., Ltd.	Equity transfer
Xixian Kangrun Xijian Water Environment Development Co., Ltd.	Equity transfer
Gaoping Kangrun Environmental Protection & Water Co., Ltd.	Equity transfer
Mengcheng Kangrun Anjian Water Co., Ltd.	Equity transfer
Chongzhou Kangrun Environment Co., Ltd.	Equity transfer
Xi'an City Gaoling District Kangrun Environmental Engineering Co., Ltd.	Equity transfer
Ankang Kangrun Xinheng Water Environment Co., Ltd.	Equity transfer
Changning Kangrun Water Co., Ltd.	Equity transfer
Linfen Kangrun Jinze Water Supply Co., Ltd.	Equity transfer
Kangruncheng Environmental Technology (Yantai) Co., Ltd.	Equity transfer
Bokang Renewable Resources (Yantai) Co., Ltd.	Equity transfer
Laizhou Binhai Wastewater Treatment Co., Ltd.	Equity transfer
Binzhou Beihai Jingmai Industrial Development Co., Ltd.	Equity transfer
Beijing Econ Runfeng Technology Co., Ltd.	Equity transfer
Econ Environmental Engineering Co., Ltd.	Equity transfer
Shanghai Jiyi Environmental Technology Co., Ltd.	Equity transfer
Binzhou Econ Zhongke Environmental Technology Co., Ltd.	Equity transfer
Rushan Econ Water Environment Management Co., Ltd.	Equity transfer
Laizhou Lairun Holding Co., Ltd.	Equity transfer
Binzhou Weiyijie Environmental Technology Co., Ltd.	Equity transfer
Yantai Chunzhiran Environmental Technology Co.,	Equity transfer

Ltd.		
Laizhou Lairun Environmental Protection Co., Ltd.	Equity transfer	
Dongguan Kangjia New Materials Technology Co., Ltd..	Equity transfer	
Shenzhen E2info Network Technology Co., Ltd.	Equity transfer	
E2info (Hainan) Network Technology Co., Ltd.	Equity transfer	
Shenzhen Kanghuijia Technology Co., Ltd.	Capital decrease	
Chongqing Konka Huiying Technology Co., Ltd.	Capital decrease	
KK Smartech Limited	Capital increase	

Information about principal subsidiaries and joint stock companies:

None

X Structured Bodies Controlled by the Company

Applicable Not applicable

XI Prospect of the Company's Future Development

In 2022, based on the external situation and the actual situation of the Company, the Company will tackle key problems in core technologies, build core capabilities and achieve high-quality development. The Company's key works for 2022 are as follows:

(I) Explore new business around the upstream and downstream of the mainline

In 2022, around the main industrial line of "semiconductor + new consumer electronics (CE) + industrial park", the Company will adopt a strategy of lengthening and broadening. The Company will extend the industrial chain vertically and widen the product chain horizontally, and build the Company's new core competitiveness with advantages in technologies and supply chain.

(II) Further promote cost reduction and fee control

In 2022, the Company will further enhance cost reduction and fee control. First, it will reduce costs. The Company will focus on reducing supply chain costs. The second is to manage expenses. While improving the use efficiency of various expenses, the Company will reduce the cost of strategic promotion, logistics and sales by changing the operation mode..

(III) Vigorously create benchmark quality products

In 2022, the Company will make great efforts to create benchmark quality products. By streamlining products, functions and processes, the Company will focus its resources on creating high-tech, high-margin and high-praise products in order to meet the needs of users and intensify the Company's competitive advantages.

(IV) Optimize the asset and financial structure

In 2022, the Company, with the aim of optimizing the assets and financial structure, will, first of all, actively improve the debt structure and reduce the proportion of short-term liabilities; secondly, it will revitalize existing assets, accelerate the realization of assets, and speed up the turnover of inventory and accounts receivable; finally, it will actively expand financing channels and reduce financing costs.

(V) Business operations

1. Technology Park Sub-Division

In 2022, the key tasks of the technology park sub-division are as follows: First, the Company will explore increments, and plan for new sectors in the technology park sub-division to seek development; second, in terms of post-investment management, the Company will ensure that the controlled projects are delivered on schedule, and track the projects it participates.

2. Multimedia Sub-Division

In 2022, the key tasks of the multimedia sub-division are as follows: First, the Company will enhance the quality of operation, continue to improve business performance of the multimedia sub-division and lay a good foundation for turning losses into profits; second, the Company will strengthen products and manufacturing, create benchmark quality products, and achieve substantial growth of OEM and export business relying on the manufacturing capabilities of intelligent manufacturing factories; third, the Company will optimize the management structure, and further optimize management structure around manufacturing and marketing of the multimedia sub-division; fourth, it is channel reuse. The multimedia business will realize channel reuse through continuous enrichment of product lines so as to improve channel efficiency.

3. White Goods Sub-Division

In 2022, the key tasks of the white goods sub-division are as follows: First, the Company will build a new pattern of the white goods industry through coordinated development of the full-category of "refrigerators + washing machines + air conditioners + freezers + kitchen appliance"; second, the Company will make greater efforts to enhance gross profits of the white goods sub-division; third, the Company will actively engage in key areas in the upstream of the industrial chain, build industrial barriers by means of capital, and further enhance the right to speak in the industrial chain of white goods.

4. Industry and Trade Technology Sub-Division

In 2022, the key tasks of the industry and trade technology sub-division are as follows: First, the Company will further promote the "trade to industry", and find new growth points through the development of new customers, new businesses and new products, improve the ability to acquire gross profit, and continuously improve the quality of operations; second, the Company will adjust the income structure, continuously increase the proportion of domestic trade income, and promote sustained and healthy business development.

5. Investment Sub-Division

In 2022, the key tasks of the investment sub-division are to do a good job in investment, management and withdrawal of existing funds, and continue to expand the number and scale of funds, so as to form a pattern of sufficient fundraising, sound investment, proper management, and effective withdrawal.

6. Semiconductor Sub-Division

In 2022, the key tasks of the semiconductor sub-division are as follows: First, the Company will realize industrialization and accelerate the industrialization of the four photoelectric technology projects of Mini backlight, Mini direct display, Mini chip and Micro chip; second, the Company will ensure that the R&D plan is completed on schedule; third, the Company will enhance operation of Yancheng Semiconductor Assembly & Test Base, so as to realize the replication of the project.

7. Environmental Protection Sub-Division

In 2022, the key tasks of the environmental protection sub-division are as follows: First, the Company will actively transform the environmental protection sub-division into new energy, rely on photovoltaic glass and other projects to actively expand to the upstream and downstream of the

photovoltaic industry; second, the Company will promote the transformation of Chongqing Project Company from scrap recycling business to automobile dismantling field, and accelerate the acquisition of corresponding industrial development qualifications.

8. Mobile Internet Sub-Division

In 2022, the Company will focus on creating core products, promoting business diversification and tapping sustainable high-yield businesses in the mobile Internet Sub-Division.

9. PCB Sub-Division

In 2022, the Company will further accelerate the growth of business scale, improve the product structure, expand from the current product line to High Density Interconnection (HDI) board and Flexible Printed Circuit (FPC) board, improve the product structure of PCB products, and realize diversified and high-end products in the PCB sub-division.

10. Venture Capital Sub-Division

In 2022, the Company will build a commercial real estate operator mode based on the operation of projects including OCT Creative Park, Wuhan and Foshan, and open up new profit support businesses in the sub-division. In addition, the Company will continue to improve and upgrade the construction of state-level incubators, and rely on venture capital funds and incubator platforms to cultivate and incubate high-quality enterprises.

XII Communications with the Investment Community such as Researches, Inquiries and Interviews

√ 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 of Office Building of Konka R&D Building	By phone	Institution	Wang Anya (Taiwan Dongteng Innovation Investment Co., Ltd.)	Record Form for Investor Relations Activities (No.: 2021-01)	http://www.cninfo.com.cn/new/index
6 April 2021	Conference Room of Office Building of Konka R&D Building	Other	Individual	Investors participating in the Online Performance Presentation for 2020 of Konka Group Co., Ltd. through http://www.cs.com.cn/ .	Record Form for Investor Relations Activities (No.: 2021-02)	
22 September 2021	Conference Room of Office	One-on-one meeting	Institution	Liu Menglin, Luo Weibin (Dongguan Securities)	Record Form for Investor Relations Activities (No.:	

	Building of Konka R&D Building	g			2021-03)
18 October 2021	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Xu Liang, Chen Tong (Guosen Securities)	Record Form for Investor Relations Activities (No.: 2021-04)
29 October 2021	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Xie Jude (Shenzhen Guanlan Lake Investment Holdings Co., Ltd.)	Record Form for Investor Relations Activities (No.: 2021-05)
5 November 2021	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Hong Yan (Hangzhou Jiulong Asset Management Co., Ltd.) Cai Tianfu (Shenzhen Dadao Zhicheng Investment Management Partnership (Limited Partnership))	Record Form for Investor Relations Activities (No.: 2021-06)
26 November 2021	Conference Room of Office Building of Konka R&D Building	Other	Institution	Xu Yong (Ping An Securities) Gao Yibo (Penghua Securities) Lu Lei (Hawking Capital) Chen Chunyan (Qianhai Haochuang) Yu Junchen (Qianhai Jumpstart) Zhang Xun (Infore Capital) Dong Cheng, Feng Chenxin (Tefa Fuhai)	Record Form for Investor Relations Activities (No.: 2021-07)
3 December 2021	Conference Room of Office Building of Konka R&D Building	One-on-one meeting	Institution	Yan Zhekun (Topsperity Securities)	Record Form for Investor Relations Activities (No.: 2021-08)

Part IV 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 2021, the Company convened four 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. 15 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 a 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 2021 and the annual report in 2021. 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 of Konka Group Co., Ltd. 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 2021 and the annual report in 2021. 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 laws, regulations and provisions 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 and Actual Controller 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	Meeting resolutions
The 1 st Extraordinary General Meeting of 2021	Extraordinary General Meeting	24.48%	15 March 2021	16 March 2021	Resolutions of the 1 st Extraordinary General Meeting of 2021
The 2020 Annual	Annual General	24.42%	19 April 2021	20 April 2021	Resolutions of the

General Meeting	Meeting				2020 Annual General Meeting
The 2 nd Extraordinary General Meeting of 2021	Extraordinary General Meeting	24.42%	18 August 2021	19 August 2021	Resolutions of the 2 nd Extraordinary General Meeting of 2021
The 3 rd Extraordinary General Meeting of 2021	Extraordinary General Meeting	24.41%	1 November 2021	2 November 2021	Resolutions of the 3 rd Extraordinary General Meeting of 2021

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

Applicable Not applicable

V Directors, Supervisors, Senior Management and Staff

1. Basic Information

Name	Office title	Incu mbe nt/Fo rmer	G en de r	A ge	Start of tenure	End of tenure	Begi nnin g shar ehold ing (sha re)	Stoc k opti ons	Num ber of grant ed restri cted share s (sha re)	Incre ase in the Repo rting Perio d (sha re)	Decr ease in the Repo rting Perio d (sha re)	Other incre ase/d ecrea se (sha re)	Endi ng share holdi ng (sha re)	Reas on for chan ge
Liu Fengxi	Directo r, Chairm an of the Board	Incu mbe nt	M al e	50	3 Decemb er 2018	3 Decem ber 2022	0	0	0	0	0	0	0	
Yao Wei	Directo r	Incu mbe nt	M al e	47	14 Septemb er 2020	3 Decem ber 2022	0	0	0	0	0	0	0	
Zhou Bin	Directo r	Incu mbe nt	M al e	43	3 Decemb er 2018	3 Decem ber 2022	0	0	0	0	0	0	0	

Ye Xingbin	Director	Incumbent	Male	52	21 March 2022	3 December 2022	0	0	0	0	0	0	0	
Sun Shengdian	Independent director	Incumbent	Male	67	3 December 2018	3 December 2022	0	0	0	0	0	0	0	
Wang Shuguan	Independent director	Incumbent	Male	51	3 December 2018	3 December 2022	0	0	0	0	0	0	0	
Deng Chunhua	Independent director	Incumbent	Female	59	3 December 2018	3 December 2022	0	0	0	0	0	0	0	
Cai Weibin	Supervisor, chairman of the Supervisory Committee	Incumbent	Male	49	15 March 2021	3 December 2022	0	0	0	0	0	0	0	
Yang Guobin	Supervisor	Incumbent	Male	53	3 December 2018	3 December 2022	0	0	0	0	0	0	0	
Li Jun	Supervisor	Incumbent	Male	51	29 November 2018	3 December 2022	0	0	0	0	0	0	0	
Zhou Bin	President	Incumbent	Male	43	27 March 2020	27 March 2023	0	0	0	0	0	0	0	
Li Hongtao	Vice president	Incumbent	Male	54	27 March 2020	27 March 2023	0	0	0	0	0	0	0	
Wu Yongjun	Board Secretary	Incumbent	Male	47	27 March	27 March	0	0	0	0	0	0	0	

	ry	nt	e		2020	2023								
Li Chunlei	CFO	Incu mbe nt	M al e	49	27 March 2020	27 March 2023	0	0	0	0	0	0	0	0
Yang Bo	Vice preside nt	Incu mbe nt	M al e	52	27 March 2020	27 March 2023	0	0	0	0	0	0	0	0
Cao Shiping	Vice preside nt	Incu mbe nt	M al e	44	27 March 2020	27 March 2023	0	0	0	0	0	0	0	0
Wang Youlai	Superv isor, chairm an of the Superv isory Comm ittee	For mer	M al e	61	3 Decemb er 2018	15 March 2021	0	0	0	0	0	0	0	0
Zhang Jing	Directo r	For mer	M al e	40	3 Decemb er 2018	11 October 2021	0	0	0	0	0	0	0	0
Li Zheng	Directo r	For mer	M al e	44	1 Novemb er 2021	28 Februar y 2022	0	0	0	0	0	0	0	0
Sun Qingyan	Vice preside nt	For mer	M al e	50	27 March 2020	28 Februar y 2022	26,0 00	0	0	0	0	0	0	26,00 0
Total							26,0 00	0	0	0	0	0	0	26,00 0

Indicate by tick mark whether any directors or supervisors left or any senior management were disengaged during the Reporting Period

√ Yes □ No

During the Reporting Period, the former Chairman of the Supervisory Committee of the Company Mr. Wang Youlai resigned the posts of Chairman of the Supervisory Committee and Supervisor for job changes (retirement); the former director of the Company Mr. Zhang Jing resigned the post for job changes.

Change of Directors, Supervisors and Senior Management

√Applicable □ Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Wang Youlai	Supervisor, chairman of the Supervisory Committee	Left	15 March 2021	Resigned for job changes (retirement)
Cai Weibin	Supervisor	Elected	15 March 2021	Elected as Supervisor by the shareholders' meeting
Cai Weibin	Chairman of the Supervisory Committee	Elected	15 March 2021	Elected as Chairman of the Supervisory Committee by the Supervisory Committee
Zhang Jing	Director	Left	11 October 2021	Resigned for job changes
Li Zheng	Director	Elected	1 November 2021	Elected as Director by the shareholders' meeting
Sun Qingyan	Vice president	Dismissed	28 February 2022	Resigned for job changes
Li Zheng	Director	Left	28 February 2022	Resigned for job arrangement
Ye Xingbin	Director	Elected	21 March 2022	Elected as Director by the shareholders' meeting

2. 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, Vice President, President, Secretary of the Party Committee and Chairman of the Board of Konka Group, Vice GM of OCT Group, GM of Shenzhen Konka Holding Group Co., Ltd., etc. And now he is acting as the Director, GM, Deputy Secretary of the Standing Committee of OCT Group, Deputy Chairman of the Board and Deputy Secretary of CPC of Shenzhen Overseas Chinese Town Co., Ltd., Chairman of the Board of Shenzhen Konka Holding Group Co., Ltd. and OCT North Investment 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 Holdings Company, Chairman of the Board of OCT (Yunnan) Investment Co., Ltd., Director of China Everbright Bank Co., Ltd. and 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 Chairman of Shenzhen Konka Investment Holdings Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. and Shenzhen OCT Kangkong Private Equity Fund Management Co., Ltd., Director of Shenzhen Konka Holding Group Co., Ltd., and Director, Secretary of the Party Committee and President in Konka Group.

Ye Xingbin, male, Han Chinese, was born in 1970, and holds a bachelor's degree. He previously served as a Special Director at the Overseas Chinese Town Holdings Company (OCT Group), and was a member of the Standing Committee of the Qiandongnan Prefecture of Guizhou Province, the Deputy Governor of the Prefecture Government, and the Deputy Party Secretary of the Party Committee of Konka Group. He is currently the Deputy Party Secretary and Director of the Party Committee of Konka Group.

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, Zhejiang Jinke Tom Culture Industry Co., Ltd., Wolong Electric Group Co., Ltd., Zhejiang Youchuang Material Technology Co., Ltd. and 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 Holdings Company Currently, he acts as GM of Legal Compliance Department in Overseas Chinese Town Holdings Company 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 external Director of Board Office in OCT 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 8th Supervisory Committee of Konka Group. Presently working as the deputy secretary of discipline inspection commission of Konka Group, General counsel, Office Director of discipline Inspection Commission, Chief of the Auditing and Legal Affairs Department and Employee Supervisor of

Konka Group.

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. Now, he acts as the Chairman of Shenzhen Konka Investment Holdings Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. and Shenzhen OCT Kangkong Private Equity Fund Management Co., Ltd., Director of Shenzhen Konka Holding Group Co., Ltd., and Director, Secretary of the Party Committee and President in 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.

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	Director, Deputy Secretary of CPC, GM	21 May 2021		Yes
Liu Fengxi	Shenzhen Overseas Chinese Town Co., Ltd.	Deputy Chairman of the Board, Deputy Secretary of CPC	11 September 2021		
Liu Fengxi	Shenzhen Konka Holding Group Co., Ltd.	Chairman of the Board	9 October 2021		
Liu Fengxi	OCT North Investment Co., Ltd.	Chairman of the Board	18 December 2021		
Yao Wei	OCT Group	Party Committee Standing Committee and Chief Accountant	3 July 2020		Yes
Yao Wei	OCT (Yunnan) Investment Co., Ltd	Chairman of the Board	25 November 2021		
Zhou Bin	Shenzhen Konka Holding Group Co., Ltd.	Director	14 April 2020		
Cai Weibin	OCT Group	GM of Legal Compliance Department	1 December 2020		Yes
Yang Guobin	OCT Group	Full-time external director in Board Office	7 March 2018		Yes
Notes	<p>1. Except the above situation, other directors, supervisors and senior management didn't hold any position in the shareholders' units.</p> <p>2. It is unknown the ending date of the posts of Mr. Liu Fengxi, Mr. Yao Wei, Mr. Cai Weibin, Mr. Zhou Bin and Mr. Yang Guobin held in the shareholders' units.</p>				

Offices held concurrently in other entities:

Applicable Not applicable

Name	Other entity	Office held in	Start of tenure	End of tenure	Remuneration or
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		the entity			allowance from the entity
Yao Wei	China Everbright Bank Co., Ltd	Director	10 February 2021		
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	8 July 2020		Yes
Deng Chunhua	Wolong Electric Group Co., Ltd.	Independent director	8 September 2020		Yes
Deng Chunhua	Zhejiang Youchuang Material Technology Co., Ltd.	Independent director			
Notes			None		

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

3. 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 2nd 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, CEO	Male	50	Incumbent		Yes
Yao Wei	Director	Male	47	Incumbent		Yes
Zhou Bin	Director, President	Male	41	Incumbent	538.14	No
Ye Xingbin	Director, Deputy Secretary of CPC	Male	52	Incumbent	217.36	No
Sun Shengdian	Independent director	Male	67	Incumbent	30	No
Wang Shuguang	Independent director	Male	51	Incumbent	30	No
Deng Chunhua	Independent director	Female	59	Incumbent	30	No
Cai Weibin	Chairman of the Supervisory Committee	Male	49	Incumbent		Yes
Yang Guobin	Supervisor	Male	53	Incumbent		Yes
Li Jun	Employee Supervisor	Male	51	Incumbent	142.95	No
Li Hongtao	Vice president	Male	54	Incumbent	275.13	No
Wu Yongjun	Board Secretary	Male	47	Incumbent	267.91	No
Li Chunlei	CFO	Male	49	Incumbent	292.97	No
Yang Bo	Vice president	Male	50	Incumbent	266.94	No
Cao Shiping	Vice president	Male	44	Incumbent	292.99	No
Wang Youlai	Chairman of the Supervisory Committee	Male	61	Former		Yes
Zhang Jing	Director	Male	40	Former		Yes
Li Zheng	Director	Male	44	Former		Yes

Sun Qingyan	Vice president	Male	50	Former	261.90	No
Total	--	--	--	--	2,646.29	--

VI Performance of Duty by Independent Directors in the Reporting Period

1. Board Meeting Convened during the Reporting Period

Meeting	Date of the meeting	Disclosure date	Meeting resolutions
The 38 th Meeting of the 9 th Board of Directors	2021-1-15		Resolution on the Incentive Scheme for Special Contribution; Resolution on Applying for General Credit Limit from Shenzhen Branch, China Guangfa Bank Co., Ltd.
The 39 th Meeting of the 9 th Board of Directors	2021-2-26	2021-2-27	Resolutions of the 39th meeting of the ninth Board of Directors. Resolution on Investing in the Project of Constructing Headquarters for Konka Smart Home Appliance; Resolution on Investing in the Project of Constructing Konka Silk Road Science and Technology City.
The 40 th Meeting of the 9 th Board of Directors	2021-3-22	2021-3-24	Resolutions of the 40th meeting of the ninth Board of Directors; Resolution on Applying for General Credit Limit from China Resources Bank of Zhuhai Co., Ltd. (CRBC); Resolution on Applying for General Credit Limit from Shenzhen Rural Commercial Bank (SRCB); Resolution on Applying for General Credit Limit from Bank of Beijing Co., Ltd. (BOB); Resolution on Applying for General Credit Limit from China Construction Bank (CCB); Resolution on Applying for General Credit Limit from China Bohai Bank Co., Ltd.; Resolution on Applying for General Credit Limit from Guangdong Huaxing Bank; Resolution on Applying for General Credit Limit from Bank of Hangzhou; Resolution on Applying for General Credit Limit from the Shenzhen Branch, Hua Xia Bank Co., Ltd.; Resolution on Applying for General Credit Limit from the Shanghai Pudong Development Bank (SPD bank); Resolution on Applying for General Credit Limit from Industrial Bank Co., Ltd.; Resolution on Applying for General Credit Limit from Agricultural Bank of China (ABC).
The 41 st Meeting of the 9 th Board of Directors	2021-4-28	2021-4-29	Resolutions of the 41st meeting of the ninth Board of Directors
The 42 nd Meeting of the 9 th Board of Directors	2021-5-28	2021-6-1	Resolutions of the 42nd meeting of the ninth Board of Directors
The 43 rd Meeting of the 9 th	2021-7-16		Resolution on the Annual Incentive and Salary Plan for 2020 for the Company's Management Team; Resolution on Applying for General Credit Limit from China Everbright Bank

Board of Directors			
The 44 th Meeting of the 9 th Board of Directors	2021-8-2	2021-8-3	Resolutions of the 44th meeting of the ninth Board of Directors
The 45 th Meeting of the 9 th Board of Directors	2021-8-26		Resolutions of the 45th meeting of the ninth Board of Directors; Resolution on Making Donations to Help Alleviate Poverty in Guangdong Province.
The 46 th Meeting of the 9 th Board of Directors	2021-9-10	2021-9-11	Resolutions of the 46th meeting of the ninth Board of Directors
The 47 th Meeting of the 9 th Board of Directors	2021-10-13	2021-10-15	Resolutions of the 47th meeting of the ninth Board of Directors; Resolution on the Listing Transfer of 49% Equity in Kunshan Konka Electronic Co., Ltd.; Resolution on Applying for General Credit Limit from Shenzhen Branch, China Minsheng Bank; Resolution on Applying for General Credit Limit from the Hongkong and Shanghai Banking Corporation Limited; Resolution on Applying for General Credit Limit from Chiyu Banking Corporation Limited.
The 48 th Meeting of the 9 th Board of Directors	2021-10-27		Resolutions of the 48th meeting of the ninth Board of Directors
The 49 th Meeting of the 9 th Board of Directors	2021-11-5	2021-11-6	Resolutions of the 49th meeting of the ninth Board of Directors
The 50 th Meeting of the 9 th Board of Directors	2021-11-24	2021-11-26	Resolution on Participating in the Auction for Land Use Rights in Bishan District, Chongqing; Resolution on Investment in Constructing Konka Digital Economy Industrial Park; Resolution on the Listing Transfer of 100% Equity in Konka Financial Lease (Tianjin) Co., Ltd.; Resolution on Applying for General Credit Limit from Bank of Dongguan; Resolution on Chongqing Konka Optoelectronic Technology Research Institute Co., Ltd. Providing Loans to the Shareholders according to the Percentage of Equity Interest Ownership Ration.
The 51 st Meeting of	2021-12-10		Resolutions of the 51st meeting of the ninth Board of Directors

the 9 th Board of Directors			
The 52 nd Meeting of the 9 th Board of Directors	2021-12-27		Resolutions of the 52nd meeting of the ninth Board of Directors; Resolution on Applying for General Credit Limit from Industrial and Commercial Bank of China (ICBC); Resolution on Applying for General Credit Limit from China CITIC Bank; Resolution on Applying for General Credit Limit from Bank of Ningbo; Resolution on Applying for General Credit Limit from China Zheshang Bank Co., Ltd.; Resolution on Applying for General Credit Limit from Evergrowing Bank Co., Ltd.; Resolution on Applying for General Credit Limit from Bank of Beijing Co., Ltd.; Resolution on Applying for General Credit Limit from Bank of Communications; Resolution on Applying for General Credit Limit from Bank of China;

2. Attendance of Directors at Board Meetings and General Meetings

Attendance of directors at board meetings and general meetings							
Director	Total number of board meetings the 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 director failed to attend	The director failed to attend two consecutive board meetings (yes/no)	General meetings attended
Liu Fengxi	15	2	13	0	0	No	1
Yao Wei	15	2	13	0	0	No	0
Zhang Jing	9	1	8	0	0	No	0
Zhou Bin	15	2	13	0	0	No	4
Sun Shengdian	15	2	13	0	0	No	3
Wang Shuguang	15	1	14	0	0	No	0
Deng Chunhua	15	2	13	0	0	No	0
Li Zheng	4	0	4	0	0	No	0

Why any director failed to attend two consecutive board meetings:

Not applicable

3. Objections Raised by Directors on Matters of the Company

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

Yes No

No such cases in the Reporting Period.

4. Other Information about the Performance of Duty by Directors

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

Yes No

Suggestions from directors adopted or not adopted by the Company:

During the Reporting Period, the 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 businesses of the Company, 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.

Directors of the Company put forward the constructive advices by use of their own professional knowledge towards the internal management. The Company carefully adopted the advices from the Directors and constantly improved and enhanced the management level of the Company.

VII Performance of Duties by Specialized Committees under the Board during this Reporting Period

Committee	Members	Number of meetings convened	Convened date	Content	Important opinions and suggestions raised	Other information about the performance of duty	Details about issues with objections (if any)
Audit Committee	Deng Chunhua, Yao Wei, Wang Shuguan	6	2021-1-13	The arrangement of the 2020 annual audit and the unaudited 2020 annual financial statements of the Company were discussed and deliberated with the certified public accountants (CPA) for the annual audit.	1. The arrangement of the audit work on the 2020 Annual Report of the Company was approved. 2. It was consented that the unaudited 2020 annual financial statements shall be provided to the CPA for the annual audit. 3. It is required that ShineWing Certified Public Accountants (special general partnership) should carry out the auditing in strict accordance with the requirements of the China Practice Standards for Certified Public Accountants, and should promptly communicate with the Committee if major problems are discovered.		
			2021-3-1	The CPAs for annual audit were engaged for the discussion and review of the Company's financial statements after they have issued preliminary audit opinions.	No objection was made to the 2020 annual financial statements of the Company preliminarily audited by ShineWing Certified Public Accountants (special common partnership).		
			2021-3-12	Communications were made with the Internal Audit Department of the Company; the 2020 annual audit performed by ShineWing Certified Public	1. The 2020 annual audit performed by ShineWing Certified Public Accountants (special common partnership) was satisfying. 2. No objection was made to the 2020 Audit Report issued by ShineWing Certified Public Accountants (special common partnership). 3. It was proposed that ShineWing Certified Public		

				Accountants (special common partnership) was appraised; the 2020 annual financial statements were reviewed and retention of the accounting firm was deliberated.	Accountants (special common partnership) be retained for further service as the audit institution of the Company's 2021 annual financial statements and internal control audit institution.		
			2021-4-18	2021Q1 financial statements of the Company	No objection was made to the 2021Q1 financial statements of the Company.		
			2021-8-26	2021 interim financial statements of the Company	No objection was made to the 2021 interim financial statements of the Company.		
			2021-10-17	2021Q3 financial statements of the Company	No objection was made to the 2021 interim financial statements of the Company.		
Remuneration and Appraisal Committee	Sun Shengdian, Liu Fengxi, Zhou Bin, Wang Shuguan, Deng Chunhua	4	2021-1-4	The Incentive Scheme for Special Contribution for Some Senior Executives of the Company was audited.	It was consented that the Incentive Scheme shall be submitted to the board meeting for discussion.		
			2021-3-22	Remunerations of directors, supervisors and senior management as disclosed were audited.	Remunerations of directors, supervisors and senior management as disclosed in the Company's 2020 Annual Report were true. Remunerations of directors, supervisors and senior management as disclosed were consistent with the Company's salary management policy and no violation was found.		
			2021-7-6	The 2020 Bonus Annual Pay Scheme of the Company's management team was audited.	It was consented that the Bonus Scheme shall be submitted to the board meeting for discussion.		
			2021-12-1	The Company's Remuneration and Performance Assessment Policy was audited.	It was consented that the Remuneration and Performance Assessment Policy shall be submitted to the board meeting for discussion.		
Nomination Committee	Sun Shengdian, Liu Fengxi, Wang Shuguan, Deng Chunhua	2	2021-9-30	Selection of new directors for the ninth Board of Directors.	It was agreed that Mr. Li Zheng was nominated as a candidate for non-independent director of the Company's ninth Board of Directors, and the proposal would be submitted to the board meeting of the Company for deliberation.		

	Sun Shengdian, Liu Fengxi, Zhou Bin, Wang Shuguan, Deng Chunhua		2021-12-1	The recruiting and selecting program for members of managers was audited.	It was consented that the Recruiting and Selecting Program would be submitted to the board meeting for discussion.		
Strategic Committee	Liu Fengxi, Yao Wei, Zhou Bin, Li Zheng, Sun Shengdian	1	2021-12-17	The 14th Five-Year Plan for Konka Group was deliberated.	It was consented that the 14th Five-Year Plan would be submitted to the board meeting of Konka Group for deliberation.		

VIII 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.

IX Employees

1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent at the period-end	1,707
Number of in-service employees of major subsidiaries at the period-end	14,531
Total number of in-service employees at the period-end	16,238
Total number of paid employees in the Reporting Period	16,238
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	0
Functions	
Function	Employees
Production	9,037
Sales	3,599
Technical	1,505

Financial	695
Administrative	1,402
Total	16,238
Educational backgrounds	
Educational background	Employees
Master and above	389
Bachelor	3,401
Junior college	4,379
High school and below	8,069
Total	16,238

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 2021, the Company was driven to boost strategy and support businesses, and centered its superior resources on the cultivation of crucial core talents. Focusing on the personnel training system of "Three Tiers and Seven Brands", Konka open classes have been organized throughout the year for all employees of the Company; 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.

4. Labor Outsourcing

Applicable Not applicable

X Profit Distributions (in the Form of Cash and/or Stock)

How the profit distribution policy, especially the cash dividend policy, 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

Indicate by tick mark whether the Company fails to put forward a cash dividend proposal for 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 shareholders are positive.

Applicable Not applicable

Final Dividend Plan for the Reporting Period

Applicable Not applicable

Share dividend per 10 shares from retained earnings (share)	0
Cash dividend per 10 shares (RMB) (tax inclusive)	0.50
Share base (share)	2,407,945,408
Total cash dividends (RMB) (tax inclusive)	120,397,270.40

Cash dividends in other ways (such as share repurchase) (RMB)	0.00
Total cash dividends (including other ways) (RMB)	120,397,270.40
Distributable profits (RMB)	5,229,098,788.94
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 about the proposal for profit distribution and converting capital reserve into share capital	
<p>In the company's 2021 audited consolidated financial statements, the net profit attributable to the owner shareholders of the parent company is RMB 905,352,997.68, and the undistributed profit is RMB 5,229,098,788.94. The net profit in the audited financial statements of the parent company in 2021 is 324,592,545.67 yuan, and the undistributed profit is 2,724,187,542.59 yuan. According to the provisions of relevant laws and regulations, the articles of association and the long-term development needs of the company, the profit distribution plan for 2021 is as follows:</p> <ol style="list-style-type: none"> 1. Set aside 10% of the statutory surplus reserve according to the net profit of the parent company's audited financial statements in 2021, with an amount of RMB 32,459,254.57, without withdrawing any reserve fund. 2. Based on the total share capital of 2,407,945,408 shares at the end of 2021, cash dividend of 0.50 Yuan (including tax) will be distributed to all shareholders for every 10 shares. It is estimated that the cash dividend to be distributed will be 120,397,270.40 yuan. Do not withdraw statutory surplus reserve fund and arbitrary reserve fund. If the share capital of the Company changes after the board of Directors considers the profit distribution plan, the amount of cash dividend per share will be adjusted according to the principle of unchanged total distribution. 	

XI Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees

Applicable Not applicable

No such cases in the Reporting Period.

XII Establishment and Execution of the Internal Control System for the Reporting Period

1. Establishment and Execution of the Internal Control System

The Company has established and improved the Company's internal control system in accordance with the regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, following the basic principles of internal control, and on the basis of the Company's actual situation. The Company's Financial Audit Committee, and Audit and Legal Affairs Center follow the guidance of value management, seek the goal of strengthening risk management and control, continuously enhance audit supervision and internal control evaluation, thereby scrutinizing and evaluating the Company's internal control management. The Company's 2021 Annual Internal Control Self-Assessment Report comprehensively, factually and accurately reflects the actual situation of the Company's internal control. During the Reporting Period, the Company had no major or significant deficiencies in its internal control.

2. Material Internal Control Weaknesses Identified for the Reporting Period

Yes No

XIII Management and Control over Subsidiaries by the Company for the Reporting Period

Subsidiary	Integration plan	Integration progress	Problem	Countermeasures taken	Settlement progress	Follow-up settlement plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

XIV Internal Control Self-Evaluation Report or Independent Auditor's Report on Internal Control

1. Internal Control Self-Evaluation Report

Disclosure date of the internal control self-evaluation report	30 March 2022	
Index to the disclosed internal control self-evaluation report	http://www.cninfo.com.cn/new/index	
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 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	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 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;

	<p>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.</p>	<p>(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.</p>
Quantitative standard	<p>Great defect: potential misstatement amount $\geq 1\%$ of the gross profit margin of the 2021 consolidated financial report of the Company; significant defect: 0.5% of the gross profit margin of the 2021 consolidated financial report of the Company \leq potential misstatement amount $< 1\%$ of the gross profit margin of the 2021 consolidated financial report of the Company; general defect: potential misstatement amount $< 0.5\%$ of the gross profit margin of the 2021 consolidated financial report of the Company.</p>	<p>Implement in accordance with the quantitative criteria of internal control defect evaluation in financial statements</p>
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		0

internal control over financial reporting	
Number of serious weaknesses in internal control not related to financial reporting	0

2. 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 2021.	
Disclosure of such report	Disclosed
Disclosure date	30 March 2022
Index to such report disclosed	http://www.cninfo.com.cn/new/index
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

XV Rectifications of Problems Identified by Self-inspection in the Special Action for Listed Company Governance

There were no written minutes for the 35th meeting of the ninth Board of Directors and the 10th meeting of the ninth Board of Supervisors of the Company held on 30 October 2020. In view of the pandemic, holding on-site meeting is not appropriate; in the meantime, the topics of the meetings of the Board of Directors and the Board of Supervisors were simple, and the directors and the supervisors had been fully communicated before the meeting. After obtaining the verbal consent of all directors and supervisors, it was decided that the meetings of the Board of Directors and the Board of Supervisors shall be held by voting through faxes. Therefore, no written meeting minutes were formulated. The Company will convene the following meetings of the Board of Directors and the Board of Supervisors in strict accordance with the requirements of relevant system and record the meeting minutes.

Part V Environmental and Social Responsibility

I Major Environmental Issues

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	Discharge of stationary pollution sources	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	0.44 85 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
Xingda Hongye	waste gas pollutants: sulfuric acid fume, hydrogen chloride, formaldehyde, hydrogen	Discharge of stationary pollution	14	Three on the roof of plant 1, ten on the roof of plant 2 and one on	sulfuric acid fume≤30mg/m ³ ; nitrogen oxide≤200mg/m ³ ; hydrogen chloride≤30mg/m ³ ; hydrogen cyanide≤0.5mg/m ³ ;	Emission Standard for Electroplating Pollutants GB21900-2008 Air Emission Limits Table 5, Emission	2,98 6,56 0,00 standards cubic/ye	Total discharge: 2,986,560,000 standard cube/year (note: the total discharge is not stated in	None

	cyanide, nitrogen oxide, ammonia, benzene, toluene+xylylene, TVOC, tin and its compounds, PM(dust)	sources		the roof of the canteen	TVOC≤90mg/m ³ ; benzene≤1mg/m ³ ; toluene+xylylene≤15mg/m ³ ; tin and its compounds≤8.5mg/m ³ ; PM(dust)≤120mg/m ³	standard of Volatile Organic 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	air	the latest 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	Discharge of stationary pollution sources	1	Main discharge outlet of the wastewater 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	318,300 tons/year	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

						Standards for Surface Water GB3838-2002 " Category IV water standard, the total nitrogen discharge reaches 50% of discharge limit requirement of the corresponding industry			
Boluo Konka and Boluo Konka Precision	waste gas pollutants: sulfuric acid fume, hydrogen chloride, formaldehyde, hydrogen cyanide, nitrogen oxide, ammonia, benzene, methylbenzene, TVOC, tin and its compounds, PM (dust), oil fume	Discharge of stationary pollution sources	20	Six on the roof of plant 1, fourteen on the roof of plant 2 and one in sewage station	sulfuric acid fume \leq 30mg/m ³ ; nitrogen oxide \leq 200mg/m ³ ; hydrogen chloride \leq 30mg/m ³ ; TVOC \leq 90mg/m ³ ; benzene \leq 12mg/m ³ ; methylbenzene \leq 40mg/m ³ ; dimethylbenzene \leq 70mg/m ³ ; tin and its compounds \leq 8.5mg/m ³ ; PM (dust) \leq 120mg/m ³ ; oil fume \leq 2mg/m ³	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	None

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 m²/year, of double-sided PCB would be 250,000 m²/year, of four-layer PCB would be 300,000 m²/year, of six-layer PCB would be 200,000 m²/year, of eight-layer PCB and above would be 150,000 m²/year and of HDI boards would be 100,000 m²/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.

2. Boluo 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 800m³) and set up a fire pool (500m³ 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 (500m³, under the ground of the sewage treatment station) and a firefighting reservoir (300m³, 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.

2. Boluo 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.

Administrative punishments received in the Reporting Period due to environmental issues

Name of the company or subsidiary company	Penalty reason	Violation situation	Penalty result	Impact on the production and operation of the Company	Remediation measures of the Company
XingDa HongYe	On 25 August 2021, the Zhongshan City Environmental Monitoring Station conducted legal monitoring by sampling from the wastewater discharged from the total wastewater discharge outlet. The monitoring results showed that the concentrations of pollutants in the discharged wastewater were abnormal, including COD 24.3 mg/L, total nitrogen 24.3 mg/L, and ammonia nitrogen 21.9 mg/L, which exceeded the standard limits as stipulated in Table 3 of the Emission Standard of Pollutants for Electroplating GB 21900-2008 by 0.2 times, 0.62 times, and 1.74 times respectively. The Zhongshan Bureau of Ecology and Environment set up investigation on the excessive discharge of water pollutants on September 16, 2021.	In violation of the provisions of Article 10 of the Water Pollution Prevention Law of the People's Republic of China that "the pollutants in discharged water shall not exceed the Discharge Standards for Water Pollutants and the total discharge control indicators of key water pollutants as stipulated by the state or local governments", and according to the provisions of Article 83 (2) of the Water Pollution Prevention Law of the People's Republic of China, supported by the facts, nature, circumstances, social hazard and relevant evidence of the violation,	compared with the discretion standard as stipulated in Article 3, Paragraph 1, Item (2) in "Violation of the General Provisions of Ecological Environmental Protection" of the Quantitative Criteria for Administrative Penalty Discretionary of Zhongshan Bureau of Ecology and Environment, a fine of RMB230,000 was imposed.	This penalty did not cause production suspension or any impact on normal production and operation.	GuangDong XingDa HongYe Electronic Co., Ltd. spent RMB18 million on the rectification of environmental protection and wastewater project in 2022. (At present, the construction unit has been determined, and the application for construction of the project is being submitted. The project is expected to be completed by the end of July 2022).

Other environmental information that should be disclosed

1. XingDa HongYe

The environmental protection investment of Guangdong Xingda Hongye Electronics Co., Ltd. for 2021 was approximately RMB18 million, mainly used for the investment in Environmental governance equipment and facilities, treatment of sewage, waste gas and solid waste, as well as the

maintenance and upgrading of environmental protection equipment.

2. Boluo Konka and Boluo Konka Precision

Boluo Konka and Boluo Konka Precision invested approximately RMB10.6708 million on environmental protection in 2021 in total, mainly used for the daily operation and management of waste water and gas as well as the maintenance and upgrading of equipment..

Measures taken to decrease carbon emission in the Reporting Period and corresponding effects

Applicable Not applicable

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.

II Social Responsibility

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.

Subsequently, 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.

III Consolidation and Expansion of Poverty Alleviation Outcomes, and Rural Revitalization

In 2021, the Company continued to actively purchase the agricultural and side-line products from Tianzhu and Sansui counties in Guizhou Province under the "assistance by consumption" project, and cumulatively purchased local agricultural products worth RMB2.57 million this year. In September 2021, the Company officially launched the "Konka Digital Education Assistance Programme" at Zhaitou Village Primary School in Sansui County, including a number of detailed measures such as donation of multimedia hardware and deployment and implementation of online teaching resources", which applied the achievements of scientific and technological innovation in "hardware and software" of the Company to the practice in rural revitalization. In December 2021, the Company invited teachers and students from Zhaitou Primary School in Sansui County, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province to attend a three-day growth and study tour in Shenzhen, and held a public service children's art exhibition in the OCT Contemporary Art Center Hua the Art Salon.

Part VI Significant Events

I Fulfillment of Commitments

1. Commitments of the Company's De Facto Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and Other Entities Fulfilled in the Reporting Period or Ongoing at the Period-End

Applicable Not applicable

No such cases in the Reporting Period.

2. Where there Had Been 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

II 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.

III Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

IV Explanations Given by the Board of Directors Regarding the Latest "Modified Opinion" on the Financial Statements

Applicable Not applicable

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 or Correction of Material Accounting Errors

Applicable Not applicable

On 7 December 2018, the Ministry of Finance (MOF) issued Revision and Issuance of the Accounting Standard for Business Enterprises No. 21: Lease (C.K. [2018] No. 35) (hereinafter referred to as "new lease standards"). According to the requirements of the Ministry of Finance, those enterprises that are listed both at home and abroad and those enterprises that are listed overseas and adopt the International Financial Reporting Standards or the Accounting Standards for

Business Enterprises for preparation of financial statements should implement the standards from 1 January 2019; the other enterprises that adopt the Accounting Standards for Business Enterprises should implement the standards from 1 January 2021. The Company has implemented the new lease standards since 1 January 2021, and according to the accumulated number of impacts based on the execution of the new lease standard, the Company will adjust the retained income and the amount of relevant items in the financial statements at the beginning of the first year of execution, and will not adjust information for comparable periods. This change in accounting policies will not exert a significant impact on the Company's financial position, operational results and cash flow.

VII YoY Changes to the Scope of the Consolidated Financial Statements

Applicable Not applicable

Please refer to 6. Changes in the Scope of Consolidated Financial Statements for the Reporting Period of 2. Revenue and Costs of IV Core Business Analysis in Part III Operating Performance Discussion and Analysis of this Report for details.

VIII Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	ShineWing Certified Public Accountants LLP
The Company's payment to the domestic independent auditor (RMB'0,000)	250
How many consecutive years the domestic independent auditor has provided audit service for the Company	3 years
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Tang Qimei, Liu Jianhua
How many consecutive years the certified public accountants have provided audit service for the Company	1 year
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 2021 with RMB0.8 million of payment for the internal control audit.

IX Possibility of Delisting after Disclosure of this Report

Applicable Not applicable

X Insolvency and Reorganization

Applicable Not applicable

No such cases in the Reporting Period.

XI 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
Because of a dispute over an advertising contract, Shenzhen E2info Network Technology Co., Ltd., a subsidiary to the Company, filed a lawsuit against Hangzhou Explore Culture Media Co., Ltd. with the court of Nanshan district, Shenzhen and claimed payment of the arrears principal and liquidated damages	758.11	No	The defendant has entered the bankruptcy liquidation stage and is declaring credit of bankruptcy.	The first-instance judgment has come into effect, and the Company has won the case. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	The defendant is proceeding with the liquidation procedure.	2020-09-19	http://www.cninfo.com.cn/new/index
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	No	The court of second instance designated the court of first instance to continue the trial of this case.	The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	Pending	2020-09-19	http://www.cninfo.com.cn/new/index

<p>Due to dispute arisen form 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.</p>	<p>9,383.08</p>	<p>No</p>	<p>The court of second instance designated the court of first instance to continue the trial of this case.</p>	<p>The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.oing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.</p>	<p>Pending</p>	<p>2020-09-19</p>	<p>http://www.cninfo.com.cn/new/index</p>
<p>Due to dispute arisen form a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Dalian Tianhao Renewable Resources Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.</p>	<p>2,307.90</p>	<p>No</p>	<p>The court of second instance designated the court of first instance to continue the trial of this case.</p>	<p>The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.</p>	<p>Pending</p>	<p>2020-09-19</p>	<p>http://www.cninfo.com.cn/new/index</p>
<p>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.</p>	<p>3,302.64</p>	<p>No</p>	<p>The court of second instance designated the court of first instance to continue the trial</p>	<p>The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.</p>	<p>Pending</p>	<p>2020-09-19</p>	<p>http://www.cninfo.com.cn/new/index</p>

			of this case.				
Due to dispute arisen from 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	No	The court of second instance designated the court of first instance to continue the trial of this case.	The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	Pending	2020-09-19	http://www.cninfo.com.cn/new/index
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	No	The court of second instance designated the court of first instance to continue the trial of this case.	The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	Pending	2020-09-19	http://www.cninfo.com.cn/new/index
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	3,358.09	No	The court of second instance designated the court of first instance to	The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves	Pending	2020-09-19	http://www.cninfo.com.cn/new/index

payment and pay liquidated damages.			continue the trial of this case.	in accordance with accounting policies.			
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 return the advance payment and pay liquidated damages.	2,922	No	The court of second instance designated the court of first instance to continue the trial of this case.	The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	Pending	2020-09-19	http://www.cninfo.com.cn/new/index
Because of a dispute over a purchase and sales contract, the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., sued Dalian Guangxin Environmental Protection Equipment Technology Development Co., Ltd., requiring it to return the payment for equipment and pay the liquidated damages.	3,137.20	No	Repayment of debts with property has been completed.	Executed, and based on the principle of prudence, the Company has made corresponding provision for impairment according to accounting policies.	Closed	2020-09-19	http://www.cninfo.com.cn/new/index
Because of a dispute over a logistics contract, Hefei Anluda Logistics Co., Ltd. sued the Company's subsidiary, Anhui Konka Tongchuang Electrical Appliances Co., Ltd. with the people's court of Nanqiao District, Huzhou, requiring it to return the performance bond, pay the transportation fee that's already incurred and interest, as well as undertake the legal cost.	1,282.80	No	Applying for the protest	Applying for the protest	Applying for the protest	2020-09-19	http://www.cninfo.com.cn/new/index
Because of a dispute over a purchase and sales contract, Zhao Yonghong sued the Company's subsidiary, Konka Huanjia Environmental Technology Co., Ltd., requiring it to pay the payment for goods.	805.74	No	Closed	Closed	Closed	2020-09-19	http://www.cninfo.com.cn/new/index
Because of a dispute over real rights granted by way of security, the Company's	8,242.85	No	The case is being filed as a	The case is being filed as a different case.	Pending	2021-06-01	http://www.cninfo.com.cn/new/index

subsidiary, Henan Xinfei Refrigeration Appliances Co., Ltd., sued Chuangfu Business Square Real Estate Development (Huizhou) Co., Ltd., requiring it to exercise the real rights granted by way of security.			different case.				ew/index
Due to dispute arisen form a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Zhejiang Jiade Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.	3,562.89	No	The court of second instance designated the court of first instance to continue the trial of this case.	The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	Pending	2021-06-01	http://www.cninfo.com.cn/new/index
Due to dispute arisen form a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Zhejiang Zhijie Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.	3,562.89	No	The court of second instance designated the court of first instance to continue the trial of this case.	The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	Pending	2021-06-01	http://www.cninfo.com.cn/new/index
Due to dispute arisen form a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Zhejiang Xinkai Renewable Resources Recycling Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated	3,562.89	No	The court of second instance designated the court of first instance to continue	The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with	Pending	2021-06-01	http://www.cninfo.com.cn/new/index

damages.			the trial of this case.	accounting policies.			
Due to dispute arisen form a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Henan Huanjia Chengxin Environmental Protection Technology Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.	3,358.80	No	The court of second instance designated the court of first instance to continue the trial of this case.	The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	Pending	2021-06-01	http://www.cninfo.com.cn/new/index
Due to dispute arisen form a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Henan Xincheng 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	No	The court of second instance designated the court of first instance to continue the trial of this case.	The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	Pending	2021-06-01	http://www.cninfo.com.cn/new/index
Because of a dispute over real rights granted by way of security, the Company's subsidiary, Anhui Konka Electronic Co., Ltd., sued Huang Ruirong, requiring it to exercise the real rights granted by way of security.	3,142.64	No	The case is being filed as a different case.	The case is being filed as a different case.	Pending	2021-06-01	http://www.cninfo.com.cn/new/index

Because of a dispute over real rights granted by way of security, the Company's subsidiary, Henan Xinfei Refrigeration Appliances Co., Ltd., sued Chuangfu Business Square Real Estate Development (Huizhou) Co., Ltd., requiring it to exercise the real rights granted by way of security.	2,801.94	No	The case is being filed as a different case.	The case is being filed as a different case.	Pending	2021-06-01	http://www.cninfo.com.cn/new/index
Due to dispute arisen from a sales contract, the Company's subsidiary Konka Huanjia filed a lawsuit to request Henan Guozheng Environmental Protection Technology Co., Ltd., Huanjia Group, Wang Bingde, Zhang Xueyin, Wang Renping to return the advance payment and pay liquidated damages.	2,090	No	The court of second instance designated the court of first instance to continue the trial of this case.	The first instance trial is ongoing. Based on the principle of prudence, the Company has accrued corresponding impairment reserves in accordance with accounting policies.	Pending	2021-06-01	http://www.cninfo.com.cn/new/index

Note: Courts or arbitration bodies ruled in favor of the Company in the following cases which are currently under enforcement. Details of these cases can be found in the Company's Announcement on Large Amount Pending Lawsuits and Arbitrations disclosed on 25 June 2019 (Announcement No. 2019-63), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 19 September 2020 (Announcement No. 2020-97), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 1 June 2021 (Announcement No. 2021-48), the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 1 December 2021 (Announcement No. 2021-101) and the Company's periodic reports: 1. 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; 2. 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; 3. 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. 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; 4. 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; 5. 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; 6. 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; 7. 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 Makena Electronic (Hong Kong) to pay for goods and liquidated damages; 8. Because of a dispute over capital increase, the Company's subsidiary, Shenzhen Konka Investment Holding Co., Ltd., applied for arbitration with the Shenzhen Court of International Arbitration (SCIA), requesting the respondents, Elion Resources Group and Elion Ecological Co.,

Ltd., to perform the repurchase obligation; 9. Because of dishonor of notes receivable, Konka Factoring filed a lawsuit with the court, requiring Tahoe Group Co., Ltd., Fuzhou Taijia Industrial Co., Ltd. and Xiamen Lianchuang Microelectronics Co., Ltd. to make the payment of the note and the corresponding interest to Konka Factoring; 10. Because of dishonor of notes receivable, the Company filed a lawsuit with the court, requiring Wuhan Jialian Agricultural Technology Development Co., Ltd. to make the payment of the note and the corresponding interest 11. 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 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.

The following cases have been disclosed in temporary announcements and periodic reports and there is no further progress. Details of these cases can be found in the Company's Announcement on Large Amount Pending Lawsuits and Arbitrations disclosed on 25 June 2019 (Announcement No. 2020-97) and the Announcement on Accumulated Lawsuits and Arbitrations disclosed on 1 June 2021 (Announcement No. 2021-48) and the Announcement on Accumulative Lawsuits and Arbitrations disclosed on 1 December 2021 (Announcement No. 2021-101) and the Company's periodic reports: 1. The customer of Hong Kong Konka, H-BUSTER SAO PAULO INDUSTRIA COMERCIO 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. 2. 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 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 required that 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. Later, the court of second instance ruled that the case should be returned to the court of first instance for retrial. 3. Due to the dispute of sales contract, Wumart Stores, Inc. 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. 4. 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. 5. 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. 6. Because of a dispute over a purchase and sales contract, the Company's subsidiary, Dongguan Konka Electronic Co., Ltd., filed a lawsuit with the People's Court of Nanshan District of Shenzhen, requesting Dongguan Gaoneng High Polymer Materials Co., Ltd., Wang Dong, Shenzhen Xinlian Xingyao Trade Co., Ltd., Shenzhen Jinchuan Qianchao Network Technology Co., Ltd., Puning Junlong Trade Co., Ltd., and Huang Zhihao to pay the overdue loan and the corresponding liquidated damages. 7. Because of a dispute over a contract, the Company's subsidiary, Shenzhen Konka Unifortune Technology Co., Ltd. sued Shenzhen Yaode Technology Co., Ltd., Dongsheng Xinluo Technology Co., Ltd., Shenzhen Hongyao Dingsheng Investment Management Limited Partnership, Shenzhen Xiangrui Yingtong Investment Management Co., Ltd., Luo Jingxia, Luo Zongwu, Luo Zongyin, Luo Zao tong and Luo Saiyin, requiring them to make the payment of goods and liquidated damages; 8. Because of a dispute over an agency agreement, the Company's subsidiary, Henan Frestec Refrigeration Appliance Co., Ltd., sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Lin Yuanqin, Huang Ruirong, Jiangsu Huadong Hardware Zone Co., Ltd., and Chuangfu Commerce & Trade Plaza Real Estate Development (Huizhou) Co., Ltd., requesting to terminate the contract and requesting them to return the payment of goods and liquidated damages and priority shall be given to the payment for the secured assets; 9. Because of a dispute over an agency agreement, the Company's subsidiary, Henan Frestec Refrigeration Appliance Co., Ltd. sued Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Shantou Meisen Technology Co., Ltd., Lin Yuanqin, Huang Ruirong, Chuangfu Commercial & Trade Plaza Real Estate Development (Huizhou) Co., Ltd., requesting to terminate the contract and requesting them to return the payment of goods and liquidated damages and priority shall be given to the payment for the secured assets; 10. Because of a dispute over an Agency Agreement, the Company's subsidiary, Anhui Konka Electronics Technology Co., Ltd. sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic

Electronics Co., Ltd., Lin Yuanqin, Huang Ruirong, Jiangsu Huadong Hardware Zone Co., Ltd., requesting to terminate the contract and requesting them to return the payment of goods and liquidated damages and priority shall be given to the payment for the secured assets; 12. Because of a dispute over an Agency Agreement, the Company's subsidiary, Hainan Konka Material Technology Co., Ltd. sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Jiangsu Huadong Hardware Zone Co., Ltd., requesting to terminate the contract and requesting them to return the payment of goods and liquidated damages and priority shall be given to the payment for the secured assets; 13. Due to the infringement of trademark and unfair competition, the Company sued Fu'an Xinshang Electronics Co., Ltd., Fujian Zhaoguan Industry and Trade Co., Ltd., Jinhua Kangjia Medical Apparatus Factory, and Wang Jun, requesting an order to cease the infringement and an claim for compensation for losses; 14. Because of a dispute over repurchase, the Company sued Luo Zotong, Luo Jingxia, Luo Zongyin, Luo Zongwu, Shenzhen Yaode Technology Co., Ltd., requesting the payment of share repurchase and interest; 15. Because of a dispute over a contract, Makena Electronic (Shenzhen) Co., Ltd. filed a lawsuit, requesting the Company and its subsidiary Shenzhen Konka Electronics Technology Co., Ltd. to pay the price of goods and the interest for late payment.

XII Punishments and Rectifications

Applicable Not applicable

No such cases in the Reporting Period.

XIII Credit Quality of the Company as well as its Controlling Shareholder and De Facto Controller

Applicable Not applicable

XIV Major Related-Party Transactions

1. Continuing Related-Party Transactions

Applicable Not applicable

Related party	Relationship with the Company	Type of transaction	Specific transaction	Pricing principle	Transaction price	Total value (RMB '0,000)	As % of total value of all same-type transactions	Approved transaction line (RMB '0,000)	Over the approved line or not	Method of settlement	Obtainable market price for same-type transactions	Disclosure date	Index to disclosed information
OCT Enterprises Co., Ltd and its subsidiaries	Under the same actual controller	Purchase of commodities and services	Property management, utilities, office leases	Negotiated price	Market price	7,855.32	1.13%	10,000	Not	Cash	N/A	24 Mar. 2021	
OCT Enterprises Co.,	Under the	Sales of good	TVs, intelligent terminals,	Negotiated	Market price	4,613.03	0.63%	10,000	Not	Cash	N/A	24 Mar. 2021	

Ltd and its subsidiaries	same actual controller	s and services	etc. and related services	price	e								
Total				--	--	12,468.35	--	20,000	--	--	--	--	--
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 Y2021 on Securities Times, Shanghai Securities News, and China Securities Journal as well as the Internet website designated by CSRC http://www.cninfo.com.cn/new/index on 24 March 2021. In 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 RMB124.6835 million.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				N/A									

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

Applicable Not applicable

Refer to 7. Other Major Related-Party Transactions of this section for details.

3. Related Transactions Regarding Joint Investments in Third Parties

Applicable Not applicable

No such cases in the Reporting Period.

4. Credits and Liabilities with Related Parties

Applicable Not applicable

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

Yes No

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	Not	7,500.00	0	7,500.00	5.70%	184.35	0
Chuzhou Kangjin Health Industry Development Co., Ltd.	Subsidiary of controlling shareholder	Demand of business development	Not	16,084.74	0	311.10	7.00%	1,121.43	15,773.64
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)
OCT Enterprises Co., Ltd.	Controlling shareholder	The Company applies entrusted loan to it	2,406.00		2,406.00	4.04%	20.52	
			8,700.00		8,700.00	4.04%	74.20	
			50,000.00		48,909.00	4.04%	783.25	1,091.00
				50,000.00	50,000.00	4.04%	1,694.56	
				50,000.00	50,000.00	4.04%	1,655.28	
				50,000.00	50,000.00	4.04%	1,576.72	
				50,000.00	50,000.00	4.04%	1,408.39	
				50,000.00	50,000.00	4.04%	1,099.78	
				40,000.00	40,000.00	4.04%	579.07	
				100,000.00		4.04%	942.67	100,000.00
				20,000.00		4.04%	103.24	20,000.00
	50,000.00	50,000.00	0.00%					
Effects of liabilities with related parties on the		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.						

Company's results and conditions	operating and financial	
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5. Transactions with Related Finance Companies

Applicable Not applicable

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company or any other related parties.

6. Transactions with Related Parties by Finance Companies Controlled by the Company

Applicable Not applicable

The finance company controlled by the Company did not make deposits, receive loans or credit from and was not involved in any other finance business with any related parties.

7. Other Major Related-Party Transactions

Applicable Not applicable

(1) Provide security limit to Shareholding Related Company: The Proposal on Providing Security Limit to Yibin OCT Sanjiang Real Estate Co., Ltd. was reviewed and passed at the 40th Meeting of the Ninth Board of Directors held on March 22, 2021, and the 2020 Shareholders' General Meeting on April 19, 2021, which decided that the Company will continue to provide Yibin OCT Sanjiang Real Estate Co., Ltd. with a security limit of RMB400 million at the shareholding ratio with a term of three years, after the security limit, reviewed and passed at the 2018 Third Extraordinary General Meeting, is due. Yibin OCT Sanjiang Real Estate Co., Ltd. will use this security limit to apply for a loan with the bank. Other shareholders of Yibin OCT Sanjiang Real Estate Co., Ltd. will provide security to it at their respective shareholding ratios.

(2) Providing advertising services to OCT Group: At the 42nd Meeting of the Ninth Session of the Board of Directors on 28 May 2021, the Company considered and approved the Proposal on Providing Advertising Services to OCT Group. According to the decision, the Company would provide OCT Group (inclusive of its subsidiaries) with advertising services at intelligent terminals with a service transaction price of no more than RMB100 million.

(3) Transfer 70% of the equity in Shenzhen Yipingfang Network Technology Co., Ltd.: The Proposal on Transfer of Some of Equity in Shenzhen Yipingfang Network Technology Co., Ltd. was reviewed and approved at the 44th Meeting of the Ninth Board of Directors of the Company held on August 2, 2021 and later at the 2nd Extraordinary General Meeting of 2021 held on August 18, 2021, which decided that the 70% of the equity in Shenzhen Yipingfang Network Technology Co., Ltd. held by the Company will be publicly transferred at the state-owned property right exchange. The Company's controlling shareholder, Overseas Chinese Town Holdings Company (OCT Group) (or its controlling shareholder) might participate in the delisting of some of the equity in Shenzhen Yipingfang Network Technology Co., Ltd. In December 2021, a consortium of 17 transferees including Shenzhen Qiaoyi Digital Technology Co., Ltd., a wholly-owned subsidiary of the

Company's controlling shareholder OCT Group Co., Ltd., won the bid for 70% equity of Shenzhen E2info Network Technology Co., Ltd. according to the rules on transaction of state-owned property rights. Shenzhen Qiaoyi Digital Technology Co., Ltd. won 35% equity of Shenzhen E2info Network Technology Co., Ltd.

(4) Leasing properties from related parties: The Company held the 49th meeting of the ninth Board of Directors on 5 November 2021. The meeting reviewed and approved the Proposal on Leasing Properties from Related Parties, and decided to lease the property located in Gongrencun Road, Qingshan District, Wuhan. The total area of the property is no more than 116,097 square meters and the rent does not exceed RMB197 million.

(5) Issuing shares and purchasing assets with cash and raising supporting funds and related transactions: On 10 September 2021, proposals including the Proposal on the Company's Issuance of Shares and Cash Payment and Raising Supporting Funds and Related Transactions were reviewed and approved on the 46th meeting of the ninth Board of Directors of the Company, which proposed to issue shares to 11 shareholders of Ganzho Minggao Technology Co., Ltd., including Shenzhen MingGao Investment Holding Co., Ltd., to purchase 100% equity of Ganzho MingGao Technology Co., Ltd. they are holding; to issue shares and pay cash to 33 shareholders of Jiangsu Highstar Battery Manufacturing Co., Ltd., including Jiangsu Highstar Group Co., Ltd., to purchase 100% equity of Jiangsu Highstar Battery Manufacturing Co., Ltd. they are holding; and to issue shares to the Company's controlling shareholder OCT Group Co., Ltd. to raise supporting funds (hereinafter referred to "transaction"). Since the disclosure of this transaction plan, the Company and related parties have been advancing and implementing the various tasks of this transaction in an orderly manner. However, as no agreement was reached upon part of the core clauses between the Company and the shareholders of Jiangsu Highstar Battery Manufacturing Co., Ltd., in order to protect the rights and interests of all shareholders, especially minority shareholders, and the interests of the Company, the Company terminated the transaction on 4 March 2022 after thorough research.

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

Title of public announcement	Disclosure date	Disclosure website
Announcement on Providing Guarantee Line for Joint Stock Company and Related-party Transaction	24 March 2021	http://www.cninfo.com.cn/new/index
Announcement on Providing Advertising Services to OCT Group and Related-party Transaction	1 June 2021	
Announcement on Listing Transfer of Some Equity of Shenzhen E2info Network Technology Co., Ltd.	3 August 2021	
Plan on of Acquisition of Assets by Share Issuance and Cash Payment and Raising Supporting Funds and Related Transactions	11 September 2021	
Announcement on Leasing Property to Related Party	6 November 2021	

Announcement on Termination of Acquisition of Assets by Share Issuance and Cash Payment and Raising Supporting Funds and Related Transactions	7 March 2022
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XV 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 RMB59,572,715.58 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

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	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Yibin OCT Sanjiang Properties Co., Ltd.	2018-09-19	40,000	2019-09-29	14,000	Joint-liability	No	Not	Three years	Not	Yes
Kunshan Kangsheng Investment Development Co., Ltd.	2018-09-19	24,500	2019-09-23	24,500	Joint-liability	No	Not	Three years	Not	Yes
Econ Technology	2018-09-19	55,800	2021-08-11	24,000	Joint-liability	No	Other shareholder of	Five months	Not	Not

			2021-01-29	3,000	Joint-liability	No	Econ Technology	One year	Not	Not	
			2021-03-24	5,000	Joint-liability	No	provide	One year	Not	Not	
			2021-06-08	8,800	Joint-liability	No	s a counter	One year	Not	Not	
			2021-06-18	5,000	Joint-liability	No	guarantee for the	One year	Not	Not	
			2021-06-28	10,000	Joint-liability	No	Company for 49% of the	One year	Not	Not	
Jiangxi Xinxin Jian'an Engineering Co., Ltd.		10,000	2016-12-12	10,000	Joint-liability	No	guarantee line	One year	Not	Not	
Jiangxi Zhongyi Decoration Materials Co., Ltd.		10,000	2016-12-12	10,000	Joint-liability	No		One year	Not	Not	
Jiangxi Shanshi Technological Development Co., Ltd.		10,000	2016-12-12	10,000	Joint-liability	No		One year	Not	Not	
Total approved line for such guarantees in the Reporting Period (A1)		40,000	Total actual amount of such guarantees in the Reporting Period (A2)					55,800			
Total approved line for such guarantees at the end of the Reporting Period (A3)		189,500	Total actual balance of such guarantees at the end of the Reporting Period (A4)					124,300			
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 guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not	
Anhui	2017-07-3	90,00	2020-08-06	3,000	Joint-liabil	No	Not	One	Not	Not	

Tongchuan	1, 2018-05-23 and 2018-09-19	0			ity			year and a half		
			2021-01-21	5,000	Joint-liability	No	Not	One year	Not	Not
			2021-02-25	4,500	Joint-liability	No	Not	One year	Not	Not
			2021-05-12	3,500	Joint-liability	No	Not	One year	Not	Not
			2021-07-16	6,000	Joint-liability	No	Not	One year	Not	Not
			2021-10-28	3,000	Joint-liability	No	Not	One year	Not	Not
Hong Kong Konka	2017-03-31 and 2018-10-31	355,000	2020-12-28	20,000	Joint-liability	No	Not	One year and a half	Not	Not
			2021-09-08	11,000	Joint-liability	No	Not	One year	Not	Not
			2021-02-26	9,564	Joint-liability	No	Not	One year	Not	Not
Boluo Konka Precision	2018-03-31	5,000	2020-08-19	2,480	Joint-liability	No	Not	Three years	Not	Not
Electronics Technology	2018-09-19	350,000	2021-10-18	7,000	Joint-liability	No	Not	One year	Not	Not
			2021-11-05	50,000	Joint-liability	No	Not	One year	Not	Not
Dongguan Konka	2018-09-19 and 2021-03-24	90,000	2021-02-08	5,000	Joint-liability	No	Not	One year	Not	Not
			2021-06-23	80,000	Joint-liability	No	Not	Ten years	Not	Not
XingDa HongYe	2018-09-19	10,000	2020-11-12	5,800	Joint-liability	No	Other shareholder of XingDa HongYe provides a counter guarantee	Two years	Not	Not
			2020-12-25	2,000	Joint-liability	No		Three years	Not	Not
			2021-05-31	1,250	Joint-liability	No		Two years	Not	Not
			2021-05-31	750	Joint-liability	No		Two years	Not	Not

							e for the Company for 49% of the guarantee line			
Jiangxi Konka	2018-10-31	60,000	2020-11-06	10,000	Joint-liability	No	Other shareholder of Jiangxi Konka provides a counter guarantee for the Company for 49% of the guarantee line	Three years	Not	Not
			2021-06-26	6,000	Joint-liability	No		One year	Not	Not
			2020-09-29	10,000	Joint-liability	No		Three years	Not	Not
			2020-12-21	5,000	Joint-liability	No		Two years	Not	Not
			2019-06-26	5,500	Joint-liability	No		Three years	Not	Not
			2019-10-30	6,500	Joint-liability	No		Three years	Not	Not
			2020-03-20	990	Joint-liability	No		Two years	Not	Not
			2020-12-30	1,000	Joint-liability	No		Three years	Not	Not
Xinfeng Microcrystalline	2019-03-30	25,000	2020-05-19	5,000	Joint-liability	No	Other shareholder of Xinfeng Microcrystalline provides a counter guarantee for the Company for 49% of the guarantee line	Three years	Not	Not
			2020-05-29	3,479	Joint-liability	No		Two years and a half	Not	Not
			2020-12-08	2,100	Joint-liability	No		Three years	Not	Not
			2021-12-27	7,200	Joint-liability	No		One year	Not	Not
			2021-06-18	7,200	Joint-liability	No		One year	Not	Not
Jiangxi High	2019-03-30	45,000	2019-06-26	10,000	Joint-liability	No	Other shareholder	Three years	Not	Not

Transparent Substrate			2020-01-08	5,000	Joint-liability	No	der of Jiangxi High Transparent Substrate provides a counter guarantee for the Company for 49% of the guarantee line	Three years	Not	Not
			2019-12-20	5,000	Joint-liability	No		Three years	Not	Not
			2020-01-08	5,000	Joint-liability	No		Two years	Not	Not
			2020-03-20	990	Joint-liability	No		Two years	Not	Not
			2020-05-29	5,975	Joint-liability	No		Two years	Not	Not
			2020-07-14	6,000	Joint-liability	No		Three years	Not	Not
Sichuan Konka	2018-03-31 and 2021-03-24	65,000	2019-03-18	4,000	Joint-liability	No	No	Three years	Not	Not
Ningbo Kanghanrui	2020-06-06	18,000	2020-10-15	6,000	Joint-liability	No	No	Two years	Not	Not
			2021-07-12	6,000	Joint-liability	No	No	One year	Not	Not
Yibin Kangrun	2020-10-24	10,000	2020-11-13	10,000	Joint-liability	No	Other shareholder of Yibin Kangrun provides a counter guarantee for the Company for 33% of the guarantee line	Four years	Not	Not
Telecommunication	2017-3-31	50,000	2021-04-30	7,500	Joint-liability	No	No	One	Not	Not

n Technolo gy					ity			year		
Anhui Konka	2017-03-31	110,000	2020-11-25	10,000	Joint-liability	No	Other shareholder of Anhui Konka provides a counter guarantee for the Company for 22% of the guarantee line	One year and a half	Not	Not
			2021-03-25	20,000	Joint-liability	No		One year	Not	Not
			2021-04-02	5,500	Joint-liability	No		One year	Not	Not
			2021-04-25	12,000	Joint-liability	No		One year	Not	Not
			2021-08-10	28,000	Joint-liability	No		Ten years	Not	Not
			2021-10-29	7,000	Joint-liability	No		Five years	Not	Not
Konka Circuit	2021-03-24	50,000	2021-05-24	20,000	Joint-liability	No	No	Three years and a half	Not	Not
Mobile Interconn ection	2017-03-31	5,000	2021-08-11	5,000	Joint-liability	No	No	One year	Not	Not
Liaoyang Kangshu n	2021-03-24	10,000	2021-12-23	2,000	Joint-liability	No	No	One year	Not	Not
Konka Xinyun	2021-03-24	30,000	2021-07-12	20,000	Joint-liability	No	No	One year	Not	Not
Total approved line for such guarantees in the Reporting Period (B1)					393,600	Total actual amount of such guarantees in the Reporting Period (B2)			339,964	
Total approved line for such guarantees at the end of the Reporting Period (B3)					2,210,881	Total actual balance of such guarantees at the end of the Reporting Period (B4)			490,778	
Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee line announce	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or

	ment									not
Sichuan Konka	2018-05-30	14,000	2018-05-28	14,000	Joint-liability	No	No	Seven years	Not	Not
Sichuan Konka	2021-12-04	28,772	2021-12-03	28,772	Mortgage	House property	No	Seven years	Not	Not
Anhui Electrical Appliance		13,500	2020-07-03	13,500	Mortgage, pledge	Land, house property, equity interests	No	Three years	Not	Not
Boluo Konka Precision		12,449	2021-07-06	12,449	Mortgage	House property	No	Two years	Not	Not
Boluo Konka Precision		500	2021-06-28	500	Mortgage	House property	No	One year	Not	Not
Total approved line for such guarantees in the Reporting Period (C1)					12,949	Total actual amount of such guarantees in the Reporting Period (C2)				12,949
Total approved line for such guarantees at the end of the Reporting Period (C3)					69,221	Total actual balance of such guarantees at the end of the Reporting Period (C4)				69,221
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)					446,549	Total actual guarantee amount in the Reporting Period (A2+B2+C2)				408,713
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)					2,469,602	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)				684,299
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets										75.24%
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)										565,799
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)										229,535
Total of the three amounts above (D+E+F)										684,299
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
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Compound guarantees:

None

3. Cash Entrusted for Wealth Management

(1) Cash Entrusted for Wealth Management

Applicable Not applicable

Overview of cash entrusted for wealth management in the Reporting Period

Unit: RMB'0,000

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount	Unrecovered overdue amount with provision for impairment
Bank financial products	Self-owned	61,990.62	0	0	0
Total		61,990.62	0	0	0

High-risk entrusted wealth management with significant single amount or low security and poor liquidity:

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 wealth management

Applicable Not applicable

(2) Entrusted Loans

Applicable Not applicable

No such cases in the Reporting Period.

4. Other Major Contracts

Applicable Not applicable

No such cases in the Reporting Period.

XVI Other Significant Events

Applicable Not applicable

(I) Non-public offering of corporate bonds: Currently, the non-public offering of corporate bonds of RMB2.3 billion was fully issued by three tranches on 9 January 2021, 21 May 2021, and 9 July 2021, respectively. The public offering of corporate bonds of RMB2.7 billion has been reviewed at the Shareholders' General Meeting of Konka (hereinafter referred to as the "Company"), and relevant matters are being promoted as planned.

(II) Initiation and establishment of funds: The total units of the Oriental-Konka Industry M&A Fund worth RMB1,001,000,000. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB500 million, accounting for 49.95% of the total units. By the date of this report, Shenzhen Konka

Investment Holding Co., Ltd. has contributed RMB482,270,000. The fund invested in Jiangxi Yahua Electronic Materials Co., Ltd., Genew Technologies Co., Ltd., etc. The total units of the Kunshan-CITIC-Konka Emerging Industry Development Investment Fund worth RMB1,006,000,000. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB500 million, accounting for 49.7018% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB43,810,000. The fund invested in UNIONTECH, Hercules Microsystems (HME), etc. The total units of the Tongxiang Wuzhen Jiayu Digital Economic Industry Fund worth RMB500 million. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB200 million, accounting for 40% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB120,000,000. The fund invested in Feidi Technology (Shenzhen) Co., Ltd., CASICLOUD, etc. The Yibin Kanghui Electronic Information Industry Equity Investment Fund, the Yancheng Kangyan Industry Investment Fund, and the Chongqing Kangxin Equity Investment Fund have been filed with the Asset Management Association of China (AMAC). The total units of Yibin Kanghui Electronic Information Industry Equity Investment Fund worth RMB1,002,000,000. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB401 million, accounting for 40.02% of the total units. By the issuance date of this report, Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. have contributed RMB104 million. The fund invested in Talkweb Information System Co., Ltd. and Shenzhen E2info Network Technology Co., Ltd. The total units of Yancheng Kangyan Industry Investment Fun worth RMB3,000 million. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB1201,500,000, accounting for 40.05% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. have contributed RMB217,370,000. The fund invested in Anhui Zhongdian Xingfa and Xinlong Co., Ltd., Shenzhen E2info Network Technology Co., Ltd., Xiyue New Media No.2 (Zhuhai) Investment Fund Partnership (limited partnership). The total units of Chongqing Kangxin Equity Investment Fund Partnership (limited partnership) worth RMB2 billion. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB1 billion, accounting for 50.00% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. have contributed RMB101 million. The fund invested in Shenzhen E2info Network Technology Co., Ltd.

(III) Disclosure index of significant information

Announcement No.	Date	Title	Page on newspaper	Link on http://w
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				www.cninfo.com.cn
2021-01	2021-1-9	Announcement on Issuance Results of Non-public Offering of Corporate Bonds (Tranche I) in 2021	Securities Times B48, Shanghai Securities News 11 etc.	http://www.cninfo.com.cn/new/index
2021-02	2021-1-14	Indicative Announcement on Preparation for Transfer of 17% of Equity in Yantai Kangyun Industry Development Co., Ltd.	Securities Times B15, Shanghai Securities News 22 etc.	
2021-03	2021-1-30	2020 Result Forecast	Securities Times B22, Shanghai Securities News 67 etc.	
2021-04	2021-1-30	Announcement on Progress of Security for Controlling Company	Securities Times B22, Shanghai Securities News 67 etc.	
2021-05	2021-2-10	Announcement on Transfer of 17% of Equity in Yantai Kangyun Industry Development Co., Ltd.	Securities Times B13, Shanghai Securities News 72 etc.	
2021-06	2021-2-10	Announcement on Signing Project Admission Agreement with Xi'an International Port District Management Committee	Securities Times B13, Shanghai Securities News 72 etc.	
2021-07	2021-2-25	Announcement on Resignation of Chairman of Board of Supervisors	Securities Times B54, Shanghai Securities News 38 etc.	
2021-08	2021-2-27	Notice on Convening 2021 First Extraordinary General Meeting	Securities Times B11, Shanghai Securities News 33 etc.	
2021-09	2021-2-27	Announcement on Providing Financial Assistance to Yantai Kangyun Industry Development Co., Ltd. at Shareholding Ratio	Securities Times B11, Shanghai Securities News 33 etc.	
2021-10	2021-2-27	Announcement on Some Accounting Policy Changes	Securities Times B11, Shanghai Securities News 33 etc.	
2021-11	2021-2-27	Announcement on Resolutions of 11th Meeting of the Ninth Board of Supervisors	Securities Times B11, Shanghai Securities News 33 etc.	
2021-12	2021-2-27	Announcement on Resolutions of 39th Meeting of the Ninth Board of Directors	Securities Times B11, Shanghai Securities News 33 etc.	
2021-13	2021-2-27	Announcement on Progress of Security for Controlling Company	Securities Times B11, Shanghai Securities News 33 etc.	
2021-14	2021-3-2	Announcement on Transfer of 39% of Equity in Shanghai Konka Green Technology Co., Ltd.	Securities Times B23, Shanghai Securities News 49 etc.	
2021-15	2021-3-16	Announcement on Resolutions of 2021 First Extraordinary General Meeting	Securities Times B40, Shanghai Securities News 81 etc.	
2021-16	2021-3-16	Announcement on Resolutions of 12th Meeting of the Ninth Board of Supervisors	Securities Times B40, Shanghai Securities News 81 etc.	
2021-17	2021-3-20	Announcement on Receipt of Government Grant by	Securities Times B10, Shanghai Securities	

		Wholly Owned Subsidiary	News 73 etc.
2021-18	2021-3-20	Announcement on Progress of Security for Wholly Owned Subsidiary	Securities Times B87, Shanghai Securities News 73 etc.
2021-19	2021-3-24	Announcement on Resolutions of 13th Meeting of the Ninth Board of Supervisors	Securities Times B94, Shanghai Securities News 105 etc.
2021-20	2021-3-24	Announcement on Expected Routine Connected Transactions in 2021	Securities Times B93, Shanghai Securities News 105 etc.
2021-21	2021-3-24	Announcement on Provision of Reserves for Asset Impairment for 2020	Securities Times B94, Shanghai Securities News 105 etc.
2021-22	2021-3-24	Announcement on Plan of Profit Distribution for 2020	Securities Times B94, Shanghai Securities News 105 etc.
2021-23	2021-3-24	Announcement on Engagement of Annual Financial Statement Auditor and Internal Control Auditor for 2021	Securities Times B95, Shanghai Securities News 105 etc.
2021-24	2021-3-24	Announcement on External Security	Securities Times B94, Shanghai Securities News 105 etc.
2021-25	2021-3-24	Announcement on Providing Security Limit to and Conducting Connected Transaction with Shareholding Company	Securities Times B95, Shanghai Securities News 106 etc.
2021-26	2021-3-24	Notice on Convening 2020 Shareholders' General Meeting	Securities Times B93, Shanghai Securities News 106 etc.
2021-27	2021-3-24	Abstract of 2020 Annual Report	Securities Times B93, Shanghai Securities News 105 etc.
2021-28	2021-3-24	2020 Annual Report	
2021-29	2021-3-24	Announcement on Resolutions of 40th Meeting of the Ninth Board of Directors	Securities Times B93, Shanghai Securities News 106 etc.
2021-30	2021-3-27	Indicative Announcement on Preparation for Transfer of 51% of Equity in Shenzhen Kangxin Real Estate Co., Ltd.	Securities Times B123, Shanghai Securities News 56 etc.
2021-31	2021-3-27	Announcement on Progress of Security for Controlling Subsidiary	Securities Times B123, Shanghai Securities News 56 etc.
2021-32	2021-3-30	Announcement on Holding 2020 Online Result Release	Securities Times B27, Shanghai Securities News 120 etc.
2021-33	2021-4-1	Announcement on Progress of Transfer of 17% of Equity in Yantai Kangyun Industry Development Co., Ltd.	Securities Times B27, Shanghai Securities News 72 etc.
2021-34	2021-4-10	Announcement on Security for Controlling Company	Securities Times B120, Shanghai Securities News 137 etc.
2021-35	2021-4-14	Announcement on Progress of Transfer of 39% of Equity in Shanghai Konka Green Technology Co., Ltd.	Securities Times B068, Shanghai Securities News 54 etc.

2021-36	2021-4-15	2021Q1 Result Forecast	Securities Times B26, Shanghai Securities News 136 etc.
2021-37	2021-4-20	Announcement on Resolutions of 2020 Shareholders' General Meeting	Securities Times B100, Shanghai Securities News 152 etc.
2021-38	2021-4-21	Announcement on Correction of 2020 Annual Report	Securities Times B56, Shanghai Securities News 118 etc.
2021-39	2021-4-21	Indicative Announcement on Preparation for Transfer of Some of Equity in ECON TECH	Securities Times B56, Shanghai Securities News 118 etc.
2021-40	2021-4-29	Announcement on Resolutions of 41st Meeting of the Ninth Board of Directors	Securities Times B25, Shanghai Securities News 152 etc.
2021-41	2021-4-29	Announcement on Transfer of 51% of Equity in Shenzhen Kangxin Real Estate Co., Ltd.	Securities Times B25, Shanghai Securities News 152 etc.
2021-42	2021-4-29	Main Body of 2021Q1 Report	Securities Times B25, Shanghai Securities News 152 etc.
2021-43	2021-4-29	Full Text of 2021Q1 Report	
2021-44	2021-5-7	Announcement on Signing Cooperation Framework Agreement with Shenzhen Electronic Industries Association (SZEIA)	Securities Times B26, Shanghai Securities News 88 etc.
2021-45	2021-5-22	Announcement on Issuance Results of Non-public Offering of Corporate Bonds (Tranche II) in 2021	Securities Times B40, Shanghai Securities News 104 etc.
2021-46	2021-5-25	Announcement on Completion of Private Equity Fund Filing and Registration of Chongqing Kangxin Semiconductor Industry Fund whose Establishment is Participated in by the Company	Securities Times B18, Shanghai Securities News 72 etc.
2021-47	2021-5-27	Announcement on Distribution of 2020 Annual Equity	Securities Times B35, Shanghai Securities News 81 etc.
2021-48	2021-6-1	Announcement on Accumulative Lawsuits and Arbitrations	Securities Times B21, Shanghai Securities News 49 etc.
2021-49	2021-6-1	Announcement on Resolutions of 42nd Meeting of the Ninth Board of Directors	Securities Times B21, Shanghai Securities News 49 etc.
2021-50	2021-6-1	Announcement on Providing Advertising Services to and Conducting Connected Transaction with Overseas Chinese Town Holdings Company (OCT Group)	Securities Times B21, Shanghai Securities News 49 etc.
2021-51	2021-6-1	Announcement on Security for Controlling Company	Securities Times B21, Shanghai Securities News 49 etc.
2021-52	2021-6-18	Announcement on Progress of Transfer of 51% of Equity in Shenzhen Kangxin Real Estate Co., Ltd.	Securities Times B21, Shanghai Securities News 96 etc.
2021-53	2021-6-19	Announcement on Reply to Inquiry Letter on 2020 Annual	Securities Times B18, Shanghai Securities

		Report from Shenzhen Stock Exchange	News 38 etc.
2021-54	2021-7-6	Announcement on Progress of Security for Controlling Company	Securities Times B50, Shanghai Securities News 38 etc.
2021-55	2021-7-10	Announcement on Issuance Results of Non-public Offering of Corporate Bonds (Tranche III) in 2021	Securities Times B33, Shanghai Securities News 56 etc.
2021-56	2021-7-21	Indicative Announcement on Preparation for Transfer of Some of Equity in Shenzhen E2info Network Technology Co., Ltd.	Securities Times B20, Shanghai Securities News 56 etc.
2021-57	2021-7-27	Announcement on Progress of Security for Controlling Subsidiary	Securities Times B13, Shanghai Securities News 65 etc.
2021-58	2021-8-3	Announcement on Resolutions of the 44th Meeting of the ninth Board of Directors	Securities Times B109, Shanghai Securities News 121 etc.
2021-59	2021-8-3	Announcement on the Plan of the Company's Public Offering of Corporate Bonds to professional investors	Securities Times B109, Shanghai Securities News 121 etc.
2021-60	2021-8-3	Announcement on Transfer of Some of Equity in Shenzhen E2info Network Technology Co., Ltd.	Securities Times B109, Shanghai Securities News 121 etc.
2021-61	2021-8-3	Announcement on Transfer of Some of Equity in Shandong Econ Technology Co., Ltd.	Securities Times B109, Shanghai Securities News 121 etc.
2021-62	2021-8-3	Notice on Convening 2021 Second Extraordinary General Meeting	Securities Times B109, Shanghai Securities News 121 etc.
2021-63	2021-8-10	Announcement on Progress of Security for Controlling Subsidiary	Securities Times B46, Shanghai Securities News 97 etc.
2021-64	2021-8-19	Announcement on Resolutions of 2021 Second Extraordinary General Meeting	Securities Times B14, Shanghai Securities News 81 etc.
2021-65	2021-8-19	Announcement on Progress of Security for Controlling Subsidiary	Securities Times B14, Shanghai Securities News 81 etc.
2021-66	2021-8-28	Announcement on Semi-annual Provision of Reserves for Asset Impairment for 2021	Securities Times B27, Shanghai Securities News 33 etc.
2021-67	2021-8-28	Summary of 2021 Interim Report	Securities Times B27, Shanghai Securities News 33 etc.
2021-68	2021-8-28	2021 Interim Report	Securities Times B27, Shanghai Securities News 33 etc.
2021-69	2021-8-31	Announcement on Trading Suspension Due to Preparation for Issuance of Shares to Purchase Assets	Securities Times B18, Shanghai Securities News 198 etc.
2021-70	2021-9-3	Announcement on Approval of the Joint-stock Company's Initial Public Offering by the Growth Enterprise Market Listing Committee of Shenzhen Stock Exchange	Securities Times B65, Shanghai Securities News 96 etc.
2021-71	2021-9-7	Announcement on Progress of Trading Suspension Due to Preparation for Issuance of Shares to Purchase Assets	Securities Times B25, Shanghai Securities News 72 etc.

2021-72	2021-9-11	Announcement on Resolutions of the 46th Meeting of the Ninth Board of Directors	Securities Times B10, Shanghai Securities News 56 etc.
2021-73	2021-9-11	Announcement on Resolutions of 17th Meeting of the Ninth Board of Supervisors	Securities Times B10, Shanghai Securities News 56 etc.
2021-74	2021-9-11	Announcement on the General Risk Warnings for the Restructuring	Securities Times B10, Shanghai Securities News 56 etc.
2021-75	2021-9-11	Announcement on the Shareholdings of the Top Ten Major shareholders and the Top Ten Unlimited Share Holders on the Previous Trading Day Before Trading Suspension Due to Preparation for Asset Restructuring	Securities Times B10, Shanghai Securities News 56 etc.
2021-76	2021-9-11	Prompt Announcement on the Disclosure of Restructuring Plan and Trading Resumption of the Company's Stock	Securities Times B10, Shanghai Securities News 56 etc.
2021-77	2021-9-16	Announcement on Progress of Security for Wholly Owned Subsidiary	Securities Times B22, Shanghai Securities News 22 etc.
2021-78	2021-10-9	Announcement on the Progress of Asset Acquisition by Issuance of Shares and Cash Payment, as Well as Raising Supporting Funds and the Progress of Related Transaction Plan After Disclosure	Securities Times B43, Shanghai Securities News 44 etc.
2021-79	2021-10-13	Announcement on Resignation of the Company Director	Securities Times B18, Shanghai Securities News 68 etc.
2021-80	2021-10-15	Notice on Convening 2021 Third Extraordinary General Meeting	Securities Times B32, Shanghai Securities News 92 etc.
2021-81	2021-10-15	Announcement on Resolutions of the 47th Meeting of the Ninth Board of Directors	Securities Times B32, Shanghai Securities News 92 etc.
2021-82	2021-10-15	Announcement on Participation in Auction for Land Use Rights	Securities Times B32, Shanghai Securities News 92 etc.
2021-83	2021-10-15	Announcement on Results Forecast for the First Three Quarters in 2021	Securities Times B32, Shanghai Securities News 92 etc.
2021-84	2021-10-15	Announcement on Progress of Security for Controlling Company	Securities Times B32, Shanghai Securities News 92 etc.
2021-85	2021-10-16	Announcement on the Progress of Participation in Auction for Land Use Rights	Securities Times B50, Shanghai Securities News 60 etc.
2021-86	2021-10-26	Announcement on Progress of Security for Controlling Company	Securities Times B170, Shanghai Securities News 124 etc.
2021-87	2021-10-28	2021Q3 Report	Securities Times B299, Shanghai Securities News 360 etc.
2021-88	2021-11-2	Announcement on Resolutions of 2021 Third Extraordinary General Meeting	Securities Times B24, Shanghai Securities News 60 etc.
2021-89	2021-11-6	Announcement on Progress of Transfer of Some of Equity in Shandong Econ Technology Co., Ltd.	Securities Times B69, Shanghai Securities News 17 etc.

2021-90	2021-11-6	Announcement on Resolutions of 49th Meeting of the ninth Board of Directors	Securities Times B69, Shanghai Securities News 17 etc.
2021-91	2021-11-6	Announcement on Leasing Property to Related Party	Securities Times B69, Shanghai Securities News 17 etc.
2021-92	2021-11-6	Announcement on Transfer of Equity in Shandong Econ Technology Co., Ltd. and Capital Increase	Securities Times B69, Shanghai Securities News 17 etc.
2021-93	2021-11-9	Announcement on the Progress of Asset Acquisition by Issuance of Shares and Cash Payment, as Well as Raising Supporting Funds and the Progress of Related Transaction Plan After Disclosure	Securities Times B34, Shanghai Securities News 52 etc.
2021-94	2021-11-19	Announcement on Withdrawing Financial Assistance	Securities Times B24, Shanghai Securities News 73 etc.
2021-95	2021-11-25	Announcement on Participating in the Online Collective Reception Day Activity of Investors of Listed Companies in 2021 "Communicating and Transferring Value, Communicating and Creating Good Ecology" of Shenzhen Municipality	Securities Times B23, Shanghai Securities News 84 etc.
2021-96	2021-11-26	Announcement on Resolutions of 50th Meeting of the ninth Board of Directors	Securities Times B43, Shanghai Securities News 49 etc.
2021-97	2021-11-26	Announcement on Participation in Auction for Land Use Rights	Securities Times B43, Shanghai Securities News 49 etc.
2021-98	2021-11-26	Announcement on Controlling Subsidiary Providing Loans to Shareholders According to Percentage of Equity Interest	Securities Times B43, Shanghai Securities News 49 etc.
2021-99	2021-11-26	Announcement on Progress of Transfer of Some of Equity in Shandong Econ Technology Co., Ltd.	Securities Times B43, Shanghai Securities News 49 etc.
2021-100	2021-11-27	Announcement on Completion of Industrial and Commercial Registration of Changes for Capital Increase of Shandong Econ Technology Co., Ltd.	Securities Times B37, Shanghai Securities News 93 etc.
2021-101	2021-12-1	Announcement on Accumulative Lawsuits and Arbitrations	Securities Times B66, Shanghai Securities News 28 etc.
2021-102	2021-12-4	Announcement on Progress of Security for Controlling Company	Securities Times B36, Shanghai Securities News 44 etc.
2021-103	2021-12-9	Announcement on the Progress of Asset Acquisition by Issuance of Shares and Cash Payment, as Well as Raising Supporting Funds and the Progress of Related Transaction Plan After Disclosure	Securities Times B14, Shanghai Securities News 89 etc.
2021-104	2021-12-14	Announcement on the Progress of Participation in Auction for Land Use Rights	Securities Times B10, Shanghai Securities News 85 etc.
2021-105	2021-12-18	Announcement on Progress of Transfer of Some of Equity in Shenzhen E2info Network Technology Co., Ltd.	Securities Times B14, Shanghai Securities News 44 etc.
2021-106	2021-12-25	Announcement on Receipt of Government Grant by the Controlling Company	Securities Times B34, Shanghai Securities News 76 etc.
2021-107	2021-12-29	Announcement on Receipt of Government Grant by Controlling Subsidiary	Securities Times B23, Shanghai Securities

			News 76 etc.	
2021-108	2021-12-31	Announcement on Completion of Industrial and Commercial Registration of Changes for Transferring Some of Equity in Shenzhen E2info Network Technology Co., Ltd.	Securities Times B12, Shanghai Securities News 84 etc.	
2021-109	2021-12-31	Announcement on Progress of Security for Wholly Owned Subsidiary	Securities Times B132, Shanghai Securities News 113 etc.	

XVII Significant Events of Subsidiaries

Applicable Not applicable

Part VII 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 profit	Shares as dividend converted from capital reserves	Other	Sub total	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 the share changes:

 Applicable Not applicable

Approval of the share changes:

 Applicable Not applicable

Transfer of share ownership:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Changes in Restricted Shares

Applicable Not applicable

II Issuance and Listing of Securities

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

Applicable Not applicable

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

Applicable Not applicable

3. Existing Staff-Held Shares

Applicable Not applicable

III Shareholders and Actual Controller

1. Shareholders and Their Shareholdings at the Period-End

Unit: share

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, marked or frozen	
							Status	Shares
OVERSEAS CHINESE TOWN HOLDINGS COMPANY	State-owned legal person	21.75%	523,746,932	0	0	523,746,932		
CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD.	Foreign legal person	7.48%	180,001,110	-2,099,092	0	180,001,110		

WANG JINGFENG	Domestic natural person	4.61%	111,111,100	52,783,342	0	111,111,100		
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	Foreign legal person	2.46%	59,300,325	1,200,000	0	59,300,325		
HOLY TIME GROUP LIMITED	Foreign legal person	2.38%	57,289,100	0	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	0	0	22,567,540		
CHINA MERCHANTS SECURITIES (HK) LIMITED	State-owned legal person	0.80%	19,314,220	-176,100	0	19,314,220		
BOCOM INTERNATIONAL SECURITIES LIMITED	Foreign legal person	0.78%	18,896,037	18,896,037	0	18,896,037		
LI HANFA	Domestic natural person	0.73%	17,680,000	17,680,000	0	17,680,000		
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 Holdings Company (OCT Group), 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 OCT Group 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.							
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights	N/A							
Special account for share repurchases (if any) among the top 10 shareholders (see note 10)	None							
Top 10 unrestricted shareholders								
Name of shareholder	Unrestricted shares held at the period-end					Shares by type		

		Type	Shares
OVERSEAS CHINESE TOWN HOLDINGS COMPANY	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	111,111,100	RMB-denominated ordinary stock	111,111,100
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	59,300,325	Domestically listed foreign stock	59,300,325
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	19,314,220	Domestically listed foreign stock	19,314,220
BOCOM INTERNATIONAL SECURITIES LIMITED	18,896,037	Domestically listed foreign stock	18,896,037
LI HANFA	17,680,000	RMB-denominated ordinary stock	17,680,000
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 Holdings Company (OCT Group), 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 OCT Group 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 111,111,100 A-shares in the Company through his securities account for customer credit trading guarantee in Guotai Junan Securities Co., Ltd. Li Hanfa holds 17,680,000 A-shares in the Company through his securities account for customer credit trading guarantee in Western 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. 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 Holdings Company	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 2021, Overseas Chinese Town Holdings Company directly held 47.01% equity of Shenzhen Overseas Chinese Town Co., Ltd. (a company listed in Shenzhen Stock Exchange, SZ. 000069) and indirectly held 0.96% 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 Holdings Company indirectly held 53.88% equity of Yunnan Tourism Co., Ltd. (a company listed in Shenzhen Stock Exchange, SZ.002059).Overseas Chinese Town Holdings Company held 7.77% 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 Holdings Company 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 Holdings Company indirectly held 10.36% of equity of Jiangsu Guoxin Corporation Limited (a company listed in Shenzhen Stock Exchange, SZ. 002608) through its subsidiary Shenzhen OCT Capital Investment Management Co., Ltd..			

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

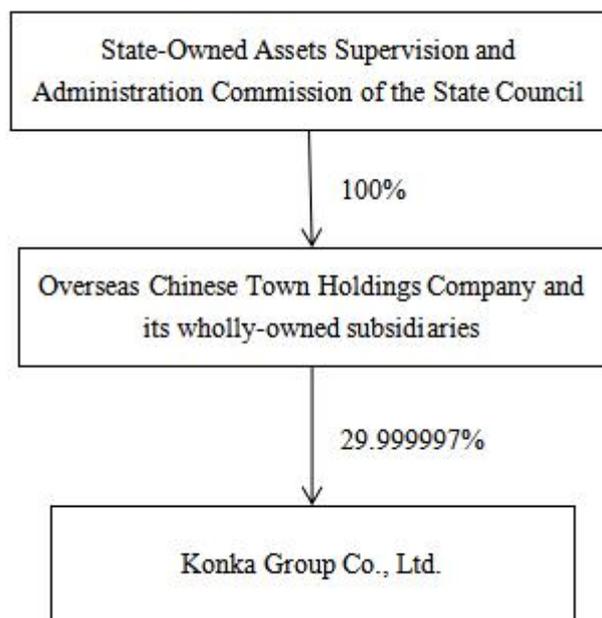
Name of actual controller	Legal representative/ person in charge	Date of establishment	Unified social credit code	Principal activity
State-owned Assets Supervision and Administration Commission of the State Council	Hao Peng		Not applicable	Not applicable
Actual controller's holdings in other listed companies 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. Number of Accumulative Pledged Shares held by the Company's Controlling Shareholder or the Largest Shareholder as well as Its Acting-in-Concert Parties Accounts for 80% of all shares of the Company held by Them

Applicable Not applicable

5. Other 10% or Greater Corporate Shareholders

Applicable Not applicable

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

Applicable Not applicable

IV Specific Implementation of Share Repurchases in the Reporting Period

Progress on any share repurchases:

Applicable Not applicable

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

Applicable Not applicable

Part VIII Preference Shares

Applicable Not applicable

No Preference shares in the Reporting Period.

Part IX Corporate Bonds

√ Applicable □ Not applicable

I Enterprise Bonds

□ Applicable √ Not applicable

No enterprise bonds in the Reporting Period.

II Corporate Bonds

√ Applicable □ Not applicable

1. Basic Information of the Corporate Bonds

Unit: RMB

Name	Abbr.	Code	Release date	Value date	Maturity date	Bonds balance (RMB'0,000)	Interest rate	Way of redemption	Trade place
Privately placed corporate bonds in 2019 of Konka Group Co., Ltd (Tranche I) (Variety I)	19 Konka 01	114418	14 January 2019	14 January 2019	14 January 2022	0.00	5.00%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds in 2019 of Konka Group Co., Ltd (Tranche I) (Variety II)	19 Konka 02	114423	14 January 2019	14 January 2019	14 January 2022	1,500,000 ,000.00	5.00%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds in 2019 of Konka Group	19 Konka 03	114488	3 June 2019	3 June 2019	3 June 2022	0.00	4.50%	Interests shall be paid every	Shenzhen Stock Exchange

Co., Ltd (Tranche II) (Variety I)								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 a 04	114489	3 June 2019	3 June 2019	3 June 2022	500,000,0 00.00	4.70%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds in 2019 of Konka Group Co., Ltd (Tranche III) (Variety I)	19 Konka a 05	114523	22 July 2019	22 July 2019	22 July 2022	0.00	4.53%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds in 2019 of Konka Group Co., Ltd (Tranche III) (Variety II)	19 Konka a 06	114524	22 July 2019	22 July 2019	22 July 2022	700,000,0 00.00	4.70%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds in 2021 of Konka Group	21 Konka a 01	114894	8 January 2021	8 January 2021	8 January 2024	1,000,000 ,000.00	4.46%	Interests shall be paid every	Shenzhen Stock Exchange

Co., Ltd (Tranche I)								year and the principals shall be repaid when expired.	
Privately placed corporate bonds in 2021 of Konka Group Co., Ltd (Tranche II)	21 Konk a 02	133003	21 May 2021	21 May 2021	21 May 2024	500,000,0 00.00	4.00%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Privately placed corporate bonds in 2021 of Konka Group Co., Ltd (Tranche III)	21 Konk a 03	133040	9 July 2021	9 July 2021	9 July 2024	800,000,0 00.00	3.95%	Interests shall be paid every year and the principals shall be repaid when expired.	Shenzhen Stock Exchange
Appropriate arrangement of the investors (if any)	"19 Konka 02", "19 Konka 04", "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", "21 Konka 02", "21 Konka 03" were placed privately to professional investors meeting the requirements of management method for investors eligibility of Shenzhen Stock Exchange, which not exceeding 200 persons .								
Applicable trade mechanism	Comprehensive agreement trade platform of Shenzhen Stock Exchange								
Risk of delisting (if any) and countermeasures	No								

Overdue bonds

Applicable Not applicable

2. The Trigger and Execution of the Option Clause of the Issuers or Investors and the Investor Protection Clause

Applicable Not applicable

"19 Konka 01", "19 Konka 03", and "19 Konka 05" are attached with the issuer's option of adjusting coupon rate: and the investor's put option. In the Reporting Period, the execution of the above clauses are as follows:

(I) On 14 January 2021, for "19 Konka 01", the issuer's option of adjusting coupon rate and investor's put option were exercised. Specifically: The issuer adjusted the coupon rate for the last year within the duration to 2.80%, the sell-back quantity to 10 million shares, and the sell-back amount to RMB1 billion. The sell-back principal and the interest of the part to which the put option is exercised in the current period have been transferred in full to the account specified by China Securities Depository and Clearing Corporation Limited (CSDC). "19 Konka 01" has been sold back in full and de-listed from the stock exchange.

(II) On 3 June 2021, for "19 Konka 03", the issuer's option of adjusting coupon rate and the investor's put option were exercised. Specifically: The issuer adjusted the coupon rate for the last year within the duration to 2.80%, the sell-back quantity to 5 million shares, and the sell-back amount to RMB500 million. The sell-back principal and the interest of the part to which the put option is exercised in the current period have been transferred in full to the account specified by CSDC. "19 Konka 03" has been sold back in full and de-listed from the stock exchange.

(III) On 22 July 2021, for "19 Konka 05", the issuer's option of adjusting coupon rate and investor's put option were exercised. Specifically: The issuer adjusted the coupon rate for the last year within the duration to 2.80%, the sell-back quantity to 8 million shares, and the sell-back amount to RMB800 million. The sell-back principal and the interest of the part to which the put option is exercised in the current period have been transferred in full to the account specified by CSDC. "19 Konka 05" has been sold back in full and de-listed from the stock exchange.

3. Intermediary

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
19 Konka 01 19 Konka 02 19 Konka 03 19 Konka 04 19 Konka 05 19 Konka 06	Industrial Securities Co., Ltd	32/F, SK Building, No. 6, Jianguomen Waidajie, Chaoyang District, Beijing	/	Pu Hang, Zhang Huifang	021-38565454
	Guosen Securities Co., Ltd.	16-26/F, Guosen Securities Building, No. 1012, Hongling Road, Luohu District, Shenzhen	/	Lin Yiping, Zhou Li	0755-81981041
	United Ratings Co., Ltd.	No.2 Jianwai Street, Chaoyang District, Beijing	/	Liu Deng	010-85679696
	Beijing Yingke Law Firm	19-25/F, Building 2, CP Center, Yard 20, Jinhe East Road, Chaoyang District, Beijing	/	Zhang Jinxing, Han Jian	0755-36866600

	Ruihua Certified Public Accountants (Special General Partnership)	4/F, Building 2, Yard 16, Xisihuan Middle Road, Haidian District, Beijing	Liu Jianhua, Tang Qimei, Shen Lingzhi	Liu Guibin	010-88219191
21 Konka 01 21 Konka 02 21 Konka 03	Industrial Securities Co., Ltd	32/F, SK Building, No. 6, Jianguomen Waidajie, Chaoyang District, Beijing	/	Pu Hang, Zhang Huifang	021-38565454
	ZTF Securities Co., Ltd.	Centralized Business, Finance and Business District, Zone B, Zhongtian Exhibition City, North Changling Road, Guanshanhu District, Guiyang, Guizhou (North)	/	Qian Xi, Cai Dan	0755-28777990
	United Ratings Co., Ltd.	No.2 Jianwai Street, Chaoyang District, Beijing	/	Liu Qi	010-85679696
	Beijing Yingke Law Firm	19-25/F, Building 2, CP Center, Yard 20, Jinhe East Road, Chaoyang District, Beijing	/	Zhang Jinxing, Han Jian	0755-36866600
	Ruihua Certified Public Accountants (Special General Partnership)	4/F, Building 2, Yard 16, Xisihuan Middle Road, Haidian District, Beijing	Liu Guibin	Liu Guibin	010-88219191
	Shinewing Certified Public Accountants (Special General Partnership)	8/F, Block A, Fu Hua Mansion, No. 8, Chaoyangmen Beidajie, Dongcheng District, Beijing	Liu Jianhua, Tang Qimei	Liu Jianhua, Tang Qimei	028-62922886

Indicate by tick mark whether above intermediary changed in the Reporting Period

Yes No

4. List of the Usage of the Raised Funds

Unit: RMB100 million

Bonds	Total amount	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
19 Konka 01	10.00	10.00	0.00	Well-functionning	Not applicable	Yes
19 Konka 02	15.00	15.00	0.00			
19 Konka 03	5.00	5.00	0.00			
19 Konka 04	5.00	5.00	0.00			
19 Konka 05	8.00	8.00	0.00			
19 Konka 06	7.00	7.00	0.00			
21 Konka 01	10.00	10.00	0.00			
21 Konka 02	5.00	5.00	0.00			
21 Konka 03	8.00	8.00	0.00			

The raised funds were used for project construction

Applicable Not applicable

The Company changed the usage of above funds raised from bonds during the Reporting Period.

Applicable Not applicable

5. Adjustment of Credit Rating Results during the Reporting Period

Applicable Not applicable

6. Execution and Changes of Guarantee, Repayment Plan and Other Repayment Guarantee Measures as well as Influence on Equity of Bond Investors during the Reporting Period

Applicable Not applicable

OCT Group provides full, unconditional and irrevocable joint liability guarantee for "19 Konka 01", "19 Konka 02", "19 Konka 03", "19 Konka 04", "19 Konka 05", "19 Konka 06", "21 Konka 01", "21 Konka 02" and "21 Konka 03". The Credit Enhancement Mechanisms, Redemption Plans and Other Redemption Security Measures during the Reporting Period are executed according to agreement. No change occurred.

III Debt Financing Instruments of Non-financial Enterprises

Applicable Not applicable

No such cases in the Reporting Period.

IV Convertible Corporate Bonds

Applicable Not applicable

No such cases in the Reporting Period.

V Losses of Scope of Consolidated Financial Statements during the Reporting Period Exceeding 10% of Net Assets up the Period-end of Last Year

Applicable Not applicable

VI Matured Interest-bearing Debt excluding Bonds up the Period-end

Applicable Not applicable

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

Yes No

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	31 December 2021	31 December 2020	Increase/decrease
Current ratio	88.92%	93.18%	-4.57%
Asset-liability ratio	74.42%	78.51%	-4.09%
Quick ratio	71.36%	76.42%	-6.62%
	2021	2020	Increase/decrease
Net profit after deducting non-recurring profit or loss	-325,079.81	-236,759.08	-37.30%
Debt/EBITDA ratio	13.59%	7.61%	5.98%
Times interest earned	2.38	1.40	70.00%
Times interest earned of cash	2.33	1.63	42.94%
Times interest earned of EBITDA	2.97	1.92	54.69%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

Part X Financial Statements

I Independent Auditor's Report

Type of the independent auditor's opinion	Unmodified unqualified opinion
Date of signing this report	28 March 2022
Name of the independent auditor	ShineWing Certified Public Accountants (Special General Partnership)
Reference number of audit report	XYZH/2022GZAA50020
Name of the certified public accountants	Tang Qimei, Liu Jianhua

Independent Auditor's Report

XYZH/2022GZAA50020

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 2021, 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 2021 and the consolidated and parent business performance and cash flow of the Company for 2021.

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.

1. Recognition of operating revenues	
Key audit matters	Countermeasures of audit
<p>Please refer to the notes to the financial statements "six, notes to the consolidated financial statements" 48. In 2021, Konka Group's consolidated financial statements confirmed operating income of RMB49106.51.37 million, the mainly revenue comes from the electronic business, trading business, and environmental protection business, etc. Due to the importance of revenue to the financial statements as a whole, 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) Obtain signed sales contracts, analyze relevant provisions, and evaluate whether the revenue recognition of Konka Group is in compliance with the Accounting Standards for Business Enterprises;</p> <p>(3) Obtain Konka Group's customer list, examine the customers' information registered with the industrial and commercial administration, inquire the relevant personnel of Konka Group, and identify whether any of the customers is a related party to Konka Group;</p> <p>(4) Perform analytical procedures on revenue and costs, evaluate the rationality of sales revenue and gross profit margin changes;</p> <p>(5) Examine materials such as important sales contracts, orders, invoices, goods ownership transfer certificates, bank receipts, invoices; regarding the industry trade business, learn about trading backgrounds and business nature to decide whether Konka Group is the main responsibility entity or an agent; select important customers, verify the transaction amounts and balances in writing to verify the truthfulness, completeness and accuracy of revenue;</p> <p>(6) Conduct a cut-off test on sales revenue.</p>
2. Recognition of investment income	
Key audit matters	Countermeasures of audit
<p>Please refer to the notes to the financial statements "six, notes to the consolidated financial statements" 55. In 2021, Konka Group's consolidated financial statements confirmed investment income of RMB4216.8069 million. Mainly for the disposal of investment income generated by long-term equity investment, the gains from the remeasurement of the remaining equity at equity method on the day of the loss of control rights at fair value.</p>	<p>(1) Evaluate and test income to confirm the effectiveness of key internal control design and operation;</p> <p>(2) Obtain signed sales contracts, analyze relevant provisions, and evaluate whether the revenue recognition of Konka Group is in compliance with the Accounting Standards for Business Enterprises;</p> <p>(3) Obtain Konka Group's customer list, examine the customers' information registered with the industrial and commercial administration, inquire the relevant personnel of Konka Group, and identify whether any of the customers is a related party to Konka Group;</p> <p>(4) Perform analytical procedures on revenue and costs, evaluate the rationality of sales revenue and gross profit margin changes;</p> <p>(5) Examine materials such as important sales contracts, orders, invoices, goods ownership transfer certificates, bank receipts, invoices; regarding the industry trade business, learn about trading backgrounds and business nature to decide whether Konka Group is the main responsibility entity or an agent; select important customers, verify the transaction amounts and balances in writing to verify the truthfulness,</p>

1. Recognition of operating revenues	
Key audit matters	Countermeasures of audit
Since the amount of investment income is significant, we confirm the recognition of investment income as a key audit matter.	completeness and accuracy of revenue; and (6) Conduct a cut-off test on sales revenue.

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 2021 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

28 March 2022

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 2021

Unit: RMB

Item	31 December 2021	31 December 2020
Current assets:		
Monetary assets	6,489,553,211.24	5,431,530,180.90
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets		618,249,541.66
Derivative financial assets		
Notes receivable	1,777,477,481.28	2,358,180,193.96

Accounts receivable	3,397,729,481.07	3,900,897,623.59
Accounts receivable financing	71,490,688.54	84,057,197.44
Prepayments	631,400,953.86	1,183,270,543.41
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	1,837,459,705.64	2,145,736,640.60
Including: Interest receivable	2,573,082.79	45,109,425.85
Dividends receivable		4,947,848.62
Financial assets purchased under resale agreements		
Inventories	4,068,537,809.18	4,521,300,677.41
Contract assets		2,870,006,710.39
Assets held for sale		
Current portion of non-current assets	28,105,523.78	112,310,158.82
Other current assets	2,299,963,391.24	1,913,146,483.39
Total current assets	20,601,718,245.83	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	18,495,499.14	399,497,204.03
Long-term equity investments	5,902,588,939.51	4,375,833,584.65
Investments in other equity instruments	23,841,337.16	25,343,293.16
Other non-current financial assets	2,293,361,603.68	1,878,154,796.76
Investment property	776,525,061.54	538,585,668.29
Fixed assets	4,010,295,277.14	3,178,642,017.84
Construction in progress	1,490,777,831.39	9,236,643,931.68
Productive living assets		
Oil and gas assets		
Right-of-use assets	71,210,415.37	
Intangible assets	975,295,916.08	1,189,191,001.51
Development costs	16,870,310.70	
Goodwill	22,196,735.11	675,795,873.17
Long-term prepaid expense	297,497,383.39	153,198,562.82

Deferred income tax assets	725,315,725.10	1,265,916,437.39
Other non-current assets	2,648,530,490.12	1,820,779,170.74
Total non-current assets	19,272,802,525.43	24,737,581,542.04
Total assets	39,874,520,771.26	49,876,267,493.61
Current liabilities:		
Short-term borrowings	9,920,675,121.08	10,990,550,475.78
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,116,336,958.91	1,335,987,026.21
Accounts payable	3,784,315,091.41	9,632,366,325.76
Advances from customers		
Contract liabilities	652,910,408.02	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	410,747,084.80	476,616,244.45
Taxes payable	295,825,170.41	508,214,059.16
Other payables	1,788,177,748.59	1,999,430,899.69
Including: Interest payable	174,383,177.08	220,837,380.17
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	5,089,586,269.32	376,896,566.29
Other current liabilities	109,742,188.24	441,774,317.23
Total current liabilities	23,168,316,040.78	26,979,203,650.51
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	3,529,140,539.09	5,964,748,997.54
Bonds payable	2,293,698,899.30	4,993,212,788.32
Including: Preferred shares		

Perpetual bonds		
Lease liabilities	42,532,869.63	
Long-term payables	140,687,570.78	481,409,849.96
Long-term employee benefits payable	5,111,296.75	5,248,309.14
Provisions	106,276,535.85	102,353,567.91
Deferred income	206,302,424.92	446,900,524.64
Deferred income tax liabilities	76,894,581.97	75,819,231.93
Other non-current liabilities	104,610,663.76	106,475,449.02
Total non-current liabilities	6,505,255,382.05	12,176,168,718.46
Total liabilities	29,673,571,422.83	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	234,389,963.10	230,185,310.09
Less: Treasury stock		
Other comprehensive income	-20,336,087.87	-16,583,042.42
Specific reserve		
Surplus reserves	1,244,180,364.24	1,211,721,109.67
General reserve		
Retained earnings	5,229,098,788.94	4,595,371,391.63
Total equity attributable to owners of the Company as the parent	9,095,278,436.41	8,428,640,176.97
Non-controlling interests	1,105,670,912.02	2,292,254,947.67
Total owners' equity	10,200,949,348.43	10,720,895,124.64
Total liabilities and owners' equity	39,874,520,771.26	49,876,267,493.61

Legal representative: Zhou Bin

CFO: Li Chunlei

Head of the financial department: Guo Zhihua

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2021	31 December 2020
Current assets:		
Monetary assets	4,809,203,282.52	3,481,445,560.17

Held-for-trading financial assets		298,497,458.33
Derivative financial assets		
Notes receivable	912,584,879.70	879,589,355.91
Accounts receivable	4,468,684,877.11	4,473,251,691.85
Accounts receivable financing	6,250,000.00	5,659,400.00
Prepayments	1,617,640,913.05	1,021,218,285.46
Other receivables	10,925,066,231.53	10,034,869,353.07
Including: Interest receivable	2,002,526.91	41,138,869.97
Dividends receivable	383,943,256.80	749,431,635.50
Inventories	192,035,723.31	202,406,456.36
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	1,736,172,492.35	1,020,031,186.39
Total current assets	24,667,638,399.57	21,416,968,747.54
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	8,633,142,223.64	8,806,166,599.56
Investments in other equity instruments	17,940,215.36	17,940,215.36
Other non-current financial assets	200,326,093.02	250,230,000.00
Investment property	455,475,442.43	406,237,236.91
Fixed assets	398,611,899.13	431,762,044.14
Construction in progress	304,489,347.00	132,464,938.18
Productive living assets		
Oil and gas assets		
Right-of-use assets	4,023,376.21	
Intangible assets	55,814,854.54	59,506,272.63
Development costs		
Goodwill		
Long-term prepaid expense	31,718,868.00	16,532,521.69
Deferred income tax assets	711,814,124.48	980,095,292.53
Other non-current assets		10,867,888.84

Total non-current assets	10,813,356,443.81	11,111,803,009.84
Total assets	35,480,994,843.38	32,528,771,757.38
Current liabilities:		
Short-term borrowings	4,259,749,597.92	5,052,990,048.93
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,126,421,923.99	1,344,958,738.50
Accounts payable	8,297,778,584.91	6,811,467,585.39
Advances from customers		
Contract liabilities	740,817,658.30	723,022,740.95
Employee benefits payable	128,148,938.08	147,391,317.06
Taxes payable	8,022,098.02	4,094,133.23
Other payables	4,155,006,946.60	4,275,347,622.57
Including: Interest payable	171,516,416.71	215,828,625.04
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	4,715,415,917.78	5,867,425.49
Other current liabilities	11,124,209.72	6,108,675.36
Total current liabilities	23,442,485,875.32	18,371,248,287.48
Non-current liabilities:		
Long-term borrowings	3,161,298,604.12	2,930,034,612.32
Bonds payable	2,293,698,899.30	4,993,212,788.32
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	1,664,232.11	
Long-term payables		17,633,249.67
Long-term employee benefits payable		
Provisions	572,097.48	832,465.72
Deferred income	36,243,964.61	61,530,557.55
Deferred income tax liabilities		2,334,364.58
Other non-current liabilities	43,677,187.49	54,162,098.05
Total non-current liabilities	5,537,154,985.11	8,059,740,136.21
Total liabilities	28,979,640,860.43	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	110,696,992.60	112,570,352.72
Less: Treasury stock		
Other comprehensive income	-1,500,000.00	-2,682,217.31
Specific reserve		
Surplus reserves	1,260,024,039.76	1,227,564,785.19
Retained earnings	2,724,187,542.59	2,352,385,005.09
Total owners' equity	6,501,353,982.95	6,097,783,333.69
Total liabilities and owners' equity	35,480,994,843.38	32,528,771,757.38

3. Consolidated Income Statement

Unit: RMB

Item	2021	2020
1. Revenue	49,106,513,669.58	50,351,836,554.87
Including: Operating revenue	49,106,513,669.58	50,351,836,554.87
Interest income		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	51,466,453,430.94	52,314,397,544.31
Including: Cost of sales	47,401,884,981.53	47,595,064,349.98
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	107,078,675.16	97,235,867.31
Selling expense	1,428,062,895.37	1,825,626,804.27
Administrative expense	960,449,117.12	1,022,981,943.34
R&D expense	616,335,488.01	681,878,611.65
Finance costs	952,642,273.75	1,091,609,967.76

Including: Interest expense	1,003,080,641.99	979,223,522.98
Interest income	169,492,982.89	164,580,939.30
Add: Other income	1,353,534,580.11	928,933,528.03
Return on investment (“-” for loss)	4,216,806,949.38	2,433,336,004.85
Including: Share of profit or loss of joint ventures and associates	78,926,555.74	106,458,465.42
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)	52,490,907.33	19,089,541.66
Credit impairment loss (“-” for loss)	-1,107,273,681.31	-722,375,850.15
Asset impairment loss (“-” for loss)	-643,102,386.02	-462,407,098.47
Asset disposal income (“-” for loss)	571,964.16	206,315,700.34
3. Operating profit (“-” for loss)	1,513,088,572.29	440,330,836.82
Add: Non-operating income	82,601,532.35	87,126,795.41
Less: Non-operating expense	24,444,724.35	25,590,474.86
4. Profit before tax (“-” for loss)	1,571,245,380.29	501,867,157.37
Less: Income tax expense	764,544,554.19	-38,206,305.07
5. Net profit (“-” for net loss)	806,700,826.10	540,073,462.44
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	806,700,826.10	540,073,462.44
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	905,352,997.68	477,633,250.14
5.2.1 Net profit attributable to non-controlling interests	-98,652,171.58	62,440,212.30
6. Other comprehensive income, net of tax	-6,210,784.44	-2,800,360.64
Attributable to owners of the Company as the parent	-3,753,045.45	3,081,866.10
6.1 Items that will not be reclassified to profit or loss		1,625,107.80
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		1,625,107.80

equity instruments		
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-3,753,045.45	1,456,758.30
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	1,182,217.31	
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	-4,935,262.76	1,456,758.30
6.2.7 Other		
Attributable to non-controlling interests	-2,457,738.99	-5,882,226.74
7. Total comprehensive income	800,490,041.66	537,273,101.80
Attributable to owners of the Company as the parent	901,599,952.23	480,715,116.24
Attributable to non-controlling interests	-101,109,910.57	56,557,985.56
8. Earnings per share		
8.1 Basic earnings per share	0.3760	0.1984
8.2 Diluted earnings per share	0.3760	0.1984

Legal representative: Zhou Bin

CFO: Li Chunlei

Head of the financial department: Guo Zhihua

4. Income Statement of the Company as the Parent

Unit: RMB

Item	2021	2020
1. Operating revenue	2,866,801,648.83	3,714,887,652.49
Less: Cost of sales	2,801,504,839.24	3,276,220,339.62
Taxes and surcharges	12,498,811.40	10,739,550.81
Selling expense	424,186,040.12	503,144,683.54
Administrative expense	382,489,529.42	472,549,413.24
R&D expense	97,574,600.53	93,029,766.19
Finance costs	483,733,481.27	626,375,762.29

Including: Interest expense	839,889,878.68	813,956,736.75
Interest income	452,535,196.29	438,850,221.34
Add: Other income	39,245,757.36	66,280,682.30
Return on investment (“-” for loss)	3,464,665,015.66	1,821,844,767.52
Including: Share of profit or loss of joint ventures and associates	94,791,865.50	-5,700,659.97
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)	-12,011,365.31	9,337,458.33
Credit impairment loss (“-” for loss)	-1,004,145,022.47	-631,160,001.21
Asset impairment loss (“-” for loss)	-556,453,134.90	-100,464,731.32
Asset disposal income (“-” for loss)		188,200,000.00
2. Operating profit (“-” for loss)	596,115,597.19	86,866,312.42
Add: Non-operating income	13,373,472.37	35,988,778.37
Less: Non-operating expense	18,967,155.53	9,642,635.24
3. Profit before tax (“-” for loss)	590,521,914.03	113,212,455.55
Less: Income tax expense	265,929,368.36	-94,328,961.05
4. Net profit (“-” for net loss)	324,592,545.67	207,541,416.60
4.1 Net profit from continuing operations (“-” for net loss)	324,592,545.67	207,541,416.60
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	1,182,217.31	
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss	1,182,217.31	
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	1,182,217.31	
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	325,774,762.98	207,541,416.60
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Item	2021	2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	49,515,088,981.33	47,366,925,545.71
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	419,652,399.70	453,084,150.61
Cash generated from other operating activities	2,016,982,305.72	4,223,616,786.41
Subtotal of cash generated from operating activities	51,951,723,686.75	52,043,626,482.73
Payments for commodities and services	46,186,429,808.61	45,800,932,391.57
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	1,952,798,829.91	1,744,799,823.16
Taxes paid	862,563,882.08	854,326,582.63
Cash used in other operating activities	2,141,174,772.04	3,464,951,157.16
Subtotal of cash used in operating activities	51,142,967,292.64	51,865,009,954.52
Net cash generated from/used in operating activities	808,756,394.11	178,616,528.21
2. Cash flows from investing activities:		
Proceeds from disinvestment	711,179,541.54	706,624,869.40
Return on investment	98,795,653.56	125,587,929.51
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	235,061,583.74	370,112,371.91
Net proceeds from the disposal of subsidiaries and other business units	2,569,725,512.90	873,767,298.03
Cash generated from other investing activities	2,388,474,099.33	2,722,258,145.07
Subtotal of cash generated from investing activities	6,003,236,391.07	4,798,350,613.92
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	6,639,941,735.82	5,639,711,463.90
Payments for investments	841,389,150.64	254,250,619.25
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units	96,500,200.00	
Cash used in other investing activities	1,110,357,931.34	1,356,937,320.83
Subtotal of cash used in investing activities	8,688,189,017.80	7,250,899,403.98
Net cash generated from/used in investing activities	-2,684,952,626.73	-2,452,548,790.06
3. Cash flows from financing activities:		
Capital contributions received	149,069,787.60	505,578,067.25
Including: Capital contributions by non-controlling interests to subsidiaries	149,069,787.60	505,578,067.25
Borrowings raised	23,661,013,892.77	19,606,041,084.27
Cash generated from other financing activities	1,019,124,723.01	2,755,219,144.42
Subtotal of cash generated from financing activities	24,829,208,403.38	22,866,838,295.94
Repayment of borrowings	19,372,566,049.47	17,891,643,322.79
Interest and dividends paid	963,157,376.97	865,497,236.05
Including: Dividends paid by subsidiaries to non-controlling interests	49,620,733.43	4,513,500.00
Cash used in other financing activities	928,627,586.95	1,974,684,683.67

Subtotal of cash used in financing activities	21,264,351,013.39	20,731,825,242.51
Net cash generated from/used in financing activities	3,564,857,389.99	2,135,013,053.43
4. Effect of foreign exchange rates changes on cash and cash equivalents	-18,370,051.58	-56,726,595.56
5. Net increase in cash and cash equivalents	1,670,291,105.79	-195,645,803.98
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	5,968,347,219.03	4,298,056,113.24

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	2021	2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	5,382,231,744.24	3,449,433,124.12
Tax rebates	146,315,048.47	264,186,752.60
Cash generated from other operating activities	354,644,830.80	2,775,286,767.61
Subtotal of cash generated from operating activities	5,883,191,623.51	6,488,906,644.33
Payments for commodities and services	4,801,085,160.78	4,041,185,808.91
Cash paid to and for employees	305,846,589.21	339,065,929.50
Taxes paid	17,618,283.94	21,261,070.79
Cash used in other operating activities	1,090,364,534.12	2,786,729,899.09
Subtotal of cash used in operating activities	6,214,914,568.05	7,188,242,708.29
Net cash generated from/used in operating activities	-331,722,944.54	-699,336,063.96
2. Cash flows from investing activities:		
Proceeds from disinvestment	3,791,610,018.69	1,504,019,339.15
Return on investment	416,108,161.42	228,657,238.16
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	250,499.51	188,356,456.56
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	5,806,654,263.21	9,733,428,063.02
Subtotal of cash generated from investing activities	10,014,622,942.83	11,654,461,096.89
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	193,906,338.75	112,518,905.62
Payments for investments	516,428,500.00	1,400,141,815.71
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	8,187,892,613.35	8,258,345,751.11

Subtotal of cash used in investing activities	8,898,227,452.10	9,771,006,472.44
Net cash generated from/used in investing activities	1,116,395,490.73	1,883,454,624.45
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	16,431,809,395.06	14,529,825,025.55
Cash generated from other financing activities	12,359,266,361.42	9,797,462,437.60
Subtotal of cash generated from financing activities	28,791,075,756.48	24,327,287,463.15
Repayment of borrowings	15,084,306,762.28	15,109,478,610.76
Interest and dividends paid	782,072,702.29	741,959,265.05
Cash used in other financing activities	11,934,250,317.89	8,075,141,705.43
Subtotal of cash used in financing activities	27,800,629,782.46	23,926,579,581.24
Net cash generated from/used in financing activities	990,445,974.02	400,707,881.91
4. Effect of foreign exchange rates changes on cash and cash equivalents	-3,272,298.44	-11,406,036.33
5. Net increase in cash and cash equivalents	1,771,846,221.77	1,573,420,406.07
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	4,682,608,814.76	2,910,762,592.99

7. Consolidated Statements of Changes in Owners' Equity

2021

Unit: RMB

Item	2021														
	Equity attributable to owners of the Company as the parent											Non-controlling interests	Total owners' equity		
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings			Other	Subtotal
	Preferred shares	Perpetual bonds	Other												
1. Balance as at the end of the prior year	2,407,945,408.00				230,185,310.09		-16,583,042.42		1,211,721,109.67		4,595,371,391.63		8,428,640,176.97	2,292,254,947.67	10,720,895,124.64
Add: Adjustment for change in accounting policy															
Adjustment for correction of previous error															
Adjustment for business combination under common control															
Other adjustments															
2. Balance as at the beginning of the year	2,407,945,408.00				230,185,310.09		-16,583,042.42		1,211,721,109.67		4,595,371,391.63		8,428,640,176.97	2,292,254,947.67	10,720,895,124.64
3. Increase/ decrease in the period ("-" for decrease)					4,204,653.01		-3,753,045.45		32,459,254.57		633,727,397.31		666,638,259.44	-1,186,584,035.65	-519,945,776.21
3.1 Total comprehensive income							-3,753,045.45				905,352,997.68		901,599,952.23	-101,109,910.57	800,490,041.66

3.2 Capital increased and reduced by owners					4,204,653.01							4,204,653.01	-1,015,079,437.90	-1,010,874,784.89
3.2.1 Ordinary shares increased by owners													79,947,914.99	79,947,914.99
3.2.2 Capital increased by holders of other equity instruments														
3.2.3 Share-based payments included in owners' equity														
3.2.4 Other					4,204,653.01							4,204,653.01	-1,095,027,352.89	-1,090,822,699.88
3.3 Profit distribution								32,459,254.57	-273,253,795.37			-240,794,540.80	-42,123,733.44	-282,918,274.24
3.3.1 Appropriation to surplus reserves								32,459,254.57	-32,459,254.57					
3.3.2 Appropriation to general reserve														
3.3.3 Appropriation to owners (or shareholders)									-240,794,540.80			-240,794,540.80	-42,123,733.44	-282,918,274.24
3.3.4 Other														
3.4 Transfers within owners' equity													-28,270,953.74	-28,270,953.74
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													-28,270,953.74	-28,270,953.74	
3.5 Specific reserve															
3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Other										1,628,195.00		1,628,195.00		1,628,195.00	
4. Balance as at the end of the period	2,407,945,408.00				234,389,963.10		-20,336,087.87		1,244,180,364.24		5,229,098,788.94		9,095,278,436.41	1,105,670,912.02	10,200,949,348.43

2020

Unit: RMB

Item	2020														Non-controlling interests	Total owners' equity
	Equity attributable to owners of the Company as the parent												Subtotal			
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other				
	Preferred shares	Perpetual bonds	Other								Minority					
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	

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

2021

Unit: RMB

Item	2021											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	O t h e r	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the prior year	2,407,945,408.00				112,570,352.72		-2,682,217.31		1,227,564,785.19	2,352,385,005.09		6,097,783,333.69
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments										320,463,787.20		320,463,787.20
2. Balance as at the beginning of the year	2,407,945,408.00				112,570,352.72		-2,682,217.31		1,227,564,785.19	2,672,848,792.29		6,418,247,120.89
3. Increase/ decrease in the period ("-" for decrease)					-1,873,360.12		1,182,217.31		32,459,254.57	51,338,750.30		83,106,862.06
3.1 Total comprehensive income							1,182,217.31			324,592,545.67		325,774,762.98
3.2 Capital increased and reduced by owners					-1,873,360.12							-1,873,360.12
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					-1,873,360.12							-1,873,360.12
3.3 Profit distribution									32,459,254.57	-273,253,795.37		-240,794,540.80
3.3.1 Appropriation to surplus reserves									32,459,254.57	-32,459,254.57		
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				110,696,992.60		-1,500,000.00		1,260,024,039.76	2,724,187,542.59		6,501,353,982.95

Unit: RMB

Item	2020											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	O t h e r	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

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

For the Year from 1 January 2021 to 31 December 2021 (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” and the “Group” when including subsidiaries), is a joint-stock limited company reorganized from the former Shenzhen Konka Electronic Co., Ltd. in August 1991 upon approval of the People’s Government of Shenzhen Municipality, and has its ordinary shares (A-share and B-share) listed on Shenzhen Stock Exchange with prior consent from the People’s Bank of China Shenzhen Special Economic Zone Branch. On 29 August 1995, the Company was renamed to “Konka Group Co., Ltd.” (Credibility code: 914403006188155783) with its main business electronic industry. And now the headquarters locates in No. 28 of No. 12 of Keji South Rd., Science & Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province.

2. Share capital

After the distribution of bonus shares, allotments, increased share capital and new shares issued over the years, as of 31 December 2021, the Company has issued a total of 2,407,945,408.00 shares (denomination of RMB1 per share) with a registered capital of RMB2,407,945,408.00.

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

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

4. The financial statements contained herein have been approved for issue by the Board of Directors of the Company on 28 March 2022.

II. Consolidation scope

The group consolidated financial statements include shenzhen konka electronic technology co., LTD., anhui konka electronic co., LTD., dongguan konka electronic co., LTD 120 subsidiaries, compared with the previous year, this year because of new buy buy increasing shaanxi konka intelligent electrical appliances co., LTD., south TongKang electric intelligent technology co., LTD., konka, trade and industry science and technology (shenzhen) co., LTD., etc. 33, Due to equity transfer loss of control or cancellation of subsidiaries reduced yikang Technology Co., LTD., Shenzhen Yisquare Network Technology Co., LTD., 56.

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

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

No.	Corporate name	Abbreviation
1	Shenzhen Konka Electronics Technology Co., Ltd.	Electronics Technology
2	Anhui Konka Zhilian E-Commerce Co., Ltd.	Anhui Zhilian
3	Haimen Konka Smart Technology Co., Ltd.	Haimen Konka
4	Chengdu Konka Smart Technology Co., Ltd.	Chengdu Konka Smart
5	Chengdu Konka Electronic Co., Ltd.	Chengdu Konka Electronic
6	Nantong Hongdin Smart Technology Co., Ltd.	Nantong Hongdin
7	Shenzhen Youzhihui Technology Co., Ltd.	Youzhihui
8	Xiaojia Technology Co., Ltd.	Xiaojia Technology
9	Liaoyang Kangshun Smart Technology Co., Ltd.	Liaoyang Kangshun Smart
10	Liaoyang Kangshun Renewable Resources Co., Ltd.	Liaoyang Kangshun Renewable
11	Nanjing Konka Electronics Co., Ltd.	Nanjing Konka

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

No.	Corporate name	Abbreviation
12	Chuzhou Konka Precision Intelligent Manufacturing Technology Co., Ltd.	Chuzhou Konka
13	Xi'an Huasheng Jiacheng Real Estate Co., Ltd.	Xi'an Huasheng
14	GuangDong XingDa HongYe Electronic Co., Ltd.	XingDa HongYe
15	Shanghai Xinfeng Zhuoqun PCB Co., Ltd.	Shanghai Xinfeng
16	Shenzhen Konka Circuit Co., Ltd.	Konka Circuit
17	Suining Konka Soft Electronic Technology Co., Ltd.	Konka Soft Electronic
18	Suining Konka Hongye Electronics Co., Ltd.	Konka Hongye Electronics
19	Boluo Konka Precision Technology Co., Ltd.	Boluo Precision
20	Boluo Konka PCB Co., Ltd.	Boluo Konka
21	Xiamen Dalong Trading Co., Ltd.	Xiamen Dalong
22	Anhui Konka Tongchuang Electrical Appliances Co., Ltd.	Anhui Tongchuang
23	Jiangsu Konka Smart Electrical Appliances Co., Ltd.	Jiangsu Konka Smart
24	Anhui Konka Electrical Appliance Technology Co., Ltd.	Anhui Electrical Appliance
25	Henan Frestec Refrigeration Appliance Co., Ltd.	Frestec Refrigeration
26	Henan Frestec Electrical Appliances Co., Ltd.	Frestec Electrical Appliances
27	Henan Frestec Household Appliances Co., Ltd.	Frestec Household Appliances
28	Henan Frestec Smart Home Technology Co., Ltd.	Frestec Smart Home
29	Shenzhen Konka Investment Holdings Co., Ltd.	Konka Investment
30	Yibin Konka Technology Park Operation Co., Ltd.	Yibin Konka Technology Park
31	Shenzhen Konka Capital Equity Investment Management Co., Ltd.	Konka Capital
32	Shenzhen Konka Industrial Park Development Co., Ltd.	Industrial Park Development
33	Konka Suiyong Investment (Shenzhen) Co., Ltd.	Konka Suiyong
34	Shenzhen Kangquan Enterprise Management Consulting Co., Ltd.	Kangquan Enterprise
35	Shenzhen Konka Suyuan Investment Industrial Co., Ltd.	Konka Suyuan
36	Shenzhen Konka Shengxing Industrial Co., Ltd.	Shengxing Industrial
37	Shenzhen Konka Zhitong Technology Co., Ltd.	Zhitong Technology
38	Konka Factoring (Shenzhen) Co., Ltd.	Konka Factoring
39	Beijing Konka Electronic Co., Ltd.	Beijing Konka Electronic
40	Konka Financial Leasing (Tianjin) Co., Ltd.	Konka Leasing
41	Suining Konka Industrial Park Development Co., Ltd.	Suining Konka Industrial Park
42	Suining Konka Electronic Technological Innovation Co., Ltd.	Suining Electronic Technological Innovation
43	Shanghai Konka Industrial Co., Ltd.	Shanghai Konka
44	Yantai Kangjin Technology Development Co., Ltd.	Yantai Kangjin
45	Shenzhen Konka Mobile Interconnection Technology Co., Ltd.	Mobile Interconnection
46	Sichuan Konka Smart Terminal Technology Co., Ltd.	Sichuan Konka

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

No.	Corporate name	Abbreviation
47	Yibin Konka Smart Technology Co., Ltd.	Yibin Smart
48	Shenzhen KONSEMI Co., Ltd.	Shenzhen KONSEMI
49	Chongqing Konka Technology Development Co., Ltd.	Chongqing Konka
50	Hefei KONSEMI Storage Technology Co., Ltd.	Hefei KONSEMI
51	Hefei Yihe Electronic Co., Ltd.	Yihe Electronic
52	Shenzhen Kanghuijia Technology Co., Ltd.	Shenzhen Kanghui Technology
53	Chongqing Konka Huiying Technology Co., Ltd.	Chongqing Huiying Technology
54	Kowin Memory Technology (Shenzhen) Co., Limited	Kowin Memory (Shenzhen)
55	Kowin Memory Technology (Hong Kong) Co., Limited	Kowin Memory (Hong Kong)
56	Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd.	Konka Xinyun Semiconductor
57	Konka Industrial and Trade Technology (Shenzhen) Co., Ltd.	Industrial and Trade Technology
58	Shenzhen Nianhua Enterprise Management Co., Ltd.	Shenzhen Nianhua
59	Konka Huazhong (Hunan) Technology Co., Ltd.	Konka Huazhong
60	Shenzhen Wankaida Science and Technology Co., Ltd.	Wankaida
61	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.	Shenzhen Chuangzhi Electrical Appliances
62	Suining Jiarun Property Co., Ltd.	Suining Jiarun Property
63	Shenzhen Konka Electrical Appliances Co., Ltd.	Konka Electrical Appliances
64	Shenzhen E2info Network Technology Co., Ltd.	E2info
65	E2info (Hainan) Network Technology Co., Ltd.	E2info (Hainan)
66	Anhui Konka Electronic Co., Ltd.	Anhui Konka
67	Anhui Kangzhi Trade Co., Ltd.	Kangzhi Trade
68	Shenzhen Konka Telecommunications Technology Co., Ltd.	Telecommunication Technology
69	Konka Mobility Co., Limited	Konka Mobility
70	Dongguan Kangjia New Materials Technology Co., Ltd.	Dongguan Kangjia
71	Dongguan Konka Electronic Co., Ltd.	Dongguan Konka
72	Suining Konka Smart Technology Co., Ltd.	Suining Konka Smart
73	Chongqing Konka Optoelectronic Technology Research Institute Co., Ltd.	Chongqing Optoelectronic Technology Research Institute
74	Yibin Kangrun Environmental Technology Co., Ltd.	Yibin Kangrun
75	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.	Yibin Kangrun Medical
76	Yibin Kangrun Environmental Protection Power Generation Co., Ltd.	Yibin Kangrun Environmental Protection
77	Ningbo Khr Electric Appliance Co., Ltd.	Ningbo Khr Electric Appliance
78	Jiangxi Konka New Material Technology Co., Ltd.	Jiangxi Konka
79	Jiangxi High Transparent Substrate Material Technology Co., Ltd. (formerly known as “Jiangxi Golden Phoenix Nano-Grystallized Glass Co., Ltd.”)	Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)

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

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

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

No.	Corporate name	Abbreviation
114	Xixian Kangrun Xijian Water Environment Development Co., Ltd.	Xixian Kangrun
115	Ankang Kangrun Xinheng Water Environment Co., Ltd.	Ankang Kangrun
116	Bokang Renewable Resources (Yantai) Co., Ltd.	Bokang Renewable
117	Kangruncheng Environmental Technology (Yantai) Co., Ltd.	Kangruncheng Environmental Technology
118	Shaanxi Konka Intelligent Appliance Co., Ltd.	Shaanxi Konka Intelligent
119	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.	Pengrun Technology
120	Jiixin Technology Co., Ltd.	Jiixin Technology
121	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.	Konka Ronghe
122	Chongqing Kangxingrui Environmental Technology Co., Ltd.	Chongqing Kangxingrui
123	Chongqing Kangxingrui Scraped Automobile Recycling Co., Ltd.	Chongqing Kangxingrui Automobile Recycling
124	Chongqing Kanglei Optoelectronic Technology Co., Ltd.	Chongqing Kanglei Optoelectronic
125	Henan Kangxin Property Co., Ltd.	Henan Kangxin Property
126	Shenzhen Konka Unifortune Technology Co., Ltd.	Konka Unifortune
127	Jiali International (Hong Kong) Limited	Jiali International
128	Sichuan Kangjiatong Technology Co., Ltd.	Kangjiatong
129	Kanghong (Yantai) Environmental Technology Co., Ltd.	Kanghong (Yantai) Environmental
130	Jiangkang (Shanghai) Technology Co., Ltd.	Jiangkang (Shanghai) Technology
131	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.	Konka Intelligent Manufacturing
132	Yantai Laikang Industrial Development Co., Ltd.	Yantai Laikang
133	Hainan Konka Material Technology Co., Ltd.	Konka Material
134	Konka Ventures Development (Shenzhen) Co., Ltd.	Konka Ventures
135	Yibin Konka Incubator Management Co., Ltd.	Yibin Konka Incubator
136	Yantai Konka Healthcare Enterprise Service Co., Ltd.	Yantai Konka
137	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.	Chengdu Anren
138	Guiyang Konka Enterprise Service Co., Ltd.	Konka Enterprise Service
139	Nanjing Chuanghui Smart Technology Co., Ltd.	Chuanghui Smart
140	Shenzhen Konka Eco-Development Investment Co., Ltd.	Konka Eco-Development
141	Shenzhen Kangxin Property Co., Ltd.	Shenzhen Kangxin Property
142	Henan Kanghan Property Co., Ltd.	Henan Kanghan Property
143	Konka (Europe) Co., Ltd.	Konka Europe
144	Hong Kong Konka Limited	Hong Kong Konka
145	Kangxin Semiconductor (Yantai) Co., Ltd.	Kangxin Semiconductor
146	Hongdin International Trading Limited	Hongdin Trading

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No.	Corporate name	Abbreviation
147	Konka North America LLC	Konka North America
148	Kanghao Technology Co., Ltd.	Kanghao Technology
149	Hongdin Invest Development Limited	Hongdin Invest
150	Chain Kingdom Memory Technologies Co., Limited	Chain Kingdom Memory Technologies
151	Chain Kingdom Memory Technologies (Shenzhen) Co., Limited	Chain Kingdom Memory Technologies (Shenzhen)
152	Hefei Chain Kingdom Memory Technologies Co., Limited	Hefei Chain Kingdom Memory Technologies
153	KK Smartech Limited	KK Smartech
154	Hongjet (Hong Kong) Company Limited	Hongjet
155	Yantai Kangyun Industrial Development Co., Ltd.	Yantai Kangyun
156	Yantai Kangyun Property Development Co., Ltd.	Yantai Kangyun Property
157	Xi'an Feihe Real Estate Development Co., Ltd.	Xi'an Feihe
158	Chongqing Xinyuan Semiconductor Co., Ltd.	Chongqing Xinyuan Semiconductor
159	Jiangxi Konka Industrial Park Development Co. Ltd.	Jiangxi Konka Industrial Park
160	Ruichang Kangrui Real Estate Co., Ltd.	Ruichang Kangrui Real Estate
161	Konka Industrial Development (Wuhan) Co., Ltd.	Industrial development in Wuhan
162	Shenzhen Kangxiaoqia Digital Information Technology Co., Ltd.	Kangxiaoqia Digital
163	Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)	Kanghong Dongsheng
164	Shenzhen Yijiakang Smart Terminal Technology Co., Ltd.	Yijiakang Smart Terminal
165	E2info (Chongqing) Network Technology Co., Ltd.	Chongqing E2info
166	Lanrun Environment Protection Technology (Yantai) Co., Ltd.	Lanrun Environmental Protection
167	Guizhou Kangkai Material Technology Co., Ltd.	Guizhou Kangkai Material Technology
168	Guizhou Konka New Material Technology Co., Ltd.	Guizhou Konka New Material Technology
169	Guizhou Kanggui Energy Co., Ltd.	Guizhou Kanggui Energy
170	Guangdong Xinwei Semiconductor Co., Ltd.	Guangdong Xinwei
171	Chongqing Kangxingrui Renewable Resources Co., Ltd.	Kangxinrun Renewable Resources
172	Guizhou Kanggui Material Technology Co., Ltd.	Guizhou Kanggui Material Technology
173	Sichuan Chengrui Real Estate Co., Ltd.	Sichun Chengrui
174	Chongqing Jiarun Real Estate Co., Ltd.	Chongqing Jiarun
175	Nantong Kanghai Technology Industry Development Co., Ltd.	Nantong Kanghai
176	Chongqing Kangyiyun Business Operation Management Co., Ltd.	Chongqing Kangyiyun

III. Basis for the Preparation of Financial Statements

1. Basic for the preparation

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

2. Going-concern

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

IV. Important Accounting Policies and Estimations

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

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

2. Fiscal Period

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

3. Operating Cycle

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

4. Recording Currency

The Group adopted RMB as the bookkeeping base currency.

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

As the combining party, the assets and liabilities obtained by the Group in a business combination under the same control shall be measured on the basis of their carrying value in the final controlling party on the combining date. As for the balance between the carrying value of the net assets obtained and the carrying value of the consideration paid by it, the capital reserve shall be adjusted. If the capital reserve is not sufficient to be offset, the retained earnings shall be adjusted. The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the business combination under different control shall be measured at fair value on the acquisition date. The merger cost is the sum of the fair value of cash or non-cash assets, liabilities issued or assumed, equity securities issued, etc. paid by the Group on the purchase date to gain control over the purchased party and all directly related expenses incurred in the business combination (The merge cost of business combination realized step by step through multiple transactions is the sum of every single transaction’s cost). The balance that the combined cost greater than the fair value share of the identifiable net assets of the purchased party obtained in the combination shall be recognized as goodwill; When the merger cost is less than the fair value share of the identifiable net assets of the acquiree acquired in the merger, the fair value of all identifiable assets, liabilities and contingent liabilities acquired in the merger, and non-cash assets of the merger consideration or equity securities issued, etc. shall be reviewed first. After review, if the merger cost is still less than the fair value share of the identifiable net assets of the acquiree acquired in the merger, the difference shall be included in the non-operating income of the merger period.

6. Methods for Preparing Consolidated Financial Statements

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

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

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

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

The treatment method of supplementary disclosure in consolidated financial statement for the Reporting Period when the controlling right is acquired, if the equity of the invested organization under the same control is successively obtained through several transactions and eventually the enterprise merger is conducted. For example: At the occasion of the equity of the investee under the same control is acquired step by step through multiple transactions, and finally form the business combination, when preparing the consolidated statement, it shall be deemed as the adjustment is made in the current state when the final controlling party starts to control. And when compiling the comparative report, the assets and liabilities of the merged party shall be merged into the comparative statement of the consolidated financial statements of the consolidated Group without any earlier than the time when the Group and the merged party are under the control of the ultimate controlling party, and the combined net increased assets shall be adjusted to the relevant items under owners' equity in the comparative statements. In order to avoid the re-calculation of the net assets value of the merged party, the long-term equity investment held by the Group before the merger, the confirmed relevant profit and loss on the same party with the Group and the merged party on the date of acquisition of the original equity from the final control date to the merger date, and changes of other comprehensive income and other net assets shall offset the beginning retained earnings and current profits and losses of the comparative statement period respectively.

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

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

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liabilities or changes in net assets by the investee.

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

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

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

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

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

8. Cash and Cash Equivalents

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

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

(1) Foreign currency transaction

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

(2) Translation of foreign currency financial statement

The asset and liability items in foreign currency balance sheet were converted at the spot

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

10. Financial Assets and Financial Liabilities

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

(1) Financial assets

1) Classification, recognition and measurement of financial assets

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

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

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

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

The Group designates non-transactional investment in equity instruments as financial assets at fair value through other comprehensive income. Those designated non-transactional investment in

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

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

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

2) Recognition and measurement of financial assets transfer

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

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

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

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

(2) Financial liabilities

1) Classification, recognition and measurement of financial liabilities

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

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

Other financial liabilities shall be subsequently measured at amortized cost with actual interest rate. The Group classifies financial liabilities except for the following items as financial liabilities at amortized cost: ① Financial liabilities at fair value through profit or loss including held-for-trading financial liabilities (including the derivative instruments belonging to financial

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liabilities) and designated financial liabilities at fair value through profit or loss. ②Financial liabilities arising from the transfer of financial assets not meeting the derecognition conditions or continuous involvement in the transferred financial assets. ③Financial guarantee contract not belonging to cases of above ① or ② and loan commitments at interest rate lower than the market rate not belonging to the case in ①.

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

2) Derecognition of financial liabilities

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

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

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

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

(4) Offsetting financial assets and financial liabilities

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

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

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methods

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

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

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

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

11. Impairment of Financial Assets

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

(1) Methods for the Recognition of Impairment Provisions

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

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

General methods applied to measure the expected credit loss can be described as: the Group shall evaluate whether the credit risk of the financial assets (including the contract assets and other applicable items; the same below) increases remarkably after the initial recognition on the balance

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sheet day; if the credit risk increases remarkably after the initial recognition, the Group shall measure the provision for loss based on the specific expected credit loss amount during the entire period of existence; if not, the Group shall measure the provision for loss based on the specific expected credit loss amount in the following 12 months. While evaluating the expected credit loss, the Group shall take all reasonable and well-founded information into consideration, including the forward-looking information.

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

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

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

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

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

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

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

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

12. Notes Receivable

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

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

13. Accounts Receivable

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

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

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

Item	Basis
Aging Combination	This portfolio is accounts receivable with aging as the credit risk feature.
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 Group's accounts receivable financing is based on expected credit losses, and provision is made for depreciation reserves in accordance with the expected credit loss measurement method for notes receivable.

15. Other Receivables

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

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

16. Long-term Receivables

By determining whether the credit risk of long-term account receivables increases remarkably after the initial recognition, the Group shall measure the impairment loss based on the specific expected credit loss in the following 12 months or during the entire period of existence. Except long-term account receivables whose credit risks shall be separately evaluated, the Group shall divide them into different combinations based on the specific credit risk features:

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

17. Inventories

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

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products, and entrusted processing materials.

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

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

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

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

18. Contract Assets

(1) Confirmation methods and standards of contract assets

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

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

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

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

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

19. Contract Costs

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

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

The contract performance cost, that is, the cost incurred by the Group for the performance of the

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

The contract acquisition cost, that is, the incremental cost incurred by the Group to obtain the contract is expected to be recovered, and is recognized as an asset as the contract acquisition cost; if the asset amortization period does not exceed one year, it is included in the current profit and loss when it occurs. Incremental cost refers to the cost (such as sales commission, etc.) that the Group will not incur without obtaining the contract. The Group's expenses incurred in obtaining the contract, other than the expected incremental cost that can be recovered (such as travel expenses incurred regardless of whether the contract is obtained, etc.), are included in the current profit and loss when they are incurred, but it is clearly borne by the customer except.

(2) Amortization of assets related to contract costs

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

(3) Impairment of assets related to contract costs

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

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

20. Long-term Equity Investments

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

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

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

If control over the investee is formed, it is a subsidiary of the Group. For long-term equity investment acquired through business combination under the same control, the initial investment cost of the long-term equity investments is recorded at the merger date based on the acquisition of the merged party's share of the book value of the net assets of the ultimate controller in the consolidated financial statement. If the book value of the net assets of the merged party on the merger date is negative, the cost of long-term equity investments is determined as zero.

If the equity of the investee under the same control is acquired in stages through multiple transactions to eventually result in a business combination, additional disclosures of the treatment

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

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

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

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

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

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

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

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value of issuing equity securities; the long-term equity investment invested by investors shall be regarded as the investment cost according to the investment contract or agreement. The value of the Group is regarded as the cost of investment.

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

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

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

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

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

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

If the transaction from step-by-step disposal of equity to loss of control right does not belong to package transaction, accounting treatment shall be carried out for each transaction separately. If it is a "package deal", each transaction will be treated as a transaction of disposal of subsidiaries and loss of control. However, before the loss of control, the difference between the disposal price

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of each transaction and the book value of the long-term equity investment corresponding to the disposed equity will be recognized as other comprehensive income, and when the control is lost, it will be transferred to the current account of loss of control Period profit and loss

21. Investment Property

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

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

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

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

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

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

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

22. Fixed Assets

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

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

The Group depreciates all fixed assets by straight-line method, except for fully depreciated fixed assets that continue to be used and land that is separately valued. The categorized depreciable

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lives, estimated net salvage rates and depreciation rates of the Group's fixed assets are as follows.

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

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

23. Construction in Progress

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

24. Borrowing Costs

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

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

25. Right-of-Use Assets

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

(1) Initial measurement

After the commencement date of the lease term, the Group uses the cost for initial measurement of

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

(2) Follow-up measurement

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

Depreciation of right-of-use assets

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

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

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

Impairment of right-of-use assets

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

26. Intangible Assets

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

Land use rights are amortized equally over the years from the commencement date of the grant; intangible assets such as software and patents are amortized equally over the shortest of the estimated useful life, the contractual beneficiary life and the effective life prescribed by law. The amortization amount is charged to the cost of the related assets and current profit or loss according to their beneficiaries. The estimated useful life and amortization method of intangible

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assets with finite useful lives are reviewed at the end of each year. Accounting estimation methods are used when changes are required.

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

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

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

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

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

(2) Specific criteria for capitalization of development stage expenditures

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

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

27. Impairment of Long-term Assets

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

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

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

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combination except business reputation.

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

28. Long-term Deferred Expenses

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

29. Contract Liabilities

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

30. Employee Compensation

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

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

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

When terminating labour relations before expiration of contract, or layoffs with compensations, and the Group cannot terminate the labour relations unilaterally or reduce the demission welfare, remuneration and liabilities produced from the demission welfare should be determined and included in current profits and losses when determining the costs of demission welfare and recombination. However, demission welfare not fully paid within 12 months after annual Reporting Period should be handled the same as other long-term employees' payrolls.

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

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

31. Lease Liabilities

(1) Initial measurement

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

1) Lease payments

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

2) Rate of discount

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

(2) Follow-up measurement

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

The Group calculates the interest expenses of the lease obligations during each period of the lease term at a fixed periodic interest rate, and includes them (except those that shall be capitalized) in profit or loss for the current period. Periodic rate refers to the rate of discount adopted by the Group when initially measuring lease liabilities, or the revised rate of discount adopted by the Group when lease liabilities need to be remeasured according to the revised rate of discount due to changes in lease payments or lease changes.

(3) Re-measurement

After the commencement date of the lease term, the Group re-measures the lease liability based on the present value of the changed lease payment and adjusts the book value of the right-of-use assets accordingly when the following circumstances occur. If the carrying value of the right-of-use assets has been reduced to zero, but the lease obligations still need to be further reduced, the Group will

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include the remaining amount in profit or loss for the current period. a) The actual fixed payment amount changes (in this case, the original rate of discount is used for discount); b) The estimated amount payable of the residual value changes (in this case, the original rate of discount is used for discount); c) The index or ratio used to determine the lease payment changes (in this case, the revised rate of discount is used for discount); d) The evaluation result of the purchase option changes (in this case, the revised rate of discount is adopted for discount); e) The evaluation result or actual exercise of the lease renewal option or the lease termination option changes (in this case, the revised rate of discount is adopted for discount).

32. Provisions

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

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

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

33. Principles of Revenue Recognition and Measurement Method

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

(1) Revenue recognition principle

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

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

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

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

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

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

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- ①The Group enjoys the current right to receive payment for the goods or services.
 - ②The Group has transferred the legal ownership of the product to the customer.
 - ③The Group has transferred the goods in kind to the customer.
 - ④The Group has transferred the main risks and rewards of the ownership of the product to the customer.
 - ⑤The customer has accepted the goods or services.
- The Group has transferred goods or services to customers and the right to receive consideration is listed as contract assets, and contract assets are devalued on the basis of expected credit losses. The Group's unconditional right to collect consideration from customers is listed as receivables. The Group's obligation to transfer goods or services to customers due to the consideration received from customers is listed as contract liabilities.

(2) Principles of income measurement

- ① If the contract contains two or more performance obligations, at the beginning of the contract, the Group will allocate the transaction price to each individual performance obligation based on the relative proportion of the stand-alone selling price of the goods or services promised by each individual performance obligation. Revenue is measured at the transaction price of each individual performance obligation.
- ②The transaction price is the amount of consideration that the Group expects to be entitled to receive due to the transfer of goods or services to customers, excluding payments collected on behalf of third parties and payments expected to be returned to customers. The transaction price confirmed by the Group does not exceed the amount at which the accumulated confirmed income will most likely not undergo a significant reversal when the relevant uncertainty is eliminated. It is expected that the money returned to the customer will not be included in the transaction price as a liability.
- ③If there is variable consideration in the contract, such as cash discounts and price guarantees in part of the contract between the Group and its customers, the Group determines the best estimate of the variable consideration according to the expected value or the most likely amount, but includes the variable. The transaction price of the consideration shall not exceed the amount at which the accumulated confirmed income is unlikely to be reversed significantly when the relevant uncertainty is eliminated.
- ④For the consideration payable to customers, the Group offsets the transaction price from the consideration payable to customers, and offsets the current income at the time when the relevant income is recognized and the payment (or promised to pay) the customer consideration is later, unless the consideration payable is for Obtain other clearly distinguishable products from customers.
- ⑤For sales with a sales return clause, when the customer obtains control of the relevant product, the Group recognizes revenue based on the amount of consideration expected to be received due to the transfer of the product to the customer, and the expected return due to the sales return is recognized as an estimated liability ; At the same time, according to the expected book value of the returned goods at the time of transfer, the balance after deducting the estimated cost of recovering the goods (including the value impairment of the returned goods) is recognized as an asset, that is, the return cost receivable, according to the transferred goods The book value at the time of the transfer, deducting the net carry-over cost of the aforementioned asset cost. On each balance sheet date, the Group re-estimates the future sales returns and re-measures the aforementioned assets and liabilities.
- ⑥ If there is a significant financing component in the contract, the Group shall determine the transaction price based on the amount payable in cash when the customer assumes control of the goods or services. Using the discount rate that discounts the nominal amount of the contract consideration into the current commodity price, the difference between the determined transaction price and the amount of the consideration promised in the contract is amortized by the actual interest method during the contract period. On the starting date of the contract, the Group expects that the time between the customer's acquisition of control of the goods or services and the

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

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

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

(3) Specific methods of revenue recognition

① Revenue recognized on time

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

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

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

② Income confirmed according to the performance progress

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

34. Government Grants

The government grants of the Group are divided into asset-based grants related to and income-based grants. Asset-based grants refer to the government grants for long-term assets obtained by the purchase, construction, and other ways. Income-based grants refer to other grants.

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If the beneficiaries are not specified in government documents, the Group will make the distinction according to the aforesaid principle. Beneficiaries which are difficult to categorize shall be classified as an income-based government grant as a whole.

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

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

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

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

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

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

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

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

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

35. Deferred Income Tax Assets/Deferred Income Tax Liabilities

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

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

36. Leasing

(1) Identification of leases

The term "lease" refers to a contract whereby the lessor transfers the right of use regarding the leased asset(s) to the lessee within a specified time in exchange for consideration. On the commencement date of the contract, the Group assesses whether the contract is a lease or contains a lease. If a party to the contract transfers the right allowing the control over the use of one or more assets that have been identified within a certain period, in exchange for a consideration, such contract is a lease or includes a lease. In order to determine whether a party to the contract transfers the right allowing the control over the use of the identified assets for a certain period of time, the Group assesses whether the customers in the contract are entitled to obtain almost all the economic benefits arising from the use of the identified assets during the use period, and have the right to dominate the use of the identified assets during the use period.

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

(2) The Group as lessee

1) Lease recognition

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

2) Lease change

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

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

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Group will allocate the consideration of the changed contract in accordance with the relevant provisions of the lease standards and re-determine the changed lease term. The revised rate of discount is used to discount the changed lease payments to remeasure the lease liability. When calculating the present value of the changed lease payments, the Group uses the interest rate implicit in lease as the rate of discount. If the interest rate implicit in lease cannot be determined, the Group adopts the incremental borrowing rate of the lessee on the effective date of the lease change as the rate of discount. With regard to the impact of the above-mentioned lease liability adjustment, the Group conducts accounting treatment according to the following situations: a) The lessee will

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correspondingly reduce the book value of the right-of-use assets and include the profit or loss of the lease terminated in part or whole in the current profit or loss, if the lease change narrows the scope of lease or shortens the lease term. b) The lessee will correspondingly adjust the book value of the right-of-use assets, if other lease changes result in the re-measurement of the lease obligation.

3) Short-term and low-value asset leases

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

(3) The Group as lessor

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

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

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

1) Accounting treatment of finance leases

Initial measurement

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

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

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determined that the lessee will exercise the option; d) The amount to be paid by the lessee to exercise the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; e) The residual value of guarantee provided to the lessor by the lessee, the party related to the lessee and an independent third party that has the financial ability to fulfill the guarantee obligation.

Follow-up measurement

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

Accounting treatment of lease change

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

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

2) Accounting treatment of operating leases

Treatment of rent

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

Incentives provided

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

Initial direct cost

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

Depreciation

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

Variable lease payments

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

Change of operating leases

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

37. Changes in Main Accounting Policies and Estimates

(1) Changes of accounting policies

On 7 December 2018, the Ministry of Finance issued the *Accounting Standard for Business Enterprises No. 21 -- Leasing (Revised in 2018)* (C.K. [2018] No.35) (hereinafter referred to as the "new lease standards"). The Group has implemented the aforesaid new lease standards since 1 January 2021, and made changes to relevant accounting policies in accordance with the provisions of the new lease standards.

According to the provisions of the new lease standards, for a contract already existing prior to the date of initial adoption, the Group decides not to reassess whether it is a lease or includes any lease.

The Group decides to adjust the cumulative impact only for those leases outstanding as of 1 January 2021. The amount of retained earnings and other relevant items in the financial statements at the beginning of the first year of adoption (i.e., 1 January 2021) is adjusted in accordance with the cumulative impact of the first adoption of the standards, and the comparable period information is not adjusted.

On the date of initial adoption of the new lease standards (that is, 1 January 2021), the specific treatment of the Group and its impact are as follows:

A. The Group as lessee

For the finance lease on the date of initial adoption, the Group, as the lessee, measures the right-of-use assets and lease liabilities respectively according to the original book value of the finance lease assets and the finance lease payable. For the operating lease on the date of initial adoption, the lease liabilities are measured as the present value discounted by the lessee according to the remaining lease payment amount at the incremental borrowing rate on the date of initial adoption. The unpaid rent payable accrued according to the accrual basis under the original lease standards is included in the remaining lease payments.

For operational leasing prior to the date of initial adoption, the Group will measure the lease liabilities according to the present value discounted at the incremental borrowing rate on the date of initial adoption based on the remaining lease payments, and make necessary adjustments to the right-of-use assets at an amount equal to the lease liabilities.

For operating leases in which the asset leased prior to the date of initial adoption is a low-value asset, the Group does not recognize the right-of-use assets or lease liabilities. For operating leases other than low-value leases on the date of initial adoption, the Group adopts one or more of the following simplified treatments for each lease:

Leases to be completed within 12 months after the date of initial adoption are treated as short-term leases;

Leases with similar characteristics when measuring lease liabilities are treated with the same rate of discount;

The measurement of the right-of-use assets does not include the initial direct expenses;

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

If there is an option to renew or an option to terminate the lease, the Group determines the lease term based on the actual exercise of the option prior to the date of initial adoption and other latest circumstances.

As an alternative to impairment tests for right-of-use assets, the Group, according to the *Accounting Standards for Business Enterprises No.13-Contingencies*, assesses whether the contract containing the lease is an onerous contract prior to the date of initial adoption and adjusts the right-of-use asset based on the amount of the loss provision recorded in the balance sheet prior to the date of initial adoption.

If there are changes in leases prior to the date of initial adoption, the Group conducts accounting treatment in accordance with the final arrangements for lease changes.

B. The Group as lessor

For subleases classified as operating leases prior to the date of initial adoption and still in existence after the date of initial adoption, the Group, as the lessor, reassesses the remaining contractual terms and conditions of the original lease and sublease at the date of initial adoption. If the sublease is reclassified as a finance lease, the Group conducts accounting treatment for it as a new finance lease.

(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 Leases since 2021

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	4,947,848.62	4,947,848.62	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	31 December 2020	1 January 2021	Adjustment
receivable			
Financial assets purchased under resale agreements			
Inventories	4,521,300,677.41	4,521,300,677.41	
Contract assets	2,870,006,710.39	2,870,006,710.39	
Assets 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			
Right-of-use assets		104,222,631.14	104,222,631.14
Intangible assets	1,189,191,001.51	1,189,191,001.51	
Development costs			
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	24,841,804,173.18	104,222,631.14
Total assets	49,876,267,493.61	49,979,164,459.68	102,896,966.07

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	31 December 2020	1 January 2021	Adjustment
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			
Contract 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			
Employee benefits 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 held for sale			
Current portion of non-current liabilities	376,896,566.29	425,389,853.10	48,493,286.81
Other current liabilities	441,774,317.23	441,774,317.23	
Total current liabilities	26,979,203,650.51	27,019,821,924.73	40,618,274.22
Non-current liabilities:			
Insurance contract reserve			

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	31 December 2020	1 January 2021	Adjustment
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		62,278,691.85	62,278,691.85
Long-term payables	481,409,849.96	481,409,849.96	
Long-term employee benefits 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	12,238,447,410.31	62,278,691.85
Total liabilities	39,155,372,368.97	39,258,269,335.04	102,896,966.07
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 shareholders 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 shareholders' equity	10,720,895,124.64	10,720,895,124.64	
Total liabilities and shareholders' equity	49,876,267,493.61	49,979,164,459.68	102,896,966.07

Explanation of adjustment of consolidated balance sheet: Due to the implementation of the new lease standards, the Group has adjusted the prepayments of -RMB798,828.17, other receivables of -RMB526,836.90, right-of-use assets of RMB104,222,631.14, other payables of

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

-RMB7,875,012.59, non-current liabilities due within one year of RMB48,493,286.81 and lease liabilities of RMB62,278,691.85 in its consolidated financial statements on 1 January 2021.

2) Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2020	1 January 2021	Adjustment
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	
Contract assets			
Assets 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	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	31 December 2020	1 January 2021	Adjustment
Construction in progress	132,464,938.18	132,464,938.18	
Productive living assets			
Oil and gas assets			
Right-of-use assets		6,705,627.02	6,705,627.02
Intangible assets	59,506,272.63	59,506,272.63	
Development costs			
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	11,118,508,636.86	6,705,627.02
Total assets	32,528,771,757.38	32,535,477,384.40	6,705,627.02
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			
Contract liabilities	723,022,740.95	723,022,740.95	
Employee benefits 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 held for sale			
Current portion of non-current liabilities	5,867,425.49	8,347,347.05	2,479,921.56
Other current liabilities	6,108,675.36	6,108,675.36	
Total current liabilities	18,371,248,287.48	18,373,728,209.04	2,479,921.56
Non-current liabilities:			

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	31 December 2020	1 January 2021	Adjustment
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		4,225,705.46	4,225,705.46
Long-term payables	17,633,249.67	17,633,249.67	
Long-term employee benefits 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	8,063,965,841.67	4,225,705.46
Total liabilities	26,430,988,423.69	26,437,694,050.71	6,705,627.02
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 shareholders' equity	6,097,783,333.69	6,097,783,333.69	
Total liabilities and shareholders' equity	32,528,771,757.38	32,535,477,384.40	6,705,627.02

Explanation of balance sheet adjustment of the parent company: Due to the implementation of the new lease standards, the Company has adjusted the right-of-use assets of RMB6,705,627.02, non-current liabilities of RMB2,479,921.56 and lease liabilities of RMB4,225,705.46 due within one year in its financial statements on 1 January 2021.

V. Taxation

1. Main Taxes and Tax Rate

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

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, Xingda Hongye, Wankaida, Jiangxi Konka, Xinfeng Microcrystalline, Jiangxi High Transparent Substrate, Sichuan Konka, Boluo Konka Precision, Chongqing Kangxingrui	15%
Hong Kong Konka, Konka Electrical Appliances International Trading, Jiali International, Kangjietong, Jiabin Technology, Jiabin Technology, Konka Electrical Appliances Investment, Konka Mobility, Kowin Memory (Hong Kong)	16.5%
Chain Kingdom Memory Technologies	8.25%/16.5%
Konka Europe	15%
Kanghao Technology	22.5%

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Name of entity	Income tax rate
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 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%.

(2) 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%.

(3) 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, 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%.

(4) On 20 November 2019, Anhui Tongchuang, the subsidiary of the Company, obtained a

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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%.

(5) 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%.

(6) 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%.

(7) 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%.

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

(9) On 14 September 2020, Jiangxi High Transparent Substrate, the subsidiary of the Company,

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

(10) 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%.

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

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

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

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

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

Unless otherwise noted, the following annotation project (including the main projects, annotation of the financial statement of the Company), the year-beginning/opening refers to 1 January 2021, the year-end/ending refers to 31 December 2021, this year refers to the period from 1 January 2021 to 31 December 2021 and the last year refers to the period from 1 January 2020 to 31 December 2020. The monetary unit is RMB.

1. Monetary Assets

Item	Ending balance	Opening balance
Cash on hand	363.22	16,052.88
Bank deposits	5,968,346,855.81	4,298,040,060.36
Other monetary assets	521,205,992.21	1,133,474,067.66
Total	6,489,553,211.24	5,431,530,180.90
Of which: total amount deposited overseas	167,359,880.91	202,052,024.94

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

2. Trading Financial Assets

Item	Ending balance	Opening balance
Financial assets at fair value through profit or loss		618,249,541.66
Of which: debt instrument investment		
Equity instrument investment		
Structural deposits		618,249,541.66
Financial assets assigned to be measured at fair value through profit or loss		
Of which: debt instrument investment		
Hybrid instrument investment		
Others		
Total		618,249,541.66

3. Notes Receivable

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(1) Notes Receivable Listed by Category

Item	Ending balance	Opening balance
Commercial acceptance bill	561,724,266.27	1,012,776,099.43
Bank's acceptance bill	1,215,753,215.01	1,345,404,094.53
Total	1,777,477,481.28	2,358,180,193.96

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

Item	Ending pledged amount
Bank's acceptance bill	540,032,830.08
Total	540,032,830.08

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

Item	Derecognized amount at the Year-end	Non-derecognized amount at the Year-end
Bank's acceptance bill	1,391,622,056.42	
Commercial acceptance bill		94,412,282.56
Total	1,391,622,056.42	94,412,282.56

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

Item	Amount of the notes transferred to accounts receivable at the Year-end
Bank's acceptance bill	-
Commercial acceptance bill	26,884,881.52
Total	26,884,881.52

Note: Notes transferred to accounts receivable because drawer of the notes failed to execute the contract or agreement at the year-end are mainly notes past due of the Company.

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(5) Listed by Withdrawal Methods for Bad Debt Provision

Category	Ending balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Provision for bad debts provided individually	-	-	-	-	-
Bad debt provision withdrawn by portfolio	1,789,175,291.65	100.00	11,697,810.37	0.65	1,777,477,481.28
Of which: Bank's acceptance bill	1,215,753,215.01	67.95			1,215,753,215.01
Commercial acceptance bill	573,422,076.64	32.05	11,697,810.37	2.04	561,724,266.27
Total	1,789,175,291.65	100.00	11,697,810.37	0.65	1,777,477,481.28

(continued)

Category	Opening balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Provision for bad debts provided individually	-	-	-	-	-
Bad debt provision withdrawn by portfolio	2,387,417,262.59	100.00	29,237,068.63	1.22	2,358,180,193.96
Of which: Bank's acceptance bill	1,345,404,094.53	56.35			1,345,404,094.53

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Commercial acceptance bill	1,042,013,168.06	43.65	29,237,068.63	2.81	1,012,776,099.43
Total	2,387,417,262.59	100.00	29,237,068.63	1.22	2,358,180,193.96

1) In the portfolio, notes receivable, for which the provision for expected credit loss was made according to commercial acceptance bills

Name	Ending balance		
	Carrying balance	Bad debt provision	Withdrawal proportion (%)
Within 1 year	573,422,076.64	11,697,810.37	2.04
Total	573,422,076.64	11,697,810.37	2.04

(6) Bad Debt Provision for Notes Receivable Withdrawn, Collected or Reversed this Year

Category	Opening balance	Changes in this year			Ending balance
		Withdrawal	Reversal or recovery	Written-off or verified	
Commercial acceptance bill	29,237,068.63		17,539,258.26		11,697,810.37
Bank's acceptance bill					
Total	29,237,068.63		17,539,258.26		11,697,810.37

(7) Notes Receivable Actually Written off this Year

There were no notes receivable actually written off this year.

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

4.Accounts Receivable

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

Category	Ending balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Accounts receivable of expected credit losses withdrawn individually	1,608,537,820.30	33.82	1,061,967,130.77	66.02	546,570,689.53
Accounts receivable of expected credit losses withdrawn by portfolio					
Of which: Aging portfolio	3,148,039,065.69	66.18	296,880,274.15	9.43	2,851,158,791.54
Project payment portfolio					
Subtotal of portfolios	3,148,039,065.69	66.18	296,880,274.15	9.43	2,851,158,791.54
Total	4,756,576,885.99	100.00	1,358,847,404.92	28.57	3,397,729,481.07

(continued)

Category	Opening balance		
	Carrying balance	Bad debt provision	Carrying value

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Accounts receivable of expected credit losses withdrawn individually	1,384,462,893.38	27.50	750,096,749.22	54.18	634,366,144.16
Accounts receivable of expected credit losses withdrawn by portfolio					
Of which: Aging portfolio	3,004,054,396.28	59.66	271,291,702.62	9.03	2,732,762,693.66
Project payment portfolio	646,556,634.10	12.84	112,787,848.33	17.44	533,768,785.77
Subtotal of portfolios	3,650,611,030.38	72.50	384,079,550.95	10.52	3,266,531,479.43
Total	5,035,073,923.76	100.00	1,134,176,300.17	22.53	3,900,897,623.59

1) Provision for bad debts of accounts receivable provided individually

Name	Ending balance			
	Carrying balance	Bad debt provision	Withdrawal proportion (%)	Withdrawal reason
Shanghai Huaxin International Group Co., Ltd.	300,018,021.01	270,016,218.90	90.00	Debt default
Hongtu Sanbao High-tech Technology Co., Ltd.	200,000,000.00	80,000,000.00	40.00	Agreement reorganization

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Name	Ending balance			
	Carrying balance	Bad debt provision	Withdrawal proportion (%)	Withdrawal reason
Tewoo Group Co., Ltd.	200,000,000.00	100,000,000.00	50.00	Judicial reorganization
Shenzhen Yaode Technology Co., Ltd.	131,032,162.46	65,516,081.23	50.00	It is not expected to recover all of them
Guangan Ouqishi Electronic Technology Co., Ltd.	113,230,553.53	101,907,498.18	90.00	It is not expected to recover all of them
.Zhongfu Tiangong Construction Group Co., Ltd. (formerly known as “Zhonghegong Construction Group Co., Ltd.)	71,789,096.65	46,662,912.82	65.00	It is not expected to recover all of them
CCCC First Harbor Engineering Company Ltd.	65,221,300.00	58,699,170.00	90.00	Expected to be difficult to recover in full
China Energy Electric Fuel Co., Ltd.	50,000,000.00	42,500,000.00	85.00	Expected to be difficult to recover in full
Tahoe Group Co., Ltd.	50,000,000.00	40,000,000.00	80.00	Debt reorganization
H-BUSTER DO BRASIL INDUSTRIA	17,535,181.99	17,535,181.99	100.00	The counterparty is bankrupt and is expected to be difficult to recover
Others	409,711,504.66	239,130,067.65	58.37	It is not expected to recover all of them
Total	1,608,537,820.30	1,061,967,130.77		--

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

Aging	Ending balance
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Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

	Carrying balance	Bad debt provision	Withdrawal proportion (%)
Within 1 year	2,586,924,651.24	52,773,746.68	2.04
1 to 2 years	244,412,553.16	24,490,137.82	10.02
2 to 3 years	102,590,449.49	23,277,772.99	22.69
3 to 4 years	50,605,908.73	32,833,113.59	64.88
Over 4 years	163,505,503.07	163,505,503.07	100.00
Total	3,148,039,065.69	296,880,274.15	

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

(2) Accounts Receivable Listed by Aging Portfolio

Aging	Ending balance
Within 1 year	2,601,660,789.76
1 to 2 years	333,747,488.46
2 to 3 years	884,259,988.32
3 to 4 years	693,020,555.34
Over 4 years	243,888,064.11
Subtotal	4,756,576,885.99
Less: bad debt provision	1,358,847,404.92
Total	3,397,729,481.07

(3) Information of Bad Debt Provision in this Year

Category	Opening balance	Changes in this year	
		Withdrawal	Reversal or recovery
Bad debt provision of accounts receivable	1,134,176,300.17	450,036,547.97	20,738,725.44
Total	1,134,176,300.17	450,036,547.97	20,738,725.44

(continued)

Category	Changes in this year	Ending balance
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Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

	Written-off or verified	Decrease for other reasons	
Bad debt provision of accounts receivable	55,426,943.22	149,199,774.56	1,358,847,404.92
Total	55,426,943.22	149,199,774.56	1,358,847,404.92

Decreases for other reasons were the decrease by RMB2,185,240.25 due to exchange rate changes and the decrease by RMB147,014,534.31 due to the loss of controlling right.

(4) Actually Verified Accounts Receivable in this Year

Item	Amount verified
Actually verified accounts receivable	55,426,943.22

Of which the verification of significant accounts receivable:

Name of entity	Nature	Verification Amount	Reason for verification	Verification procedures performed	Whether occurred because of related-party transactions
Empire Electronic Corp	Payment for goods	38,320,705.92	Expected to be unrecoverable	Approved by the Board of Directors	No
Treeview Business Registration	Payment for goods	11,026,496.17	Expected to be unrecoverable	Approved by the Board of Directors	No
Total	--	49,347,202.09	--	--	--

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

The total amount of receivables with top 5 ending balance collected by arrears party this year was RMB1,353,797,907.99, accounting for 28.46% of the total ending balance of accounts

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

receivable. The total ending balance of bad debt provision correspondingly withdrawn was RMB463,558,838.60.

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

There were no accounts receivable derecognized due to the transfer of financial assets this year.

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

There were no assets or liabilities formed due to the transfer and the continued involvement of accounts receivable this year.

5. Accounts Receivable Financing

Item	Ending balance	Opening balance
Notes Receivable	71,490,688.54	84,057,197.44
Total	71,490,688.54	84,057,197.44

6.Prepayments

(1) Age of Prepayments

Item	Ending balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	602,386,221.38	95.41	1,165,964,102.58	98.60
One to two years	20,098,838.22	3.18	14,282,024.18	1.21
2 to 3 years	8,614,486.12	1.36	733,390.33	0.06
Over 3 years	301,408.14	0.05	1,492,198.15	0.13
Total	631,400,953.86	100.00	1,182,471,715.24	100.00

Note: The amount of prepayments aged over 1 year at the end of the period is RMB29,014,732.48, accounting for 4.59% 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 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

The total amount of prepayments with top 5 ending balance collected by prepaid party was RMB217,058,081.10, accounting for 34.38% of the total ending balance of prepayments.

7. Other Receivables

Item	Ending balance	Opening balance
Interests receivable	2,573,082.79	45,109,425.85
Dividends receivable	-	4,947,848.62
Other Receivables	1,834,886,622.85	2,095,152,529.23
Total	1,837,459,705.64	2,145,209,803.70

7.1 Interests Receivable

(1) Category of Interests Receivable

Item	Ending balance	Opening balance
Term deposit	2,002,526.91	10,235,673.76
Entrusted loans	-	34,303,196.21
Factoring interest	570,555.88	570,555.88
Total	2,573,082.79	45,109,425.85

(2) Withdrawal of Bad Debt Provision for Interests Receivable

The Company did not have impaired interests receivable.

7.2 Dividends Receivable

(1) Category of Dividends Receivable

Item (or investee)	Ending balance	Opening balance
Chongqing Qingjia Electronics Co., Ltd.	-	547,848.62
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.	-	4,400,000.00
Total	-	4,947,848.62

7.3 Other Receivables

(1) Classified by Account Nature

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Nature	Ending carrying balance	Opening carrying balance
Deposit and margin	1,356,193,440.22	1,641,653,623.68
Intercourse funds among minority shareholders in the business consolidation not under the same control and related parties	173,487,141.27	176,427,511.36
Energy-saving subsidies receivable	152,399,342.00	152,399,342.00
Disposal of non-current assets		132,331,700.00
Others	1,489,929,312.88	638,804,307.66
Total	3,172,009,236.37	2,741,616,484.70

(2) Withdrawal of Bad Debt Provision for Other Receivables

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected credit losses for the entire duration (with credit impairment)	
Balance as at 1 January 2021	22,563,051.40	60,086,857.29	563,814,046.78	646,463,955.47
In this year, carrying amount of other receivables on 1 January 2021	-13,618,838.48	4,657,312.43	8,961,526.05	
- Transferred to the Phase II	-9,301,126.07	9,301,126.07		
- Transferred to the Phase III	-4,317,712.41	-4,643,813.64	8,961,526.05	
- Transferred back to the Phase II				
- Transferred back to the Phase I				

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected credit losses for the entire duration (with credit impairment)	
Amount withdrawn this year	8,441,937.69	122,358,083.55	564,715,095.80	695,515,117.04
Amount transferred back this year				
Amount written-off this year				
Amount verified this year				
Other changes	33,753.96	-4,890,212.95		-4,856,458.99
Balance as at 31 December 2021	17,419,904.57	182,212,040.32	1,137,490,668.63	1,337,122,613.52

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) Withdrawal of Bad Debt Provision for Other Receivables by Portfolio

Category	Ending balance		
	Carrying balance	Bad debt provision	Carrying value

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Other receivables of expected credit losses withdrawn individually	1,458,258,132.07	45.97	1,137,490,668.63	78.00	320,767,463.44
Other receivables of bad debt provision withdrawn by credit risk characteristic portfolio:					
Aging portfolio	1,494,744,336.27	47.13	188,949,294.11	12.64	1,305,795,042.16
Low-risk portfolio	219,006,768.03	6.90	10,682,650.78	4.88	208,324,117.25
Subtotal of portfolios	1,713,751,104.30	54.03	199,631,944.89	11.65	1,514,119,159.41
Total	3,172,009,236.37	100.00	1,337,122,613.52	42.15	1,834,886,622.85

(continued)

Category	Beginning balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Other receivables of expected credit losses withdrawn individually	1,177,068,758.61	42.93	563,814,046.78	47.90	613,254,711.83
Other receivables of bad debt provision withdrawn by credit risk characteristic portfolio:					
Aging portfolio	1,327,676,325.32	48.43	73,662,861.99	5.55	1,254,013,463.33
Low-risk portfolio	236,871,400.77	8.64	8,987,046.70	3.79	227,884,354.07
Subtotal of portfolios	1,564,547,726.09	57.07	82,649,908.69	5.28	1,481,897,817.40
Total	2,741,616,484.70	100.00	646,463,955.47	23.58	2,095,152,529.23

(4) Other Receivables Listed by Aging

Aging	Ending balance
Within 1 year	942,744,673.44
1 to 2 years	678,081,308.94
2 to 3 years	1,126,670,022.72
3 to 4 years	184,650,929.12

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Aging	Ending balance
4 to 5 years	5,037,204.05
Over 5 years	234,825,098.10
Subtotal	3,172,009,236.37
Less: bad debt provision	1,337,122,613.52
Total	1,834,886,622.85

(5)Bad Debt Provision for Other Receivables

The amount of bad debt provision withdrawn this year was RMB695,515,117.04, mainly because the expected credit loss of the advanced deposit and quality reparations receivable for the whole duration was withdrawn because the supplier of the subsidiary Konka Huanjia was in abnormal business status and could not make delivery or refund the advanced deposit in the short term. There was a decrease amounting to RMB4,895,694.21 due to a loss of controlling right over the subsidiary and an increase amounting to RMB39,235.22 due to exchange rate changes.

(6)Other Receivables Actually Written off this Year

There were no other receivables actually written off this year.

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

The total amount of other receivables with top 5 ending balance collected by arrears party this year was RMB1,472,043,115.59, accounting for 46.41% of the total ending balance of other receivables. The total ending balance of bad debt provision correspondingly withdrawn was RMB387,846,005.52.

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

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

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

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

8.Inventories

(1) Category of Inventories

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance		
	Carrying balance	Inventory falling price reserves/impairment provision of contract performance costs	Carrying value
Raw materials	1,297,747,452.36	56,921,789.83	1,240,825,662.53
Semi-finished products	188,626,889.60	36,212,915.54	152,413,974.06
Products on hand	2,925,212,679.95	252,742,763.86	2,672,469,916.09
Commissioned products	2,574,097.17		2,574,097.17
Contract performance costs	254,159.33		254,159.33
Total	4,414,415,278.41	345,877,469.23	4,068,537,809.18

(continued)

Item	Opening balance		
	Carrying balance	Inventory falling price reserves/impairment provision of contract performance costs	Carrying value
Raw materials	1,239,024,415.74	28,137,287.12	1,210,887,128.62
Semi-finished products	158,870,091.24	12,636,819.92	146,233,271.32
Products on hand	3,389,343,445.93	249,362,200.01	3,139,981,245.92
Commissioned products	7,697,008.23		7,697,008.23
Contract performance costs	16,502,023.32		16,502,023.32
Total	4,811,436,984.46	290,136,307.05	4,521,300,677.41

(2) Inventory Falling Price Reserves and Impairment Provision of Contract Performance Costs

Item	Opening balance	Increase in this year
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Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

		Withdrawn or transferred back	Others
Raw materials	28,137,287.12	35,600,375.66	
Semi-finished products	12,636,819.92	23,729,201.47	
Products on hand	249,362,200.01	100,690,732.50	
Commissioned products		-	
Contract performance costs		-	
Total	290,136,307.05	160,020,309.63	

(continued)

Item	Decrease in this year		Ending balance
	Written-off	Others	
Raw materials	6,781,713.50	34,159.45	56,921,789.83
Semi-finished products	153,105.85	-	36,212,915.54
Products on hand	97,250,171.95	59,996.70	252,742,763.86
Commissioned products	-	-	-
Contract performance costs	-	-	-
Total	104,184,991.30	94,156.15	345,877,469.23

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

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

9.Contractual Assets

(1) Details of Contractual Assets

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance		
	Carrying balance	Impairment provision	Carrying value
Accounts receivable from settled but conditional payment projects	-	-	-
Unsettled advertising payments	-	-	-
Total	-	-	-

(continued)

Item	Opening balance		
	Carrying balance	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
Total	3,051,502,949.36	181,496,238.97	2,870,006,710.39

(2) Amount and Reasons of Significant Changes in the Carrying Value of Contractual Assets in the Year

Item	Change in amount	Reason
Accounts receivable from settled but conditional payment projects	-2,821,638,140.29	Loss of controlling right over relevant subsidiaries due to equity changes
Total	-2,821,638,140.29	--

(3) Withdrawal of Impairment Provision for Contractual Assets this Year

Item	Amount withdrawn in this year	Amount transferred back this year	Amount written off/verified this year	Decrease for other reasons	Reason
Accounts		12,120,669.80		168,368,302.09	Loss of controlling

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Amount withdrawn this year	Amount transferred back this year	Amount written off/verified this year	Decrease for other reasons	Reason
receivable from settled but conditional payment projects					right over relevant subsidiaries due to equity changes
Unsettled advertising payments	169,059.15	174,168.04		1,002,158.19	Loss of controlling right over relevant subsidiaries due to equity changes
Total	169,059.15	12,294,837.84		169,370,460.28	-

10. Non-current Assets Due within One Year

Item	Ending balance	Opening balance	Nature
Debt investments due within one year		75,000,000.00	Entrustment loans to associated enterprises
Long-term receivables due within one year (See Note VI-11 for details.)	28,105,523.78	37,310,158.82	Financing lease accounts
Total	28,105,523.78	112,310,158.82	

(1) Significant debt obligation investment/ other debt obligation investment at the period-beginning

Company	Opening balance			
	Par value	Coupon rate	Actual interest rate	Maturity date
Yibin OCT Sanjiang Real Estate Co., Ltd.	35,000,000.00	5.70%	5.70%	2021/4/24

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Company	Opening balance			
	Par value	Coupon rate	Actual interest rate	Maturity date
Yibin OCT Sanjiang Real Estate Co., Ltd.	40,000,000.00	5.70%	5.70%	2021/10/24
Total	75,000,000.00			

11. Other Current Assets

Item	Ending balance	Opening balance
Principal and interest of entrusted loans to joint ventures	1,624,197,904.35	826,684,400.00
Prepaid taxes, deductible input taxes and refund of tax for export receivable	649,198,781.95	926,643,711.18
Temporary differences in input taxes		148,183,307.23
Refund costs receivable	21,501,882.70	7,458,293.85
Others	5,064,822.24	4,176,771.13
Total	2,299,963,391.24	1,913,146,483.39

12. Long-term Receivables

(1) List of Long-term Receivables

Item	Ending balance		
	Carrying balance	Bad debt provision	Carrying value
Financing lease accounts	10,960,622.92	-	10,960,622.92
Of which: unrealized financing income	390,068.94	-	390,068.94
Cash deposits of long-term receivables	35,640,400.00	-	35,640,400.00
Long-term receivables of projects with franchise rights	-	-	-
Less: Long-term receivables due within one year (See Note VI-11 for details.)	28,105,523.78	-	28,105,523.78
Total	18,495,499.14	-	18,495,499.14

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(continued)

Item	Opening balance		
	Carrying balance	Bad debt provision	Carrying value
Financing lease accounts	44,609,921.40	-	44,609,921.40
Of which: unrealized financing income	2,526,836.56	-	2,526,836.56
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: Long-term receivables due within one year (See Note VI-11 for details.)	37,310,158.82	-	37,310,158.82
Total	399,497,204.03	-	399,497,204.03

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

13. Long-term Equity Investments

Investee	Opening balance	Increase/decrease this year				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Konka Ventures Development (Shenzhen) Co., Ltd.	2,250,590.00	2,450,000.00	-	-	194,506.41	-
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	1,573,831.23	-	-	-	68,961.84	-
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	10,671,986.45	-	-	-	-203,430.62	-
Shenzhen Kangyue Enterprise Co., Ltd.	33,146,954.42	-	-	-	-642,689.39	-
Foshan Pearl River Media Creative Park Cultural Development Co., Ltd.	4,900,000.00	-	-	-	-720,300.00	-
Kangkai Technology Service (Chengdu) Co., Ltd.	254,670.00	-	-	-	-25,738.36	-
Puchuang Jiakang Technology Co., Ltd.	1,399,457.69	-	-	-	1,263,178.57	-
Khorgos Yilingfang Information Technology Co., Ltd.	1,795.48	-	-	-	-1,795.48	-

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase/decrease this year				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Chongqing Qingjia Electronics Co., Ltd.	18,801,653.84	-	-	-	-3,767,312.71	-
Shenzhen Jielunte Technology Co., Ltd.	89,187,905.40	-	-	-	5,090,449.51	-
Panxu Intelligence Co., Ltd.	50,704,696.31	-	-	-	972,582.57	689,356.22
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	3,027,971.50	-	-	-	2,049,805.87	-
Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP)	336,170,619.84	140,110,271.00	34,987,244.76	-	26,345,141.30	-
Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.	3,500,000.00	-	-	-	28,077.43	-
Shenzhen RF-LINK Technology Co., Ltd.	53,107,714.82	-	-	-	-1,135,930.87	-
Weihai Water Environmental Protection Technology Co., Ltd.	2,526,483.15	-	-	-	-204.72	-
Weihai Yiheng Environmental Technology Co., Ltd.	4,812,630.25	-	-	-	-11,483.09	-
Huoqiu Kangrun Kaitian Water Environmental	52,434,987.50	12,435,012.50	-	-	-	-

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase/decrease this year				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Protection Co., Ltd.						
Huarun Environmental Protection Water Treatment Co., Ltd.	17,316,442.28	-	-	-	746,613.71	-
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.	182,666,028.25	-	-	-	42,782,013.77	-
Shandong Bishuiyuan Environmental Technology Co., Ltd.	26,390,437.98	-	-	-	988,095.33	-
Yunnan Hongkang Solid Waste Disposal Utilization Co., Ltd.	2,809,775.13	-	-	-	-275,183.57	-
Anhui Kaikai Shijie E-commerce Co., Ltd.	419,065,032.33	-	-	-	-343,726.37	-
Wanjun Technology (Kunshan) Co., Ltd.	175,204,642.85	-	173,158,177.02	-	-2,046,465.83	-
Kunshan Kangsheng Investment Development Co., Ltd.	269,673,264.00	-	-	-	47,428,605.51	-
Chutian Dragon Co., Ltd.	650,206,807.02	-	-	-	4,003,819.91	-
Helongjiang Longkang Zhijia	1,060,725.79	-	-	-	56,805.53	-

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Investee	Opening balance	Increase/decrease this year				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Technology Co., Ltd.						
Konka Green, Konka Technology	75,261,304.56	-	75,261,304.56	-	-	-
Shaanxi Silu Yunqi Smart Technology Co., Ltd.	17,649,295.81	-	-	-	-3,536,068.23	-
Shenzhen Kanghongxing Smart Technology Co., Ltd.	-	-	-	-	-	-
Shenzhen Zhongbing Konka Technology Co., Ltd.	2,214,307.33	-	-	-	-2,214,307.33	-
Shenzhen Bosser New Materials Co., Ltd.	58,400,000.00	-	-	-	2,053,041.59	-
Shenzhen Yaode Technology Co., Ltd.	219,357,772.76	-	-	-	-4,798,303.41	-
Wuhan Tianyuan Environmental Protection Co., Ltd.	304,654,243.69	-	-	-	20,991,597.22	-
Chuzhou Konka Technology Industry Development Co., Ltd.	49,658,397.02	-	-	-	-	-
Chuzhou Kangjin Health Industrial Development Co., Ltd.	118,122,798.37	-	-	-	-	-

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

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Investee	Opening balance	Increase/decrease this year				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Haimen Kangjian Technology Industrial Park Operations and Management Co., Ltd.	120,729,335.67	-	-	-	-4,434,526.73	-
Chuzhou Kangxin Health Industry Development Co., Ltd.	187,180,000.00	-	-	-	-1,902,411.75	-
Dongguan Konka Investment Co., Ltd.	563,500,000.00	-	-	-	-24,396,079.70	-
Chongqing Chengda Real Estate Co., Ltd. (English name found on the Internet.)	29,205,000.00	-	28,901,627.59	-	-303,372.41	-
Shenzhen Morsemi Semiconductor Technology Co., Ltd.	2,723,686.36	-	-	-	-327,937.63	-
Shandong Econ Technology Co., Ltd.	-	-	-	1,024,944,000.00	-	-
Dongguan Kangjia New Materials Technology Co., Ltd.	-	-	-	6,920,620.00	-	-
Shenzhen E2info Network Technology Co., Ltd.	-	-	-	1,021,011,302.04	-	-

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Investee	Opening balance	Increase/decrease this year				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Yantai Kangyun Industrial Development Co., Ltd.	-	9,180,000.00	-	69,020,000.00	-1,478,735.09	-
E3 (Hainan) Technology Co., Ltd.	58,715,678.97	-	-	-	-	-
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Co., Ltd.	3,973,386.95	-	-	-	-51,598.78	-
Shenzhen Konda E-display Co., Ltd.	81,955,858.27	-	-	-	974,662.35	-
Chongqing Yuanlv Benpao Real Estate Co., Ltd.	49,500,000.00	-	-	-	-16,040,179.15	-
Shenzhen Kangxin Property Co., Ltd.	-	25,500,000.00	25,500,000.00	-	-	-
Shenzhen Kangpeng Digital Technology Co., Ltd.	-	9,000,000.00	-	-	-3,297,481.80	-
Yantai Kangtang Construction Development Co., Ltd.	19,020.00	-	-	-	-1,279.51	-
Dongguan Kangzhihui Electronics Co., Ltd.	16,172,903.60	9,800,000.00	-	-	-2,444,679.14	-
Sichuan Huayi Jiakang Technology Co., Ltd.	-	400,000.00	-	-	-60,106.68	-

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Investee	Opening balance	Increase/decrease this year				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Sichuan Aimijiakang Technology Co., Ltd.	-	2,000,000.00	-	-	138.36	-
Beijing Konka Jingyuan Technology Co., Ltd.	766,290.97	-	-	-	-	-
Chongqing Liangshan Enterprise Management Co., Ltd.	-	50,000.00	-	-	3,673.48	-
Shenzhen Kangene Technology Innovation Development Co., Ltd.	-	900,000.00	-	-	7,025.65	-
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	2,148,063.47	-	-	-	-669,374.01	-
Henan Kangfei Intelligent Electrical Appliances Co., Ltd.	1,059,137.34	682,000.00	-	-	91,510.20	-
Dalian Xinguan Technology Co., Ltd.	-	50,000,000.00	-	-	-2,490,505.08	-
Guangdong Kangyuan Semiconductor Co., Ltd.	-	6,680,000.00	-	-	196,309.08	2,338,000.00
Chongqing Kangyiqing Technology Co., Ltd.	-	1,000,000.00	-	-	-204,914.87	-

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Investee	Opening balance	Increase/decrease this year				
		Additional investment	Investment reduced	Cost method to equity method	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Shenzhen Kangying Semiconductor Technology Co., Ltd.	-	11,000,000.00	-	-	416,062.86	-
KK Smartech Limited				1,441,263.59		
Shenzhen Konka Electrical Appliances Co., Ltd.				1.00		
Total	4,375,833,584.65	281,187,283.50	337,808,353.93	2,123,337,186.63	78,926,555.74	3,027,356.22

(continued)

Investee	Increase/decrease this year				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Konka Ventures Development (Shenzhen) Co., Ltd.	-	-	-	-	4,895,096.41	-
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	-	-	-	-	1,642,793.07	-
Feidi Technology (Shenzhen)	-	-	-	-	10,468,555.83	-

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

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Investee	Increase/decrease this year				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Co., Ltd. and its subsidiaries						
Shenzhen Kangyue Enterprise Co., Ltd.	-	-	-	-	32,504,265.03	-
Foshan Pearl River Media Creative Park Cultural Development Co., Ltd.	-	-	-	-	4,179,700.00	-
Kangkai Technology Service (Chengdu) Co., Ltd.	-	-	-	-	228,931.64	-
Puchuang Jiakang Technology Co., Ltd.	-	826,052.90	-	-	1,836,583.36	-
Khorgos Yilingfang Information Technology Co., Ltd.	-	-	-	-	-	-
Chongqing Qingjia Electronics Co., Ltd.	-	-	-	-	15,034,341.13	-
Shenzhen Jielunte Technology Co., Ltd.	-	-	-	-	94,278,354.91	-
Panxu Intelligence Co., Ltd.	-	-	-	-	52,366,635.10	-
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	-	-	-	-	5,077,777.37	-
Dongfang Konka No. 1 (Zhuhai) Private Equity Investment Fund (LP)	-	-	-	-	467,638,787.38	-

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

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Investee	Increase/decrease this year				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Tongxiang Wuzhen Kunyu Equity Investment Co., Ltd.	-	-	-	-	3,528,077.43	-
Shenzhen Xiaorui Technology Co., Ltd.	-	-	51,971,783.95	-	-	85,656,027.35
Weihai Water Environmental Protection Technology Co., Ltd.	-	-	-	-2,526,278.43	-	-
Weihai Yiheng Environmental Technology Co., Ltd.	-	-	-	-4,801,147.16	-	-
Huoqiu Kangrun Kaitian Water Environmental Protection Co., Ltd.	-	-	-	-64,870,000.00	-	-
Huarun Environmental Protection Water Treatment Co., Ltd.	-	-	-	-18,063,055.99	-	-
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.	-	-	-	-225,448,042.02	-	-
Shandong Bishuiyuan Environmental Technology Co., Ltd.	-	-	-	-27,378,533.31	-	-
Yunnan Hongkang Solid Waste Disposal Utilization Co., Ltd.	-	-	-	-2,534,591.56	-	-

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

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Investee	Increase/decrease this year				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Anhui Kaikai Shijie E-commerce Co., Ltd.	-	-	-	-	418,721,305.96	-
Wanjun Technology (Kunshan) Co., Ltd.	-	-	-	-	-	-
Kunshan Kangsheng Investment Development Co., Ltd.	-	-	-	-	317,101,869.51	-
Chutian Dragon Co., Ltd.	-	6,720,000.00	-	-	647,490,626.93	-
Helongjiang Longkang Zhijia Technology Co., Ltd.	-	-	-	-	1,117,531.32	2,470,398.03
Konka Green, Konka Technology	-	-	-	-	-	-
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.	-	-	-	-	14,113,227.58	-
Shenzhen Kanghongxing Smart Technology Co., Ltd.	-	-	-	-	-	12,660,222.73
Shenzhen Zhongbin Konka Technology Co., Ltd.	-	-	-	-	-	-
Shenzhen Bosser New Materials Co., Ltd.	-	-	-	-	60,453,041.59	18,536,771.07
Shenzhen Yaode Technology Co., Ltd.	-	-	214,559,469.35	-	-	214,559,469.35

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Investee	Increase/decrease this year				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Wuhan Tianyuan Environmental Protection Co., Ltd.	-	-	-	-	325,645,840.91	-
Chuzhou Konka Technology Industry Development Co., Ltd.	-	-	-	-	49,658,397.02	-
Chuzhou Kangjin Health Industrial Development Co., Ltd.	-	-	-	-	118,122,798.37	-
Haimen Kangjian Technology Industrial Park Operations and Management Co., Ltd.	-	-	-	-	116,294,808.94	-
Chuzhou Kangxin Health Industry Development Co., Ltd.	-	-	-	-	185,277,588.25	-
Dongguan Konka Investment Co., Ltd.	-	-	-	-	539,103,920.30	-
Chongqing Chengdai Real Estate Co., Ltd. (English name found on the Internet.)	-	-	-	-	-	-
Shenzhen Morsemi Semiconductor Technology Co., Ltd.	-	-	-	-	2,395,748.73	-

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Investee	Increase/decrease this year				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Shandong Econ Technology Co., Ltd.	-	-	-	-	1,024,944,000.00	-
Dongguan Kangjia New Materials Co., Ltd.	-	-	-	-	6,920,620.00	-
Shenzhen E2info Network Technology Co., Ltd.	-	-	-	-2,215,717.63	1,018,795,584.41	-
Yantai Kangyun Industrial Development Co., Ltd.	-	-	-	-	76,721,264.91	-
E3 (Hainan) Technology Co., Ltd.	-	-	-	-	58,715,678.97	-
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Co., Ltd.	-	-	-	-	3,921,788.17	-
Shenzhen Konda E-display Co., Ltd.	-	-	-	-	82,930,520.62	-
Chongqing Yuanlv Benpao Real Estate Co., Ltd.	-	-	-	-	33,459,820.85	-
Shenzhen Kangxin Property Co., Ltd.	-	-	-	-	-	-
Shenzhen Kangpeng Digital Technology Co., Ltd.	-	-	-	-	5,702,518.20	-
Yantai Kangtang Construction Development Co., Ltd.	-	-	-	-	17,740.49	-

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Investee	Increase/decrease this year				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Dongguan Kangzhihui Electronics Co., Ltd.	-	-	-	-	23,528,224.46	-
Sichuan Huayi Jiakang Technology Co., Ltd.	-	-	-	-	339,893.32	-
Sichuan Aimijiakang Technology Co., Ltd.	-	-	-	-	2,000,138.36	-
Beijing Konka Jingyuan Technology Co., Ltd.	-	-	-	-	766,290.97	-
Chongqing Liangshan Enterprise Management Co., Ltd.	-	-	-	-	53,673.48	-
Shenzhen Kangene Technology Innovation Development Co., Ltd.	-	-	-	-	907,025.65	-
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	-	-	-	-	1,478,689.46	-
Henan Kangfei Intelligent Electrical Appliances Co., Ltd.	-	-	-	-	1,832,647.54	-
Dalian Xinguan Technology Co., Ltd.	-	-	-	-	47,509,494.92	-
Guangdong Kangyuan Semiconductor Co., Ltd.	-	-	-	-	9,214,309.08	-
Chongqing Kangyiqing	-	-	-	-	795,085.13	-

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

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Investee	Increase/decrease this year				Ending balance	Ending balance of impairment provision
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
Technology Co., Ltd.						
Shenzhen Kangying Semiconductor Technology Co., Ltd.	-	-	-	-	11,416,062.86	-
KK Smartech Limited	-	-	-	-	1,441,263.59	-
Shenzhen Konka Electrical Appliances Co., Ltd.			1.00			10,732,484.69
Total		7,546,052.90	266,531,254.30	-347,837,366.10	5,902,588,939.51	344,615,373.22

Note: Other changes in the year were primarily driven by the disposal of part of the equity interests held in Shandong Econ Technology Co., Ltd. and Shenzhen E2info Network Technology Co., Ltd.

14. Investment in Other Equity Instruments

(1) Investment in Other Equity Instruments

Item	Ending balance	Opening balance
Shenzhen Tianyilian Science & Technology Co., Ltd.	-	-
Shenzhen Adopt Network Co., Ltd.	-	-
AVO	5,901,121.80	5,901,121.80
Shaoyang Haishang Ecological Agricultural Technology Co., Ltd.	-	1,501,956.00
Feihong Electronics Co., Ltd.	-	-
ZAEFI	-	-
Shenzhen Chuangce Investment Development Co., Ltd.	-	-

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For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance	Opening balance
Shanlian Information Technology Engineering Center	1,860,809.20	1,860,809.20
Shenzhen CIU Science & Technology Co., Ltd.	953,000.00	953,000.00
Shenzhen Digital TV National Engineering Laboratory Co., Ltd.	7,726,405.16	7,726,405.16
Shanghai National Engineering Research Center of Digital TV Co., Ltd.	2,400,000.00	2,400,000.00
Bohu UHD	5,000,001.00	5,000,001.00
Total	23,841,337.16	25,343,293.16

(2) Investment in Non-trading Equity Instruments in this Year

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

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Item	Dividend income recognized this year	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure in fair value of which changes included other comprehensive income	Reason for other comprehensive income transferred to retained earnings
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	
Total			17,146,663.84			

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

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15. Other Non-current Financial Assets

Item	Ending balance	Opening balance
China Asset Management-Jiayi Overseas Designated Plan	200,326,093.02	203,000,000.00
Hunan Wanrong Technology Co., Ltd.		47,230,000.00
Yibin OCT Sanjiang Properties Co., Ltd.	200,000,000.00	200,000,000.00
Yili Ecological Restoration Co., Ltd.	90,000,000.00	90,000,000.00
Kunshan Xinjia Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	88,186,078.16	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)	118,266,889.53	40,000,000.00
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	116,086,430.82	4,000,000.00
Chuzhou Jiachen Information Technology Consulting Service Partnership (Limited Partnership)	52,200,130.13	49,200,000.00
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	225,680,330.93	1,050,000.00
Chongqing Kangxin Equity Investment Fund Limited Partnership (Limited Partnership)	100,882,805.61	
Shenzhen Kanghuijia Technology Co., Ltd.	9,273.31	
Subtotal of equity investments	1,191,638,031.51	665,263,068.90
Chuzhou Huike Smart Household Appliances Industry Investment Partnership (Limited Partnership)	890,768,440.22	1,049,891,727.86
Ningbo Yuanqing No. 9 Investment Partnership	134,671,492.89	98,000,000.00
Shenzhen Beihu Technology Partnership (Limited Partnership)	58,000,000.00	65,000,000.00
Henan Chuangxin Enterprise Management Center (Limited Partnership)	18,283,639.06	
Subtotal of debt investments	1,101,723,572.17	1,212,891,727.86
Total	2,293,361,603.68	1,878,154,796.76

16. Investment Properties

(1) Investment Properties Measured at Cost

Item	Houses, buildings and lands	Total
I. Original carrying value		

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

1. Opening balance	600,562,678.71	600,562,678.71
2. Increased amount this year	332,797,684.89	332,797,684.89
(1) Outsourcing		
(2) Fixed assets\construction in progress\transfer of intangible assets	332,797,684.89	332,797,684.89
3. Decreased amount this year	61,787,729.96	61,787,729.96
(1) Disposal	54,616.68	54,616.68
(2) Other transfer	61,733,113.28	61,733,113.28
4. Ending balance	871,572,633.64	871,572,633.64
II. Accumulative depreciation and accumulative amortization		
1. Opening balance	61,977,010.42	61,977,010.42
2. Increased amount this year	33,070,561.68	33,070,561.68
(1) Withdrawal or amortization	33,070,561.68	33,070,561.68
3. Decreased amount this year		
(1) Disposal		
(2) Other transfer		
4. Ending balance	95,047,572.10	95,047,572.10
III. Impairment provision		
1. Opening balance		
2. Increased amount this year		
(1) Withdrawal		
3. Decreased amount this year		
(1) Disposal		
(2) Other transfer		
4. Ending balance		
IV. Carrying value		
1. Ending carrying value	776,525,061.54	776,525,061.54
2. Opening carrying value	538,585,668.29	538,585,668.29

Note: Increased investment properties during the Reporting Period were mainly the completion of the standard electronic product plants in Sunning and the leasing of Konka R&D Building and Konka Guangming Phase I.

(2) Investment Properties Measured at Fair Value

The Company had no investment properties measured at fair value.

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(3) Investment Properties in the Process of Title Certificate Handling

Item	Carrying value	Reason
Konka Standard Electronic Product Plants Project in Sunning	270,003,656.74	Settlement of the project is underway, and the certificate can be handled only after the settlement
Total	270,003,656.74	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

17.Fixed Assets

Item	Ending carrying value	Opening carrying value
Fixed Assets	4,010,295,277.14	3,178,642,017.84
Fixed assets pending for disposal		
Total	4,010,295,277.14	3,178,642,017.84

17.1 Fixed Assets

(1) List of Fixed Assets

Item	Houses and buildings	Machinery equipment	Electronic equipment	Transportation equipment	Other machinery	Total
I. Original carrying value						
1. Opening balance	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
2. Increased amount of the period	747,463,581.71	598,987,872.48	54,971,154.22	7,383,197.28	83,569,190.22	1,492,374,995.91
(1) Purchase	23,176,329.89	202,511,422.79	17,132,620.17	4,817,230.38	41,483,391.42	289,120,994.65
(2) Transfer from construction in progress	687,626,571.25	366,111,215.51	3,083,729.72		3,529,543.51	1,060,351,059.99
(3) Increase through consolidation						
(4) Other transfer-in	36,660,680.57	30,365,234.18	34,754,804.33	2,565,966.90	38,556,255.29	142,902,941.27
3. Decreased amount of the period	103,189,725.08	323,728,378.86	21,543,297.01	13,003,569.20	30,533,419.44	491,998,389.59

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Houses and buildings	Machinery equipment	Electronic equipment	Transportation equipment	Other machinery	Total
(1) Disposal or scrap	5,231,055.93	45,353,981.19	10,565,683.61	5,898,772.81	13,804,445.58	80,853,939.12
(2) Decrease for loss of controlling right	139,602.28	44,036,284.05	10,910,647.21	6,833,720.27	16,132,664.05	78,052,917.86
(3) Other decreases	97,819,066.87	234,338,113.62	66,966.19	271,076.12	596,309.81	333,091,532.61
4. Ending balance	2,529,405,574.18	2,966,454,406.17	240,354,786.94	59,322,549.91	351,086,303.85	6,146,623,621.05
II. Accumulative depreciation						
1. Opening balance	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
2. Increased amount of the period	107,232,513.69	241,792,461.06	23,450,081.32	7,341,113.50	66,792,412.72	446,608,582.29
(1) Withdrawal	75,186,469.65	217,860,811.10	20,186,053.93	5,709,490.07	37,504,367.32	356,447,192.07
(2) Increase through consolidation						
(3) Other increase	32,046,044.04	23,931,649.96	3,264,027.39	1,631,623.43	29,288,045.40	90,161,390.22
3. Decreased amount of the period	14,966,851.72	203,053,799.11	14,146,191.26	10,317,892.91	16,570,436.96	259,055,171.96
(1) Disposal or scrap	2,460,730.60	33,390,052.55	8,124,151.19	4,694,647.90	12,470,414.81	61,139,997.05
(2) Decrease for loss of controlling right	16,119.17	6,304,330.72	5,991,049.92	5,379,276.50	3,726,629.35	21,417,405.66
(3) Other decreases	12,490,001.95	163,359,415.84	30,990.15	243,968.51	373,392.80	176,497,769.25
4. Ending balance	593,988,005.87	1,083,045,070.75	157,322,088.50	40,593,276.19	210,886,326.73	2,085,834,768.04
III. Impairment provision						
1. Opening balance	1,247,805.91	64,440,684.26	1,221,230.02	820,215.24	1,593,703.75	69,323,639.18

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Houses and buildings	Machinery equipment	Electronic equipment	Transportation equipment	Other machinery	Total
2. Increased amount of the period				554.90	3,769,566.23	3,770,121.13
(1) Withdrawal				554.90	3,769,566.23	3,770,121.13
3. Decreased amount of the period		21,730,263.78	582,833.08		287,087.58	22,600,184.44
(1) Disposal or scrap		154,669.23	582,833.08		287,087.58	1,024,589.89
(2) Other decrease		21,575,594.55				21,575,594.55
4. Ending balance	1,247,805.91	42,710,420.48	638,396.94	820,770.14	5,076,182.40	50,493,575.87
IV. Carrying value						
1. Ending carrying value	1,934,169,762.40	1,840,698,914.94	82,394,301.50	17,908,503.58	135,123,794.72	4,010,295,277.14
2. Opening carrying value	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

(2) List of Temporarily Idle Fixed Assets

Item	Original carrying value	Accumulated depreciation	Impairment provision	Carrying value
Machinery equipment	17,041,149.12	5,223,857.55	1,865,587.15	9,951,704.42
Electronic equipment	5,671,716.15	4,775,819.96		895,896.19
Transportation equipment	1,178,824.54	625,453.85		553,370.69
Houses and buildings	449,070.15	212,185.58		236,884.57
Other machinery	823,781.87	597,392.41	26,675.22	199,714.24
Total	25,164,541.83	11,434,709.35	1,892,262.37	11,837,570.11

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(3) Fixed Assets Leased out from Operation Lease

Item	Ending carrying value
Electronic equipment	1,311,285.57
Machinery equipment	29,247,353.48
Other machinery	853,544.46
Transportation equipment	124,896.85
Total	31,537,080.36

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

Item	Original carrying value	Accumulated depreciation	Impairment provision	Net carrying value	Reason
Ankang's plants	601,722,965.12	5,987,778.99		595,735,186.13	Being handled
Bokang's phase II plants on the second and third floors for printed boards	33,584,624.73	1,007,538.74		32,577,085.99	Being handled
Jingyuan Building property	20,018,497.00	9,995,767.10		10,022,729.90	Being handled
Yikang Building property	76,610,752.33	38,628,558.56		37,982,193.77	Being handled
Total	731,936,839.18	55,619,643.39		676,317,195.79	

(5) Fixed Assets with Restricted Ownership or Use Right

Item	Ending carrying value	Reason for restriction
Housing and buildings of Anhui Tongchuang	150,091,063.96	Mortgaged for billing
Machinery equipment of Jiangxi Konka	67,373,098.34	Financing lease mortgage

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Ending carrying value	Reason for restriction
Machinery equipment of Xinfeng Microcrystalline	116,453,348.49	Finance lease mortgage
Housing and buildings of Frestec Refrigeration	90,148,714.56	Mortgage loan
Buildings of Konka Group	78,862,102.73	Mortgage loan
Housing and buildings of XingDa HongYe	37,524,443.44	Mortgage loan
Anhui Konka's buildings	627,976,948.44	Mortgage loan
Machinery equipment of Xingda Hongye	20,620,198.66	Finance lease mortgage
Machinery equipment of Boluo Konka Precision	26,795,319.00	Finance lease mortgage
Plants of Boluo Konka	1,201,869.53	Mortgage loan
Housing and buildings of Jiangxi Konka	3,264,900.79	Original shareholders' guarantee mortgage
Smart machinery equipment and other equipment of Jiangsu Konka	40,781,730.40	Mortgage loan
Total	1,261,093,738.34	

18. Construction in progress

Item	Ending balance	Opening balance
Construction in progress	1,490,777,831.39	9,236,643,931.68
Total	1,490,777,831.39	9,236,643,931.68

18.1. Construction in Progress

(1) List of Construction in Progress

Item	Ending balance			Opening balance		
	Carrying balance	Impairment	Carrying value	Carrying balance	Impairment	Carrying value

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

		provision			provision	
Infrastructure Project of Chongqing Konka Semiconductor Optoelectronics Research Institute (Part I and Part II)	319,259,613.46		319,259,613.46	63,294,064.44		63,294,064.44
Guangming Project	282,501,390.70		282,501,390.70	122,764,816.91		122,764,816.91
Jiangxi High-permeability Crystalization Kiln	246,576,748.57		246,576,748.57	240,481,715.66		240,481,715.66
Dongguan Konka New Industrial Park	163,155,903.72		163,155,903.72	21,895,757.72		21,895,757.72
Construction of Suining Electronic Industrial Park Workshops	112,187,404.92		112,187,404.92	185,205,457.46		185,205,457.46
R&D equipment construction project of Chongqing Optoelectronic Technology Research Institute	26,273,554.58		26,273,554.58	129,766,743.81		129,766,743.81
Ankang Smart Plant	3,671,474.97		3,671,474.97	549,848,298.86		549,848,298.86
Other projects	337,479,326.68	327,586.21	337,151,740.47	7,923,387,076.82		7,923,387,076.82
Total	1,491,105,417.60	327,586.21	1,490,777,831.39	9,236,643,931.68		9,236,643,931.68

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(2) Changes of Significant Construction in Progress this Year

Name of item	Opening balance	Increase in this year	Decrease in this year		Ending balance
			Transferred to long-term assets	Other decrease	
Infrastructure Project of Chongqing Konka Semiconductor Optoelectronics Research Institute (Part I and Part II)	63,294,064.44	255,965,549.02			319,259,613.46
Guangming Project	122,764,816.91	160,025,587.72		289,013.93	282,501,390.70
Jiangxi High-permeability Crystalization Kiln	240,481,715.66	6,095,032.91			246,576,748.57
Dongguan Konka New Industrial Park	21,895,757.72	141,260,146.00			163,155,903.72
Construction of Suining Electronic Industrial Park Workshops	185,205,457.46	133,397,931.34	206,415,983.88		112,187,404.92
R&D equipment construction project of Chongqing Optoelectronic Technology Research Institute	129,766,743.81	56,490,559.99	155,425,985.52	4,557,763.70	26,273,554.58
Ankang Smart Plant	549,848,298.86	88,883,295.73	635,060,119.62		3,671,474.97
Total	1,313,256,854.86	842,118,102.71	996,902,089.02	4,846,777.63	1,153,626,090.92

Note: Changes in important construction in progress this year. The balance of the construction in progress of Shandong Econ project at the beginning of the

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

period was RMB7,632 million, while the balance at the end of the year was RMB0. It was because that on November 25, 2021, the Company transferred 11.70 % of the equity of Shandong Econ to Shandong Expressway Co., Ltd. After the transfer, the shareholding ratio decreased and the equity was no longer included in the scope of consolidation.

(continued)

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	ToB Schedule (%)	Accumulated amount of interest capitalization	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Source of fund
Infrastructure Project of Chongqing Konka Semiconductor Optoelectronics Research Institute (Part I and Part II)	6.58	48.51	48.51	-	-	-	Equity fund
Guangming Project	5.33	53.15	53.15	9,283,910.47	7,965,313.33	7.90	Self-owned fund and project financing
Jiangxi High-permeability Crystalization Kiln	3.40	72.52	72.52	32,249,994.16		7.00	Finance leases Own capital and bank
Dongguan Konka New Industrial Park	3.90	36.56	36.56	5,772,524.22	1,066,968.64	4.59	Self-owned fund and bank financing
Construction of Suining Electronic Industrial Park	7.04	45.60	45.60				Equity fund

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Name of item	Estimated number (RMB100 million)	Proportion estimated of the project accumulative input (%)	ToB Schedule (%)	Accumulated amount of interest capitalization	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period (%)	Source of fund
Workshops							
R&D equipment construction project of Chongqing Optoelectronic Technology Research Institute	7.08	84.80	84.80				Equity fund
Ankang Smart Plant	9.3	74.63	74.63	7,257,246.10	7,257,246.10	4.85	Self-owned fund and bank financing
Total				54,563,674.95	16,289,528.07		

(3) Impairment Provision for Construction in Progress Withdrawn this Year

Item	Amount withdrawn this year	Reason for withdrawal
Phase II electroplating line AGV logistics line	327,586.21	Conditions for service unmet
Total	327,586.21	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

19. Right-of-use assets

Item	Houses and buildings	Electronic equipment	Transportation equipment	Total
I. Original carrying value				
1. Opening balance	103,390,364.78	-	832,266.36	104,222,631.14
2. Increased amount this year	16,332,102.61	310,725.66	-	16,642,828.27
(1) Rent	16,332,102.61	310,725.66	-	16,642,828.27
(2) Others	-	-	-	-
3. Decreased amount this year	5,324,917.92	-	-	5,324,917.92
(1) Decrease for loss of controlling right	5,221,750.95	-	-	5,221,750.95
(2) Others	103,166.97	-	-	103,166.97
4. Ending balance	114,397,549.47	310,725.66	832,266.36	115,540,541.49
II. Accumulative depreciation				-
1. Opening balance	-	-	-	-
2. Increased amount this year	45,951,718.36	31,072.56	564,524.28	46,547,315.20
(1) Withdrawal	45,951,718.36	31,072.56	564,524.28	46,547,315.20
(2) Others	-	-	-	-
3. Decreased amount this year	2,217,189.08	-	-	2,217,189.08
(1) Decrease for loss of controlling right	2,217,189.08	-	-	2,217,189.08
4. Ending balance	43,734,529.28	31,072.56	564,524.28	44,330,126.12
III. Impairment provision				
1. Opening balance	-	-	-	-
2. Increased amount this year	-	-	-	-
(1) Withdrawal	-	-	-	-
3. Decreased amount this year	-	-	-	-
(1) Disposal	-	-	-	-
4. Ending balance	-	-	-	-
IV. Carrying value	-	-	-	-

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

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1. Ending carrying value	70,663,020.19	279,653.10	267,742.08	71,210,415.37
2. Opening carrying value	103,390,364.78	-	832,266.36	104,222,631.14

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

20. Intangible Assets

(1) List of Intangible Assets

Item	Land use right	Intellectual property				Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others		
I. Original carrying value							
1. Opening balance	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
2. Increased amount of the period	54,110,351.53	122,053.98	100,684,900.00	586,375,648.77	27,793,440.08	714,976,042.83	769,086,394.36
(1) Purchase	54,110,351.53	122,053.98	12,000,000.00		12,129,561.34	24,251,615.32	78,361,966.85
(2) Transfer from construction in progress				586,375,648.77	920,509.67	587,296,158.44	587,296,158.44
(3) Transfer from R&D							
(4) Increase through consolidation							

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Land use right	Intellectual property				Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others		
(5) Other reasons			88,684,900.00		14,743,369.07	103,428,269.07	103,428,269.07
3. Decreased amount of the period	173,058,367.95		40,000,000.00	692,946,992.87	17,285,309.55	750,232,302.42	923,290,670.37
(1) Disposal							
(2) Decrease for loss of controlling right	38,134,000.00		40,000,000.00	692,946,992.87	17,285,309.55	750,232,302.42	788,366,302.42
(3) Decrease for other reasons	134,924,367.95						134,924,367.95
4. Ending balance	927,878,747.71	75,609,671.41	163,217,317.78		128,853,938.95	367,680,928.14	1,295,559,675.85
II. Accumulated amortization							
1. Opening 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
2. Increased amount of the period	17,062,920.64	12,726,395.95	42,138,508.20	11,897,945.28	17,829,964.27	84,592,813.70	101,655,734.34

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Land use right	Intellectual property				Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others		
(1) Withdrawal	17,062,920.64	12,726,395.95	24,273,715.99	11,897,945.28	14,464,165.99	63,362,223.21	80,425,143.85
(2) Other increases			17,864,792.21		3,365,798.28	21,230,590.49	21,230,590.49
3. Decreased amount of the period	32,156,857.88		16,857,142.87	27,445,032.78	4,310,798.11	48,612,973.76	80,769,831.64
(1) Disposal							
(2) Decrease for loss of controlling right	770,116.66		16,857,142.87	27,445,032.78	4,310,798.11	48,612,973.76	49,383,090.42
(3) Decrease for other reasons	31,386,741.22						31,386,741.22
4. Ending balance	83,549,162.11	17,998,848.90	108,112,881.20		68,896,878.23	195,008,608.33	278,557,770.44
III. Impairment provision							
1. Opening balance			2,901,082.61			2,901,082.61	2,901,082.61
2. Increased			38,804,906.72			38,804,906.72	38,804,906.72

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Land use right	Intellectual property				Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others		
amount of the period							
(1) Withdrawal			38,804,906.72			38,804,906.72	38,804,906.72
(2) Business Combination Increase							
3. Decreased amount of the period							
(1) Disposal							
(2) Decrease for loss of controlling right							
4. Ending balance			41,705,989.33			41,705,989.33	41,705,989.33
IV. Carrying value							
1. Ending carrying value	844,329,585.60	57,610,822.51	13,398,447.25		59,957,060.72	130,966,330.48	975,295,916.08
2. Opening	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

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For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Land use right	Intellectual property				Subtotal	Total
		Trademark right	Patent and know-how	Franchise rights	Right to use software and others		
carrying value							

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

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(2) Land Use Right with Certificate of Title Uncompleted

Item	Carrying value	Reason
Land use right of the subsidiary Nano-Grystallized Glass	5,126,373.01	Being handled

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(3) Significant Intangible Assets

Item	Ending carrying value	Remaining amortization period (year)
Land usage right of Fenggang Konka Intelligent Industrial Park	193,971,110.67	47.67
Land of Frestec Smart Home Industrial Park	94,129,682.34	48.75
Land usage right of Frestec Refrigeration	67,739,055.16	34.75
Land use right of Konka Huanjia	64,536,160.10	47.50
Land use right of the semiconductor & optoelectronics industrial park	60,519,468.93	47.67

(4) Intangible Assets with Restricted Ownership or Using Right

Item	Ending carrying value	Reason for restriction
Land use right of Dongguan Konka	193,971,110.67	Mortgage loan
Land use right of Anhui Konka	56,274,036.00	Mortgage loan
Land usage right of Frestec Refrigeration	67,739,055.16	Mortgage loan
Land use right of Anhui Tongchuang	18,432,734.53	Mortgaged for billing
Land use right of Jiangsu Konka	14,688,712.51	Mortgage loan
Land usage right of XingDa HongYe	14,049,303.26	Mortgage loan
Land usage right of Jiangxi Konka	10,262,535.72	Original shareholder guarantee mortgage
Land use right of Konka Guangming	5,101,343.95	Mortgage loan
Total	380,518,831.80	

21. Development Expenses

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For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Opening balance	Increase in this year		Decrease in this year			Ending balance
		Internal development costs	Others	Recognized as intangible assets	Transferred into the current profit or loss	Others	
Performance improvement project of MINI & MICRO LED		13,635,816.63					13,635,816.63
Self-development of chips		3,234,494.07					3,234,494.07
Total		16,870,310.70					16,870,310.70

22. Goodwill

(1) Original Carrying Value of Goodwill

Name of the investees	Opening balance	Increase in this year		Decrease in this year		Ending balance
		Provision	Others	Disposal	Others	
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
Total	852,093,766.60	-	-	467,825,151.34	-	384,268,615.26

(2) Provisions for Goodwill Impairment

Name of the investees	Opening balance	Increase in this year	Decrease in this year	Ending balance
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Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

		Formed due to business combination	Oth ers	Disp osal	Oth ers	
Econ Technology						
Jiangxi Konka	154,337,946.29	185,773,986.72				340,111,933.01
XingDa HongYe	21,959,947.14					21,959,947.14
Total	176,297,893.43	185,773,986.72				362,071,880.15

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

The Company engaged an assessment institution to assess the recoverable amount of the asset groups or combination of asset groups in which goodwill belongs to. Each asset group or combination of asset groups is the asset group related to goodwill of all operational tangible assets and recognizable intangible assets (excluding operating capital and non-operating assets) of principal business as reflected in the balance sheet of the corresponding subsidiary. The recognition of asset groups at the time of goodwill impairment test shall be consistent with the asset group or combination of asset groups determined at the time of the goodwill impairment test on the purchase date and in previous years.

(4) The key assumptions and basis for calculating the recoverable amount of asset groups are as follows:

a) It is assumed that the assessed company is in continuous operation and had no significant changes from the current situation in the key aspects relating to production and operation, including business scope, sales mode and channels and the management;

b) It is assumed that there are no significant changes in the social and economic environments of the assessed company, and there are no significant changes from existing ones in relevant laws, regulations or policies of the country or region where the company is located;

c) It is assumed that the assessed company keeps improving and optimizing its business scope, business practice and management model on the basis of maintaining consistency, and makes adjustments and innovations at appropriate times with the development of economy;

d) It is assumed that all products supplied by the assessed company meet market demands and the objectives and measures determined are realized as scheduled and with expected profits;

e) It is assumed that there are no significant changes in the interest rate, exchange rate, tax base and tax rate within the normal range stipulated by the country.

f) Recoverable amount of asset groups and combination of asset groups is based on the

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

five-year budget approved by the Management, and is calculated with the cash flow forecasting method.

(5) Impairment of goodwill of the Company's asset groups is detailed as follows:

The recoverable amount of XingDa HongYe was determined by the present value of the forecasted future cash flow. The future cash flow was determined at the discount rate of 13.15% based on the financial budget from 2022 to 2026 approved by the Management. The cash flow of XingDa HongYe for over five years was calculated on the basis of a growth rate of 0%. The Company engaged Shanghai Dongzhou Orient Appraisal Co., Ltd. to assess the XingDa HongYe asset group (inclusive of goodwill) by income approach. With the present value of the forecasted future cash flow of the assets in this asset group as the recoverable amount, the Company issued the Asset Assessment Report on the Recoverable Value of the Asset Group involved in the Impairment Test of Goodwill of GuangDong XingDa HongYe Electronic Co., Ltd. formed by the Konka Group Co., Ltd. through the Proposed Merger (D.ZH.P.B.Z. [2022] No. 0442) on March 27, 2022 with December 31, 2021 as the valuation base date. The present value of XingDa HongYe's asset group was RMB360 million on the benchmark date of the assessment, the carrying value of the asset group after adjustment at fair value (including the overall goodwill) was RMB292,129,600, and the carrying value of goodwill (including minority shareholders) was RMB43,523,000. Therefore, XingDa HongYe had no impairment of goodwill in the year as assessed in the goodwill impairment test.

With respect to the recoverable amount of Jiangxi Konka, the recoverable amount of the long-term asset group was measured at the fair value less the present value of the disposal expenses. Beijing Zhongtianhe Assets Appraisal Co., Ltd. evaluated Jiangxi Konka by cost approach, and issued on March 15, 2022 the Asset Evaluation Report on the Recoverable Amount of the Long-term Asset Group in the Asset Impairment Test Carried out by Jiangxi Konka New Material Technology Co., Ltd. for Financial Reporting Purposes (ZTH [2022] No. 90038) with December 31, 2021 as the valuation base day. The aforesaid recoverable amount was RMB1,345.5283 million, with the carrying value of the asset group comprising goodwill being RMB1,723.9344 million. The recoverable amount is lower than the carrying value of the asset group comprising goodwill. Therefore, the provision for impairment of goodwill is RMB 185.7740 million this year. As of the reporting date, Jiangxi Konka has accrued approximately RMB 340.1119 million in goodwill impairment.²⁴ Long-term Unamortized Expenses

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For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Opening balance	Increase in this year	Amortization in this year	Other decreases in this year	Ending balance
Decorative fee	92,922,237.45	175,078,901.99	31,046,593.60	382,776.25	236,571,769.59
Shopping expense	24,678,629.46	12,870,547.30	16,791,971.73	47,110.62	20,710,094.41
Others	35,597,695.91	73,409,728.28	33,443,016.82	35,348,887.98	40,215,519.39
Total	153,198,562.82	261,359,177.57	81,281,582.15	35,778,774.85	297,497,383.39

24. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Deferred Income Tax Assets without Offset

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax Assets	Deductible temporary difference	Deferred income tax Assets
Deductible losses	1,662,487,029.88	294,364,103.95	3,454,342,497.93	765,781,935.91
Provision for	1,495,008,640.79	341,517,549.45	1,672,345,584.63	355,173,623.87

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax Assets	Deductible temporary difference	Deferred income tax Assets
impairment of assets				
Deferred revenue	54,518,127.50	13,573,281.87	302,984,312.52	75,408,820.37
Accrued expenses	211,674,351.84	47,600,301.64	206,844,865.32	40,844,897.61
Internal unrealized profit	34,369,797.29	8,592,449.32	37,257,399.14	9,068,649.87
Others	95,608,084.94	19,668,038.87	90,902,865.84	19,638,509.76
Total	3,553,666,032.24	725,315,725.10	5,764,677,525.38	1,265,916,437.39

(2) Lists of Deferred Income Tax Liabilities without Offset

Item	Ending balance		Opening balance	
	Taxable temporary difference	Deferred income tax LIABILITIES	Taxable temporary difference	Deferred income tax LIABILITIES
Estimated added value of assets not under the same control	225,287,542.61	46,262,753.72	303,689,567.68	57,097,842.23
Prepaid interest	51,003,370.16	12,750,842.54	48,578,683.63	11,840,140.77
Accelerated depreciation of fixed assets	6,990,324.63	1,596,656.16	4,443,598.64	959,974.66
Others	65,137,318.19	16,284,329.55	27,585,930.42	5,921,274.27
Total	348,418,555.59	76,894,581.97	384,297,780.37	75,819,231.93

(3) List of Unrecognized Deferred Income Tax Assets

Item	Ending balance	Remark
Deductible losses	2,210,991,564.05	1,526,406,964.50
Deductible temporary difference	2,024,354,413.51	766,691,485.59
Total	4,235,345,977.56	2,293,098,450.09

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

Year	Ending amount	Remarks
2022	338,228,367.62	
2023	150,048,845.66	
2024	192,104,714.11	
2025	503,798,833.87	
2026 and later years	1,026,810,802.79	
Total	2,210,991,564.05	--

25. Other Non-current Assets

Item	Ending balance		
	Carrying balance	Impairment provision	Carrying value
Prepayment for land-purchase	2,584,957,360.50	-	2,584,957,360.50
Prepayment for construction, equipment and other long-term assets	63,573,129.62		63,573,129.62
Entrusted loans			
Construction of government projects			
Total	2,648,530,490.12	-	2,648,530,490.12

(continued)

Item	Opening balance		
	Carrying balance	Impairment provision	Carrying value
Prepayment for land-purchase	1,538,728,032.15	-	1,538,728,032.15
Prepayment for construction, 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
Total	1,820,779,170.74	-	1,820,779,170.74

26. Short-term Borrowings

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(1) Category of Short-term Borrowings

Item	Ending balance	Opening balance	Note
Credit loan	7,178,420,980.60	7,164,301,258.30	
Guarantee loan	2,382,534,766.48	2,038,705,892.75	a)b)c)d)e)f)g)h)i)j)
Mortgage loan	359,719,374.00	1,787,543,324.73	k)l)m)n)o)p)q)
Total	9,920,675,121.08	10,990,550,475.78	

a) The Company provides joint and several liability guarantee for the short-term borrowings totaling RMB1,122,872,333.38 to its subsidiaries Anhui Konka, Sichuan Konka, Anhui Tongchuang, Electronics Technology, Jiangxi Konka, Jiangxi High-permeability Substrate, Xinfeng Microcrystalline and Liaoyang Kangshun.

b) The Company has obtained short-term borrowings amounting to RMB500,604,166.67 from Shenzhen Chegongmiao Sub-branch of China Everbright Bank Co., Ltd., for which the Company's subsidiary Electronics Technology provides joint and several liability guarantee at the maximum amount.

c) The Company has obtained short-term borrowings amounting to RMB437,806,437.32 from Shenzhen Branch of China Guangfa Bank Co., Ltd., for which the Company's parent company OCT Group provides joint and several liability guarantee at the maximum amount.

d) The Company has obtained short-term borrowings amounting to USD8,329,961.88 (equivalent to RMB53,109,337.96) from Shenzhen Branch of China Guangfa Bank Co., Ltd., for which the Company's parent company OCT Group provides joint and several liability guarantee at the maximum amount.

e) The Company's subsidiary Konka Ventures has obtained short-term borrowings amounting to RMB3,950,000.00 from Shenzhen Technology Sub-branch of Bank of Hangzhou Co., Ltd., for which Shenzhen SME Financing Guarantee Co., Ltd. and Shenzhen High-tech Investment and Financing Guarantee Co., Ltd. both provide guarantee.

f) The Company's subsidiary Ningbo Khr Electric Appliance Co., Ltd. has obtained short-term borrowings amounting to RMB10,000,000.00 from Cixi Branch of Bank of China Limited, for which the Company and Korea Electric Group Co., Ltd. provide joint and several liability guarantee at the proportion of 60% and 40% respectively.

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

g) The Company's subsidiary Ningbo Khr Electric Appliance Co., Ltd. has obtained short-term borrowings amounting to RMB20,000,000.00 from Cixi Central District Sub-branch of Bank of Ningbo Co., Ltd., for which the Company and Korea Electric Group Co., Ltd. provide joint and several liability guarantee at a ratio of 3:2.

h) The Company's subsidiary Anhui Konka has obtained short-term borrowings amounting to USD6,232,034 (equivalent to RMB39,733,579.17) from Chuzhou Branch of Agricultural Bank of China Co., Ltd., for which the Company provides joint and several liability guarantee.

i) The Company's subsidiary Hong Kong Konka has obtained short-term borrowings amounting to USD15,000,000.00 (equivalent to RMB95,635,500.00) from Bank of China (Hong Kong) Limited, for which the Company provides joint and several liability guarantee.

j) The Company's subsidiary Hong Kong Konka has obtained short-term borrowings amounting to USD15,500,000.00 (equivalent to RMB98,823,411.98) from Shenzhen Branch of China Zheshang Bank Co., Ltd., for which the Company provides joint and several liability guarantee.

k) The Company's subsidiary XingDa HongYe has obtained short-term borrowings amounting to RMB95,000,000.00 from Zhongshan Fusha Sub-branch of Zhongshan Rural Commercial Bank, for which it provides land use rights of a carrying value of RMB14,049,303.26 and buildings of a carrying value of RMB37,524,443.44 as mortgage and certificates of time deposit of RMB19,800,000.00 as pledge and Hu Zehong provides joint and several liability guarantee.

l) The Company's subsidiary Anhui Konka has obtained short-term borrowings amounting to RMB159,600,000.00 from Chuzhou Branch of Bank of China Limited, for which it provides land use rights of a carrying value of RMB37,463,521.33 and fixed assets of a carrying value of RMB433,297,607.30 as mortgage.

m) The Company's subsidiary Anhui Konka has obtained short-term borrowings amounting to USD2,896,372.91 (equivalent to RMB18,466,404.76) from Chuzhou Branch of Bank of China Limited, for which it provides land use rights of a carrying value of RMB37,463,521.33 and fixed assets of RMB433,297,607.30 as mortgage.

n) The Company's subsidiary Anhui Electrical Appliance has obtained short-term borrowings amounting to RMB37,500,000.00 from Hefei Branch of China ZheShang Bank, for which it provides buildings of a carrying value of RMB90,148,714.56 and land use rights of a carrying value of RMB67,739,055.16 of the Company's subsidiary Henan Frestec Refrigeration Appliance

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Co., Ltd. as mortgage and the 210 million equities in Henan Frestec Household Appliances Co., Ltd., 123,051,096 equities in Henan Frestec Refrigeration Appliance Co., Ltd. and 668,637,700 equities in Henan Frestec Electrical Appliances Co., Ltd. it holds as pledge.

o) The Company's subsidiary Jiangsu Konka Smart has obtained short-term borrowings amounting to RMB40,000,000.00 from Changzhou Branch of China ZheShang Bank Co., Ltd., for which it provides buildings of a carrying value of RMB40,781,730.40 and land use rights of a carrying value of RMB14,688,712.51 as mortgage.

p) The Company's subsidiary Boluo Precision has obtained short-term borrowings amounting to RMB5,000,000.00 from Tangquan Sub-branch of Guangdong Boluo Rural Commercial Bank Co., Ltd., for which it provides buildings of a carrying value of RMB1,201,869.53 of Boluo Konka as mortgage.

q) The Company's subsidiary Yantai Kangjin has obtained short-term borrowings amounting to RMB4,152,969.24 from Yantai Rural Commercial Bank Co., Ltd., for which it provides investment properties of a carrying value of RMB10,670,357.55 of Yantai Konka Great Health Industrial Park as mortgage.

(2) Outstanding Short-term Borrowings Overdue

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

27. Notes Payable

Category	Ending balance	Opening balance
Bank's acceptance bill	729,653,866.95	1,159,251,569.31
Commercial acceptance bill	386,683,091.96	176,735,456.90
Total	1,116,336,958.91	1,335,987,026.21

28. Accounts Payable

(1) List of Accounts Payable

Item	Ending balance	Opening balance
Within 1 year	3,479,614,154.99	8,134,924,659.58
1 to 2 years	187,662,627.95	1,279,766,515.39
2 to 3 years	85,964,325.66	87,184,184.40

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Item	Ending balance	Opening balance
Over 3 years	31,073,982.81	130,490,966.39
Total	3,784,315,091.41	9,632,366,325.76

Note: The significant decrease in the balance of accounts payable in the year was primarily driven by the disposal of Shandong Econ Technology Co., Ltd.

29. Contract Liabilities

Item	Ending balance	Opening balance
Sales advances received	652,910,408.02	1,217,367,735.94
Total	652,910,408.02	1,217,367,735.94

30. Payroll Payable

(1) List of Payroll Payable

Item	Opening balance	Increase in this year	Decrease in this year	Ending balance
List of Short-term Salary	473,200,796.84	1,821,439,673.98	1,885,248,534.65	409,391,936.17
Post-employment benefit-defined contribution plans	2,283,275.82	133,900,560.00	134,980,487.19	1,203,348.63
Termination benefits	1,132,171.79	6,182,836.44	7,163,208.23	151,800.00
Current portion of other benefits				
Total	476,616,244.45	1,961,523,070.42	2,027,392,230.07	410,747,084.80

(2) List of Short-term Salary

Item	Opening balance	Increase in this year	Decrease in this year	Ending balance
Salary, bonus,	458,065,525.46	1,631,836,996.09	1,690,046,740.69	399,855,780.86

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For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Opening balance	Increase in this year	Decrease in this year	Ending balance
allowance, subsidy				
Welfare for employees	1,003,285.92	77,648,725.75	77,699,810.03	952,201.64
Social security expense	4,887,689.95	55,854,127.73	59,485,513.48	1,256,304.20
Of which: Medical insurance premiums	1,257,574.78	51,966,805.52	52,268,384.52	955,995.78
Work-related injury insurance	87,286.29	2,746,766.03	2,766,047.22	68,005.10
Maternity insurance	3,542,828.88	1,140,556.18	4,451,081.74	232,303.32
Housing fund	1,494,931.38	38,129,693.69	39,486,899.04	137,726.03
Labor union budget and employee education budget	7,283,186.41	14,551,656.09	15,131,085.17	6,703,757.33
Short-term absence with payment				
Short-term profit sharing plan				
Others	466,177.72	3,418,474.63	3,398,486.24	486,166.11
Total	473,200,796.84	1,821,439,673.98	1,885,248,534.65	409,391,936.17

(3) List of Defined Contribution Plan

Item	Opening balance	Increase in this year	Decrease in this year	Ending balance
Basic endowment insurance	2,188,388.21	130,731,651.99	131,810,225.74	1,109,814.46
Unemployment insurance	94,887.61	3,168,908.01	3,170,261.45	93,534.17
Annuity				
Total	2,283,275.82	133,900,560.00	134,980,487.19	1,203,348.63

31. Tax and Fees Payables

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

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Item	Ending balance	Opening balance
Corporate income tax	168,026,929.08	264,749,734.19
VAT	59,692,464.80	186,891,111.62
Fund for disposing abandoned appliances and electronic products	30,077,111.00	19,157,745.00
Urban maintenance and construction tax	3,696,423.98	10,206,690.62
Education fees and local education Surcharge	2,840,889.56	7,361,219.22
Stamp duty	6,255,372.18	6,041,179.34
Land use tax	8,812,080.36	5,095,730.68
Personal income tax	9,602,569.88	3,023,518.75
Property tax	4,287,226.80	2,209,076.63
Customs duty	1,962,596.87	2,008,914.61
Others	571,505.90	1,469,138.50
Total	295,825,170.41	508,214,059.16

32. Other Payables

Item	Ending balance	Opening balance
Interest payable	174,383,177.08	220,837,380.17
Other payables	1,613,794,571.51	1,770,718,506.93
Total	1,788,177,748.59	1,991,555,887.10

32.1 Interests Payable

Item	Ending balance	Opening balance
Interest on corporate bonds	171,218,888.92	180,268,944.49
Interest on long-term borrowings with interest paid by installment and principal paid at maturity		17,162,676.76
Interest payable on short-term borrowings	3,164,288.16	23,350,524.40
Others		55,234.52
Total	174,383,177.08	220,837,380.17

32.2 Other Payables

(1) Listed by Nature of Account

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

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Nature	Ending balance	Opening balance
Expenses payable	755,393,561.40	626,909,820.31
Related party borrowing	313,104,212.26	344,520,800.92
Cash deposit and front	240,638,514.04	243,197,538.56
Intercourse funds	177,524,073.79	331,967,783.33
Equity transfer payment	67,482,796.96	157,682,796.96
Advance money	8,282,111.32	7,795,410.38
Others	51,369,301.74	58,644,356.47
Total	1,613,794,571.51	1,770,718,506.93

(2) Other Significant Payables Aging over One Year

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

33. Non-current liabilities due within one year

Item	Ending balance	Opening balance
Current portion of long-term borrowings	2,087,374,444.43	18,150,000.00
Current portion of long-term payables	270,119,697.71	358,746,566.29
Bonds payable due within 1 year	2,700,000,000.00	
Lease liabilities due within 1 year	32,092,127.18	48,493,286.81
Total	5,089,586,269.32	425,389,853.10

34. Other Current Liabilities

Item	Ending balance	Opening balance
Accounts payable with trade acceptance notes	63,854,223.36	432,420,000.00
Refunds payable	30,629,396.14	9,354,317.23
Tax to be charged off	15,258,568.74	-
Total	109,742,188.24	441,774,317.23

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

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35. Long-term Borrowings

(1) Category of Long-term Borrowings

Item	Ending balance	Opening balance	Note
Guarantee loan	3,185,072,777.76	2,058,000,000.00	a)b)c)d)e)f)
Mortgage loan	638,086,279.01	3,123,838,997.54	g)h)i)j)
Entrusted borrowings	1,322,271,760.09	611,060,000.00	k)l)
Credit loan	471,084,166.66	190,000,000.00	
Less: Current portion	2,087,374,444.43	18,150,000.00	
Total	3,529,140,539.09	5,964,748,997.54	

a) The Company has obtained long-term borrowings amounting to RMB2,001,944,444.43 from the Export-Import Bank of China, the term of which is from 22 June 2020 to 24 June 2022, and for which the Company's parent company OCT Group provides joint and several liability guarantee at the maximum amount.

b) The Company has obtained long-term borrowings amounting to RMB998,608,333.33 from Shenzhen Branch of China Guangfa Bank Co., Ltd., the term of which is from 24 June 2021 to 23 June 2024, and for which the Company's parent company OCT Group provides joint and several liability guarantee at the maximum amount.

c) The Company's subsidiary XingDa HongYe has obtained long-term borrowings amounting to RMB54,520,000.00 from Zhuhai Branch of Xiamen International Bank Co., Ltd., the term of which is from 25 November 2020 to 25 February 2022, and for which the Company provides joint and several liability guarantee at the maximum amount.

d) The Company's subsidiary Anhui Konka Electronic Co., Ltd. has obtained long-term borrowings amounting to RMB50,000,000.00 from Chuzhou Plaza Sub-branch of China Construction Bank Co., Ltd., the term of which is from 29 October 2021 to 26 October 2026, and for which the Company provides joint and several liability guarantee.

e) The Company's subsidiary Konka Xinyun Semiconductor Technology (Yancheng) Co., Ltd. has obtained long-term borrowings amounting to RMB60,000,000.00 from Yancheng Branch of HuaXia Bank Co., Ltd., the term of which is from 15 September 2021 to 21 August 2026, and for which the Company and its subsidiary Kowin Memory Technology (Shenzhen) Co., Limited provide joint and several liability guarantee at the maximum amount.

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

f) The Company's subsidiary Ningbo Khr has obtained long-term borrowings amounting to RMB20,000,000.00 from Cixi Central District Sub-branch of Bank of Ningbo, the term of which is from 12 August 2021 to 9 September 2022, and for which the Company and Korea Electric Group Co., Ltd. provide joint and several liability guarantee at a ratio of 3:2.

g) The Company has obtained long-term borrowings amounting to RMB380,244,344.04 from Guanlan Sub-branch of Shenzhen Rural Commercial Bank Co., Ltd., the term of which is from 22 January 2021 to 22 January 2026, and for which it provides land use rights of a carrying value of RMB5,101,343.95 and investment properties of a carrying value of RMB118,542,862.44 and housing buildings of a carrying value of RMB78,862,102.73 as mortgage.

h) The Company's subsidiary Dongguan Konka has obtained long-term borrowings amounting to RMB117,398,664.74 from Dongguan Fenggang Sub-branch of Agricultural Bank of China Co., Ltd., the term of which is from 22 June 2021 to 21 October 2030, and for which it provides land use rights of a carrying value of RMB193,971,110.67 as mortgage and the Company provides joint and several liability guarantee.

i) The Company's subsidiary Sichuan Konka has obtained entrusted loans amounting to RMB100,163,333.23 from Sichuan Gangrong Investment Development Group Co., Ltd., of which the term is from 28 May 2018 to 24 May 2025, and for which the subsidiary Yibin Konka Technology Park Operation Co., Ltd. provides investment properties of a carrying value of RMB225,032,240.12 as mortgage and Telecommunication Technology provides joint and several liability guarantee.

j) The Company's subsidiary Anhui Konka has obtained long-term borrowings amounting to RMB40,279,937.00 from Chuzhou Branch of Industrial Bank Co., Ltd., of which the term is from 16 July 2021 to 15 July 2031, and for which it provides land use rights of a carrying value of RMB18,810,514.67 and fixed assets of a carrying value of RMB194,679,341.14 as mortgage and the Company provides joint and several liability guarantee.

k) The Company's parent company OCT Group has extended entrusted loans amounting to RMB1,311,361,760.09 to the Company through China Merchants Bank Co., Ltd., the term of which is from 9 October 2021 to 25 February 2024.

l) The Company's parent company OCT Group has extended entrusted loans amounting to RMB10,910,000.00 to the Company through China Merchants Bank Co., Ltd., the term of which is from 7 December 2020 to 9 December 2022.

36. Bonds Payable

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(1) List of Bonds Payable

Item	Ending balance	Beginning balance
Non-public offering corporate bonds	4,993,698,899.30	4,993,212,788.32
Less: Bonds payable due within 1 year	2,700,000,000.00	-
Total	2,293,698,899.30	4,993,212,788.32

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

Name	Total par value	Issue date	Bond duration	Issue amount	Beginning balance
19Konka01 (Note a))	1,000,000,000.00	2019-1-14	2+1 years	996,500,000.00	998,899,371.13
19Konka02 (Note b))	1,500,000,000.00	2019-1-14	3 years	1,494,750,000.00	1,498,349,056.69
19Konka03 (Note c))	500,000,000.00	2019-6-3	2+1 years	498,250,000.00	499,220,387.86
19Konka04 (Note d))	500,000,000.00	2019-6-3	3 years	498,250,000.00	499,220,387.86
19Konka05 (Note e))	800,000,000.00	2019-7-22	2+1 years	797,200,000.00	798,679,245.24
19Konka06 (Note f))	700,000,000.00	2019-7-22	3 years	697,550,000.00	698,844,339.54
21Konka01 (Note g))	1,000,000,000.00	2021-1-8	3 years	996,500,000.00	-
21Konka02 (Note h))	500,000,000.00	2021-5-21	3 years	498,250,000.00	-
21Konka03 (Note i))	800,000,000.00	2021-7-9	3 years	797,200,000.00	-
Total	7,300,000,000.00			7,274,450,000.00	4,993,212,788.32

(continued)

Name	Issued in the Reporting Period	Interest accrued at par value	Amortization of premium and depreciation
19Konka01 (Note a))	-	1,249,999.96	1,100,628.87
19Konka02 (Note b))	-	73,750,000.02	1,650,943.31
19Konka03 (Note c))	-	9,250,000.00	779,612.14

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Name	Issued in the Reporting Period	Interest accrued at par value	Amortization of premium and depreciation
19Konka04 (Note d))	-	23,369,444.43	550,314.48
19Konka05 (Note e))	-	19,831,333.32	1,320,754.76
19Konka06 (Note f))	-	32,443,055.55	770,440.20
21Konka01 (Note g))	996,500,000.00	43,732,777.81	1,298,742.17
21Konka02 (Note h))	498,250,000.00	12,277,777.80	465,932.92
21Konka03 (Note i))	797,200,000.00	15,185,555.54	598,742.13
Total	2,291,950,000.00	231,089,944.43	8,536,110.98

(continued)

Name	Repaid in the Reporting Period	Ending balance
19Konka01 (Note a))	1,000,000,000.00	-
19Konka02 (Note b))	-	1,500,000,000.00
19Konka03 (Note c))	500,000,000.00	-
19Konka04 (Note d))	-	499,770,702.34
19Konka05 (Note e))	800,000,000.00	-
19Konka06 (Note f))	-	699,614,779.74
21Konka01 (Note g))	-	997,798,742.17
21Konka02 (Note h))	-	498,715,932.92
21Konka03 (Note i))	-	797,798,742.13
Total	2,300,000,000.00	4,993,698,899.30

Note 1:

a) On 14 January 2019, the Company issued RMB1 billion of private placement corporate bonds with the duration of 2+1 years, the annual interest rate of 5.00% and the due date of 14 January 2022. "19 Konka 01" has been fully sold back and delisted from the exchange on 14 January 2021.

b) On 14 January 2019, the Company issued RMB1.5 billion of private placement corporate bonds with the duration of 3 years, the annual interest rate of 5.00% and the due date of 14 January 2022.

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

c) On 3 June 2019, the Company issued RMB500 million of private placement corporate bonds with the duration of 2+1 years, the annual interest rate of 4.50% and the due date of 3 June 2022. "19 Konka 03" has been fully sold back and delisted from the exchange on 3 June 2021.

d) On 3 June 2019, the Company issued RMB500 million of private placement corporate bonds with the duration of 3 years, the annual interest rate of 4.70% and the due date of 3 June 2022.

e) On 22 July 2019, the Company issued RMB800 million of private placement corporate bonds with the duration of 2+1 years, the annual interest rate of 4.53% and the due date of 22 July 2022. "19 Konka 05" has been fully sold back and delisted from the exchange on 22 July 2021.

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

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

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

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

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

37. Lease Liabilities

Item	Ending balance	Opening balance
Lease liabilities	74,624,996.81	110,771,978.66
Less: Lease liabilities due within 1 year (see Note VI-33)	32,092,127.18	48,493,286.81
Total	42,532,869.63	62,278,691.85

38. Long-term Payables

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Nature	Ending balance	Opening balance
Accrued financing lease outlay	434,481,614.08	921,958,930.55
Less: Unrecognized financing expenses	23,674,345.59	81,802,514.30
Less: Current portion (see Note VI-33)	270,119,697.71	358,746,566.29
Total	140,687,570.78	481,409,849.96

39. Long-term Employee Remuneration Payables

(1) Classification

Item	Ending balance	Opening balance
Termination benefits-net liabilities of defined contribution plans	5,111,296.75	5,248,309.14
Total	5,111,296.75	5,248,309.14

40. Accrued Liabilities

Item	Ending balance	Opening balance	Reason for formation
Product quality assurance	106,069,944.34	102,146,976.40	After-sales of household appliances
Pending litigation	206,591.51	206,591.51	
Total	106,276,535.85	102,353,567.91	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

41. Deferred Revenue

Item	Opening balance	Increase	Decrease	Ending balance	Formation reason
Government grants	446,900,524.64	77,972,842.51	318,570,942.23	206,302,424.92	Related to assets/income
Total	446,900,524.64	77,972,842.51	318,570,942.23	206,302,424.92	

(1) Category of Deferred Income

List of Government Subsidy	Opening balance	Increase	Amount included in non-operating income this year	Amount included in other income this year	Other changes	Ending balance	Related to assets/income
Industry support fund for the industrial park in Sunning	229,420,000.00			229,420,000.00			Related to income
Subsidy for the construction of plants in the industrial park in Yibin	72,979,200.00			1,531,032.12		71,448,167.88	Related to assets
Special bonus subsidy from the government for the project in Tongchuan	30,000,000.00	10,000,000.00			40,000,000.00		Related to assets
Subsidy for industrial R&D	20,000,000.00					20,000,000.00	Related to

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

List of Government Subsidy	Opening balance	Increase	Amount included in non-operating income this year	Amount included in other income this year	Other changes	Ending balance	Related to assets/ income
							assets
Returned payments for land by Chongqing Konka	19,112,727.27			392,727.24		18,720,000.03	Related to assets
Subsidy for the development and industrialization of dual-HDR OLED smart TVs	13,300,000.00				13,300,000.00		Related to assets
Plant decoration subsidy for Yibin Konka Technology Park		13,553,851.00		600,911.77		12,952,939.23	Related to assets
Subsidy for high-tech innovation and operation in Yancheng		11,457,800.00		84,601.67		11,373,198.33	Related to assets
Other government subsidies related to assets	62,088,597.37	42,961,191.51		29,744,228.53	3,497,440.90	71,808,119.45	Related to assets
Total	446,900,524.64	77,972,842.51		261,773,501.33	56,797,440.90	206,302,424.92	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

42. Other Non-current Liabilities

Item	Ending balance	Opening balance
Contract obligations over one year	104,610,663.76	106,475,449.02
Total	104,610,663.76	106,475,449.02

43. Share Capital

Item	Opening balance	Change in this year (+, -)					Ending balance
		New shares issued	Bonus shares	Bonus issue from profit	Others	Subtotal	
Total shares	2,407,945,408.00						2,407,945,408.00

44. Capital Surplus

Item	Opening balance	Increase in this year	Decrease in this year	Ending balance
Other capital reserves	230,185,310.09	16,200,409.92	11,995,756.91	234,389,963.10
Total	230,185,310.09	16,200,409.92	11,995,756.91	234,389,963.10

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

a) Capital reserve increased by RMB7,168,549.83 due to the repurchase of the equities of minority shareholders of the subsidiary Kowin Memory (Shenzhen);

b) Capital reserve increased by RMB171,696.89 due to the repurchase of the equities of minority shareholders of the subsidiary Sichuan Kangjiatong;

c) Capital reserve decreased by RMB1,974,131.56 due to the repurchase of the equities of minority shareholders of the subsidiary Konka Material;

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

d) Other capital reserves increased by RMB88,578.98 due to the repurchase of the equities of minority shareholders of the subsidiary Xi'an Huasheng;

e) Other capital reserves decreased by RMB2,671,625.25 due to the disposal of the associate Shanghai Konka Technology Co., Ltd.;

f) Other capital reserves decreased by RMB7,350,000.00 due to the disposal of the associate Wanjun Technology (Kunshan) Co., Ltd.;

g) Other capital reserves increased by RMB6,433,584.22 due to the loss of controlling right over the subsidiary Konka Electrical Appliances;

h) The shareholding company Guangdong Kangyuan Semiconductor Co., Ltd. increased capital and shares, resulting in an increase in other capital reserves of RMB 2,338,000.00.

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

45. Other Comprehensive Income

Item	Beginning of the year Balance	Amount incurred before income tax in this year	Amount incurred in this year					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. Other comprehensive income that may not be reclassified to profit or loss	-6,398,878.20	-		-			-	-6,398,878.20
Changes in fair value of other equity instrument investment\	-6,398,878.20							-6,398,878.20

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Beginning of the year Balance	Amount incurred before income tax in this year	Amount incurred in this year					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	
Others	-							-
II. Other comprehensive income that may subsequently be reclassified to profit or loss	-10,184,164.22	-6,210,784.44	-	-	-	-3,753,045.45	-2,457,738.99	-13,937,209.67
Of which: Other comprehensive income that will be reclassified to profit or	-2,397,350.96	1,182,217.31				1,182,217.31		-1,215,133.65

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Beginning of the year Balance	Amount incurred before income tax in this year	Amount incurred in this year					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	
loss under the equity method								
Differences arising from translation of foreign currency-denominated financial statements	-7,786,813.26	-7,393,001.75				-4,935,262.76	-2,457,738.99	-12,722,076.02
Total of other comprehensive income	-16,583,042.42	-6,210,784.44				-3,753,045.45	-2,457,738.99	-20,336,087.87

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

46. Surplus Reserve

Item	Opening balance	Increase in this year	Decrease in this year	Ending balance
Statutory surplus reserves	973,502,519.62	32,459,254.57	-	1,005,961,774.19
Discretionary surplus reserves	238,218,590.05		-	238,218,590.05
Total	1,211,721,109.67	32,459,254.57	-	1,244,180,364.24

47. Retained Earnings

Item	This Year	Last year
Closing Balance of Last Year	4,595,371,391.63	4,239,763,606.89
Add: Total beginning balance of retained earnings before adjustments		
Of which: change of accounting policy		
Other adjustment factors		
Opening Balance of Current Year	4,595,371,391.63	4,239,763,606.89
Add: Net profit attributable to owners of the Company as the parent	905,352,997.68	477,633,250.14
Other comprehensive income carried forward to retained earnings	1,628,195.00	-1,628,195.00
Less: Withdrawal of statutory surplus reserve	32,459,254.57	
Withdrawal of discretionary surplus reserves		
Dividend of ordinary shares payable	240,794,540.80	120,397,270.40
Closing Balance of the Current Period	5,229,098,788.94	4,595,371,391.63

48. Operating Revenue and Cost of Sales

(1) Operating Revenue and Cost of Sales

Item	Amount incurred in this year		Amount incurred last year	
	Revenue	Cost	Revenue	Cost
Lucrative business	48,232,324,902.09	46,690,427,987.52	49,869,938,568.55	47,324,236,629.26
Others	874,188,767.49	711,456,994.01	481,897,986.32	270,827,720.72
Total	49,106,513,669.58	47,401,884,981.53	50,351,836,554.87	47,595,064,349.98

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(2) List of Deduction from Operating Income

Item	This year (RMB)	Details	Same period of last year (RMB)	Details
Amount of operating income	49,106,513,66 9.58		50,351,836,55 4.87	
Total amount of items deducted from operating income	579,266,272.2 0		445,172,864.0 5	
Proportion of the total amount of items deducted from operation income in operating income (%)	1.18		0.88	

I. Business income irrelevant to principal business

1. Other business income outside normal business. E.g., income from the lease of fixed assets, intangible assets, packaging materials, sales materials, non-monetary asset exchange with materials and operation of entrusted management business, and income that is included in the income from primary business but is outside the normal business of the listed company.	579,266,272.2 0	Income from sales of waste products, utility bills, rental income, income from material sales and other income not related to the main business	445,172,864.0 5	Income from sales of waste products, utility bills, installment fee, rental income, income from material sales and other income not related to the main business
2. Income from non-qualified pseudo-banking				

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For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	This year (RMB)	Details	Same period of last year (RMB)	Details
businesses; such as interest income from borrowed funds; income from new pseudo-banking businesses in the reporting and previous fiscal years, such as income from guarantee, commercial factoring, small loans, finance lease and pawn, except finance lease business conducted for the sale of primary products.				
3. Income from new trading businesses in the reporting and previous fiscal years.				
4. Income from related transactions irrelevant to the existing normal operation businesses of the listed company.				
5. Income of subsidiaries acquired in business combination under the same control from the period-beginning to the combination date.				
6. Income from businesses that have not				

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	This year (RMB)	Details	Same period of last year (RMB)	Details
yet had or are difficult to have a stable business model.				
Subtotal of business income irrelevant to principal business	579,266,272.2 0		445,172,864.0 5	
II. Income without commercial substance				
1. Income from transactions or events that do not significantly alter the risk, timing or amount of future cash flows of the company.				
2. Income from transactions without true business. E.g., false income realized in the way of self-transaction and false income from transactions by means of Internet technology or else otherwise.				
3. Income from businesses at unfair trade prices.				
4. Income from subsidiaries or businesses acquired in business combination at unfair considerations or by				

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	This year (RMB)	Details	Same period of last year (RMB)	Details
non-trading means in the reporting fiscal year.				
5. Income involved in non-standard audit opinions in audit opinions.				
6. Other income from transactions or events without commercial rationality.				
Subtotal of income without commercial substance				
III. Other income irrelevant to principal business or without commercial substance				
Amount of operating income after deduction	48,527,247,397.38		49,906,663,690.82	

(3) Details of Income from Contracts

Category of contracts	Amount incurred in this year	Total
Product categories		
Of which: Industry trade business	29,682,677,483.94	29,682,677,483.94
Color TV business	7,300,340,878.11	7,300,340,878.11
Environmental Protection Sub-Division	4,354,614,711.52	4,354,614,711.52
White Goods Sub-Division	3,699,285,362.91	3,699,285,362.91
Semi-conductor business	321,958,525.17	321,958,525.17

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Category of contracts	Amount incurred in this year	Total
Others	3,747,636,707.93	3,747,636,707.93
Total	49,106,513,669.58	49,106,513,669.58
Classified by operating region		
Of which: Domestic	22,033,965,598.67	22,033,965,598.67
Overseas	27,072,548,070.91	27,072,548,070.91
Total	49,106,513,669.58	49,106,513,669.58

(4) Main Operations (Classified by product)

Item	Amount incurred in this year		Amount incurred last year	
	Revenue	Cost	Revenue	Cost
Supply chain trading business	29,682,677,483.94	29,514,534,704.12	30,483,602,365.87	30,183,532,940.90
Color TV business	7,300,340,878.11	6,922,606,555.81	7,519,625,331.33	6,925,658,808.00
Environmental Protection Sub-Division	4,354,614,711.52	4,030,685,013.80	4,823,779,902.39	4,097,138,754.02
White Goods Sub-Division	3,699,285,362.91	3,395,382,780.50	3,842,051,456.02	3,317,107,750.97
Semi-conductor business	321,958,525.17	306,296,431.81	282,969,230.63	275,286,437.09
Others	2,873,447,940.44	2,520,922,501.48	2,917,910,282.31	2,525,511,938.28
Total	48,232,324,902.09	46,690,427,987.52	49,869,938,568.55	47,324,236,629.26

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

The amount of income corresponding to the performance obligations of contracts signed but not yet performed or fully performed was RMB854,210,822.59 at the year-end, among which RMB844,024,014.31 is expected to be recognized in 2022, RMB5,352,168.10 is expected to be recognized in 2023, and RMB4,834,640.18 is expected to be recognized in 2024.

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

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49. Taxes and Surcharges

Item	Amount incurred in this year	Amount incurred last year
Stamp duty	37,561,315.54	25,112,454.61
Land use tax	25,605,090.28	17,657,115.79
Urban maintenance and construction tax	14,388,124.18	21,225,457.65
Property tax	11,346,770.43	13,264,477.94
Education Surcharge	7,253,707.52	9,423,102.41
Local education surcharge	3,648,187.79	6,341,838.85
Water resources fund	697,990.97	766,504.35
Others	6,577,488.45	3,444,915.71
Total	107,078,675.16	97,235,867.31

50. Sales Costs

Item	Amount incurred in this year	Amount incurred last year
Employee remuneration	394,544,994.62	410,820,148.47
Advertising expense	371,795,626.31	405,038,820.57
Warranty fee	190,310,768.84	186,239,759.56
Promotional activities	157,616,787.85	199,811,766.50
Logistic Fee	99,881,005.27	395,728,038.37
Taxes and fund	65,692,017.16	58,646,916.00
Travel expense	20,432,505.61	18,952,238.58
Rental charges	21,204,278.37	18,695,062.27
Entertainment expenses	15,367,291.49	13,710,892.65
Exhibition expenses	8,819,407.71	17,841,836.83
Others	82,398,212.14	100,141,324.47
Total	1,428,062,895.37	1,825,626,804.27

Note: According to the sales contract of the current year, if the transportation expenses incurred for the performance of customer contracts do not constitute individual performance obligations, the Company will include such expenses as costs related to commodity sales into the contract performance costs and into the operating costs.

51.2. Management Costs

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Amount incurred in this year	Amount incurred last year
Employee remuneration	563,542,871.74	524,488,419.75
Depreciation charge	127,774,142.65	147,324,296.40
Intermediary fees	51,683,999.24	100,879,921.97
Travel expense	18,560,183.40	14,489,183.36
Patent fees	26,798,865.14	38,863,726.67
Loss on scraping of inventories	4,813,357.43	5,515,711.35
Utility bills	10,672,898.71	11,737,097.44
Others	156,602,798.81	179,683,586.40
Total	960,449,117.12	1,022,981,943.34

52. R&D Expenses

Item	Amount incurred in this year	Amount incurred last year
Labor cost	307,372,953.90	297,465,065.33
Material expense	36,669,220.05	120,181,005.28
New product trial production expense	86,850,733.52	116,276,268.41
Commission service fee	38,572,290.59	32,833,667.49
Depreciation and amortization expense	79,082,388.10	23,530,284.84
Information use fee	3,154,499.61	14,229,413.16
Testing expense	5,327,812.07	9,552,419.94
Others	59,305,590.17	67,810,487.20
Total	616,335,488.01	681,878,611.65

53. Financial Expenses

Item	Amount incurred in this year	Amount incurred last year
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Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Amount incurred in this year	Amount incurred last year
Interest expense	1,003,080,641.99	979,223,522.98
Less: Interest income	169,492,982.89	164,580,939.30
Add: Exchange loss	70,202,754.70	220,044,519.70
Other expenses	48,851,859.95	56,922,864.38
Total	952,642,273.75	1,091,609,967.76

54. Other Income

Sources	Amount incurred in this year	Amount incurred last year
Support funds	881,725,458.00	566,075,801.50
Rewards and subsidies	176,611,973.06	247,663,680.35
Transfer of deferred income	261,773,501.33	36,646,447.27
Software tax refund	12,585,857.26	30,710,313.50
Post subsidies	2,454,397.17	21,703,015.11
Subsidies for L/C exports	314,298.00	5,555,574.57
Land tax rebates	18,069,095.29	15,955,706.27
Others		4,622,989.46
Total	1,353,534,580.11	928,933,528.03

55. Investment Returns

Item	Amount incurred in this year	Amount incurred last year
Long-term equity investment income accounted by equity method	78,926,555.74	104,288,418.75
Investment income from disposal of long-term equity investment	2,854,953,098.82	1,343,712,485.37
Investment income from disposal of trading financial assets		3,405,333.03
Income from remeasurement	1,169,723,182.43	885,804,841.25

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Amount incurred in this year	Amount incurred last year
of residual stock rights at fair value after losing control power		
Interest income earned on investment in debt obligations during the holding period	73,807,616.46	73,421,917.82
Income from entrust financial products and entrust loans		21,221,916.72
Adjusted investment income with unrealized profit incurred from countercurrent transactions		1,081,111.64
Investment income from disposal of financial assets at fair value through profit or loss	39,396,495.93	399,980.27
Total	4,216,806,949.38	2,433,336,004.85

Note: The remarkable increase in the investment income generated from the disposal of long-term equity investment was mainly due to the disposal of some equity of Shenzhen E2info Network Technology Co., Ltd. in the Reporting Period.

56. Income from Changes in Fair Value

Sources	Amount incurred in this year	Amount incurred last year
Financial assets at fair value through profit or loss	52,490,907.33	19,089,541.66
Total	52,490,907.33	19,089,541.66

57. Credit Impairment Loss

Item	Amount incurred in this year	Amount incurred last year
	17,539,258.26	-24,930,991.28
Bad debt loss of accounts receivable	-429,297,822.53	-444,069,685.68
Bad debt loss of other receivables	-695,515,117.04	-258,255,844.49
Bad debt loss of prepayment	-	4,880,671.30

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Total	-1,107,273,681.31	-722,375,850.15
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58. Impairment Losses on Assets

Item	Amount incurred in this year	Amount incurred last year
Inventory depreciation loss and contract performance cost impairment loss	-160,020,309.63	-172,812,626.21
Contractual Asset Impairment Loss	12,125,778.69	-146,807,263.10
Impairment loss on long-term equity investment	-266,531,254.30	-38,375,298.75
Impairment losses on fixed assets	-3,770,121.13	-947,487.17
Impairment losses on goodwill	-185,773,986.72	-103,464,423.24
Impairment losses on construction in progress	-327,586.21	
Impairment losses on intangible assets	-38,804,906.72	
Total	-643,102,386.02	-462,407,098.47

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

Item	Amount incurred in this year	Amount incurred last year	Amount recorded in non-recurring profit or loss in this year
Incomes from disposal of disposal groups held for sale	-	-	-
Incomes from disposal of non-current assets	571,964.16	206,315,700.34	571,964.16
Including: incomes from disposal of non-current assets not classified as the held-for-sale assets	571,964.16	206,315,700.34	571,964.16
Of which: Fixed assets disposal income	571,964.16	19,882,250.97	571,964.16
Intangible assets disposal income	-	186,433,449.37	-
Income from non-monetary asset exchange	-	-	-
Income from the disposal of non-current assets in debt restructuring	-	-	-

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Total	571,964.16	206,315,700.34	571,964.16
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60. Non-operating Income

(1) List of Non-operating Income

Item	Amount incurred in this year	Amount incurred last year	Amount recorded in non-recurring profit or loss in this year
Compensation and penalty income	47,249,011.10	55,750,466.90	47,249,011.10
Government subsidies unrelated to the normal operation of the Company	11,428,586.31	10,322,986.31	11,428,586.31
Gains on damage and scrap of non-current assets	361,063.43	1,076,972.21	361,063.43
Income from debt restructuring	19,777.25	6,030,592.00	19,777.25
Others	23,543,094.26	13,945,777.99	23,543,094.26
Total	82,601,532.35	87,126,795.41	82,601,532.35

(2) Government Subsidies Recorded in Current Profit or Loss

Item	Distribution entity	Distribution reason	Nature
Subsidy for Chuzhou Huike Smart Household Appliances Industry Investment	Chuzhou Tongsheng Investment Development Co., Ltd.	Subsidy for participating in Chuzhou Huike Smart Household Appliances Industry Investment	Subsidies
Renewable resources processing and dispatching base and regional settlement center	Management Committee of the industrial park in Wulong District, Chongqing City	Subsidy for participating in the renewable resources processing and dispatching base	Subsidies
Subsidy for placement of ex-soldiers		VAT relief for placement of ex-soldiers	Subsidies
Total			

(continued)

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Whether influence the profits or losses of the year or not	Special subsidy or not	Amount incurred in this year	Amount incurred last year	Related to assets/related income
Subsidy for Chuzhou Huike Smart Household Appliances Industry Investment	No	No	10,136,986.31	10,136,986.31	Related to revenue
Renewable resources processing and dispatching base and regional settlement center	No	No	1,291,600.00		Related to revenue
Subsidy for placement of ex-soldiers	No	No		186,000.00	Related to revenue
Total			11,428,586.31	10,322,986.31	

61. Non-operating Expenses

Item	Amount of current year	Amount of previous year	Amount recorded in non-recurring profit or loss in this year
Losses from damage and scrap of non-current assets	6,920,746.88	5,261,743.91	6,920,746.88
Compensation expense	1,634,178.14	12,762,989.57	1,634,178.14
Others	15,889,799.33	7,565,741.38	15,889,799.33
Total	24,444,724.35	25,590,474.86	24,444,724.35

62. Income Tax Expenses

(1) Income Tax Expenses

Item	Amount incurred in this year	Amount incurred last year
Income tax expense of the year	282,256,027.61	259,865,247.09
Deferred income tax expense	482,288,526.58	-298,071,552.16
Total	764,544,554.19	-38,206,305.07

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

Item	Amount incurred in this year
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Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Amount incurred in this year
Total consolidated profit of this year	1,571,245,380.29
Current income tax expense accounted at statutory/applicable tax rate	392,811,345.07
Influence of applying different tax rates by subsidiaries	35,461,208.21
Influence of income tax before adjustment	116,145,995.02
Influence of non-taxable income	-201,634,758.15
Influence of non-deductible costs, expenses and losses	84,590,539.22
The effect of using deductible losses of deferred income tax assets that have not been recognized in the previous period	-9,064,135.08
Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax in the Reporting Period	414,560,009.56
Changes in the balance of deferred income tax assets/ liabilities in previous period due to adjustment of tax rate	-4,099,290.18
Additional deduction for R&D expenses	-64,226,359.48
Income tax expenses	764,544,554.19

63. Other Comprehensive Income

For details, refer to "Note VI-45 Other Comprehensive Income".

64. Cash Flow Statement

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

1) Other cash received from business activities

Item	Amount incurred in this year	Amount incurred last year
Income from government subsidy	1,127,630,135.26	1,171,789,839.65
Front money and guarantee deposit	425,177,436.15	1,343,399,027.31
Intercourse funds	209,797,069.63	737,849,254.12
Interest income from bank deposits	71,275,968.05	43,947,377.51
Compensation and penalty income	16,337,009.60	56,949,337.80
The commercial factoring payment	2,793,522.48	701,570,000.00
Others	163,971,164.55	168,111,950.02
Total	2,016,982,305.72	4,223,616,786.41

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

2) Cash payments related to other operating activities

Item	Amount incurred in this year	Amount incurred last year
Expense for cash payment	1,312,250,512.94	1,396,622,206.87
Payment for guarantee deposit, cash deposit	296,141,059.53	807,211,303.53
Payment made on behalf	21,862,378.10	24,937,901.55
Expense for bank handling charges	19,675,970.82	26,997,496.86
The commercial factoring payment		700,000,000.00
Others	491,244,850.65	509,182,248.35
Total	2,141,174,772.04	3,464,951,157.16

3) Other cash received from investment activities

Item	Amount incurred in this year	Amount incurred last year
Recovery of entrusted loans	1,962,465,274.48	1,669,305,006.07
Cash received from acquisition of subsidiaries	23,694.03	
Recovery of financial products and fixed term deposits		531,953,067.30
Others	425,985,130.82	521,000,071.70
Total	2,388,474,099.33	2,722,258,145.07

4) Other cash paid for investment activities

Item	Amount incurred in this year	Amount incurred last year
Cash paid for disposal of subsidiaries	512,222,301.34	
Payment for entrusted loans	421,590,000.00	375,578,000.00
Purchase of wealth management products and term deposits		639,160,000.00
Others	176,545,630.00	342,199,320.83
Total	1,110,357,931.34	1,356,937,320.83

5) Other cash received from funding activities

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Amount incurred in this year	Amount incurred last year
Receiving entrusted loans	504,555,407.07	955,993,888.99
Recovery of margin deposit pledged	443,925,442.47	1,139,622,285.43
Financing lease accounts	38,000,000.00	659,602,970.00
Others	32,643,873.47	
Total	1,019,124,723.01	2,755,219,144.42

6) Other cash paid for funding activities

Item	Amount incurred in this year	Amount incurred last year
Finance leases	468,899,445.22	346,079,008.76
Deposit as margin for pledge	289,851,369.48	1,116,447,153.50
Repayment of entrusted loans	50,523,144.79	266,946,710.52
Financing cost	31,538,566.39	31,573,001.17
Others	87,815,061.07	213,638,809.72
Total	928,627,586.95	1,974,684,683.67

(2) Supplemental Information for Cash Flow Statement

Item	Amount of current year	Amount of previous year
1. Reconciliation of net profit to net cash flows generated from operating activities		—
Net profit	806,700,826.10	540,073,462.44
Add: Provision for impairment of assets	643,102,386.02	462,407,098.47
Credit impairment loss	1,107,273,681.31	722,375,850.15
Depreciation of fixed assets, oil-gas assets, and productive biological assets	389,517,753.75	319,151,539.89
Depreciation of right-of-use assets	46,547,315.20	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Amount of current year	Amount of previous year
Amortization of intangible assets	80,425,143.85	78,424,382.89
Amortization of long-term prepaid expenses	81,281,582.15	87,717,664.64
Losses on disposal of fixed assets, intangible assets and other long-lived assets (gains: negative)	-571,964.16	-206,315,700.34
Losses on scrap of fixed assets (gains: negative)	6,559,683.45	4,184,771.70
Losses on changes in fair value (gains: negative)	-52,490,907.33	-19,089,541.66
Finance costs (gains: negative)	953,288,367.31	893,158,757.67
Investment loss (gains: negative)	-4,216,806,949.38	-2,433,336,004.85
Decrease in deferred income tax assets (gains: negative)	480,269,955.17	-278,153,255.22
Increase in deferred income tax liabilities (“-” means decrease)	6,665,936.98	-19,647,864.12
Decrease in inventories (gains: negative)	215,494,199.22	623,886,945.84
Decrease in accounts receivable generated from operating activities (gains: negative)	316,775,883.03	-2,928,968,789.79
Increase in accounts payable used in operating activities (decrease: negative)	206,077,002.77	2,369,393,657.77
Others	-261,353,501.33	-36,646,447.27
Net cash flow from operating activities	808,756,394.11	178,616,528.21
2. Significant investing and financing activities without		

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Amount of current year	Amount of previous year
involvement of cash receipts and payments		
Conversion of debt to capital		
Convertible corporate bonds matured within 1 Year		
Fixed asset under finance lease		
3. Net increase/decrease of cash and cash equivalent:		
Ending balance of cash	5,968,347,219.03	4,298,056,113.24
Less: Opening balance of cash	4,298,056,113.24	4,493,701,917.22
Plus: Ending balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	1,670,291,105.79	-195,645,803.98

(3) Net Cash Paid for Acquisition of Subsidiaries this Year

Item	Amount of current year
Cash or cash equivalents paid in the current period for the business combination occurring in the current period	10,000.00
Of which: Xi'an Feihe	10,000.00
Less: cash and cash equivalents held by subsidiaries on the purchase date	9,800.00
Of which: Xi'an Feihe	9,800.00
Add: Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the prior period	96,500,000.00
Net cash paid for acquisition of subsidiaries	96,500,200.00

(4) Net Cash Receive from Disposal of the Subsidiaries

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Amount of current year
Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the Current Period	2,951,937,227.08
Of which: Yantai Kangyun	34,510,000.00
Shenzhen Kangxin Property	104,420,000.00
Dongguan Kangjia	13,007,227.08
E2info	2,800,000,000.00
Less: cash and cash equivalents held by subsidiaries on the date of losing control power	382,211,714.18
Of which: Yantai Kangyun	420,807.32
Shenzhen Kangxin Property	5,365,512.56
Dongguan Kangjia	179,239.55
E2info	376,246,154.75
Add: Cash or cash equivalents received in the Reporting Period from disposal of subsidiaries in the prior period	
Net cash received from disposal of subsidiaries	2,569,725,512.90

(5) Cash and Cash Equivalents

Item	Ending balance	Opening balance
Cash	5,968,347,219.03	4,298,056,113.24
Including: Cash on hand	363.22	16,052.88
Bank deposits on demand	5,968,346,855.81	4,298,040,060.36
Ending balance of cash and cash equivalents	5,968,347,219.03	4,298,056,113.24

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

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

66. Assets with Restricted Ownership or Right to Use

Item	Ending balance	Opening balance
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Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance	Opening balance
monetary capital	521,205,992.21	Among them, RMB 467,911,612.25 is the margin deposit, which is pledged for borrowing money or issuing bank acceptance bills; RMB 19,966,629.15 for financial supervision account funds; RMB 20,918,528.76 is time deposit that cannot be withdrawn in advance; RMB 12,409,222.05 is restricted due to other reasons.
notes receivable	540,032,830.08	The pledge of make out an invoice
investment property	354,245,460.11	mortgage loan
fixed assets	1,261,093,738.34	Mortgage loan, original shareholder guarantee mortgage, finance lease mortgage
intangible assets	380,518,831.80	Mortgage loan, mortgage guaranteed by the original shareholder
construction in process	76,401,305.41	Finance lease mortgage
total	3,133,498,157.95	

67. Foreign Currency Monetary Items

(1) Foreign Currency Monetary Items

Item	Ending balance of foreign currencies	Exchange rate	Ending balance in RMB
Monetary Assets			
Of which: USD	104,127,945.47	6.3757	663,888,541.93
EUR	72,025.29	7.2197	520,000.99
EGP	6,507,341.87	0.4058	2,640,679.33
GBP	1.32	8.6064	11.36
HKD	12,711,963.75	0.8176	10,393,301.56
CAD	6.96	5.0046	34.83

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance of foreign currencies	Exchange rate	Ending balance in RMB
PLN	3,100,270.37	1.5717	4,872,694.94
Accounts Receivable			
Of which: USD	150,964,132.67	6.3757	962,502,020.66
EUR	504,583.11	7.2197	3,642,938.68
EGP	12,652,995.00	0.4058	5,134,585.37
GBP	1,065,864.75	8.6064	9,173,258.38
HKD	70,406,056.64	0.8176	57,563,991.91
AUD	49,764.00	4.6220	230,009.21
PHP	83,473.26	0.1251	10,442.50
Other Receivables			
Of which: USD	97,035,927.80	6.3757	618,671,964.87
EGP	8,000.00	0.4058	3,246.40
HKD	1,115,429.85	0.8176	911,975.45
JPY	21,400,000.00	0.0554	1,185,560.00
Short-term borrowings			
Of which: USD	89,678,741.45	6.3757	571,764,751.86
Accounts payable			
Of which: USD	35,718,564.93	6.3757	227,730,854.42
EGP	5,892,833.22	0.4058	2,391,311.72
HKD	34,778,229.07	0.8176	28,434,680.09
Other payables			
Of which: EUR	32,834.59	7.2197	237,055.89
EGP	2,370,044.30	0.4058	961,763.98
HKD	17,366,323.58	0.8176	14,198,706.16
Interest payable			
Of which: USD	106,816.56	6.3757	681,030.34

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(2) Notes to Overseas Entities

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

68. Government Subsidies

(1) Basic Information on Government Subsidy

Project	Amount	Listed items	Amount recorded in the current profit or loss
Industrial support funds to Shaanxi Konka	472,680,000.00	Other income	472,680,000.00
Industrial support funds to Chongqing	200,000,000.00	Other income	200,000,000.00
Industrial support funds to Suining	174,000,000.00	Other income	174,000,000.00
Land tax rebates	352,861,234.75	Other income/deferred income, etc.	277,005,086.70
Total	1,199,541,234.75		1,123,685,086.70

(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 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

VII. Changes of Consolidation Scope

1. Disposal of subsidiary

Name	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 Kangjia	1,300.72	65.00	Transfer	2021-12-27	The rights and obligations related to the underlying equity have been transferred	761.65
E2info	280,000.00	70.00	Transfer	2021-12-30	The rights and obligations related to the underlying equity have been transferred	247,734.24
Econ Technology	30,624.05	11.70	Transfer	2021-11-25	The rights and obligations related to the underlying equity have been transferred	6,121.67
Yantai Kangyun	3,451.00	17.00	Transfer	2021-3-31	The rights and obligations related to the underlying equity have been transferred	3,683.38
Shenzhen Kangxin Property	10,442.00	51.00	Transfer	2021-6-22	The rights and obligations related to the underlying equity have been transferred	8,597.34

(continued)

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Name	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)
Dongguan Kangjia	35.00	340.56	692.06	351.50	Evaluated price	
E2info	25.78	12,490.35	102,101.13	89,610.78	Evaluated price	
Econ Technology	39.30	82,302.86	102,494.40	20,191.54	Evaluated price	
Yantai Kangyun	34.00	83.50	6,902.00	6,818.50	Evaluated price	
Shenzhen Kangxin Property	-	-	-	-	-	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

2. Change of merger scope for other reasons

(1) Subsidiaries Established by the Company in 2021

Name	Registered capital	Shareholding percentage (%)	Time and place of obtaining control power	Way of gaining
Nantong Hongdin	30,000,000.00	100.00	2021-4-22	Newly established
Chuzhou Konka	100,000,000.00	94.90	2021-6-28	Newly established
Xi'an Huasheng	100,000,000.00	66.00	2021-3-4	Newly established
Konka Soft Electronic	100,000,000.00	95.00	2021-3-31	Newly established
Konka Hongye Electronics	100,000,000.00	90.10	2021-5-7	Newly established
Kowin Memory (Hong Kong)	HKD 10,000,000.00	100.00	2021-2-2	Newly established
Industrial and Trade Technology	50,000,000.00	100.00	2021-2-7	Newly established
Konka Huazhong	30,000,000.00	100.00	2021-6-9	Newly established
Yibin Kangrun Medical	50,000,000.00	82.19	2021-3-26	Newly established
Yibin Kangrun Environmental Protection	76,000,000.00	53.69	2021-4-21	Newly established
Kangruncheng Environmental Technology	10,000,000.00	26.01	2021-3-8	Newly established
Shaanxi Konka Intelligent	120,000,000.00	51.00	2021-3-5	Newly established
Kangxin Semiconductor	70,000,000.00	100.00	2021-6-11	Newly established
Xi'an Feihe	1,000,000.00	100.00	2021-9-8	Investment
Chongqing Xinyuan Semiconductor	50,000,000.00	75.00	2021-9-8	Newly established
Jiangxi Konka Industrial Park	100,000,000.00	70.00	2021-9-14	Newly established
Ruichang Kangrui Real Estate	10,000,000.00	70.00	2021-9-14	Newly established
Industrial development in Wuhan	10,000,000.00	51.00	2021-10-15	Newly established
Kangxiaojia Digital	20,000,000.00	100.00	2021-12-30	Newly established
Yijiakang Smart Terminal	20,000,000.00	100.00	2021-12-30	Newly established
Chongqing E2info	20,000,000.00	95.78	2021-12-8	Newly established
Lanrun Environmental Protection	10,000,000.00	51.00	2021-11-24	Newly established
Guizhou Kangkai Material Technology	10,000,000.00	51.00	2021-12-30	Newly established
Guizhou Konka New Material Technology	100,000,000.00	51.00	2021-10-19	Newly established
Guizhou Kanggui Energy	100,000,000.00	100.00	2021-12-31	Newly established
Guangdong Xinwei	20,000,000.00	100.00	2021-12-29	Newly established
Kangxinrun Renewable	60,000,000.00	51.00	2021-12-30	Newly established

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For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Resources				
Guizhou Kanggui Material Technology	100,000,000.00	70.00	2021-10-25	Newly established
Sichuan Chengrui	25,000,000.00	80.00	2021-11-30	Investment
Chongqing Jiarun	20,000,000.00	80.00	2021-12-21	Newly established
Nantong Kanghai	50,000,000.00	51.00	2021-12-21	Newly established
Chongqing Kangyiyun	10,000,000.00	80.00	2021-12-29	Newly established

(2) The Company's Cancellation of the Distribution of Remaining Assets of Subsidiaries in 2021

Name	Registered capital	Shareholding percentage (%)	Liquidation completion time
Xiamen Dalong	2,600,000.00	69.23	2021-11-10
Industrial Park Development	100,000,000.00	51.00	2021-10-28
Kangquan Enterprise	100,000,000.00	51.00	2021-10-25
Konka Suyuan	100,000,000.00	51.00	2021-10-27
Chongqing Kanglei	50,000,000.00	51.00	2021-4-7
Henan Kangxin Property	50,000,000.00	51.00	2021-5-18
Chuanghui Smart	1,000,000.00	40.80	2021-11-18
Kangxin Semiconductor	70,000,000.00	100.00	2021-8-4
Hefei Chain Kingdom Memory Technologies	5,000,000.00	51.00	2021-11-19

(3) Others

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

- ① The minority shareholders of konka Hong Kong Zhisheng, a subsidiary of the Company, increased capital, resulting in the reduction of the company's shareholding ratio to 48.996%, and the control of the company has been transferred and is no longer included in the scope of merger.
- ② The company will reduce the capital contribution of the registered capital of Shenzhen Kanghui Technology, a subsidiary of Sun Company. After the capital reduction, the shareholding ratio will be adjusted from 51% to 0.72%. The control right has been transferred and will no longer be included in the scope of merger.
- ③ The company's subsidiary Kangjia Electric Appliance has accepted the bankruptcy liquidation application of Kangjia Electric Appliance by the civil ruling of Shenzhen Intermediate People's Court of Guangdong Province on February 2, 2021. The relevant assets have been formally transferred to the bankruptcy administrator on August 9, 2021, and the control rights have been transferred and are no longer included in the scope of merger.

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

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
1	Konka Ventures	Guangdong, Shenzhen	Guangdong, Shenzhen	Enterprise management consulting, incubation management, housing leasing, etc.	51		Establishment or investment
2	Yantai Konka	Shandong, Yantai	Shandong, Yantai	Other professional consultation and investigation		51	Establishment or investment
3	Chengdu Anren	Sichuan, Chengdu	Sichuan, Chengdu	Enterprise incubation management		51	Establishment or investment
4	Konka Enterprise Service	Guizhou, Guiyang	Guizhou, Guiyang	Enterprise management consulting		51	Establishment or investment
5	Yibin Konka Incubator	Sichuan, Yibin	Sichuan, Yibin	Commercial services		51	Establishment or investment
6	Anhui Konka	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry	78		Establishment or investment

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

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
7	Kangzhi Trade	Anhui, Chuzhou	Anhui, Chuzhou	Wholesale		78	Establishment or investment
8	Konka Factoring	Guangdong, Shenzhen	Guangdong, Shenzhen	Insurance agents (non-bank finance)	100		Establishment or investment
9	Konka Unifortune	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services	51		Establishment or investment
10	Jiali International	China, Hong Kong	China, Hong Kong	Trade and services		51	Establishment or investment
11	Wankaida	Guangdong, Shenzhen	Guangdong, Shenzhen	Software development	100		Establishment or investment
12	Dongguan Konka	Guangdong, Dongguan	Guangdong, Dongguan	Manufacturing industry	75	25	Establishment or investment
13	Suining Konka Smart	Sichuan, Suining	Sichuan, Suining	Wholesale		100	Establishment or investment
14	Konka Europe	Germany,	Germany,	International trade	100		Establishment

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

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
		Frankfurt	Frankfurt				nt or investment
15	Telecommunication Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing industry	75	25	Establishment or investment
16	Konka Mobility	China, Hong Kong	China, Hong Kong	Commercial		100	Establishment or investment
17	Mobile Interconnection	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial	100		Establishment or investment
18	Sichuan Konka	Sichuan, Yibin	Sichuan, Yibin	Manufacturing industry		100	Establishment or investment
19	Yibin Smart	Sichuan, Yibin	Sichuan, Yibin	Manufacturing industry		100	Establishment or investment
20	Anhui Tongchuang	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry	100		Establishment or investment
21	Anhui Electrical Appliance	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry		51	Establishment or investment

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
22	Frestec Refrigeration	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
23	Frestec Smart Home	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
24	Frestec Electrical Appliances	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
25	Frestec Household Appliances	Henan, Xinxiang	Henan, Xinxiang	Manufacturing industry		51	Establishment or investment
26	Jiangsu Konka Smart	Jiangsu, Changzhou	Jiangsu, Changzhou	Manufacturing		51	Establishment or investment
27	Kangjiatong	Sichuan, Yibin	Sichuan, Yibin	Trade and services	100		Establishment or investment
28	Pengrun Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services	51		Establishment or investment
29	Jiaxin Technology	China, Hong Kong	China, Hong Kong	Trade and services		51	Establishment or investment

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
30	Beijing Konka Electronic	Beijing	Beijing	Sale of home appliance	100		Establishment or investment
31	Konka Leasing	Tianjin Pilot Free Trade Zone	Tianjin Pilot Free Trade Zone	Service industry		100	Establishment or investment
32	Konka Circuit	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing industry	100		Establishment or investment
33	Boluo Precision	Guangdong, Boluo	Guangdong, Boluo	Manufacturing industry		100	Establishment or investment
34	Boluo Konka	Guangdong, Boluo	Guangdong, Boluo	Manufacturing industry		100	Establishment or investment
35	Hong Kong Konka	China, Hong Kong	China, Hong Kong	International trade	100		Establishment or investment
36	Hongdin Invest	China, Hong Kong	China, Hong Kong	Investment holding		100	Establishment or investment
37	Chain Kingdom Memory	China, Hong	China, Hong	International trade		51	Establishme

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
	Technologies	Kong	Kong				nt or investment
38	Chain Kingdom Memory Technologies (Shenzhen)	Guangdong, Shenzhen	Guangdong, Shenzhen	Trade and services		51	Establishment or investment
39	Hongjet	China, Hong Kong	China, Hong Kong	Trade and services		51	Establishment or investment
40	Hongdin Trading	China, Hong Kong	China, Hong Kong	International trade		100	Establishment or investment
41	Kanghao Technology	Egypt, Cairo	Egypt, Cairo	International trade		67	Establishment or investment
42	Konka North America	America, California	America, California	International trade		100	Establishment or investment
43	Konka Investment	Guangdong, Shenzhen	Guangdong, Shenzhen	Capital market services	100		Establishment or investment
44	Yibin Konka Technology Park	Sichuan, Yibin	Sichuan, Yibin	Industrial park development and operation management		100	Establishment or investment

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
45	Konka Capital	Guangdong, Shenzhen	Guangdong, Shenzhen	Capital market services		100	Establishment or investment
46	Konka Suiyong	Guangdong, Shenzhen	Guangdong, Shenzhen	Business service industry		51	Establishment or investment
47	Shengxing Industrial	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		51	Establishment or investment
48	Zhitong Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		51	Establishment or investment
49	Electronics Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Manufacturing industry	100		Establishment or investment
50	Anhui Zhilian	Anhui, Chuzhou	Anhui, Chuzhou	e-Commerce		100	Establishment or investment
51	Youzhihui	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and information technology services		100	Establishment or investment
52	Xiaojia Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Retail trade		100	Establishment or investment

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
53	Haimen Konka	Jiangsu, Nantong	Jiangsu, Nantong	Trade and service		100	Establishment or investment
54	Chengdu Konka Smart	Sichuan, Chengdu	Sichuan, Chengdu	Trade and service		100	Establishment or investment
55	Chengdu Konka Electronic	Sichuan, Chengdu	Sichuan, Chengdu	Manufacturing industry		100	Establishment or investment
56	XingDa HongYe	Zhongshan, Guangdong	Guangdong, Zhongshan	Manufacturing industry		51	Establishment or investment
57	Shanghai Xinfeng	Shanghai	Shanghai	Trade and service		51	Establishment or investment
58	Liaoyang Kangshun Smart	Liaoyang, Liaoning	Liaoyang, Liaoning	Wholesale		100	Establishment or investment
59	Liaoyang Kangshun Renewable	Liaoyang, Liaoning	Liaoyang, Liaoning	Comprehensive utilization of renewable resources		100	Establishment or investment
60	Nanjing Konka	Jiangsu, Nanjing	Jiangsu, Nanjing	Wholesale		100	Establishment

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
							nt or investment
61	Yantai Laikang	Shandong, Yantai	Shandong, Yantai	Commercial services	51		Establishment or investment
62	Konka Huanjia	Dalian, Liaoning	Dalian, Liaoning	Renewable resources processing trade	51		Establishment or investment
63	Konka Huanjia (Henan)	Henan, Lankao	Henan, Lankao	Renewable resource processing trade		51	Establishment or investment
64	Shanghai Konka	Shanghai	Shanghai	Real estate	100		Establishment or investment
65	Yantai Kangjin	Shandong, Yantai	Shandong, Yantai	Real estate		62.8	Establishment or investment
66	Jiangxi Konka	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Manufacturing and processing	51		Establishment or investment
67	Xinfeng Microcrystalline	Jiangxi, Nanchang	Jiangxi, Nanchang	Manufacturing and processing		51	Establishment or investment

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For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
68	Jiangsu Konka Special Material	Jiangsu	Yancheng	Wholesale		51	Establishment or investment
69	Shenzhen Nianhua	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services	100		Establishment or investment
70	Shenzhen KONSEMI	Guangdong, Shenzhen	Guangdong, Shenzhen	Semiconductors	100		Establishment or investment
71	Hefei KONSEMI	Anhui, Hefei	Anhui, Hefei	Integrated circuit design		51	Establishment or investment
72	Yihe Electronic	Anhui, Hefei	Anhui, Hefei	Wholesale		51	Establishment or investment
73	Chongqing Konka	Chongqing	Chongqing	Software and information technology services		100	Establishment or investment
74	Konka Eco-Development	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services	51		Establishment or investment
75	Suining Konka Industrial Park	Sichuan, Suining	Sichuan, Suining	Industrial park development and operation management	100		Establishment or investment

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
76	Konka Ronghe	Zhejiang, Jiaxing	Zhejiang, Jiaxing	Wholesale and retail trade	51		Establishment or investment
77	Suining Electronic Technological Innovation	Sichuan, Suining	Sichuan, Suining	Commercial services	100		Establishment or investment
78	Shenzhen Chuangzhi Electrical Appliances	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale	100		Establishment or investment
79	Kanghong (Yantai) Environmental Protection	Shandong, Yantai	Shandong, Yantai	Comprehensive utilization of abandoned resources	51		Establishment or investment
80	Chongqing Kangxingrui	Chongqing	Chongqing	Recycling, processing and sales of renewable resources	51		Establishment or investment
81	Chongqing Kangxingrui Automobile Recycling	Chongqing	Chongqing	Recycling, processing and sales of waste resources		51	Establishment or investment
82	Chongqing Optoelectronic Technology Research Institute	Chongqing	Chongqing	Research & experiment development	75		Establishment or investment

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For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
83	Kowin Memory (Shenzhen)	Guangdong, Shenzhen	Guangdong, Shenzhen	Computer, telecommunications and other electronic equipment manufacturing	100		Establishment or investment
84	Konka Xinyun Semiconductor	Yancheng, Jiangsu	Yancheng, Jiangsu	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
85	Jiangkang (Shanghai) Technology	Shanghai	Shanghai	Research & experiment development	51		Establishment or investment
86	Ningbo Kanghr Electrical Appliance	Zhejiang, Ningbo	Zhejiang, Ningbo	Electrical machinery and equipment manufacturing	60		Establishment or investment
87	Konka Intelligent Manufacturing	Guangdong, Shenzhen	Guangdong, Shenzhen	Research & experiment development	51		Establishment or investment
88	Suining Jiarun Property	Sichuan, Suining	Sichuan, Suining	Real estate	100		Establishment or investment
89	Yibin Kangrun	Yibin, Sichuan	Yibin, Sichuan	Ecological protection and environmental governance industry	67		Establishment or investment
90	Konka Material	Hainan, Haikou	Hainan, Haikou	Commercial services	100		Establishment or investment

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
91	Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Manufacturing and processing		51	Establishment or investment
92	Nantong Hongdin	Jiangsu, Nantong	Jiangsu, Nantong	Computer, telecommunications and other electronic equipment manufacturing		100	Establishment or investment
93	Chuzhou Konka	Anhui, Chuzhou	Anhui, Chuzhou	Manufacturing industry		94.9	Establishment or investment
94	Xi'an Huasheng	Shaanxi, Xi'an	Shaanxi, Xi'an	Real estate		100	Establishment or investment
95	Konka Soft Electronic	Sichuan, Suining	Sichuan, Suining	Manufacturing industry		95	Establishment or investment
96	Konka Hongye Electronics	Sichuan, Suining	Sichuan, Suining	Manufacturing industry		90.1	Establishment or investment
97	Kowin Memory (Hong Kong)	Hong Kong	Hong Kong	Wholesale of computers, software and auxiliary equipment		100	Establishment or investment

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
							investment
98	Industrial and Trade Technology	Guangdong, Shenzhen	Guangdong, Shenzhen	Wholesale	100		Establishment or investment
99	Konka Huazhong	Hunan, Changsha	Hunan, Changsha	Business service industry	100		Establishment or investment
100	Yibin Kangrun Medical	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services		63.65	Establishment or investment
101	Yibin Kangrun Environmental Protection	Sichuan, Yibin	Sichuan, Yibin	Ecological protection and environmental governance services		40.87	Establishment or investment
102	Shaanxi Konka Intelligent	Shaanxi, Xi'an	Shaanxi, Xi'an	Manufacture of household cleaning and sanitary electrical appliances		51	Establishment or investment
103	Xi'an Feihe	Shaanxi, Xi'an	Shaanxi, Xi'an	Catering		100	Establishment or investment
104	Chongqing Xinyuan Semiconductor	Chongqing	Chongqing	Science and technology promotion and application services		75	Establishment or investment
105	Jiangxi Konka Industrial	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Real estate	70		Establishment

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
	Park						nt or investment
106	Ruichang Kangrui Real Estate	Jiangxi, Jiujiang	Jiangxi, Jiujiang	Real estate	70		Establishment or investment
107	Industrial development in Wuhan	Hubei, Wuhan	Hubei, Wuhan	Commercial services		51	Establishment or investment
108	Kangxiaojia Digital	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and IT services		100	Establishment or investment
109	Kanghong Dongsheng	Guangdong, Shenzhen	Guangdong, Shenzhen	Commercial services		95.09	Establishment or investment
110	Yijiakang Smart Terminal	Guangdong, Shenzhen	Guangdong, Shenzhen	Software and IT services		100	Establishment or investment
111	Guizhou Kangkai Material Technology	Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province	Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province	Manufacturing and processing		51	Establishment or investment

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
112	Guizhou Konka New Material Technology	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Manufacturing and processing		51	Establishment or investment
113	Guizhou Kanggui Energy	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Wholesale and retail		100	Establishment or investment
114	Guangdong Xinwei	Lufeng, Guangdong	Lufeng, Guangdong	Semiconductors		100	Establishment or investment
115	Kangxinrui Renewable Resources	Chongqing	Chongqing	Recycling, processing and sales of renewable resources		51	Establishment or investment
116	Guizhou Kanggui Material Technology	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Qiannan Miao and Dong Autonomous Prefecture, Guizhou Province	Manufacturing and processing	70		Establishment or investment

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No.	Name	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
117	Sichuan Chengrui	Sichuan, Chengdu	Sichuan, Chengdu	Real estate	80		Establishment or investment
118	Chongqing Jiarun	Chongqing	Chongqing	Real estate		80	Establishment or investment
119	Nantong Kanghai	Jiangsu, Nantong	Jiangsu, Nantong	Real estate	51		Establishment or investment
120	Chongqing Kangyiyun	Chongqing	Chongqing	Real estate	80		Establishment or investment

(2) Significant Non-wholly-owned Subsidiary

Name	Shareholding proportion of non-controlling interests	Profit or loss attributable to minority shareholders this year	Declaring dividends distributed to minority shareholders this year	Ending balance of minority interests
Chain Kingdom Memory Technologies Co.,	49.00%	8,186,550.75		69,037,221.99

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Limited				
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(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 liabilities	Total liabilities
Chain Kingdom Memory Technologies Co., Limited	1,122,601,899.81	1,496,802.37	1,124,098,702.18	983,206,412.40		983,206,412.40

(continued)

Name	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Chain Kingdom Memory Technologies Co., Limited	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	Amount incurred in this year			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Chain Kingdom Memory Technologies Co., Limited	9,416,436,242.22	16,707,246.42	12,907,671.17	163,768,485.18

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(continued)

Name	Amount incurred last year			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Chain Kingdom Memory Technologies Co., Limited	8,261,027,364.98	31,266,708.21	23,658,314.91	-66,646,309.67

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

2. Equity in Joint Ventures or Associated Enterprises

(1) Significant Joint Ventures or Associated Enterprises

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

(2) Main Financial Information of Significant Associated Enterprise

Item	Ending balance/amount incurred this year	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Current assets	945,498,650.28	273,102,104.88
Non-current assets	-	220,186,531.13
Total assets	945,498,650.28	493,288,636.01
Current liabilities	730.00	258,379,870.36
Non-current liabilities	-	18,381,235.37
Total liabilities	730.00	276,761,105.73
Equity of non-controlling interests	-	9,047,500.16
Equity attributable to shareholders of the Company as the parent	945,497,920.28	207,480,030.12
Net assets shares calculated at the shareholding proportion	467,638,787.38	94,278,354.91
Adjusted items	-	-
- Goodwill	-	-
- Internal unrealized profit	-	-
- Others	-	-

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Ending balance/amount incurred this year	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Carrying value of investment to associated enterprises	467,638,787.38	94,278,354.91
Fair values of equity investments of joint ventures with quoted prices	-	-
Revenue	-	475,403,349.60
Financial expenses	-517,521.24	5,058,668.75
Income tax expenses	-	-
Net profit	45,293,790.73	12,209,183.84
Net profit from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	45,293,790.73	12,209,183.84
Dividends received from the joint venture in the current period	-	-

(continued)

Item	Opening balance/amount incurred last year	
	Dongfang Konka No.1 (Zhuhai) Private Equity Investment Fund (LP)	Shenzhen Jielunte Technology Co., Ltd.
Current assets	686,710,061.46	271,865,221.76
Non-current assets	-	227,090,375.33
Total assets	686,710,061.46	498,955,597.09
Current liabilities	285,530.00	276,139,120.51
Non-current liabilities	-	18,498,130.14
Total liabilities	285,530.00	294,637,250.65
Equity of non-controlling interests	-	10,008,858.78
Equity attributable to shareholders of the Company as the parent	686,424,531.46	194,309,487.66
Net assets shares calculated at the shareholding proportion	336,170,619.84	83,145,029.77
Adjusted items	-	-
- Goodwill	-	-
- Internal unrealized profit	-	-
- Others	-	-

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Carrying value of investment to associated enterprises	336,170,619.84	89,187,905.40
Fair values of equity investments of joint ventures with quoted prices	-	-
Revenue	-	430,517,695.83
Financial expenses	-257,638.57	7,466,767.66
Income tax expenses	-	-
Net profit	84,878,495.25	6,140,227.28
Net profit from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	84,878,495.25	6,140,227.28
Dividends received from the joint venture in the current period	-	-

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

Item	Ending balance/Reporting Period	Beginning balance/Same period of last year
Associated enterprises:		
Total carrying value of investment	3,617,582,425.90	3,249,236,533.91
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

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

performance risk to a minimum, maximized the profits of shareholders and other equity investors. Based on the risk management goal, the basic strategy of the Company's risk management is determine and analyze the various risks faced by the Company, set up the bottom line of risk and conducted appropriate risk management, and timely supervised various risks in a reliable way and controlled the risk within the range of limit.

(1) Market Risk

1) Foreign Exchange Risk

Foreign exchange risk refers to the risks that may lead to losses due to fluctuation in exchange rate. The foreign exchange risk borne by the Company is related to USD. Except the procurement and sales in USD of the Company's subsidiaries Hong Kong Konka, Hongdin Trading, Chain Kingdom Memory Technologies, Hongjet and Jiali, the Company's other primary business activities are settled in RMB. The currency risk arising from the assets and liabilities of such balance in USD may affect the Group's operating results. As at December 31, 2021, the Company's assets and liabilities were mainly the balance in RMB except for the assets or liabilities of a balance in USD as listed below.

Item	Ending balance	Opening balance
Monetary Assets	104,127,945.47	95,989,561.32
Accounts Receivable	150,964,132.67	132,221,173.92
Other Receivables	97,035,927.80	135,938,277.17
Interests receivable	-	-
Short-term borrowings	89,678,741.45	59,159,714.38
Accounts payable	35,718,564.93	42,417,352.11
Interest payable	106,816.56	99,200.24

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

2) Interest Rate Risk

The Company bears interest rate risk due to interest rate changes of interest-bearing financial assets and liabilities. The Company's interest bearing financial assets are mainly bank deposits, of which the variable interest rate is mostly short-term, while the interest bearing financial liabilities are mainly bank loans and corporate bonds. The Company's long-term borrowings from banks

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

and corporation bonds are at fixed interest rates. The risk of cash flow changes of financial instruments caused by interest rate changes is mainly related to short-term borrowings from banks with floating interest rates. The Company's policy is to maintain the floating interest rates of such borrowings to eliminate the fair value risk of interest rate changes. As at December 31, 2021, the balance of such short-term borrowings was RMB9,920,675,121.08.

(2) Credit Risk

As at December 31, 2021, the maximum credit risk exposure that may cause financial losses to the Company mainly came from losses generated from the Company's financial assets due to failure of the other party in a contract to perform its obligations and the financial guarantee undertaken by the Company, including:

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

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

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

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

(3) Liquidity Risk

Liquidity risk refers to the risk that the company is unable to fulfill its financial obligations on the due date. The Company manages liquidity risk in the method of ensuring that there is sufficient liquidity to fulfill debt obligations without causing unacceptable loss or damage to the Company's reputation. In order to mitigate the liquidity risk, the Management of the Company has carried out a detailed inspection on the liquidity of the company, including the maturity of

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

accounts payable and other payables, bank credit line and bond financing. The conclusion is that the Company has sufficient funds to meet the needs of the Group's short-term debts and capital expenditure.

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

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Amount as at December 31, 2021:

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial assets					
Monetary Assets	6,489,553,211.24				6,489,553,211.24
Trading Financial Assets					
Notes Receivable	1,777,477,481.28				1,777,477,481.28
Accounts Receivable	2,545,971,668.54	235,342,241.13	616,415,571.40		3,397,729,481.07
Other Receivables	924,516,397.19	470,258,621.48	437,099,206.98	5,585,479.99	1,837,459,705.64
Long-term Receivables		18,495,499.14			18,495,499.14
Other Current Assets	2,299,963,391.24				2,299,963,391.24
Financial liabilities					
Short-term borrowings	9,920,675,121.08				9,920,675,121.08
Notes payable	1,116,336,958.91				1,116,336,958.91
Accounts payable	3,479,614,154.99	187,662,627.95	116,372,165.57	666,142.90	3,784,315,091.41
Other payables	1,227,053,185.80	341,685,100.85	198,495,865.33	20,943,596.61	1,788,177,748.59
Payroll payable	410,747,084.80				410,747,084.80
Non-current liabilities due within one year	5,089,586,269.32				5,089,586,269.32
Long-term borrowings		678,762,768.40	2,850,377,770.69		3,529,140,539.09
Bonds Payable			2,293,698,899.30		2,293,698,899.30
Long-term payables		140,687,570.78			140,687,570.78

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

For the Year from 1 January 2021 to 31 December 2021 (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	Exchange rate fluctuations	2021	
		Impact on net profit	Impact on shareholders' equity
USD	Appreciation of 1% against RMB	12,853,238.99	8,701,675.59
USD	Depreciation of 1% against RMB	-12,853,238.99	-8,701,675.59

(2) Sensitivity Analysis of Interest Rate Risk

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

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

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

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

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

Item	Interest rate fluctuations	2021	
		Impact on net profit	Impact on shareholders' equity

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Borrowings at floating interest rates	Up 0.5%	37,933,596.24	37,001,565.94
Borrowings at floating interest rates	Down 0.5%	-37,933,596.24	-37,001,565.94

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

X. The Disclosure of Fair Value

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

Item	Ending fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
i. Trading Financial Assets				
1. Financial assets measured at fair value through profit and loss for				
(II) Accounts receivable financing		71,490,688.54		71,490,688.54
(II) Other equity investments				
(III) Other equity instrument investment			23,841,337.16	23,841,337.16
(IV) Investment properties				
(V) Biological assets				
(V) Other non-current financial assets			2,293,361,603.68	2,293,361,603.68

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

For the Year from 1 January 2021 to 31 December 2021 (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
The total amount of assets consistently measured at fair value		71,490,688.54	2,317,202,940.84	2,388,693,629.38
Total amount of liabilities at fair value				
II. Inconsistent fair value measurement	--	--	--	--
Total assets of inconsistent fair value measurement				
Total liabilities of inconsistent fair value measurement				

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

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

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

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

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

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

XI. Related Party and Related-party Transaction

(I) Relationship of Related Party

1. Controlling Shareholder and the Ultimate Controller

(1) Controlling Shareholder and the Ultimate Controller

Name	Registration place	Nature of business	Registered capital	Shareholding ratio to the	Voting right ratio to the
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

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For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

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

Controlling shareholders	Shareholding amount		Shareholding percentage (%)	
	Ending balance	Opening balance	Ending percentage	Opening percentage
OCT Group Co. Ltd.	722,383,542.00	722,383,542.00	29.999997	29.999997

2. Subsidiary

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

3. Associated Enterprises and Joint Ventures

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

Name	Relationship with the Company
Anhui Kaikai Shijie E-commerce Co., Ltd.	Associate
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.	Associate
Chuzhou Kangxin Health Industry Development Co., Ltd.	Associate
Chutian Dragon Co., Ltd.	Associate
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	Associate
Dongguan Konka Investment Co., Ltd.	Associate
Dongguan Kangjia New Materials Technology Co., Ltd.	Associate

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Name	Relationship with the Company
Dongguan Kangzhihui Electronics Co., Ltd.	Associate
Feidi Technology (Shenzhen) Co., Ltd.	Associate
Henan Kangfei Intelligent Electrical Appliances Co., Ltd.	Associate
Puchuang Jiakang Technology Co, Ltd.	Associate
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	Associate
Shenzhen Jielunte Technology Co., Ltd.	Associate
Shenzhen Kanghongxing Smart Technology Co., Ltd.	Associate
Shenzhen Konda E-display Co., Ltd.	Associate
Shenzhen Kangying Semiconductor Technology Co., Ltd.	Associate
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Co., Ltd.	Associate
Shenzhen Yaode Technology Co., Ltd.	Associate
Shenzhen E2info Network Technology Co., Ltd.	Associate
Sichuan Aimijiakang Technology Co., Ltd.	Associate
Sichuan Huayi Jiakang Technology Co., Ltd.	Associate
KK Smartech Limited	Associate
Yantai Kangyun Industrial Development Co., Ltd.	Associate
E3info (Hainan) Technology Co., Ltd.	Associate
Shandong Econ Technology Co., Ltd.	Associate
Chongqing Qingjia Electronics Co., Ltd.	Associate

4. Information on Other Related Parties

Name	Relationship with the Company
HOHOLELECTRICAL&FURNITURECO., LIMITED	Minority shareholder of subsidiary

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Name	Relationship with the Company
Chuzhou Hanshang Electric Appliance Co., Ltd.	Minority shareholder of subsidiary
Chuzhou State-owned Assets Management Co., Ltd.	Minority shareholder of subsidiary
Dai Yaojin	Minority shareholder of subsidiary
Guangdong Wanrun Tongheng Cultural & Tourism Development Co., Ltd.	Minority shareholder of subsidiary
Guizhou Huajinrun Technology Co. Ltd.	Minority shareholder of subsidiary
Korea Electric Group Co., Ltd.	Minority shareholder of subsidiary
Hu Zehong	Minority shareholder of subsidiary
Huanjia Group Co., Ltd.	Minority shareholder of subsidiary
Liang Ruiling	Minority shareholder of subsidiary
Shenzhen Guoxin Micro-electronics Co., Ltd.	Minority shareholder of subsidiary
Shenzhen Henglongtong Technology Co., Ltd.	Minority shareholder of subsidiary
Shenzhen Unifortune Supply Chain Management Co., Ltd.	Minority shareholder of subsidiary
Wu Guoren	Minority shareholder of subsidiary
Xiao Yongsong	Minority shareholder of subsidiary
Yantai Baijiangyuan Enterprise Management Center (Limited Partnership)	Minority shareholder of associates
Yantai Fengqingtai Investment Center (Limited Partnership)	Minority shareholder of associates
Yantai Qingjiangchuan Business Management Center (Limited Partnership)	Minority shareholder of associates
Yantai Qingrunyuan Enterprise Management Center (Limited Partnership)	Minority shareholder of associates
Yudong Environmental Protection Technology Co., Ltd.	Minority shareholder of subsidiary

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Name	Relationship with the Company
Chongqing Liangshan Industrial Investment Co., Ltd.	Minority shareholder of subsidiary
Zhu Xinming	Minority shareholder of subsidiary
Unifortune (Hong Kong) Co., Ltd.	A company controlled by minority shareholder of subsidiary
Chongqing Ruiyin Renewable Resources Co., Ltd.	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
Dai Rongxing	Close family members of minority shareholders
Yantai Kangyue Investment Co., Ltd.	Subsidiary of associated enterprise
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	Subsidiary of associated enterprise

(II) Related-party Transactions

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

(1) Purchasing goods/receiving services

Related party	Content	Amount incurred in this year	Amount incurred last year
Chongqing Ruiyin Renewable Resources Co., Ltd. and its subsidiaries	Purchase of goods and services	2,272,578,727.02	1,364,898,749.95
Chuzhou Hanshang Electric Appliance Co., Ltd.	Purchasing goods	677,309,389.23	698,636,167.54
Puchuang Jiakang Technology Co, Ltd.	Purchasing goods	240,633,703.30	373,695,088.37
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	Purchasing goods	72,163,184.57	90,173,202.26
Korea Electric Group Co., Ltd. and its subsidiaries	Purchasing goods	55,836,238.79	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Content	Amount incurred in this year	Amount incurred last year
OCT Group Co., Ltd. and its subsidiaries and associates	Purchase of services	55,547,081.78	31,079,892.62
Shenzhen Konda E-display Co., Ltd. (formerly known as Shenzhen Konda E-display Commercial Screen Co., Ltd.)	Purchasing goods	46,107,911.06	13,372,446.76
Dongguan Konka Smart Electronic Technology Co., Ltd. (formerly known as Dongguan Konka Electronic Smart Technology Co., Ltd.)	Purchase of goods and services	23,557,646.94	15,988,606.86
HOHOELECTRICAL&FURNITURECO.,LIMITED	Purchasing goods	22,211,733.88	50,041,528.06
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	Purchase of goods and services	12,374,579.16	306,706.67
KK Smartech Limited	Purchasing goods	10,780,582.86	
Orient Excellent (Zhuhai) Asset Management Co., Ltd.	Purchase of services	8,421,613.00	
Shenzhen Kangying Semiconductor Technology Co., Ltd.	Purchasing goods	8,227,826.34	
E3info (Hainan) Technology Co., Ltd. and its subsidiaries	Purchase of goods and services	110,324.70	5,006,164.56
Subtotal of other related parties	Purchase of goods and services	4,226,348.93	82,475,970.70

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

Related party	Content	Amount incurred in this year	Amount incurred last year
Korea Electric Group Co., Ltd. and its subsidiaries	Sales of goods	279,074,296.50	
Chuzhou Hanshang Electric Appliance Co., Ltd.	Sales of Goods and Provision of Labor Service	192,124,416.17	47,780,642.42

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Content	Amount incurred in this year	Amount incurred last year
OCT Group Co., Ltd. and its subsidiaries and associates	Sales of Goods and Provision of Labor Service	144,139,658.68	112,863,678.04
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	Sales of Goods and Provision of Labor Service	103,201,296.73	443,843,708.04
Sichuan Huayi Jiakang Technology Co., Ltd.	Sales of Goods and Provision of Labor Service	70,997,038.78	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd. (formerly known as Shandong Konka Zhijia Electrical Appliances Co., Ltd.)	Sales of Goods and Provision of Labor Service	63,427,905.20	47,720,206.98
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	Sales of Goods and Provision of Labor Service	52,708,375.55	66,305,912.40
HOHOELECTRICAL&FURNITURE CO.,LIMITED	Sales of Goods	49,653,058.20	115,451,594.04
Henan Kangfei Intelligent Electrical Appliances Co., Ltd. (formerly known as Henan Konka Zhijia Electrical Appliances Co., Ltd.)	Sales of Goods and Provision of Labor Service	49,621,167.82	35,730,677.80

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Content	Amount incurred in this year	Amount incurred last year
Shenzhen Konda E-display Co., Ltd. (formerly known as Shenzhen Konda E-display Commercial Screen Co., Ltd.)	Sales of Goods and Provision of Labor Service	43,781,944.59	33,606,160.84
Sichuan Aimijiakang Technology Co., Ltd.	Sales of Goods	28,278,036.50	
Dongguan Konka Smart Electronic Technology Co., Ltd. (formerly known as Dongguan Konka Electronic Smart Technology Co., Ltd.)	Sales of goods and render labor service	28,080,693.48	22,454,105.62
E3info (Hainan) Technology Co., Ltd. and its subsidiaries	Sales of goods and render labor service	9,540,876.11	17,158,367.26
Yantai Kangyun Industrial Development Co., Ltd. and its subsidiaries	Render labor service	5,660,377.20	
Shenzhen Konka Jiapin Intelligent Electrical Apparatus Co., Ltd. (formerly known as Shenzhen Konka Intelligent Electrical Apparatus Co., Ltd.)	Render labor service	3,272,741.19	75,623,621.40
Shenzhen Yaode Technology Co., Ltd.	Sales of Goods		32,701,728.34
Subtotal of other related parties	Sales of Goods and Provision of Labor Service	12,771,623.73	23,376,249.99

1. Information on Related-party Lease

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(1) Lease situation

Name of lessor	Name of lessee	Category of leased assets	Lease fee recognized this year	Lease fee recognized last year
OCT Group Co., Ltd. and its subsidiaries	Konka Group Co., Ltd.	Commercial residences and office buildings	1,571,011.20	1,793,893.44
OCT Group Co., Ltd. and its subsidiaries	Konka Ventures Development (Shenzhen) Co., Ltd.	Commercial residences and office buildings	21,435,068.58	25,095,479.94

2. Information on Related-party Guarantee

(1) The Company was guarantor

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Ningbo Kanghr Electrical Appliance	6,000.00	2,400.00	CNY	2020-10-15	2022-7-26	No
Ningbo Kanghr Electrical Appliance	6,000.00	600.00	CNY	2021-7-12	2022-7-11	No
Kunshan Kangsheng Investment Development Co., Ltd.	24,500.00	2,450.00	CNY	2019-9-23	2022-9-22	No
Anhui Tongchuang	3,000.00	3,000.00	CNY	2020-8-6	2021-8-5	No
Anhui Tongchuang	5,000.00	4,400.00	CNY	2021-1-21	2022-1-20	No
Anhui Tongchuang	4,500.00	4,500.00	CNY	2021-2-25	2022-2-25	No
Anhui Tongchuang	3,500.00	-	CNY	2021-5-12	2022-3-28	No

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Anhui Tongchuang	6,000.00	5,000.00	CNY	2021-7-16	2022-7-16	No
Anhui Tongchuang	3,000.00	-	CNY	2021-10-28	2022-10-27	No
Dongguan Konka	5,000.00	5,000.00	CNY	2021-2-8	2022-2-1	No
Dongguan Konka	80,000.00	11,739.87	CNY	2021-6-23	2031-5-7	No
Electronics Technology	7,000.00	6,936.55	CNY	2021-10-18	2022-11-14	No
Electronics Technology	50,000.00	50,000.00	CNY	2021-11-5	2022-7-16	No
Econ Technology	24,000.00	4,015.11	CNY	2021-8-11	2022-1-21	No
Econ Technology	3,000.00	3,000.00	CNY	2021-1-29	2022-1-28	No
Econ Technology	5,000.00	5,000.00	CNY	2021-3-24	2022-3-23	No
Econ Technology	8,800.00	8,000.00	CNY	2021-6-8	2022-6-7	No
Econ Technology	5,000.00	5,000.00	CNY	2021-6-18	2022-6-17	No
Econ Technology	10,000.00	9,000.00	CNY	2021-6-28	2022-6-27	No
Telecommunication Technology	7,500.00	4,009.92	CNY	2021-4-30	2022-4-30	No
Sichuan Konka	4,000.00	4,000.00	CNY	2019-3-18	2022-3-17	No
Yibin OCT Sanjiang Properties Co., Ltd.	14,000.00	6,258.00	CNY	2019-9-29	2022-9-28	No
XingDa HongYe	5,800.00	5,452.00	CNY	2020-11-12	2022-11-12	No
XingDa HongYe	2,000.00	1,441.56	CNY	2020-12-25	2023-12-25	No
XingDa HongYe	1,250.00	-	CNY	2021-5-31	2023-8-31	No
XingDa HongYe	750.00	620.54	CNY	2021-5-31	2023-8-31	No
Boluo Precision	2,480.11	1,341.67	CNY	2020-8-19	2023-8-19	No
Jiangxi Konka	5,500.00	1,365.44	CNY	2019-6-26	2022-6-25	No

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Jiangxi Konka	6,500.00	2,148.36	CNY	2019-10-30	2022-10-30	No
Jiangxi Konka	990.00	990.00	CNY	2020-3-20	2022-3-19	No
Jiangxi Konka	6,000.00	5,000.00	CNY	2021-6-26	2022-6-25	No
Jiangxi Konka	10,000.00	6,662.79	CNY	2020-9-29	2023-9-29	No
Jiangxi Konka	10,000.00	3,000.00	CNY	2020-11-6	2023-12-1	No
Jiangxi Konka	5,000.00	4,800.00	CNY	2020-12-21	2022-12-31	No
Jiangxi Konka	1,000.00	660.92	CNY	2020-12-30	2023-12-30	No
Xinfeng Microcrystalline	5,000.00	2,564.39	CNY	2020-5-19	2023-5-19	No
Xinfeng Microcrystalline	3,478.85	1,316.61	CNY	2020-5-29	2022-11-29	No
Xinfeng Microcrystalline	2,100.00	1,398.92	CNY	2020-12-8	2023-12-8	No
Xinfeng Microcrystalline	7,200.00	6,000.00	CNY	2021-12-27	2022-12-26	No
Xinfeng Microcrystalline	7,200.00	3,000.00	CNY	2021-6-18	2022-6-21	No
Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	10,000.00	2,070.17	CNY	2019-6-26	2022-6-26	No
Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	5,000.00	1,744.17	CNY	2019-12-20	2022-12-20	No
Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	5,000.00	2,159.39	CNY	2020-1-8	2023-1-8	No

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	5,000.00	1,282.19	CNY	2020-1-8	2022-1-8	No
Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	990.00	990.00	CNY	2020-3-20	2022-3-19	No
Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	5,975.00	2,199.20	CNY	2020-5-29	2022-11-29	No
Jiangxi High Transparent Substrate (formerly known as “Nano-Grystallized Glass”)	6,000.00	3,407.88	CNY	2020-7-14	2023-7-14	No
Hong Kong Konka	20,000.00	3,056.58	CNY	2020-12-28	2021-9-9	No
Hong Kong Konka	11,000.00	9,882.34	CNY	2021-9-8	2021-11-6	No
Hong Kong Konka	1,500.00	1,500.00	USD	2021-2-26	2022-2-26	No
Anhui Konka	10,000.00	7,000.00	CNY	2020-11-25	2021-11-24	No
Anhui Konka	20,000.00	12,180.00	CNY	2021-3-25	2022-3-25	No
Anhui Konka	5,500.00	2,984.65	CNY	2021-4-2	2022-4-2	No
Anhui Konka	12,000.00	3,973.36	CNY	2021-4-25	2022-4-25	No
Anhui Konka	28,000.00	4,027.99	CNY	2021-8-10	2031-7-15	No
Anhui Konka	7,000.00	5,000.00	CNY	2021-10-29	2026-10-28	No

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Secured party	Contracted guarantee amount (RMB10,000)	Actual guarantee amount (RMB10,000)	Currency	Start date	End date	Execution accomplished or not
Yibin Kangrun	10,000.00	10,000.00	CNY	2020-11-13	2024-12-31	No
Sichuan Konka	14,000.00	10,000.00	CNY	2018-5-28	2025-5-24	No
Sichuan Konka	28,771.89	-	CNY	2021-12-3	2025-5-24	No
Konka Circuit	20,000.00	11,109.70	CNY	2021-5-24	2024-11-30	No
Mobile Interconnection	5,000.00	5,000.00	CNY	2021-8-11	2022-8-11	No
Konka Xinyun Semiconductor	20,000.00	6,000.00	CNY	2021-7-12	2022-7-11	No
Anhui Electrical Appliance	13,500.00	12,500.00	CNY	2020-7-3	2023-7-1	No
Boluo Precision	12,449.00	2,495.22	CNY	2021-7-6	2023-7-5	No
Boluo Precision	500.00	500.00	CNY	2021-6-28	2022-6-27	No
Liaoyang Kangshun Smart	2,000.00	2,000.00	CNY	2021-12-23	2022-12-22	No

(2) The Company was secured party

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Electronics Technology	50,000.00	CNY	2021-8-17	2022-8-16	No
OCT Group Co. Ltd.	150,000.00	CNY	2020-6-22	2022-6-22	No
OCT Group Co. Ltd.	50,000.00	CNY	2020-6-24	2022-6-24	No
OCT Group Co. Ltd.	100,000.00	CNY	2021-1-8	2024-1-8	No
OCT Group Co. Ltd.	50,000.00	CNY	2021-5-21	2024-5-21	No
OCT Group Co. Ltd.	80,000.00	CNY	2021-7-9	2024-7-9	No
OCT Group Co. Ltd.	150,000.00	CNY	2019-1-14	2022-1-14	No
OCT Group Co. Ltd.	50,000.00	CNY	2019-6-3	2022-6-3	No
OCT Group Co. Ltd.	70,000.00	CNY	2019-7-22	2022-7-22	No

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
OCT Group Co. Ltd.	150,000.00	CNY	2021-6-24	2024-6-23	No
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	1,967.40	CNY	2021-8-11	2022-1-21	No
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	1,470.00	CNY	2021-1-29	2022-1-28	No
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	2,450.00	CNY	2021-3-24	2022-3-23	No
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	3,920.00	CNY	2021-6-8	2022-6-7	No

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

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Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	2,450.00	CNY	2021-6-18	2022-6-17	No
Yantai Baijiangyuan Business Management Center (LP), Yantai Fengqingtai Investment Center (LP), Yantai Qingrunyuan Business Management Center (LP), Yantai Qingjiangchuan Business Management Center (LP)	4,410.00	CNY	2021-6-28	2022-6-27	No
Hu Zehong, Liang Ruiling, Dai Yaojin	2,671.48	CNY	2020-11-12	2022-11-12	No
Hu Zehong, Liang Ruiling, Dai Yaojin	706.37	CNY	2020-12-25	2023-12-25	No
Hu Zehong, Liang Ruiling, Dai Yaojin	304.07	CNY	2021-5-31	2023-8-31	No
Jiangxi Xinzixin Real Estate Co., Ltd.	669.07	CNY	2019-6-26	2022-6-25	No
Jiangxi Xinzixin Real Estate Co., Ltd.	1,052.70	CNY	2019-10-30	2022-10-30	No
Jiangxi Xinzixin Real Estate Co., Ltd.	485.10	CNY	2020-3-20	2022-3-19	No
Jiangxi Xinzixin Real Estate Co., Ltd.	2,450.00	CNY	2021-6-26	2022-6-25	No
Jiangxi Xinzixin Real Estate Co., Ltd.	3,264.77	CNY	2020-9-29	2023-9-29	No
Zhu Xinming	1,470.00	CNY	2020-11-6	2023-12-1	No
Jiangxi Xinzixin Real Estate Co., Ltd.	2,352.00	CNY	2020-12-21	2022-12-31	No
Zhu Xinming	323.85	CNY	2020-12-30	2023-12-30	No
Jiangxi Xinzixin Real	1,256.55	CNY	2020-5-19	2023-5-19	No

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Estate Co., Ltd.		Y			
Jiangxi Xinzixin Real Estate Co., Ltd.	645.14	CNY	2020-5-29	2022-11-29	No
Zhu Xinming	685.47	CNY	2020-12-8	2023-12-8	No
Zhu Xinming	2,940.00	CNY	2021-12-27	2022-12-26	No
Jiangxi Xinzixin Real Estate Co., Ltd.	1,470.00	CNY	2021-6-18	2022-6-21	No
Jiangxi Xinzixin Real Estate Co., Ltd.	1,014.38	CNY	2019-6-26	2022-6-26	No
Zhu Xinming	854.64	CNY	2019-12-20	2022-12-20	No
Zhu Xinming	1,058.10	CNY	2020-1-8	2023-1-8	No
Zhu Xinming	628.27	CNY	2020-1-8	2022-1-8	No
Jiangxi Xinzixin Real Estate Co., Ltd.	485.10	CNY	2020-3-20	2022-3-19	No
Jiangxi Xinzixin Real Estate Co., Ltd.	1,077.61	CNY	2020-5-29	2022-11-29	No
Zhu Xinming	1,669.86	CNY	2020-7-14	2023-7-14	No
Chuzhou State-owned Assets Management Co., Ltd.	1,540.00	CNY	2020-11-25	2021-11-24	No
Chuzhou State-owned Assets Management Co., Ltd.	2,679.60	CNY	2021-3-25	2022-3-25	No
Chuzhou State-owned Assets Management Co., Ltd.	656.62	CNY	2021-4-2	2022-4-2	No
Chuzhou State-owned Assets Management Co., Ltd.	874.14	CNY	2021-4-25	2022-4-25	No
Chuzhou State-owned Assets Management Co., Ltd.	886.16	CNY	2021-8-10	2031-7-15	No
Chuzhou State-owned Assets Management Co., Ltd.	1,100.00	CNY	2021-10-29	2026-10-28	No
Shandong Econ	3,300.00	CN	2020-11-13	2024-12-31	No

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
Technology Co., Ltd.		Y			
Chuzhou Hanshang Electric Appliance Co., Ltd.	989.45	CNY	2021-5-31	2022-5-19	No
Chuzhou Hanshang Electric Appliance Co., Ltd.	3,544.51	CNY	2021-6-1	2022-5-19	No
Hu Zehong, Liang Ruiling, Dai Yaojin	7,349.02	CNY	2018-7-1	2025-12-31	No
Konka Ventures Development (Shenzhen) Co., Ltd.	1,322.54	CNY	2020-12-16	2021-12-15	No
Shenzhen Guoxin Micro-electronics Co., Ltd.	4,100.44	CNY	2019-8-22	2022-12-31	No
Shenzhen Henglongtong Technology Co., Ltd., Guizhou Huajinrun Technology Co. Ltd., Huaying Gaokede Electronics Technology Co., Ltd., Huaying Gaokelong Electronics Technology Co., Ltd.	1,041.09	CNY	2018-1-1	2021-12-31	No
Shenzhen Henglongtong Technology Co., Ltd., Guizhou Huajinrun Technology Co. Ltd., Huaying Gaokede Electronics Technology Co., Ltd., Huaying Gaokelong Electronics Technology Co., Ltd., Shenzhen Baili Yongxing Technology Co., Ltd.	735.00	CNY	2018-1-1	2021-12-31	No
Suiyong Rongxin Asset Management Co., Ltd.	5,292.00	CNY	2018-1-1	2022-12-31	No
Yuan Shengxiang, Yudong Environmental Protection Technology Co., Ltd.	8,820.00	CNY	2020-8-19	2025-10-31	No
Zhu Xinming	2,200.20	CNY	2021-2-9	2022-3-8	No
Zhu Xinming	13,249.19	CNY	2021-2-19	2022-2-18	No
Zhu Xinming	8,330.00	CN	2021-11-1	2022-2-28	No

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

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Guarantor:	Guarantee amount (RMB'0,000)	Currency	Start date	End date	Execution accomplished or not
		Y			
Zhu Xinming	12,446.00	CNY	2021-11-2	2022-10-14	No
AUJET INDUSTRY LIMITED	3,316.81	USD	2021-5-1	2023-12-31	No
AUJET INDUSTRY LIMITED	1,029.00	USD	2020-9-1	2023-12-31	No
Guizhou Huajinrun Technology Co. Ltd., Guizhou Jiaguida Technology Co., Ltd., Guangan Ouqishi Electronic Technology Co., Ltd.	879.80	USD	2018-1-1	2021-12-31	No
Shenzhen Unifortune Supply Chain Management Co., Ltd.	1,869.84	USD	2021-6-21	2022-12-31	No
Shenzhen Unifortune Supply Chain Management Co., Ltd.	1,112.30	USD	2021-6-22	2022-12-31	No
Wu Guoren and Xiao Yongsong	6,933.50	USD	2019-12-31	2024-12-31	No

3. Borrowings of Funds

Name of related parties	Amount	Currency	Start date	Maturity date
Borrowing:				
OCT Group Co. Ltd.	10,910,000.00	CNY	2020-12-7	2022-12-9
OCT Group Co. Ltd.	1,000,000,000.00	CNY	2021-10-9	2024-2-25
OCT Group Co. Ltd.	200,000,000.00	CNY	2021-11-16	2024-2-25
E3info (Hainan) Technology Co., Ltd.	50,000,000.00	CNY	2021-12-5	2022-6-4
Chuzhou Hanshang Electric Appliance Co., Ltd.	105,350,000.00	CNY	2021-2-1	2022-1-31
Total	1,366,260,000.00			
Lending:				
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	188,430,000.00	CNY	2020-11-25	2021-11-24

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Yantai Kangyue Investment Co., Ltd.	128,527,000.00	CNY	2021-12-16	2022-12-15
Chuzhou Kangxin Health Industry Development Co., Ltd.	152,880,000.00	CNY	2021-12-18	2022-12-17
Chuzhou Kangxin Health Industry Development Co., Ltd.	7,350,000.00	CNY	2021-1-6	2022-1-5
Chuzhou Kangxin Health Industry Development Co., Ltd.	167,580,000.00	CNY	2021-3-26	2022-3-26
Chuzhou Kangjin Health Industrial Development Co., Ltd.	74,436,380.39	CNY	2021-1-13	2022-2-25
Chuzhou Kangjin Health Industrial Development Co., Ltd.	24,500,000.00	CNY	2021-6-15	2022-6-14
Chuzhou Kangjin Health Industrial Development Co., Ltd.	58,800,000.00	CNY	2021-9-16	2022-9-15
Yantai Kangyun Industrial Development Co., Ltd.	100,200,000.00	CNY	2020-11-23	2022-11-22
Yantai Kangyun Industrial Development Co., Ltd.	9,490,000.00	CNY	2021-11-22	2022-8-24
Yantai Kangyun Industrial Development Co., Ltd.	13,940,000.00	CNY	2021-12-8	2022-8-24
Yantai Kangyun Industrial Development Co., Ltd.	3,230,000.00	CNY	2021-12-29	2022-8-24
Dongguan Konka Investment Co., Ltd.	196,000,000.00	CNY	2021-8-6	2022-8-5
Shandong Econ Technology Co., Ltd.	48,707,451.77	CNY	2021-6-29	2022-2-25
Shandong Econ Technology Co., Ltd.	60,000,000.00	CNY	2021-8-20	2022-2-25
Shandong Econ Technology Co., Ltd.	30,000,000.00	CNY	2021-9-6	2022-2-25
Shandong Econ Technology Co., Ltd.	288,000,000.00	CNY	2021-11-3	2022-2-25
Chongqing Liangshan Industrial Investment Co., Ltd.	1,000,000.00	CNY	2021-12-2	2022-11-28
Chongqing Liangshan Industrial Investment Co., Ltd.	99,000,000.00	CNY	2021-12-2	2022-11-28
Chongqing Liangshan	24,000,000.00	CNY	2021-12-24	2022-12-23

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

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Industrial Investment Co., Ltd.				
Chongqing Liangshan Industrial Investment Co., Ltd.	96,000,000.00	CNY	2021-12-24	2022-12-23
Total	1,772,070,832.16			

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

Name of related parties	Content	Amount incurred in this year	Amount incurred last year
OCT Group Co., Ltd. and its subsidiaries and associates	Equity transfer	1,400,000,000.00	470,986,530.00-
Chutian Dragon Co., Ltd.	Equity transfer	1,000,000.00	-
OCT Group Co., Ltd. and its subsidiaries and associates	Assignment of patent rights	-	188,200,000.00
Total		1,401,000,000.00	659,186,530.00

5. Information on Remuneration for Key Management Personnel

Project	Amount incurred in this year (RMB10,000)	Amount incurred in last year (RMB10,000)
Total remuneration	2,646.29	2,953.87

(III) Balances with Related Party

1. Accounts Receivable

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt	Carrying	Bad debt
Accounts receivable:				
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	148,730,451.88	8,135,088.28	153,854,753.25	3,170,897.81

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt	Carrying	Bad debt
Shenzhen Yaode Technology Co., Ltd.	131,032,162.46	65,516,081.23	134,098,413.80	12,181,165.68
HOHOELECTRICAL&FURNITURE CO.,LIMITED	113,606,433.75	7,481,903.77	124,721,168.78	6,447,669.98
OCT Group Co., Ltd. and its subsidiaries and associates	84,983,568.24	1,879,172.85	68,938,082.60	1,503,214.49
Shenzhen Kanghongxing Smart Technology Co., Ltd. (formerly known as Shenzhen Konka Information Network Co., Ltd.)	39,940,213.90	6,151,331.52	38,956,293.90	5,163,003.42
Chuzhou Hanshang Electric Appliance Co., Ltd.	45,393,066.82	926,018.56	5,810,068.20	118,525.39
Shenzhen E2info Network Technology Co., Ltd. and its subsidiaries	27,311,757.32	569,055.58		

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt	Carrying	Bad debt
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises	22,468,132.66	458,349.90	38,228,985.16	974,569.50
Shenzhen Konda E-display Co., Ltd. (formerly known as Shenzhen Konda E-display Commercial Screen Co., Ltd.)	12,099,780.90	247,013.76	12,709,150.65	343,432.80
Subtotal of other related parties	27,367,315.41	583,847.73	61,469,607.24	4,970,120.16
Total	652,932,883.34	91,947,863.18	638,786,523.58	34,872,599.23
Financing accounts receivable/Notes receivable:				
Korea Electric Group Co., Ltd. and its subsidiaries	15,000,000.00			
Chuzhou Hanshang Electric Appliance Co., Ltd.	14,000,000.00			

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt	Carrying	Bad debt
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	1,815,713.26		2,231,739.87	
Subtotal of other related parties			2,243,687.84	
Total	30,815,713.26		4,475,427.71	
Interest receivable:				
OCT Group Co., Ltd. and its subsidiaries and associates			7,564,562.01	
Yantai Kangyue Investment Co., Ltd.			10,910,514.22	
Chongqing Lanlv Moma Real Estate Development Co., Ltd. (formerly known as Chongqing Konka Fuze Real Estate Co., Ltd.)			15,828,119.98	
Total			34,303,196.21	
Dividends receivable				

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt	Carrying	Bad debt
Chongqing Qingjia Electronics Co., Ltd.			547,848.62	
Binzhou Beihai Weiqiao Solid Waste Treatment Co., Ltd.			4,400,000.00	
Total			4,947,848.62	
Other receivables:				
Chongqing Liangshan Industrial Investment Co., Ltd.	223,196,349.34	4,553,205.53	262,878,000.00	5,362,711.20
Jiangxi Meiji Enterprise Co., Ltd.	93,512,640.31	52,729,155.43	93,512,640.31	18,833,017.29
Dai Rongxing	79,974,500.96	52,816,781.04	82,914,871.05	21,175,816.98
Shenzhen Kanghongxing Smart Technology Co., Ltd. (formerly known as Shenzhen Konka Information Network Co., Ltd.)	36,670,149.78	23,809,925.53		

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt	Carrying	Bad debt
OCT Group Co., Ltd. and its subsidiaries and associates	30,429,787.06	19,968,912.07	30,431,127.39	14,223,018.11
Huanjia Group Co., Ltd.	25,083,675.53	17,302,185.43	23,065,103.20	9,226,041.28
HOHOELECTRICAL&FURNITURECO.,LIMITED	2,237,153.78	224,162.83	5,519,421.05	112,596.19
Subtotal of other related parties	117,002.15	46,468.84	473,279.18	21,303.41
Total	491,221,258.91	171,450,796.70	498,794,442.18	68,954,504.46
Prepayments:				
Shenzhen Kanghongxing Smart Technology Co., Ltd. (formerly known as Shenzhen Konka Information Network Co., Ltd.)	4,298,225.15		40,220,535.22	
KK Smartech Limited	1,534,918.13			
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries as well as its associated enterprises			13,483,626.36	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt	Carrying	Bad debt
HOHOELECTRICAL&FURNITURECO.,LIMITED			7,655,079.81	
Puchuang Jiakang Technology Co, Ltd.			5,111,181.00	
Subtotal of other related parties	961,888.99		5,647,733.34	
Total	6,795,032.27		72,118,155.73	
Current portion of non-current assets:				
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	10,395,523.78		30,630,065.09	
OCT Group Co., Ltd. and its subsidiaries and associates			75,000,000.00	
Total	10,395,523.78		105,630,065.09	
Other current assets:				
Shandong Econ Technology Co., Ltd. and its subsidiaries	427,620,131.62			
Chuzhou Kangxin Health Industry Development Co., Ltd.	339,338,066.67		152,880,000.00	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt	Carrying	Bad debt
Dongguan Konka Investment Co., Ltd.	211,662,473.43		196,000,000.00	
Chongqing Lanlv Moma Real Estate Development Co., Ltd. (formerly known as Chongqing Konka Fuze Real Estate Co., Ltd.)	205,263,079.97		188,430,000.00	
OCT Group Co., Ltd. and its subsidiaries and associates	163,287,310.66		160,847,400.00	
Yantai Kangyue Investment Co., Ltd.	149,862,482.00		128,527,000.00	
Yantai Kangyun Industrial Development Co., Ltd. and its subsidiaries	127,164,360.00			
Total	1,624,197,904.35		826,684,400.00	
Long-term receivables:				
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	565,099.14		12,749,762.58	
Total	565,099.14		12,749,762.58	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending balance		Opening balance	
	Carrying balance	Bad debt	Carrying	Bad debt
Other non-current assets:				
Chongqing Qingjia Electronics Co., Ltd.			10,867,888.84	
Total			10,867,888.84	

2. Accounts Payable

Related party	Ending carrying	Opening carrying
Accounts payable:		
Chuzhou Hanshang Electric Appliance Co., Ltd.	46,950,863.88	9,462,196.04
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	30,500,867.67	12,618,777.74
Shenzhen Konda E-display Co., Ltd. (formerly known as Shenzhen Konda E-display Commercial Screen Co., Ltd.)	15,522,755.99	6,223,095.56
Chongqing Ruiyin Renewable Resources Co., Ltd. and its subsidiaries	10,737,902.34	18,510,819.80
Korea Electric Group Co., Ltd. and its subsidiaries	9,047,641.17	3,481,603.74
Dongguan Konka Smart Electronic Technology Co., Ltd. (formerly known as Dongguan Konka Electronic Smart Technology Co., Ltd.)	6,435,302.72	1,398,759.79
Shenzhen E2info Network Technology Co., Ltd. and its subsidiaries	6,256,287.69	
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	4,370,387.10	2,633,353.42
OCT Group Co., Ltd. and its subsidiaries and associates	2,831,336.86	10,042,155.58

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending carrying	Opening carrying
Subtotal of other related parties	11,998,613.86	18,239,182.75
Total	144,651,959.28	82,609,944.42
Notes payable:		
Protron Jiakang Technology Co., Ltd.	22,412,418.23	
Handian Group Co., Ltd. and its subsidiaries	15,984,491.27	
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	8,933,479.14	7,275,572.17
Dongguan Kangjia New Materials Technology Co., Ltd. (formerly named: Dongguan Konka Packing Materials Co., Ltd.)	6,265,841.17	
Subtotal of other related parties	4,782,566.22	9,810,212.30
Total	58,378,796.03	17,085,784.47
Contractual liabilities/other current liabilities:		
Shenzhen E2info Network Technology Co., Ltd. and its subsidiaries	42,083,701.46	
Sichuan Aimijiakang Technology Co., Ltd.	6,360,494.53	
AUJET INDUSTRY LIMITED	4,527,703.32	15,357,854.41
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries		27,430,700.76
Subtotal of other related parties	1,175,786.84	4,518,534.87
Total	54,147,686.15	47,307,090.04
Other payables:		
Chuzhou Hanshang Electric Appliance Co., Ltd.	130,054,989.90	151,494,362.56
Guangdong Wanrun Tongheng Cultural & Tourism Development Co., Ltd.	120,212,000.00	
E3info (Hainan) Technology Co., Ltd. and its subsidiaries	50,166,438.36	50,166,438.36
Shandong Econ Technology Co., Ltd. and its subsidiaries	20,241,596.71	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Related party	Ending carrying	Opening carrying
Feidi Technology (Shenzhen) Co., Ltd. and its subsidiaries	6,503,608.50	13,215,861.75
Dongguan Kangjia New Materials Technology Co., Ltd. (formerly named: Dongguan Konka Packing Materials Co., Ltd.)	4,923,662.92	
Chongqing Ruiyin Renewable Resources Co., Ltd. and its subsidiaries	2,454,022.61	7,374,305.07
Subtotal of other related parties	13,866,308.11	5,670,694.94
Total	348,422,627.11	227,921,662.68
Current portion of non-current liabilities:		
OCT Group Co., Ltd. and its subsidiaries		10,777,675.49
Total		10,777,675.49
Long-term payables:		
OCT Group Co., Ltd. and its subsidiaries and associates		40,485,591.71
Total		40,485,591.71

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

XII Contingency

(1) Before the Company acquired Jiangxi Konka New Material, Jiangxi Konka New Material and its subsidiaries Xinfeng Microcrystalline and Jiangxi High Transparent Substrate (formerly known as Nano-Grystallized Glass) provided joint and several liability guarantee for the loans from Nanchang Rural Commercial Bank Co., Ltd. to Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material and Jiangxi Shanshi Science and Technology, related parties of former controlling shareholders of Jiangxi Konka New Material, and Nanchang Rural Commercial Bank Co., Ltd. then transferred the claims to China Great Wall AMC Jiangxi Branch. For the failure of Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material and Jiangxi Shanshi Science and Technology to repay the borrowings on time, China Great Wall AMC Jiangxi Branch filed a lawsuit requesting Jiangxi Xinxin Jian'an Engineering, Jiangxi Zhongyi Decorative Material and Jiangxi Shanshi Science and Technology to repay the loan principal amounting to RMB300 million and the liquidated damage and interest arising from it and guarantors Jiangxi Konka New Material, Xinfeng Microcrystalline and Jiangxi High Transparent Substrate to bear joint and several liability for such debts.

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

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

(2) As for the dispute of the Company with Luo Zaatong, Luo Jingxia, Luo Zongyin, Luo Zongwu and Shenzhen Yaode Technology Co., Ltd. on share repurchase, since the other party did not actively perform the repurchase obligation, the Company filed a lawsuit with the People's Court of Nanshan District, Shenzhen. The amount of the subject matter involved in the lawsuit is RMB249 million. On November 22, 2021, the Company applied to Shenzhen Nanshan District People's Court for property preservation. As at the date of issuance of this report, no valid judgment has been made for this case.

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

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

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

(6) As the acceptor failed to pay the commercial bills held by the Company upon maturity, the Company, as the plaintiff, filed a lawsuit to the court on the matured bills amounting to RMB300 million, requesting the bill acceptor Shanghai Huaxin and prior parties involved to bear joint and several liability for the bills and liquidated damage and interest. As at the date of issuance of this report, the case involving RMB150 million is in compulsory execution and shareholders have been added as persons to be executed in this case. For the remaining RMB150 million, the defendants have been ordered to pay Konka Group the bills and interest, which is now in compulsory execution. As at the date of issuance of this report, property execution is ongoing.

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(7) The amount of the subject matter involved in the dispute between the Company's subsidiaries Frestec Refrigeration, Anhui Konka, Konka Material and Anhui Tongchuang (plaintiff) and Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Lin Yuanqin, Huang Ruirong, Jiangsu Huadong Hardware Zone Co., Ltd., Chuangfu Commerce & Trade Plaza Real Estate Development (Huizhou) Co., Ltd. and Puning Junlong Trade Co., Ltd. (defendant) over contracts is RMB380 million. As at the date of issuance of this report, no valid judgment has been made for this case.

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

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

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

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

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

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

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

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

(16) The amount of the subject matter involved in the dispute between the Company and its subsidiary Electronics Technology and Makena Electronic (Shenzhen) over contracts is RMB27 million. In this case, the Company and Electronics Technology were the defendants, and Makena Electronic (Shenzhen), as the plaintiff, requested the court to order the defendants to pay for the goods and the overdue interest. As of the date of issuance of this report, no effective judgment has been issued for this case.

(17) On November 5, 2021, the Company entered into the Equity Investment Agreement with Shandong Hi-Speed Company Limited ("Shandong Hi-Speed" in short), Yantai Baijiangyuan Enterprise Management Center (Limited Partnership), Yantai Qingrunyuan Enterprise Management Center (Limited Partnership), Yantai Qingjiangchuan Business Management Center (Limited Partnership) and Yantai Fengqingtai Investment Center (Limited Partnership). According to the Agreement, the Company transferred the 11.70% equity it held in Econ Technology to Shandong Hi-Speed at a transaction price of RMB306,026,300 on November 25, 2021, and the Company's shareholding percentage in Econ Technology changed to 39.30%. On November 26, 2021, Shandong Hi-Speed increased its capital contribution to Econ Technology and changed the commercial registration information. The Company's shareholding percentage in Econ Technology changed to 24.99%.

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

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According to the *Agreement*, "original shareholders' commitment: After this capital increase, the parties agree that the period from January 1, 2021 to December 31, 2025 is the performance commitment period, and original shareholders promise that the net profit of the target company in 2021, 2022, 2023, 2024 and 2025 shall be no less than RMB340 million, RMB380 million, RMB410 million, RMB440 million and RMB490 million, respectively. Such net profit refers to the net profit in the consolidated statement audited by the annual report auditor engaged by Party A."

The net profit of Econ Technology in the unaudited consolidated financial statements exceeded the net profit stipulated in the performance commitment this year. Based on the reasonable evaluation on current production and operation status of Econ Technology, the Company held that the net profit committed for the performance commitment term could be achieved, the possibility of future performance compensation obligations was extremely low and it should bear no liability for performance compensation. Thus, the Company recognized the fair value of contingent consideration as zero.

XIII. Commitment and Contingency

1. Capital Commitments

Item	Ending balance	Beginning balance
Large amount contract signed but hasn't been recognized in financial statements	-	-
-Commitment on construction and purchase of long-lived assets	-	277,628,800.00
-Large amount contract	954,751,938.62	4,310,308,187.10
-Foreign investment commitments	-	-
Total	954,751,938.62	4,587,936,987.10

2. Operating Lease Commitments

As of the balance sheet date, the irrevocable operating lease commitments that the Company signed were as followed.

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

XIV Subsequent Events after the Balance Sheet Date

1. No significant non-adjusted events

2. Sales Returns

There were no significant sales returns after the balance sheet date.

3. Profit distribution

The profit distribution plan reviewed and approved on the 56th Meeting of the 9th Board of Directors was as follows: based on the total shares of 2,407,945,408, a cash dividend of RMB0.50 (tax inclusive) per 10 shares is to be distributed to the shareholders with no bonus issue from either profit or capital reserves.

4. The Group had no significant post-balance-sheet-date events other than the above-mentioned ones disclosed after the balance sheet date.

XV Other Significant Events

The Company had no other significant events.

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

1. Accounts Receivable

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

1) Category	Ending balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Accounts receivable of expected credit losses withdrawn individually	963,517,996.45	18.14	660,600,525.26	68.56	302,917,471.19
Accounts receivable of expected credit					

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

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

(continued)

Category	Opening balance				
	Carrying balance		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Accounts receivable of expected credit losses withdrawn individually	948,510,887.48	18.22	552,922,400.60	58.29	395,588,486.88
Accounts receivable of expected credit losses withdrawn by portfolio					
Of which: Aging	574,995,507.05	11.05	178,675,741.20	31.07	396,319,765.85

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Category	Opening balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
portfolio					
Related party group	3,681,343,439.12	70.73			3,681,343,439.12
Subtotal of portfolios	4,256,338,946.17	81.78	178,675,741.20	4.20	4,077,663,204.97
Total	5,204,849,833.65	100.00	731,598,141.80	14.06	4,473,251,691.85

2) Provision for bad debts of accounts receivable provided individually

Name	Ending balance			
	Carrying balance	Bad debt provision	Withdrawal proportion (%)	Withdrawal reason
Shanghai Huaxin International Group Co., Ltd.	300,018,021.01	270,016,218.90	90.00	Debt default
Hongtu Sanbao High-tech Technology Co., Ltd.	200,000,000.00	80,000,000.00	40.00	Agreement reorganization
Tewoo Group Co., Ltd.	200,000,000.00	100,000,000.00	50.00	Judicial reorganization
Zhongfu Tiangong Construction Group Co., Ltd. (formerly known as "Zhonghegong Construction Group Co., Ltd.)	71,789,096.65	46,662,912.82	65.00	Expected to be difficult to recover in full
CCCC First Harbor Engineering Company Ltd.	55,438,105.00	48,915,975.00	88.24	Expected to be difficult to recover in full

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Name	Ending balance			Withdrawal reason
	Carrying balance	Bad debt provision	Withdrawal proportion (%)	
China Energy Electric Fuel Co., Ltd.	50,000,000.00	42,500,000.00	85.00	Expected to be difficult to recover in full
Others	86,272,773.79	72,505,418.54	84.04	Expected to be difficult to recover in full
Total	963,517,996.45	660,600,525.26	68.56	--

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

a. Among Groups, Withdrawal of Expected Credit Loss by Aging

Aging	Ending balance		
	Carrying balance	Bad debt provision	Withdrawal proportion (%)
Within 1 year	475,363,714.96	9,697,419.79	2.04
1 to 2 years	3,617,085.28	362,431.95	10.02
2 to 3 years	18,598,634.09	4,220,030.08	22.69
3 to 4 years	7,150,071.42	4,638,966.34	64.88
Over 4 years	162,099,116.41	162,099,116.41	100.00
Total	666,828,622.16	181,017,964.57	27.15

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

Aging	Ending balance		
	Carrying balance	Bad debt provision	Withdrawal proportion (%)
Related party group	3,679,956,748.33		
Total	3,679,956,748.33		

(3) Accounts Receivable Listed by Aging Portfolio

Aging	Ending balance
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Notes to the Financial Statements of Konka Group Co., Ltd.

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Within 1 year	3,979,957,074.67
1 to 2 years	112,416,461.89
2 to 3 years	369,044,153.37
3 to 4 years	635,277,025.82
Over 4 years	213,608,651.19
Subtotal	5,310,303,366.94
Less: bad debt provision	841,618,489.83
Total	4,468,684,877.11

(4) Information of Bad Debt Provision in this Year

Category	Opening balance	Changes in this year	
		Withdrawal	Reversal or recovery
Bad debt provision of accounts receivable	731,598,141.80	115,412,912.08	
Total	731,598,141.80	115,412,912.08	

(continued)

Category	Changes in this year		Ending balance
	Written-off or verified	Others	
Bad debt provision of accounts receivable	5,392,564.05		841,618,489.83
Total	5,392,564.05		841,618,489.83

(5) Actually Verified Accounts Receivable in this Year

Item	Amount verified
Actually verified accounts receivable	5,392,564.05

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

The total amount of receivables with top 5 ending balance collected by arrears party this year was RMB4,046,330,138.98, accounting for 76.20% of the total ending balance of accounts receivable. The total ending balance of bad debt provision correspondingly withdrawn was RMB275,174,800.60.

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

(7) There were no accounts receivable derecognized due to the transfer of financial assets this year.

(8) There were no assets or liabilities formed due to the transfer and the continued involvement of accounts receivable this year.

2. Other Receivables

Item	Ending balance	Opening balance
Interests receivable	2,002,526.91	41,138,869.97
Dividends receivable	383,943,256.80	749,431,635.50
Other Receivables	10,539,120,447.82	9,244,298,847.60
Total	10,925,066,231.53	10,034,869,353.07

2.1 Interest receivable

(1) Category of Interests Receivable

Item	Ending balance	Opening balance
Term deposit	2,002,526.91	6,830,211.26
Entrusted loans		34,303,196.21
Factoring interest		5,462.50
Total	2,002,526.91	41,138,869.97

2.2 Dividends Receivable

(1) Category of Dividends Receivable

Investee	Ending balance	Opening balance
Hong Kong Konka Limited	103,943,256.80	250,808,720.00
Suining Konka Industrial Park Development Co., Ltd.	280,000,000.00	280,000,000.00
Dongguan Konka Electronic Co., Ltd.		218,622,915.50
Total	383,943,256.80	749,431,635.50

2.3 Other Receivables

(1) Classified by Account Nature

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Nature	Ending carrying balance	Opening carrying balance
Intercourse funds among subsidiaries	11,464,671,000.88	9,378,801,127.33
Energy-saving subsidies receivable	141,549,150.00	141,549,150.00
Intercourse funds with other related parties	50,667,315.53	118,043,953.69
Deposit and margin	10,533,532.11	9,180,409.27
Others	253,002,153.59	89,315,201.21
Total	11,920,423,152.11	9,736,889,841.50

(2) Withdrawal of Bad Debt Provision for Other Receivables

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected credit losses for the entire duration (with credit impairment)	
Balance as at 1 January 2021	1,901,190.46	18,128,678.66	472,561,124.78	492,590,993.90
In this year, carrying amount of other receivables on 1 January 2021	-674,515.01	674,515.01		
- Transferred to the Phase II	-674,515.01	674,515.01		
- Transferred to the Phase III				
- Transferred back to the Phase II				
- Transferred back to the Phase I				
Amount withdrawn	809,796.16	35,781,151.95	852,120,762.28	888,711,710.39

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected credit losses for the entire duration (with credit impairment)	
this year				
Amount transferred back this year				
Amount written-off this year				
Amount verified this year				
Other changes				
Balance as at 31 December 2021	2,036,471.61	54,584,345.62	1,324,681,887.06	1,381,302,704.29

(3) Withdrawal of Bad Debt Provision for Other Receivables by Portfolio

Category	Ending balance				Carrying value
	Carrying balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Withdrawal proportion (%)	
Other receivables of expected credit losses withdrawn individually	1,917,144,244.04	16.08	1,324,681,887.06	69.10	592,462,356.98
Other receivables of bad debt provision withdrawn by credit risk characteristic portfolio:					
Aging portfolio	188,615,848.46	1.58	52,782,559.62	27.98	135,833,288.84
Low-risk	17,318,036.76	0.15	3,838,257.61	22.16	13,479,779.15

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Category	Ending balance				
	Carrying balance		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	With drawal proportion (%)	
portfolio					
Related party group	9,797,345,022.85	82.19			9,797,345,022.85
Subtotal of portfolios	10,003,278,908.07	83.92	56,620,817.23	0.57	9,946,658,090.84
Total	11,920,423,152.11	100.00	1,381,302,704.29	11.59	10,539,120,447.82

(continued)

Category	Beginning balance				
	Carrying balance		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	With drawal proportion (%)	
Other receivables of expected credit losses withdrawn individually	1,764,691,060.74	18.12	472,561,124.78	26.78	1,292,129,935.96
Other receivables of bad debt provision withdrawn by credit risk characteristic portfolio:					
Aging portfolio	128,885,012.86	1.32	15,447,446.31	11.99	113,437,566.55
Low-risk portfolio	17,273,953.16	0.18	4,582,422.81	26.53	12,691,530.35
Related party group	7,826,039,814.74	80.38			7,826,039,814.74
Subtotal of portfolios	7,972,198,780.76	81.88	20,029,869.12	0.25	7,952,168,911.64
Total	9,736,889,841.50	100.00	492,590,993.90	5.06	9,244,298,847.60

(4) Other Receivables Listed by Aging

Aging	Ending balance
Within 1 year	9,579,438,988.64
1 to 2 years	510,817,039.35

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Aging	Ending balance
2 to 3 years	1,036,227,944.68
3 to 4 years	437,475,984.18
4 to 5 years	39,078,993.51
Over 5 years	317,384,201.75
Subtotal	11,920,423,152.11
Less: bad debt provision	1,381,302,704.29
Total	10,539,120,447.82

(5) Bad Debt Provision for Other Receivables

The amount of bad debt provision withdrawn this year was RMB888,711,710.39. There was no bad debt provision actually written off this year.

(6) Other Receivables Actually Written off this Year

There were no other receivables actually written off this year.

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

The total amount of other receivables with top 5 ending balance collected by arrears party this year was RMB8,024,841,379.10, accounting for 67.32% of the total ending balance of other receivables. The total ending balance of bad debt provision correspondingly withdrawn was RMB1,137,274,582.48.

(8) There were no other receivables derecognized due to the transfer of financial assets this year.

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

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

3. Long-term Equity Investments

(1) Category of Long-term Equity Investment

Item	Ending balance			Opening balance		
	Carrying balance	Impairment provision	Carrying value	Carrying balance	Impairment provision	Carrying value
Investment to subsidiaries	6,697,991,519.67	442,644,418.70	6,255,347,100.97	7,083,817,068.77	102,532,484.69	6,981,284,584.08
Investment to joint ventures and associated enterprises	2,618,520,670.18	240,725,547.51	2,377,795,122.67	1,851,048,093.64	26,166,078.16	1,824,882,015.48
Total	9,316,512,189.85	683,369,966.21	8,633,142,223.64	8,934,865,162.41	128,698,562.85	8,806,166,599.56

(2) Investment to subsidiaries

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
Konka Ventures	2,550,000.00			2,550,000.00		
Anhui Konka	122,780,937.98			122,780,937.98		

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
Konka Factoring	300,000,000.00			300,000,000.00		
Konka Unifortune	15,300,000.00			15,300,000.00		
Wankaida	10,000,000.00			10,000,000.00		
Dongguan Konka	274,783,988.91			274,783,988.91		
Konka Europe	3,637,470.00			3,637,470.00		
Konka Electrical Appliances	1.00		1.00		1.00	10,732,485.69
Telecommunication Technology	360,000,000.00			360,000,000.00		
Mobile Interconnection	100,000,000.00			100,000,000.00		
Anhui Tongchuang	779,702,612.22			779,702,612.22		
Kangjiatong	15,300,000.00	14,049,800.00		29,349,800.00		
Pengrun	25,500,000.00			25,500,000.00		

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
Technology						
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	91,000,000.00	196,650,000.00		287,650,000.00		
Hong Kong Konka	781,828.61			781,828.61		
Konka Investment	500,000,000.00			500,000,000.00		
Electronics Technology	1,000,000,000.00			1,000,000,000.00		
Yantai Laikang	688,500,000.00		688,500,000.00			
Econ Technology						91,800,000.00
Konka Huanjia	40,000,000.00			40,000,000.00		
Shanghai	689,680,000.00		340,111,933.01	349,568,066.99	340,111,933.01	340,111,933.01

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
Konka						
Jiangxi Konka	30,000,000.00			30,000,000.00		
Shenzhen Nianhua	100,000,000.00			100,000,000.00		
Shenzhen KONSEMI	50,000.00			50,000.00		
Konka Eco-Development	200,000,000.00			200,000,000.00		
Suining Konka Industrial Park	5,100,000.00			5,100,000.00		
Konka Ronghe	200,000,000.00			200,000,000.00		
Suining Electronic Technological Innovation	10,000,000.00			10,000,000.00		
Shenzhen Chuangzhi	1,025,100.00			1,025,100.00		

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
Electrical Appliances						
Kanghong (Yantai) Environmental Protection	25,500,000.00			25,500,000.00		
Chongqing Kangxingrui	933,333,333.33			933,333,333.33		
Chongqing Optoelectronic Technology Research Institute	56,000,000.00	36,520,000.00		92,520,000.00		
Kowin Memory (Shenzhen)	90,000,000.00			90,000,000.00		
Jiangkang (Shanghai) Technology	510.00			510.00		
Ningbo Kanghr Electrical Appliance	10,000,000.00			10,000,000.00		

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
Konka Intelligent Manufacturing	1,530,000.00		1,530,000.00			
Suining Jiarun Property	67,000,000.00			67,000,000.00		
Yantai Kangyun	4,304,752.93	4,900,700.00		9,205,452.93		
Chongqing Kanglei		25,500,000.00	25,500,000.00			
Yibin Kangrun		50,000,000.00		50,000,000.00		
Henan Kangxin Property		30,000,000.00		30,000,000.00		
Konka Material		34,170,000.00	34,170,000.00			
Shenzhen Kangxin Property		8,000.00		8,000.00		
Industrial and Trade	6,981,284,584.08	391,798,500.00	1,117,735,983.11	6,255,347,100.97	340,111,934.01	442,644,418.70

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
Technology						
Konka Huazhong		30,000,000.00		30,000,000.00		
Shaanxi Konka Intelligent		34,170,000.00	34,170,000.00			
Jiangxi Konka Industrial Park						
Ruichang Kangrui Real Estate						
Guizhou Kanggui Material Technology						
Sichuan Chengrui		8,000.00		8,000.00		
Nantong Kanghai						
Chongqing Kangyiyun						

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

Investee	Opening balance	Increase in this year	Decrease in this year	Ending balance	Impairment provision withdrawn this year	Ending balance of impairment provision
Total	6,981,284,584.08	391,798,500.00	1,117,735,983.11	6,255,347,100.97	340,111,934.01	442,644,418.70

(3) Investment to joint ventures and associated enterprises

Investee	Closing Balance of Last Year	Increase/decrease this year			
		Additional investment	Investment reduced	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Anhui Kaikai Shijie E-commerce Co., Ltd.	17,400,738.44				
Wanjun Technology (Kunshan) Co., Ltd.	121,579,584.17		119,533,118.34	-2,046,465.83	
Kunshan Kangsheng Investment Development Co., Ltd.	175,254,554.65			47,428,605.51	
Chutian Dragon Co., Ltd.	650,206,807.02			4,003,819.91	
Helongjiang Longkang Zhijia Technology Co., Ltd.	1,100,842.29			56,805.53	
Konka Green, Konka Technology	75,261,304.56		75,261,304.56		

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

Investee	Closing Balance of Last Year	Increase/decrease this year			
		Additional investment	Investment reduced	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.	17,649,295.81			-3,536,068.23	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.					
Shenzhen Zhongbin Konka Technology Co., Ltd.	2,214,307.33			-2,214,307.33	
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	3,813,134.28			108,653.89	
Shenzhen Bosser New Materials Co., Ltd.	58,400,000.00			2,053,041.59	
Shenzhen Yaode Technology Co., Ltd.	219,128,661.62			-4,569,192.27	
Wuhan Tianyuan Environmental Protection Co., Ltd.	304,654,243.69			20,991,597.22	
Shenzhen KONKA E-display Co., Ltd.	11,774,141.26			1,323,068.85	
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			-4,434,526.73	

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

Investee	Closing Balance of Last Year	Increase/decrease this year			
		Additional investment	Investment reduced	Gains and losses recognized under the equity method	Adjustment of other comprehensive income
Shenzhen Kangyue Enterprise Co., Ltd.	3,348,297.05			-245,403.45	
Dongguan Konka Investment Co., Ltd.	42,158,277.63			-24,396,079.70	
Chongqing Yuanlu Benpao Real Estate Co., Ltd.	15,778,426.04			-16,040,179.15	
Chongqing Chengdai Real Estate Co., Ltd. (English name found on the Internet.)	13,684,752.24		13,381,379.83	-303,372.41	
Chuzhou Kangxin Health Industry Development Co., Ltd.	14,704,242.50			-1,902,411.75	
E3info (Hainan) Technology Co., Ltd.	36,574,609.73				
Shenzhen Kangpeng Digital Technology Co., Ltd.		9,000,000.00		-3,297,481.80	
Yantai Kangyun Industrial Development Co., Ltd.		10,201,017.42		-1,664,772.39	
Shandong Econ Technology Co., Ltd.		780,858,047.04		42,170,587.73	
Dongguan Kangjia New Materials Technology Co., Ltd..		5,284,786.29		-1,364,889.74	
Shenzhen E2info Network Technology Co., Ltd.		82,232,663.02		42,670,836.05	
Total	1,824,882,015.48	887,576,513.77	208,175,802.73	94,791,865.50	

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

(continued)

Investee	Increase/decrease this year				Ending balance (Carrying value)	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Oth ers		
Anhui Kaikai Shijie E-commerce Co., Ltd.					17,400,738.44	
Wanjun Technology (Kunshan) Co., Ltd.						
Kunshan Kangsheng Investment Development Co., Ltd.					222,683,160.16	
Chutian Dragon Co., Ltd.		6,720,000.00			647,490,626.93	
Helongjiang Longkang Zhijia Technology Co., Ltd.					1,157,647.82	2,470,398.03
Konka Green, Konka Technology						
Shaanxi Silk Road Cloud Intelligent Tech Co., Ltd.					14,113,227.58	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						5,158,909.06
Shenzhen Zhongbin Konka Technology Co., Ltd.						
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					3,921,788.17	
Shenzhen Bosser New Materials Co., Ltd.					60,453,041.59	18,536,771.07
Shenzhen Yaode Technology Co., Ltd.			214,559,469.35			214,559,469.35

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

Investee	Increase/decrease this year				Ending balance	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others	(Carrying value)	
Wuhan Tianyuan Environmental Protection Co., Ltd.					325,645,840.91	
Shenzhen KONKA E-display Co., Ltd.					13,097,210.11	
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.					14,610,460.04	
Shenzhen Kangyue Enterprise Co., Ltd.					3,102,893.60	
Dongguan Konka Investment Co., Ltd.					17,762,197.93	
Chongqing Yuanlu Benpao Real Estate Co., Ltd.					-261,753.11	
Chongqing Chengdai Real Estate Co., Ltd. (English name found on the Internet.)						
Chuzhou Kangxin Health Industry Development Co., Ltd.					12,801,830.75	
E3info (Hainan) Technology Co., Ltd.					36,574,609.73	
Shenzhen Kangpeng Digital Technology Co., Ltd.					5,702,518.20	

Notes to the Financial Statement of Konka Group Co., Ltd.

January 1 to December 31, 2021

(Unless otherwise specified, the unit in the Notes to the Financial Statement shall be RMB.)

Investee	Increase/decrease this year				Ending balance	Ending balance of depreciation reserve
	Other equity changes	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others	(Carrying value)	
Yantai Kangyun Industrial Development Co., Ltd.					8,536,245.03	
Shandong Econ Technology Co., Ltd.					823,028,634.77	
Dongguan Kangjia New Materials Technology Co., Ltd..					3,919,896.55	
Shenzhen E2info Network Technology Co., Ltd.					124,903,499.07	
Total	-	6,720,000.00	214,559,469.35		2,377,795,122.67	240,725,547.51

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

4. Operating Revenue and Cost of Sales

(1) Operating Revenue and Cost of Sales

Item	Amount incurred in this year		Amount incurred last year	
	Revenue	Cost	Revenue	Cost
Lucrative businesses	2,751,336,207.49	2,722,434,244.20	3,076,325,721.91	2,769,474,547.43
Others	115,465,441.34	79,070,595.04	638,561,930.58	506,745,792.19
Total	2,866,801,648.83	2,801,504,839.24	3,714,887,652.49	3,276,220,339.62

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

The amount of income corresponding to the performance obligations of contracts signed but not yet performed or fully performed was RMB3,734,412.06 at the year-end, among which RMB3,734,412.06 is expected to be recognized in 2022.

5. Investment returns

Item	Amount incurred in this year	Amount incurred last year
Long-term equity investment income accounted by cost method	43,610,748.17	585,217,964.13
Long-term equity investment income accounted by equity method	94,791,865.50	-5,700,659.97
Investment income from disposal of long-term equity investment	3,286,362,797.82	1,215,083,684.94
Investment income from disposal of financial assets at fair value through profit or loss	32,839,604.17	3,405,333.03
Interest income earned on investment in debt obligations during the holding period	7,060,000.00	4,800,000.00
Income from entrust financial products and entrust loans		19,038,445.39
Total	3,464,665,015.66	1,821,844,767.52

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

XVI Approval of Financial Statements

The Financial Statement was released with the approval of the Company's Board of Directors on March 28, 2022.

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

XVII Supplementary Materials

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

Item	Amount of current year	Note
Gains/losses from the disposal of non-current assets	4,047,094,117.70	
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents		
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	1,352,377,548.16	
Dispossession surcharge to non-financial institutions included in the current profit and loss		
Profits arising from business combination when the combined cost is less than the recognized fair value of net assets of the merged company		
Gain/Loss on non-monetary asset swap		
Gain/Loss on entrusting others with investments or asset management		
Asset impairment provisions due to acts of God such as natural disasters		
Gain/Loss from debt restructuring	19,777.25	
Expenses on business reorganization, such as expenses on staff arrangements, integration, etc.		
Gain/Loss on the part over the fair value due to transactions with distinctly unfair prices		
Current net profit or loss of subsidiaries acquired in business combination under the same control from period-beginning to combination date		
Gains and losses arising from contingencies unrelated to the normal operation of the company's business		
Gain/loss from change of fair value of trading financial assets and liabilities, and derivative financial assets and liabilities, and investment gains from	67,789,442.65	

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Amount of current year	Note
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		
Reversal of provision for impairment test of receivables and contract assets impairment		
Gain/loss on entrustment loans	80,625,356.41	
Gain/loss on change in fair value of investment property of which the follow-up measurement is carried out adopting fair value method		
Effect on current profit or loss when a one-off adjustment is made to current profit or loss according to requirements of taxation, accounting and other relevant laws and regulations		
Custodian fees earned from entrusted operation		
Other non-operating income and expense other than the above	48,615,769.37	
Other profit and loss items in line with the definition of non-recurring gains and losses	-1,907,936.23	
Subtotal	5,594,614,075.31	
Less: Income tax effects	1,190,629,946.56	
Minority shareholders' equity impact (after tax)	247,833,023.58	
Total	4,156,151,105.17	

(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.

Item	Amount	Reason
Software tax refund	12,585,857.26	Government subsidies which are closely related to the normal business of the company and which are in

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

For the Year from 1 January 2021 to 31 December 2021 (all amounts in RMB yuan unless otherwise stated)

Item	Amount	Reason
		accordance with national policies and certain standard quota or quantitative amount
Total	12,585,857.26	

2. Return on Equity and Earnings Per Share

Profit as of Reporting Period	Weighted average ROE (%) Return on net assets (%)	EPS (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	10.33	0.3760	0.3760
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	-37.10	-1.3500	-1.3500

The Board of Directors
Konka Group Co., Ltd.
29 March 2022