

Stock Code: 000016, 200016 Stock Name: Konka Group-A, Konka Group-B Announcement No. 2024-26
 Bond Code: 133003, 133040 Bond Name: 21 Konka 02, 21 Konka 03
 149987, 133306 22 Konka 01, 22 Konka 03
 133333, 133759 22 Konka 05, 24 Konka 01
 133782, 133783 24 Konka 02, 24 Konka 03

KONKA GROUP CO., LTD.

FIRST QUARTERLY REPORT 2024

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

	Q1 2024	Q1 2023	YoY change (%)
Operating revenue (RMB)	2,462,543,024.65	4,600,647,851.61	-46.47%
Net profit attributable to the listed company’s shareholders (RMB)	-510,139,620.27	152,513,923.41	-434.49%
Net profit attributable to the listed company’s shareholders before exceptional gains and losses (RMB)	-466,504,771.56	-521,453,718.40	10.54%

Net cash generated from/used in operating activities (RMB)	-571,044,205.67	-1,182,725,927.02	51.72%
Basic earnings per share (RMB/share)	-0.2119	0.0633	-434.76%
Diluted earnings per share (RMB/share)	-0.2119	0.0633	-434.76%
Weighted average return on equity (%)	-9.47%	1.98%	-11.45%
	31 March 2024	31 December 2023	Change (%)
Total assets (RMB)	36,105,995,398.58	35,824,818,212.66	0.78%
Equity attributable to the listed company's shareholders (RMB)	5,134,506,327.36	5,644,401,184.65	-9.03%

(II) Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	Q1 2024	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	31,613,841.28	
Government grants recognised in profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	18,800,867.09	
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that is related to the Company's normal business operations)	-146,270,116.83	
Gain/loss on entrustment loans	31,577,430.49	
Other non-operating income and expense other than the above	1,718,260.18	
Other items that meet the definition of exceptional gain/loss	-324,424.08	
Less: Income tax effects	-21,600,918.48	
Non-controlling interests effects (after tax)	2,351,625.32	
Total	-43,634,848.71	--

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

Applicable Not applicable

Item	Amount (RMB)	Reason
Discounted interest on derecognized notes	-324,424.08	Discounted interest on notes meeting derecognition conditions

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 (RMB)	Reason
Tax rebates on software	904,168.31	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

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

Applicable Not applicable

Unit: RMB

Item	31 March 2024	1 January 2024	Change (%)	Explanation of why
Trading financial assets	319,674,803.13	469,636,700.78	-31.93%	Change in fair value of trading financial assets held by the Company in the Reporting Period
Taxes payable	122,723,241.91	214,417,135.87	-42.76%	Payment of taxes in the Reporting Period
Bonds payable	4,752,749,719.12	2,426,992,578.67	95.83%	During the reporting period, the company newly issued non-public corporate bonds
Item	Q1 2024	Q1 2023	Change (%)	Explanation of why

Operating revenue	2,462,543,024.65	4,600,647,851.61	-46.47%	YoY decrease in revenue scale, due to that the Company adjusted and optimized non-core business with weak synergy with the main business in the Reporting Period
Finance costs	150,671,423.77	246,687,141.44	-38.92%	Increase in exchange gain due to exchange rate fluctuation in the Reporting Period
Other income	19,705,035.40	40,112,945.00	-50.88%	YoY decrease in government grants received in the Reporting Period
Return on investment	18,497,683.98	816,925,419.92	-97.74%	In the same period of last year, due to the change of accounting method of part of the equity of the company's subordinate shareholding enterprises, a large amount of investment income was generated, and there was no such event in this reporting period
Net profit attributable to the listed company's shareholders	-510,139,620.27	152,513,923.41	-434.49%	In the same period of last year, due to the change of accounting method of part of the equity of the company's subordinate shareholding enterprises, a large amount of investment income was generated, and there was no such event in this reporting period
Net profit attributable to the listed company's shareholders before exceptional gains and losses	-466,504,771.56	-521,453,718.40	10.54%	YoY increase in gross profit due to improvement of the Company's main business operation such as color TV in the Reporting Period
Net cash generated from/used in operating activities	-571,044,205.67	-1,182,725,927.02	51.72%	YoY decrease in cash paid by the Company for purchasing goods and receiving labor services in the Reporting Period
Net cash generated from/used in investing activities	-265,479,143.12	-162,066,625.49	-63.81%	YoY decrease in cash from disinvestment and other cash received related to investing activities
Net cash generated from/used in financing activities	1,101,905,265.20	644,111,382.40	71.07%	During the reporting period, the company newly issued non-public corporate bonds

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	86,690	Number of preference shareholders with resumed voting rights (if any)	0			
Top 10 shareholders (exclusive of shares lent in refinancing)						
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	0.00		
CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD.	Foreign legal person	7.48%	180,001,110	0.00		
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	Foreign legal person	2.48%	59,606,543	0.00		
HOLY TIME GROUP LIMITED	Foreign legal person	2.38%	57,289,100	0.00		
WANG JINGFENG	Domestic natural person	1.73%	41,700,000	0.00		

GAOLING FUND,L.P.	Foreign legal person	1.39%	33,500,973	0.00		
NAM NGAI	Foreign natural person	0.96%	23,000,000	0.00		
ZHANG SUFEN	Domestic natural person	0.95%	22,900,000	0.00		
CHINA MERCHANTS SECURITIES (HK) LIMITED	State-owned legal person	0.83%	19,865,520	0.00		
BOCOM INTERNATIONAL SECURITIES LIMITED	Foreign legal person	0.78%	18,896,037	0.00		
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted ordinary shares held	Shares by class				
		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			
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	59,606,543	Domestically listed foreign share	59,606,543			
HOLY TIME GROUP LIMITED	57,289,100	Domestically listed foreign share	57,289,100			
WANG JINGFENG	41,700,000	RMB-denominated ordinary share	41,700,000			
GAOLING FUND,L.P.	33,500,973	Domestically listed foreign share	33,500,973			
NAM NGAI	23,000,000	Domestically listed foreign share	23,000,000			
ZHANG SUFEN	22,900,000	RMB-denominated ordinary share	22,900,000			
CHINA MERCHANTS SECURITIES (HK) LIMITED	19,865,520	Domestically listed foreign share	19,865,520			
BOCOM INTERNATIONAL SECURITIES LIMITED	18,896,037	Domestically listed foreign share	18,896,037			
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 shareholders involved in securities margin trading (if any)	Wang Jingfeng holds 41,700,000 A-shares in the Company through his securities account for customer credit trading guarantee in Guotai Junan Securities Co., Ltd.					

5% or greater shareholders, top 10 shareholders and Top 10 unrestricted shareholders involved in refinancing shares lending

Applicable Not applicable

Changes in top 10 shareholders and top 10 unrestricted shareholders due to refinancing shares lending/return compared with the prior period

Applicable Not applicable

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

Applicable Not applicable

III Other Significant Events

Applicable Not applicable

Corporate bond issue: As for the private placement of corporate bonds of RMB2.3 billion by the Company, RMB1.5 billion and RMB0.8 billion were issued respectively on 29 January 2024 and 18 March 2024.

IV Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

31 March 2024

Unit: RMB

Item	31 March 2024	1 January 2024
Current assets:		
Monetary assets	6,820,644,045.71	6,506,359,577.02
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets	319,674,803.13	469,636,700.78
Derivative financial assets		
Notes receivable	606,068,655.73	533,171,949.15
Accounts receivable	1,699,616,201.41	1,726,545,973.08
Receivables financing	140,600,503.41	173,396,326.14
Prepayments	135,298,765.75	165,454,311.51
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	978,368,964.07	989,121,067.51
Including: Interest receivable	7,514,518.74	6,681,258.01
Dividends receivable		941,482.38
Financial assets purchased under resale agreements		
Inventories	3,532,976,234.92	3,249,897,700.98
Including: Data resource		
Contract assets	2,321,661.43	2,190,385.93
Assets held for sale		
Current portion of non-current assets		
Other current assets	2,318,548,695.56	2,359,159,468.75
Total current assets	16,554,118,531.12	16,174,933,460.85
Non-current assets:		
Loans and advances to customers		
Debt investments		

Other debt investments		
Long-term receivables		
Long-term equity investments	5,542,281,345.02	5,566,483,863.29
Investments in other equity instruments	23,841,337.16	23,841,337.16
Other non-current financial assets	2,012,668,178.82	2,009,676,398.00
Investment property	1,507,942,882.75	1,470,226,723.87
Fixed assets	5,166,405,622.88	5,218,297,745.16
Construction in progress	801,532,745.91	860,899,498.68
Productive living assets		
Oil and gas assets		
Right-of-use assets	178,946,935.99	197,054,423.17
Intangible assets	1,068,063,044.96	1,087,386,015.34
Including: Data resource		
Development costs		
Including: Data resource		
Goodwill	22,196,735.11	22,196,735.11
Long-term prepaid expense	505,108,516.65	518,919,223.71
Deferred income tax assets	1,429,778,839.91	1,426,573,982.16
Other non-current assets	1,293,110,682.30	1,248,328,806.16
Total non-current assets	19,551,876,867.46	19,649,884,751.81
Total assets	36,105,995,398.58	35,824,818,212.66
Current liabilities:		
Short-term borrowings	6,632,256,478.89	6,390,592,056.27
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,098,341,710.09	990,482,927.20
Accounts payable	2,504,095,300.96	2,726,831,675.97
Advances from customers		
Contract liabilities	515,389,271.82	527,975,160.12
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	215,324,731.84	304,733,103.63
Taxes and levies payable	122,723,241.91	214,417,135.87
Other payables	1,745,202,888.86	1,922,791,905.14
Including: Interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	4,810,206,203.77	5,314,147,396.36
Other current liabilities	42,298,997.18	54,330,715.75
Total current liabilities	17,685,838,825.32	18,446,302,076.31
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	7,084,826,330.88	7,779,150,079.88
Bonds payable	4,752,749,719.12	2,426,992,578.67
Including: Preference shares		
Perpetual bonds		
Lease liabilities	153,601,632.01	160,218,818.92
Long-term payables	5,490,154.71	6,135,734.07
Long-term employee benefits payable	4,697,158.27	4,718,466.37
Provisions	315,033,062.96	304,519,839.80

Deferred income	424,131,344.78	425,135,237.90
Deferred income tax liabilities	143,885,442.76	185,026,165.27
Other non-current liabilities	176,716,445.59	179,996,351.33
Total non-current liabilities	13,061,131,291.08	11,471,893,272.21
Total liabilities	30,746,970,116.40	29,918,195,348.52
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	526,499,506.76	526,499,506.76
Less: Treasury stock		
Other comprehensive income	-13,198,795.46	-13,443,558.44
Specific reserve	4,657,488.24	4,657,488.24
Surplus reserves	1,244,180,364.24	1,244,180,364.24
General reserve		
Retained earnings	964,422,355.58	1,474,561,975.85
Total equity attributable to owners of the Company as the parent	5,134,506,327.36	5,644,401,184.65
Non-controlling interests	224,518,954.82	262,221,679.49
Total owners' equity	5,359,025,282.18	5,906,622,864.14
Total liabilities and owners' equity	36,105,995,398.58	35,824,818,212.66

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

2. Consolidated Income Statement

Unit: RMB

Item	Q1 2024	Q1 2023
1. Revenues	2,462,543,024.65	4,600,647,851.61
Including: Operating revenue	2,462,543,024.65	4,600,647,851.61
Interest revenue		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	2,979,057,163.11	5,278,599,377.48
Including: Cost of sales	2,284,831,875.00	4,451,814,449.75
Interest costs		
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	26,135,722.56	23,526,112.70
Selling expense	248,336,076.88	249,669,243.57
Administrative expense	157,257,013.15	200,548,687.25
R&D expense	111,825,051.75	106,353,742.77
Finance costs	150,671,423.77	246,687,141.44
Including: Interest costs	203,822,796.42	224,916,477.38
Interest revenue	61,269,104.93	59,467,053.77
Add: Other income	19,705,035.40	40,112,945.00
Return on investment ("-" for loss)	18,497,683.98	816,925,419.92
Including: Share of profit or loss of joint ventures and associates	-16,852,518.27	-16,602,829.69
Income from the derecognition of financial assets at amortized cost ("-" for loss)	-119,757.38	
Exchange gain ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	-149,961,897.65	

Credit impairment loss (“-” for loss)	14,836,754.80	-2,853,517.25
Asset impairment loss (“-” for loss)	-6,050,004.45	-706,509.70
Asset disposal income (“-” for loss)	368,011.21	-265,897.79
3. Operating profit (“-” for loss)	-619,118,555.17	175,260,914.31
Add: Non-operating income	2,439,964.07	10,265,709.63
Less: Non-operating expense	1,458,719.33	2,437,470.87
4. Gross profit (“-” for loss)	-618,137,310.43	183,089,153.07
Less: Income tax expense	-39,279,655.99	92,022,318.91
5. Net profit (“-” for net loss)	-578,857,654.44	91,066,834.16
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	-578,857,654.44	91,066,834.16
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	-510,139,620.27	152,513,923.41
5.2.1 Net profit attributable to non-controlling interests	-68,718,034.17	-61,447,089.25
6. Other comprehensive income, net of tax	286,707.16	-305,458.61
Attributable to owners of the Company as the parent	244,762.98	-1,045,825.23
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	244,762.98	-1,045,825.23
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of 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	244,762.98	-1,045,825.23
6.2.7 Other		
Attributable to non-controlling interests	41,944.18	740,366.62
7. Total comprehensive income	-578,570,947.28	90,761,375.55
Attributable to owners of the Company as the parent	-509,894,857.29	151,468,098.18
Attributable to non-controlling interests	-68,676,089.99	-60,706,722.63
8. Earnings per share		
8.1 Basic earnings per share	-0.2119	0.0633
8.2 Diluted earnings per share	-0.2119	0.0633

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

3. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2024	Q1 2023
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,797,484,722.81	4,577,159,145.45
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	115,078,788.77	64,819,428.29
Cash generated from other operating activities	95,525,932.14	121,196,319.41
Subtotal of cash generated from operating activities	2,008,089,443.72	4,763,174,893.15
Payments for commodities and services	1,734,228,523.22	4,794,630,422.89
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	476,425,284.19	571,153,686.19
Taxes and levies paid	112,876,803.64	186,102,399.10
Cash used in other operating activities	255,603,038.34	394,014,311.99
Subtotal of cash used in operating activities	2,579,133,649.39	5,945,900,820.17
Net cash generated from/used in operating activities	-571,044,205.67	-1,182,725,927.02
2. Cash flows from investing activities:		
Proceeds from disinvestment		277,786,299.25
Return on investment	8,900,401.01	39,420,914.22
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	5,041.03	1,578,239.32
Net proceeds from the disposal of subsidiaries and other business units		18,818,889.67
Cash generated from other investing activities	9,793,699.45	207,505,754.25
Subtotal of cash generated from investing activities	18,699,141.49	545,110,096.71
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	284,178,284.61	363,745,861.03
Payments for investments		
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		343,430,861.17
Subtotal of cash used in investing activities	284,178,284.61	707,176,722.20
Net cash generated from/used in investing activities	-265,479,143.12	-162,066,625.49
3. Cash flows from financing activities:		
Capital contributions received	256,756.76	345,946.00
Including: Capital contributions by non-controlling interests to subsidiaries	256,756.76	345,946.00
Borrowings received	6,140,193,236.06	3,805,114,522.05
Cash generated from other financing activities	131,547,249.19	54,574,868.72
Subtotal of cash generated from financing activities	6,271,997,242.01	3,860,035,336.77
Repayment of borrowings	4,797,944,997.38	2,923,642,749.55
Interest and dividends paid	151,237,909.05	164,669,602.27
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities	220,909,070.38	127,611,602.55
Subtotal of cash used in financing activities	5,170,091,976.81	3,215,923,954.37
Net cash generated from/used in financing activities	1,101,905,265.20	644,111,382.40
4. Effect of foreign exchange rates changes on cash and cash equivalents	-2,015,284.90	-7,901,003.24

5. Net increase in cash and cash equivalents	263,366,631.51	-708,582,173.35
Add: Cash and cash equivalents, beginning of the period	5,674,784,349.55	5,461,912,010.90
6. Cash and cash equivalents, end of the period	5,938,150,981.06	4,753,329,837.55

(II) Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of the New Accounting Standards Implemented since 2024

Applicable Not applicable

(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
26 April 2024