

Stock Code: 000016, 200016 Stock Name: Konka Group-A, Konka Group-B Announcement No. 2023-59

Bond Code: 114894, 133003 Bond Name: 21 Konka 01, 21 Konka 02

133040, 149987 21 Konka 03, 22 Konka 01

133306, 133333 22 Konka 03, 22 Konka 05

KONKA GROUP CO., LTD.

THIRD QUARTERLY REPORT 2023

Konka Group Co., Ltd. (hereinafter referred to as the “Company”) and all the members of the Company’s Board of Directors hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions.

Important Notes:

1. The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of the Company hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions, and collectively and individually accept legal responsibility for such contents.
2. The Company’s legal representative, Chief Financial Officer (CFO), and head of the financial department (equivalent to financial manager) hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.
3. Indicate by tick mark whether the financial statements in this Report have been audited by an independent auditor.

Yes No

I Key Financial Information**(I) Key Accounting Data and Financial Indicators**

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

√ Yes □ No

Reason for retrospective restatement:

Change to accounting policies

| | Q3 2023 | Q3 2022 | | YoY change (%) | Q1-Q3 2023 | Q1-Q3 2022 | | YoY change (%) |
|--|------------------|-------------------|------------------|----------------|-------------------|-------------------|-------------------|----------------|
| | | Before | Restated | Restated | | Before | Restated | Restated |
| Operating revenue (RMB) | 4,404,631,998.81 | 7,700,546,365.26 | 7,700,546,365.26 | -42.80% | 14,876,693,170.75 | 24,596,016,642.07 | 24,596,016,642.07 | -39.52% |
| Net profit attributable to the listed company's shareholders (RMB) | -521,630,694.97 | -37,227,714.31 | -36,399,344.07 | -1,333.08% | -714,870,927.30 | 135,590,724.52 | 136,867,098.45 | -622.31% |
| Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB) | -486,155,733.41 | -335,657,322.29 | -334,828,952.05 | -45.20% | -1,377,750,103.82 | -1,078,013,504.00 | -1,076,737,130.07 | -27.96% |
| Net cash generated from/used in operating activities (RMB) | — | — | — | — | -322,441,824.76 | -67,596,351.18 | -67,596,351.18 | -377.01% |
| Basic earnings per share (RMB/share) | -0.2166 | -0.0155 | -0.0152 | -1,325.00% | -0.2969 | 0.0563 | 0.0568 | -622.71% |
| Diluted earnings per share (RMB/share) | -0.2166 | -0.0155 | -0.0152 | -1,325.00% | -0.2969 | 0.0563 | 0.0568 | -622.71% |
| Weighted average return on equity (%) | -7.10% | -0.41% | -0.40% | -6.70% | -9.73% | 1.48% | 1.49% | -11.22% |
| | | 30 September 2023 | | | 31 December 2022 | | Change (%) | |
| | | | | | Before | Restated | Restated | |
| Total assets (RMB) | | 38,337,653,005.04 | | | 38,016,368,073.05 | 38,027,575,163.66 | 0.82% | |
| Equity attributable to the listed company's shareholders (RMB) | | 7,057,196,968.92 | | | 7,640,399,721.99 | 7,641,975,956.16 | -7.65% | |

Reason for change to accounting policies and correction of accounting errors:

On 30 November 2022, the Ministry of Finance issued Interpretation No. 16 for the Accounting Standards for Business Enterprises, which stipulates the “accounting treatments for deferred income taxes associated with assets and liabilities arising from a single transaction to which the initial recognition exemption does not apply”, effective for the Company as of 1 January 2023. For lease liabilities and right-of-use assets recognized at the beginning of the earliest period of financial statement presentation in which the provision is first implemented that give rise to taxable temporary differences and deductible temporary differences as a result of a single transaction to which the provision applies, the Company has adjusted the cumulative effect to retained earnings at the beginning of the earliest period of financial statement presentation and other relevant financial statement items in accordance with the said provision and Accounting Standard No. 18 for Business Enterprises—Income Tax.

(II) Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

| Item | Q3 2023 | Q1-Q3 2023 | Note |
|--|----------------|-----------------|------|
| Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs) | -53,968,800.63 | 180,474,900.02 | |
| Government grants through profit or loss (exclusive of government grants continuously given in the Company’s ordinary course of business at fixed quotas or amounts as per the government’s policies and standards) | 37,608,896.69 | 180,799,942.96 | |
| Gain or loss on fair-value changes on 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) | -51,807,502.59 | -147,778,504.67 | |
| Gain or loss on loan entrustments | 33,131,323.23 | 95,275,330.31 | |
| Non-operating income and expense other than the above | -2,229,045.74 | 3,480,761.94 | |
| Other gains and losses that meet definition of nonrecurring gain/loss | | 584,664,150.75 | |
| Less: Income tax effects | -10,555,553.64 | 215,667,563.28 | |
| Non-controlling interests effects (net of tax) | 8,765,386.16 | 18,369,841.51 | |
| Total | -35,474,961.56 | 662,879,176.52 | -- |

Other items that meet the definition of exceptional gain/loss:

Applicable Not applicable

| Item | Amount involved (RMB) | Reason |
|--------------------------|-----------------------|---|
| Trading financial assets | 584,164,150.75 | As the company disposed of part of the equity of the subordinate participating companies, it no longer had a significant impact, resulting in a change in the accounting method of the reporting period, from long-term equity investment (equity method) to transactional financial assets, resulting in non-recurring profit and loss |

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 rebates on software | 4,309,814.75 | Government subsidies given in the Company’s ordinary course of business at fixed quotas or amounts as per government’s uniform standards |

(III) Changes in Key Financial Statement Line Items and Explanation

√ Applicable □ Not applicable

Unit: RMB

| Item | 30 September 2023 | 1 January 2023 | Percentage of change | Main reason for change |
|--|-------------------|-------------------|----------------------|--|
| Notes receivable | 652,341,788.21 | 1,059,737,243.54 | -38.44% | Recovery of notes receivable in the Reporting Period |
| Receivables financing | 395,169,133.71 | 237,187,228.44 | 66.61% | Increased notes receivable that were endorsed or discounted in the Reporting Period |
| Investment property | 1,389,010,883.92 | 802,407,844.60 | 73.11% | Transfer of construction in progress to investment property in the Reporting Period |
| Construction in progress | 1,166,007,217.85 | 1,990,361,377.07 | -41.42% | Transfer of construction in progress to investment property, fixed assets, etc. in the Reporting Period |
| Current portion of non-current liabilities | 6,400,054,131.76 | 409,220,030.69 | 1,463.96% | Reclassification of bonds payable and long-term borrowings in the Reporting Period |
| Bonds payable | 2,427,442,201.30 | 4,792,392,044.13 | -49.35% | Reclassification of bonds payable to the current portion of non-current liabilities in the Reporting Period |
| Deferred income tax liabilities | 206,880,232.25 | 99,030,646.40 | 108.91% | It is mainly the impact of recognizing deferred income tax liabilities on the income generated by transactional financial assets under the differences in tax law and accounting law |
| Item | Q1-Q3 2023 | Q1-Q3 2022 | Percentage of change | Main reason for change |
| Operating revenue | 14,876,693,170.75 | 24,596,016,642.07 | -39.52% | Decreased revenue of the industry trade business during Q1-Q3 2023 |
| Net profit attributable to the listed company's shareholders | -714,870,927.30 | 136,867,098.45 | -622.31% | Decreased other income, equity transfer income and exchange gains during Q1-Q3 2023 |
| Finance costs | 360,849,912.60 | 262,346,112.20 | 37.55% | Exchange rate fluctuations |
| Net cash generated from/used in operating activities | -322,441,824.76 | -67,596,351.18 | -377.01% | Decreased tax and levy rebates during Q1-Q3 2023 |
| Net cash generated from/used in investing activities | -64,712,448.47 | -685,794,441.65 | 90.56% | Decreased total investment amount during Q1-Q3 2023 |
| Net cash generated from/used in financing activities | 250,756,759.78 | 45,280,066.04 | 453.79% | Decreased interest expense during Q1-Q3 2023 |

II Shareholder Information**(I) Numbers of Ordinary Shareholders and Preference Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders**

Unit: share

| Number of ordinary shareholders | | 85,761 | Number of preference shareholders with resumed voting rights (if any) | | 0 | |
|--|--------------------------|-------------------------|---|------------------------|------------------------------------|--------|
| Top 10 shareholders | | | | | | |
| Name of shareholder | Nature of shareholder | Shareholding percentage | Total shares held | Restricted 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 | | |
| CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD. | Foreign legal person | 7.48% | 180,001,110 | 0 | | |
| WANG JINGFENG | Domestic natural person | 3.95% | 95,000,000 | 0 | | |
| GUOYUAN SECURITIES | Foreign legal person | 2.45% | 58,927,225 | 0 | | |

| BROKER (HK) CO., LTD. | | | | | |
|---|--|-----------------------------------|-------------|---|--|
| HOLY TIME GROUP LIMITED | Foreign legal person | 2.38% | 57,289,100 | 0 | |
| GAOLING FUND,L.P. | Foreign legal person | 2.11% | 50,894,250 | 0 | |
| NAM NGAI | Foreign natural person | 0.96% | 23,000,000 | 0 | |
| CHINA MERCHANTS SECURITIES (HK) LIMITED | State-owned legal person | 0.80% | 19,314,220 | 0 | |
| BOCOM INTERNATIONAL SECURITIES LIMITED | Foreign legal person | 0.78% | 18,896,037 | 0 | |
| ZHANG SUFEN | Domestic natural person | 0.62% | 14,830,000 | 0 | |
| Top 10 unrestricted shareholders | | | | | |
| Name of shareholder | Unrestricted ordinary shares held | Shares by class and number | | | |
| | | Class | Shares | | |
| OVERSEAS CHINESE TOWN HOLDINGS COMPANY | 523,746,932 | RMB-denominated ordinary share | 523,746,932 | | |
| CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD. | 180,001,110 | Domestically listed foreign share | 180,001,110 | | |
| WANG JINGFENG | 95,000,000 | RMB-denominated ordinary share | 95,000,000 | | |
| GUOYUAN SECURITIES BROKER (HK) CO., LTD. | 58,927,225 | Domestically listed foreign share | 58,927,225 | | |
| HOLY TIME GROUP LIMITED | 57,289,100 | Domestically listed foreign share | 57,289,100 | | |
| GAOLING FUND,L.P. | 50,894,250 | Domestically listed foreign share | 50,894,250 | | |
| NAM NGAI | 23,000,000 | Domestically listed foreign share | 23,000,000 | | |
| CHINA MERCHANTS SECURITIES (HK) LIMITED | 19,314,220 | Domestically listed foreign share | 19,314,220 | | |
| BOCOM INTERNATIONAL SECURITIES LIMITED | 18,896,037 | Domestically listed foreign share | 18,896,037 | | |
| ZHANG SUFEN | 14,830,000 | RMB-denominated ordinary share | 14,830,000 | | |
| Related or acting-in-concert parties among shareholders above | Happy Bloom Investment Limited, a wholly-owned subsidiary of the Company's first majority shareholder Overseas Chinese Town Holdings Company ("OCT Group" for short), holds 180,001,110 and 18,360,000 ordinary shares in the Company respectively through CITIC Securities Brokerage (Hong Kong) Co., Ltd. and China Merchants Securities (HK) Limited. Happy Bloom Investment Limited and Overseas Chinese Town Holdings Company 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) | Wang Jingfeng holds 95,000,000 A-shares in the Company through his securities account for customer credit trading guarantee in Guotai Junan Securities Co., Ltd. | | | | |

(II) Number of Preference Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

III Other Significant Events

Applicable Not applicable

(I) Offering of corporate bonds: The non-public offering of no more than RMB2.3 billion of corporate bonds for professional investors has been approved by the Company's shareholders' general meeting, and the relevant matters are being pushed forward as planned.

(II) Initiation and establishment of funds: The total scale of the Oriental-Konka Industry M&A Fund was 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 RMB487,344,000. The fund invested in Jiangxi Yahua Electronic Materials Co., Ltd., Potron Technology Co., Ltd., etc.

The total scale of the Kunshan-CITIC-Konka Emerging Industry Development Investment Fund was RMB1,006,000,000. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB500 million, accounting for 49.70% of the total units. By the date of this report, Shenzhen Konka

Investment Holding Co., Ltd. has contributed RMB195.21 million. The fund invested in UNIONTECH, Hercules Microelectronics Co., Ltd., etc.

The total scale of the Tongxiang Wuzhen Jiayu Digital Economic Industry Fund was 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 RMB200,000,000. The fund invested in Feidi Technology (Shenzhen) Co., Ltd., Allystar Technology (Shenzhen) Co., Ltd., etc.

The total scale of Yancheng Kangyan Industry Investment Fund was RMB3,000 million. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB1,201,500,000, 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 RMB217.36 million. The fund invested in Anhui Zhongdian Xingfa and Xinlong Co., Ltd., Chongqing E2info Technology Co., Ltd., etc.

The total scale of Yibin Kanghui Electronic Information Industry Equity Investment Fund was 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. has contributed RMB104 million. The fund invested in Chongqing E2info Technology Co., Ltd., etc.

The total scale of Chongqing Kangxin Equity Investment Fund was RMB2 billion. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB1 billion, accounting for 50% 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 RMB148,248,300. The fund invested in Shanghai VEIGLO Information System Co., Ltd., Jiangxi Taide Wisdom Technology Co., Ltd., etc.

IV Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

30 September 2023

Unit: RMB

| Item | 30 September 2023 | 1 January 2023 |
|---|-------------------|------------------|
| Current assets: | | |
| Monetary assets | 6,253,165,346.38 | 5,988,095,490.71 |
| Settlement reserve | | |
| Loans to other banks and financial institutions | | |
| Held-for-trading financial assets | 555,764,731.77 | |
| Derivative financial assets | | |
| Notes receivable | 652,341,788.21 | 1,059,737,243.54 |
| Accounts receivable | 2,245,056,835.29 | 2,036,734,836.22 |
| Receivables financing | 395,169,133.71 | 237,187,228.44 |

| | | |
|--|-------------------|-------------------|
| Prepayments | 333,699,692.12 | 389,947,652.39 |
| Premiums receivable | | |
| Reinsurance receivables | | |
| Receivable reinsurance contract reserve | | |
| Other receivables | 1,060,638,625.01 | 1,442,124,845.58 |
| Including: Interest receivable | 6,340,182.53 | 3,878,580.64 |
| Dividends receivable | | 272,999.43 |
| Financial assets purchased under resale agreements | | |
| Inventories | 4,324,725,761.85 | 4,409,767,756.22 |
| Contract assets | 1,183,257.16 | |
| Assets held for sale | | |
| Current portion of non-current assets | 3,630,000.00 | 14,630,000.00 |
| Other current assets | 2,525,824,854.75 | 2,038,841,225.83 |
| Total current assets | 18,351,200,026.25 | 17,617,066,278.93 |
| Non-current assets: | | |
| Loans and advances to customers | | |
| Debt investments | | |
| Other debt investments | | |
| Long-term receivables | | 800,400.00 |
| Long-term equity investments | 5,796,071,862.55 | 6,351,232,955.58 |
| Investments in other equity instruments | 23,841,337.16 | 23,841,337.16 |
| Other non-current financial assets | 2,118,128,277.14 | 2,639,662,273.32 |
| Investment property | 1,389,010,883.92 | 802,407,844.60 |
| Fixed assets | 4,802,969,626.15 | 4,114,029,693.38 |
| Construction in progress | 1,166,007,217.85 | 1,990,361,377.07 |
| Productive living assets | | |
| Oil and gas assets | | |
| Right-of-use assets | 174,439,722.67 | 50,019,838.68 |
| Intangible assets | 1,170,091,955.48 | 1,116,739,707.27 |
| Development costs | | |
| Goodwill | 22,196,735.11 | 22,196,735.11 |
| Long-term prepaid expense | 486,663,304.45 | 387,309,503.07 |
| Deferred income tax assets | 1,495,647,620.69 | 1,201,661,841.23 |
| Other non-current assets | 1,341,384,435.62 | 1,710,245,378.26 |
| Total non-current assets | 19,986,452,978.79 | 20,410,508,884.73 |
| Total assets | 38,337,653,005.04 | 38,027,575,163.66 |
| Current liabilities: | | |
| Short-term borrowings | 6,482,928,008.32 | 7,579,559,304.97 |
| Borrowings from the central bank | | |
| Loans from other banks and financial institutions | | |
| Held-for-trading financial liabilities | | |
| Derivative financial liabilities | | |
| Notes payable | 1,221,879,934.79 | 1,054,573,822.04 |
| Accounts payable | 2,547,454,181.25 | 2,659,946,562.93 |
| Advances from customers | | 825.69 |
| Contract liabilities | 715,656,923.51 | 601,044,358.35 |
| Financial assets sold under repurchase agreements | | |
| Customer deposits and deposits from other banks and financial institutions | | |
| Payables for acting trading of securities | | |
| Payables for underwriting of securities | | |
| Employee benefits payable | 193,392,165.64 | 348,608,204.05 |
| Taxes and levies payable | 200,419,669.53 | 291,102,679.36 |
| Other payables | 1,780,160,011.33 | 1,895,711,373.34 |
| Including: Interest payable | 111,390.67 | 29,590,464.00 |
| Dividends payable | | |

| | | |
|--|-------------------|-------------------|
| Fees and commissions payable | | |
| Reinsurance payables | | |
| Liabilities directly associated with assets held for sale | | |
| Current portion of non-current liabilities | 6,400,054,131.76 | 409,220,030.69 |
| Other current liabilities | 54,772,157.37 | 68,449,783.71 |
| Total current liabilities | 19,596,717,183.50 | 14,908,216,945.13 |
| Non-current liabilities: | | |
| Insurance contract reserve | | |
| Long-term borrowings | 7,340,692,541.83 | 8,906,931,402.89 |
| Bonds payable | 2,427,442,201.30 | 4,792,392,044.13 |
| Including: Preference shares | | |
| Perpetual bonds | | |
| Lease liabilities | 148,313,549.16 | 36,586,639.16 |
| Long-term payables | 6,675,505.17 | 7,964,127.18 |
| Long-term employee benefits payable | 4,748,631.27 | 4,894,209.73 |
| Provisions | 163,180,690.79 | 159,395,579.55 |
| Deferred income | 370,720,921.42 | 334,844,966.31 |
| Deferred income tax liabilities | 206,880,232.25 | 99,030,646.40 |
| Other non-current liabilities | 377,449,450.10 | 314,233,260.08 |
| Total non-current liabilities | 11,046,103,723.29 | 14,656,272,875.43 |
| Total liabilities | 30,642,820,906.79 | 29,564,489,820.56 |
| Owners' equity: | | |
| Share capital | 2,407,945,408.00 | 2,407,945,408.00 |
| Other equity instruments | | |
| Including: Preference shares | | |
| Perpetual bonds | | |
| Capital reserves | 495,476,795.47 | 365,247,361.05 |
| Less: Treasury stock | | |
| Other comprehensive income | -14,962,681.43 | -14,265,181.63 |
| Specific reserve | | |
| Surplus reserves | 1,244,180,364.24 | 1,244,180,364.24 |
| General reserve | | |
| Retained earnings | 2,924,557,082.64 | 3,638,868,004.50 |
| Total equity attributable to owners of the Company as the parent | 7,057,196,968.92 | 7,641,975,956.16 |
| Non-controlling interests | 637,635,129.33 | 821,109,386.94 |
| Total owners' equity | 7,694,832,098.25 | 8,463,085,343.10 |
| Total liabilities and owners' equity | 38,337,653,005.04 | 38,027,575,163.66 |

Legal representative: Zhou Bin CFO: Li Chunlei Head of the financial department: Ping Heng

2. Consolidated Income Statement for Q1~Q3

Unit: RMB

| Item | Q1~Q3 2023 | Q1~Q3 2022 |
|---|-------------------|-------------------|
| 1. Revenues | 14,876,693,170.75 | 24,596,016,642.07 |
| Including: Operating revenue | 14,876,693,170.75 | 24,596,016,642.07 |
| Interest income | | |
| Insurance premium income | | |
| Fee and commission income | | |
| 2. Costs and expenses | 16,519,196,501.28 | 26,126,675,368.63 |
| Including: Cost of sales | 14,318,015,493.73 | 23,975,162,049.26 |
| Interest expense | | |
| Fee and commission expense | | |
| Surrenders | | |
| Net insurance claims paid | | |
| Net amount provided as insurance contract reserve | | |

| | | |
|--|-------------------|-----------------|
| Expenditure on policy dividends | | |
| Reinsurance premium expense | | |
| Taxes and levies | 67,933,156.53 | 77,125,711.11 |
| Selling expense | 853,292,416.89 | 871,347,414.06 |
| Administrative expense | 562,127,977.91 | 577,188,118.60 |
| R&D expense | 356,977,543.62 | 363,505,963.40 |
| Finance costs | 360,849,912.60 | 262,346,112.20 |
| Including: Interest expense | 650,797,948.91 | 692,836,273.51 |
| Interest income | 202,850,169.71 | 190,309,274.96 |
| Add: Other income | 176,081,823.18 | 584,491,772.86 |
| Return on investment (“-” for loss) | 775,916,021.84 | 836,530,565.91 |
| Including: Share of profit or loss of joint ventures and associates | -51,151,076.04 | 77,512,338.05 |
| 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) | -191,419,983.75 | 21,962,896.84 |
| Credit impairment loss (“-” for loss) | -142,532,702.78 | -61,242,970.31 |
| Asset impairment loss (“-” for loss) | -16,583,397.71 | -13,523,962.19 |
| Asset disposal income (“-” for loss) | -15,911,644.20 | 12,420,007.06 |
| 3. Operating profit (“-” for loss) | -1,056,953,213.95 | -150,020,416.39 |
| Add: Non-operating income | 23,007,144.67 | 97,857,275.38 |
| Less: Non-operating expense | 12,873,372.03 | 6,543,182.17 |
| 4. Gross profit (“-” for loss) | -1,046,819,441.31 | -58,706,323.18 |
| Less: Income tax expense | -151,286,064.19 | -73,526,196.93 |
| 5. Net profit (“-” for net loss) | -895,533,377.12 | 14,819,873.75 |
| 5.1 By operating continuity | | |
| 5.1.1 Net profit from continuing operations (“-” for net loss) | -895,533,377.12 | 13,323,094.80 |
| 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 (“-” for net loss) | -714,870,927.30 | 136,867,098.45 |
| 5.2.1 Net profit attributable to non-controlling interests (“-” for net loss) | -180,662,449.82 | -122,047,224.70 |
| 6. Other comprehensive income, net of tax | -3,200,691.35 | 10,932,642.27 |
| Attributable to owners of the Company as the parent | -697,499.80 | 9,399,619.12 |
| 6.1 Items that will not be reclassified to profit or loss | | |
| 6.1.1 Changes caused by remeasurements on defined benefit schemes | | |
| 6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method | | |
| 6.1.3 Changes in the fair value of investments in other equity instruments | | |
| 6.1.4 Changes in the fair value arising from changes in own credit risk | | |
| 6.1.5 Other | | |
| 6.2 Items that will be reclassified to profit or loss | -697,499.80 | 9,399,619.12 |
| 6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method | -209,777.61 | -38,929.34 |
| 6.2.2 Changes in the fair value of other debt investments | | |
| 6.2.3 Other comprehensive income arising from the | | |

| | | |
|---|-----------------|-----------------|
| reclassification of financial assets | | |
| 6.2.4 Credit impairment allowance for other debt investments | | |
| 6.2.5 Reserve for cash flow hedges | | |
| 6.2.6 Differences arising from the translation of foreign currency-denominated financial statements | -487,722.19 | 9,438,548.46 |
| 6.2.7 Other | | |
| Attributable to non-controlling interests | -2,503,191.55 | 1,533,023.15 |
| 7. Total comprehensive income | -898,734,068.47 | 25,752,516.02 |
| 7.1 Attributable to owners of the Company as the parent | -715,568,427.10 | 146,266,717.57 |
| 7.2 Attributable to non-controlling interests | -183,165,641.37 | -120,514,201.55 |
| 8. Earnings per share | | |
| 8.1 Basic earnings per share | -0.2969 | 0.0568 |
| 8.2 Diluted earnings per share | -0.2969 | 0.0568 |

Legal representative: Zhou Bin CFO: Li Chunlei Head of the financial department: Ping Heng

3. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

| Item | Q1~Q3 2023 | Q1~Q3 2022 |
|---|-------------------|-------------------|
| 1. Cash flows from operating activities: | | |
| Proceeds from sale of commodities and rendering of services | 14,031,821,909.50 | 24,332,330,642.99 |
| Net increase in customer deposits and deposits from other banks and financial institutions | | |
| 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, fees and commissions received | | |
| Net increase in loans from other banks and financial institutions | | |
| Net increase in proceeds from repurchase transactions | | |
| Net proceeds from acting trading of securities | | |
| Tax and levy rebates | 168,724,402.85 | 552,849,875.52 |
| Cash generated from other operating activities | 865,953,981.35 | 1,168,029,091.16 |
| Subtotal of cash generated from operating activities | 15,066,500,293.70 | 26,053,209,609.67 |
| Payments for commodities and services | 12,657,096,771.12 | 23,012,128,420.93 |
| Net increase in loans and advances to customers | | |
| Net increase in deposits in the central bank and other banks and financial institutions | | |
| Payments for claims on original insurance contracts | | |
| Net increase in loans to other banks and financial institutions | | |
| Interest, fees and commissions paid | | |
| Policy dividends paid | | |
| Cash paid to and for employees | 1,356,531,982.05 | 1,434,144,605.34 |
| Taxes and levies paid | 361,381,640.24 | 371,845,155.79 |
| Cash used in other operating activities | 1,013,931,725.05 | 1,302,687,778.79 |
| Subtotal of cash used in operating activities | 15,388,942,118.46 | 26,120,805,960.85 |
| Net cash generated from/used in operating activities | -322,441,824.76 | -67,596,351.18 |
| 2. Cash flows from investing activities: | | |
| Proceeds from disinvestment | 1,120,024,435.49 | 439,435,929.17 |
| Return on investment | 105,809,502.45 | 102,584,188.29 |
| Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets | 6,336,467.50 | 2,602,109.26 |
| Net proceeds from the disposal of subsidiaries and other business | 18,818,889.67 | 297,094,350.04 |

| | | |
|---|------------------|-------------------|
| units | | |
| Cash generated from other investing activities | 568,418,046.33 | 2,593,171,830.43 |
| Subtotal of cash generated from investing activities | 1,819,407,341.44 | 3,434,888,407.19 |
| Payments for the acquisition of fixed assets, intangible assets and other long-lived assets | 1,369,507,381.23 | 3,242,155,154.65 |
| Payments for investments | 6,000,000.00 | 578,662,796.46 |
| Net increase in pledged loans granted | | |
| Net payments for the acquisition of subsidiaries and other business units | | |
| Cash used in other investing activities | 508,612,408.68 | 299,864,897.73 |
| Subtotal of cash used in investing activities | 1,884,119,789.91 | 4,120,682,848.84 |
| Net cash generated from/used in investing activities | -64,712,448.47 | -685,794,441.65 |
| 3. Cash flows from financing activities: | | |
| Capital contributions received | 1,816,216.81 | 76,748,000.00 |
| Including: Capital contributions by non-controlling interests to subsidiaries | 1,816,216.81 | 76,748,000.00 |
| Borrowings received | 7,922,161,074.27 | 17,289,669,687.55 |
| Cash generated from other financing activities | 543,206,827.09 | 299,933,896.84 |
| Subtotal of cash generated from financing activities | 8,467,184,118.17 | 17,666,351,584.39 |
| Repayment of borrowings | 6,835,894,584.88 | 16,092,793,775.72 |
| Interest and dividends paid | 665,357,095.47 | 833,208,967.32 |
| Including: Dividends paid by subsidiaries to non-controlling interests | 735,000.00 | 28,420,000.00 |
| Cash used in other financing activities | 715,175,678.04 | 695,068,775.31 |
| Subtotal of cash used in financing activities | 8,216,427,358.39 | 17,621,071,518.35 |
| Net cash generated from/used in financing activities | 250,756,759.78 | 45,280,066.04 |
| 4. Effect of foreign exchange rates changes on cash and cash equivalents | 37,092,762.35 | 61,441,973.08 |
| 5. Net increase in cash and cash equivalents | -99,304,751.10 | -646,668,753.71 |
| Add: Cash and cash equivalents, beginning of the period | 5,461,912,010.90 | 5,968,347,219.03 |
| 6. Cash and cash equivalents, end of the period | 5,362,607,259.80 | 5,321,678,465.32 |

(II) Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of the New Accounting Standards Implemented since 2023

√ Applicable □ Not applicable

Notes to adjustment

On 30 November 2022, the Ministry of Finance issued Interpretation No. 16 for the Accounting Standards for Business Enterprises, which stipulates the “accounting treatments for deferred income taxes associated with assets and liabilities arising from a single transaction to which the initial recognition exemption does not apply”, effective for the Company as of 1 January 2023. For lease liabilities and right-of-use assets recognized at the beginning of the earliest period of financial statement presentation in which the provision is first implemented that give rise to taxable temporary differences and deductible temporary differences as a result of a single transaction to which the provision applies, the Company has adjusted the cumulative effect to retained earnings at the beginning of the earliest period of financial statement presentation and other relevant financial statement items in accordance with the said provision and Accounting Standard No. 18 for Business Enterprises—Income Tax.

(III) Independent Auditor’s Report

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

Yes No

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

The Board of Directors
Konka Group Co., Ltd
30 October 2023