

Konka Group Co., Ltd.

2024 Annual Report

2025-34

April 2025

Section I Important Notes, Table of Contents and Interpretations

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 authenticity, 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.

CAO Shiping, the Company's legal representative, NIE Yong, CFO, and PING Heng, the Head of the financial department (Chief Accountant) hereby declare that they guarantee the financial information in the annual report is true, accurate and complete.

All the Company’s directors have attended the board meeting for the review of this report.

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 Company plans not to distribute cash dividends, issue bonus shares, or convert capital reserve into share capital for the year.

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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 related information.

Interpretations

Interpretations	Refer to	Definitions
Company, the Company, the Group	Refer to	Konka Group Co., Ltd.
Electronic Technology	Refer to	Shenzhen Konka Electronics Technology Co., Ltd.
Haimen Konka	Refer to	Nantong Haimen Konka Smart Technology Co., Ltd.
Chengdu Konka Smart	Refer to	Chengdu Konka Smart Technology Co., Ltd.
Chengdu Konka Electronics	Refer to	Chengdu Konka Electronics Co., Ltd.
Nantong Kangdian	Refer to	Nantong Kangdian Intelligent Technology Co., Ltd.
Shenzhen Kangcheng	Refer to	Shenzhen Kangcheng Technology Innovation and Development Co., Ltd.
Xiaojia Technology	Refer to	Xiaojia Technology Co., Ltd.
Liaoyang Kangshun	Refer to	Liaoyang Kangshun Smart Technology Co., Ltd.
Liaoyang Kangshun Renewable	Refer to	Liaoyang Kangshun Renewable Resources Co., Ltd.
Nanjing Konka	Refer to	Nanjing Konka Electronics Co., Ltd.
Chuzhou Konka	Refer to	Chuzhou Konka Precision Intelligent Manufacturing Technology Co., Ltd.
XingDa HongYe	Refer to	Guangdong Xingda Hongye Electronics Co., Ltd.
Konka Circuit	Refer to	Shenzhen Konka Circuit Co., Ltd.
Konka Soft Electronic	Refer to	Suining Konka Flexible Electronic Technology Co., Ltd.
Konka Hongye Electronics	Refer to	Suining Konka Hongye Electronics Co., Ltd.
Boluo Konka Precision	Refer to	Boluo Konka Precision Technology Co., Ltd.
Boluo Konka	Refer to	Boluo Konka PCB Co., Ltd.
Anhui Tongchuang	Refer to	Anhui Konka Tongchuang Electrical Appliances Co., Ltd.
Jiangsu Konka Smart	Refer to	Jiangsu Konka Smart Appliance Co., Ltd.
Anhui Electrical Appliance	Refer to	Anhui Konka Electrical Appliance Technology Co., Ltd.
Frestec Refrigeration	Refer to	Henan Frestec Refrigeration Appliance Co., Ltd.
Frestec Electrical Appliances	Refer to	Henan Frestec Electrical Appliances Co., Ltd.
Frestec Household Appliances	Refer to	Henan Frestec Household Appliances Co., Ltd.
Frestec Smart Home	Refer to	Henan Frestec Smart Home Technology Co., Ltd.
Konka Investment	Refer to	Shenzhen Konka Investment Holding Co., Ltd.
Yibin Konka Technology Park	Refer to	Yibin Konka Technology Park Operation Co., Ltd.
Konka Capital	Refer to	Shenzhen Konka Capital Equity Investment Management Co., Ltd.
Konka Suiyong	Refer to	Konka Suiyong Investment (Shenzhen) Co., Ltd.
Shengxing Industrial	Refer to	Shenzhen Konka Shengxing Industrial Co., Ltd.
Zhitong Technology	Refer to	Shenzhen Konka Zhitong Technology Co., Ltd.
Konka Electronic Material	Refer to	Konka Electronic Material Technology (Shenzhen) Co., Ltd.
Beijing Konka Electronic	Refer to	Beijing Konka Electronic Co., Ltd.
Tianjin Konka	Refer to	Tianjin Konka Technology Co., Ltd.
Suining Konka Industrial Park	Refer to	Suining Konka Industrial Park Development Co., Ltd.
Suining Electronic Technological Innovation	Refer to	Suining Konka Electronic Technological Innovation Co., Ltd.
Shanghai Konka	Refer to	Shanghai Konka Industrial Co., Ltd.
Yantai Kangjin	Refer to	Yantai Kangjin Technology Development Co., Ltd.
Development of science and technology industry	Refer to	Shenzhen Konka Technology Industry Development Co., Ltd.
Sichuan Konka	Refer to	Sichuan Konka Smart Terminal Technology Co., Ltd.
Yibin Smart	Refer to	Yibin Konka Smart Technology Co., Ltd.
Shenzhen Konka Semiconductor	Refer to	Shenzhen Konka Semiconductor Technology Co., Ltd.
Chongqing Konka	Refer to	Chongqing Konka Technology Development Co., Ltd.
Kowin Memory (Shenzhen)	Refer to	Kowin Memory Technology (Shenzhen) Co., Limited
Kowin Memory (Hong Kong)	Refer to	Kowin Memory Technology (Hong Kong) Co., Limited
Konka Xinyun Semiconductor	Refer to	Konka ChipCloud Semiconductor Technology (Yancheng) Co., Ltd.
Konka Cross-border (Hebei)	Refer to	Konka Cross-border (Hebei) Technology Development Co., Ltd.
Shenzhen Nianhua	Refer to	Shenzhen Nianhua Enterprise Management Co., Ltd.
Konka Central China	Refer to	Konka Huazhong (Hunan) Technology Co., Ltd.

Wankaida	Refer to	Shenzhen Wankaida Science and Technology Co., Ltd.
Shenzhen Chuangzhi Electrical Appliances	Refer to	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.
Suining Jiarun Property	Refer to	Suining Jiarun Property Co., Ltd.
Anhui Konka	Refer to	Anhui Konka Electronics Co., Ltd.
Kangzhi Trade	Refer to	Anhui Kangzhi Trade Co., Ltd.
Telecommunication Technology	Refer to	Shenzhen Konka Telecommunications Technology Co., Ltd.
Konka Mobility	Refer to	Konka Mobility Co., Limited
Dongguan Konka	Refer to	Dongguan Konka Electronics Co., Ltd.
Suining Konka Smart	Refer to	Suining Konka Smart Technology Co., Ltd.
Chongqing Optoelectronic Technology	Refer to	Chongqing Konka Optoelectronic Technology Co., Ltd.
Yibin Kangrun	Refer to	Yibin Kangrun Environmental Technology Co., Ltd.
Yibin Kangrun Medical	Refer to	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.
Ningbo Kanghanrui Electric Appliances	Refer to	Ningbo Kanghanrui Electric Appliances Co., Ltd.
Jiangxi Konka	Refer to	Jiangxi Konka New Material Technology Co., Ltd.
Jiangxi High Transparent Substrate	Refer to	Jiangxi High Transparent Substrate Material Technology Co., Ltd.
Xinfeng Microcrystalline	Refer to	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.
Konka Huanjia	Refer to	Konka Huanjia Environmental Technology Co., Ltd.
Konka Huanjia (Henan)	Refer to	Konka Huanjia (Henan) Environmental Technology Co., Ltd.
Shanxi Konka Intelligent	Refer to	Shaanxi Konka Smart Home Appliance Co., Ltd.
Pengrun Technology	Refer to	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.
Jiaxin Technology	Refer to	Jiaxin Technology Co., Ltd.
Konka Ronghe	Refer to	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.
Konka Unifortune	Refer to	Shenzhen Konka Unifortune Technology Co., Ltd.
Jiali International	Refer to	Jiali International (Hong Kong) Limited
Kangjiatong	Refer to	Sichuan Kangjiatong Technology Co., Ltd.
Jiangkang (Shanghai) Technology	Refer to	Jiangkang (Shanghai) Technology Co., Ltd.
Konka Intelligent Manufacturing	Refer to	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.
Hainan Konka Technology	Refer to	Hainan Konka Technology Co., Ltd.
Konka Ventures	Refer to	Konka Ventures Development (Shenzhen) Co., Ltd.
Yibin Konka Incubator	Refer to	Yibin Konka Incubator Management Co., Ltd.
Yantai Konka	Refer to	Yantai Konka Healthcare Enterprise Service Co., Ltd.
Chengdu Anren	Refer to	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.
Konka Enterprise Service	Refer to	Guiyang Konka Enterprise Service Co., Ltd.
Ji'an Konka	Refer to	Ji'an Konka Technology Industry Development Co., Ltd.
Konka Europe	Refer to	Konka (Europe) Co., Ltd.
Hong Kong Konka	Refer to	Hong Kong Konka Co., Ltd.
Hongdin Trading	Refer to	Hongdin International Trading Limited
Konka North America	Refer to	Konka North America LLC
Kanghao Technology	Refer to	Kanghao Technology Co., Ltd.
Hongdin Investment	Refer to	Hongdin Invest Development Limited
Chain Kingdom Memory Technologies	Refer to	Chain Kingdom Memory Technologies Co., Limited
Chain Kingdom Semiconductor (Shaoxing)	Refer to	Chain Kingdom Semiconductor (Shaoxing) Co., Ltd.
Hongjet	Refer to	Hongjet (Hong Kong) Company Limited
Chongqing Xinyuan Semiconductor	Refer to	Chongqing Xinyuan Semiconductor Co., Ltd.
Anlu Konka	Refer to	Anlu Konka Industry Operation Service Co. Ltd.
Kanghong Dongsheng	Refer to	Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)
Guizhou Konka New Material	Refer to	Guizhou Konka New Material Technology Co., Ltd.
Shanxi Smart Home Appliance	Refer to	Konka Smart Home Appliance (Shanxi) Industry Development Co., Ltd.
Guizhou Kanggui Materials	Refer to	Guizhou Kanggui Material Technology Co., Ltd.
Nantong Kanghai	Refer to	Nantong Kanghai Technology Industry Development Co., Ltd.
Chongqing Kangyiyun	Refer to	Chongqing Kangyiyun Business Operation Management Co., Ltd.
Jiangxi Konka High-tech Park	Refer to	Jiangxi Konka High-tech Park Operation and Management Co., Ltd.

Shangrao Konka Electronic Technology Innovation	Refer to	Shangrao Konka Electronic Technology Innovation Co., Ltd.
Guizhou Konka New Energy	Refer to	Guizhou Konka New Energy Material Technology Co., Ltd.
Zhejiang Konka Electronic	Refer to	Zhejiang Konka Electronics Co., Ltd.
Zhejiang Konka Technology Industry	Refer to	Zhejiang Konka Technology Industry Development Co., Ltd.
Xi'an Konka Intelligent	Refer to	Xi'an Konka Intelligent Appliance Co., Ltd.
Xi'an Konka Network	Refer to	Xi'an Konka Network Technology Co., Ltd.
Xi'an Kanghong Technology Industry	Refer to	Xi'an Kanghong Technology Industry Development Co., Ltd.
Xi'an Konka Intelligent Technology	Refer to	Xi'an Konka Intelligent Technology Development Co., Ltd.
Anhui Konka Low Carbon	Refer to	Anhui Konka Low Carbon Technology Co., Ltd.
Kanghong Xintong	Refer to	Shenzhen Kanghong Xintong Investment Partnership (Limited Partnership)
Songyang Industry Operation	Refer to	Songyang Konka Smart Industry Operation Management Co., Ltd.
Kangyan Technology	Refer to	Shenzhen Kangyan Technology Co., Ltd.
Konka Photovoltaic Technology	Refer to	Konka Photovoltaic Technology Co., Ltd.
Songyang Konka Intelligent	Refer to	Songyang Konka Intelligent Technology Development Co., Ltd.
Konka North China	Refer to	Konka North China (Tianjin) Technology Co., Ltd.
Digital Technology	Refer to	Shenzhen Konka Digital Technology Development Co., Ltd.
China Securities Regulatory Commission	Refer to	The China Securities Regulatory Commission
Shenzhen Stock Exchange	Refer to	The Shenzhen Stock Exchange
Shenzhen Securities Regulatory Bureau	Refer to	The Shenzhen Bureau of the China Securities Regulatory Commission
RMB, RMB 10,000, and RMB 100 million	Refer to	Expressed in the Chinese currency of RMB, expressed in tens of thousands of RMB, expressed in hundreds of millions of RMB

Section II Company Profile and Financial Indicators

I. Corporate Information

Stock name	Konka Group-A, Konka Group-B	Stock code	000016, 200016
Previous stock name (if any)	None		
Stock exchange for stock listing	The Shenzhen Stock Exchange		
Company name in Chinese	康佳集团股份有限公司		
Abbr. in Chinese	康佳集团		
Company name in English (if any)	KONKA GROUP CO.,LTD		
Abbr. in English (if any)	KONKA GROUP		
Legal representative	CAO Shiping		
Registered address	Floor 15-24, Konka R&D Building, No. 28 Keji South 12th Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen		
Postal code of registered address	518057		
Past changes of registered address	On July 1, 2015, due to the relocation of the Company Headquarters, the registered address has changed from OCT, Nanshan District, Shenzhen, Guangdong Province, China to Floor 15-24, Konka R&D Building, No. 28 Keji South 12th Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen		
Office address	Floor 15-24, Konka R&D Building, No. 28 Keji South 12th Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen		
Postal code of office address	518057		
Company website	www.konka.com		
Email address	szkonka@konka.com		

II. Contact Information

	Secretary of the Board of Directors	Securities Representative
Name	LI Chunlei	Miao Leiqiang
Address	Secretariat of the Board of Directors, 24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province	Secretariat of the Board of Directors, 24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province
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 Report is disclosed	Securities Times, etc.
Media and website where this Report is disclosed	Http://www.cninfo.com.cn/new/index
Place where this Report is lodged	Secretariat of the Board of Directors, 24/F, Konka R&D Center, 28 Keji South Twelfth Road, Science and Technology Park, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province

IV. Changes to Company Registration

Unified social credit code	914403006188155783
Change to principal activity of the Company since going public	No change

(if any)	
Every change of controlling shareholder since incorporation (if any)	No change

V. Other Related 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	DENG Dengfeng, LIU Lihong

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

	2024	2023	YoY change	2022
Operating revenue (RMB)	11,114,763,969.59	17,849,331,429.24	-37.73%	29,607,854,255.27
Net profit attributable to the listed company's shareholders (RMB)	-3,295,588,668.77	-2,163,790,053.17	-52.31%	-1,470,466,806.68
Net profit attributable to the listed company's shareholders before non-recurring gains and losses (RMB)	-3,205,504,053.63	-2,914,445,076.42	-9.99%	-2,664,607,441.54
Net cash generated from/used in operating activities (RMB)	173,888,842.99	553,101,277.90	-68.56%	-528,303,041.83
Basic earnings per share (RMB/share)	-1.3686	-0.8986	-52.30%	-0.6107
Diluted earnings per share (RMB/share)	-1.3686	-0.8986	-52.30%	-0.6107
Weighted average return on equity	-82.56%	-32.58%	-49.98%	-17.57%
	End of 2024	End of 2023	YoY change	End of 2022
Total assets (RMB)	30,412,763,900.34	35,824,818,212.66	-15.11%	38,023,319,693.08
Equity attributable to the listed company's shareholders (RMB)	2,369,668,838.10	5,644,401,184.65	-58.02%	7,641,459,980.68

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

☒ Yes ☐ No

Item	2024	2023	Note
Operating revenue (RMB)	11,114,763,969.59	17,849,331,429.24	
Deductions from operating revenue (RMB)	602,398,241.79	712,619,709.55	Scrap sales revenue, utilities revenue, lease revenue, material sales revenue and other revenue irrelevant to the principal operations
Operating revenue net of deductions (RMB)	10,512,365,727.80	17,136,711,719.69	

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

None.

2. Net Profit and Equity under CAS and foreign accounting standards

☐ Applicable ☒ Not applicable

None.

VIII. Key Financial Indicators by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	2,462,543,024.65	2,949,987,347.82	2,707,452,109.09	2,994,781,488.03
Net profit attributable to the listed company's shareholders	-510,139,620.27	-577,442,222.28	-518,498,087.73	-1,689,508,738.49
Net profit attributable to the listed company's shareholders before non-recurring gains and losses	-466,504,771.56	-636,573,839.16	-614,340,480.96	-1,488,084,961.95
Net cash generated from/used in operating activities	-571,044,205.67	131,705,840.54	48,370,919.56	564,856,288.56

Whether there are significant differences between the above financial indicators or the sum and the relevant financial indicators in the company's disclosed quarterly reports and semi-annual reports

☐ Yes ☒ No

IX. Non-recurring Profits or Losses

√ Applicable □ Not applicable

Unit: RMB

Item	Amount in 2024	Amount in 2023	Amount in 2022	Note
Profit or losses on disposal of non-current assets (including the portion offset for provisions for asset impairment)	100,956,248.61	198,866,019.16	755,498,679.55	
Government grants included in the current profit or loss (except for those that are closely related to the Company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a sustained impact on the Company's profit or loss)	105,918,680.20	264,798,178.16	916,334,616.72	
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 arise in the Company's ordinary course of business)	-366,040,020.57	-88,236,451.43	-17,595,638.89	
Dispossession surcharge to non-financial institutions included in the current profit and loss				
Gain/Loss on entrusting others with investments or asset management				
Gain or loss on loan entrustment	92,549,311.40	118,808,006.95	119,233,091.33	
Losses on assets resulted from force majeure factors such as natural disasters				
Reversed portions of impairment allowances for receivables which are tested individually for impairment	38,227,600.55	3,055,800.22	32,624,581.58	
Gains arising from business combination when the investment cost is less than the recognized fair value of net assets of the investee				
Current net profit or loss of subsidiaries acquired in business combination under the same control from period-beginning to combination date				
Profit/Loss on non-monetary asset swap				
Gain or loss on debt restructuring	-459,737.22		-5,378,929.04	
One-time expenses incurred by an enterprise because the relevant business activities are no longer continuous, such as the expenditure of resettling employees				
A one-time impact on current earnings caused by the adjustment of tax, accounting and other laws and regulations				
The share-based payment expense that is				

recognized in a lump sum due to the cancellation or modification of the equity incentive plan				
For cash-settled share-based payments, the gain or loss arising from changes in the fair value of employee compensation payable after the date of exercise				
The profit and loss arising from the change in fair value of investment real estate measured subsequently using the fair value model				
Gains arising from transactions whose prices are manifestly unfair				
Gains and losses arising from contingent matters unrelated to the company's normal business operations				
Income from trusteeship fees obtained through trusteeship				
Other non-operating income and expenses other than those mentioned above	-114,510,494.06	-64,433,346.64	-97,161,898.46	
Other profit and loss items that conform to the definition of non-recurring profit and loss		571,315,980.43		
Less: income tax impact	-23,300,674.38	239,431,992.39	299,999,504.47	
Effect on minority interests (after tax)	-29,973,121.57	14,087,171.21	209,414,363.46	
Total	-90,084,615.14	750,655,023.25	1,194,140,634.86	--

Particulars about other gains and losses that meet the definition of non-recurring gain/loss:

☐ Applicable ☒ Not applicable

Explanation on the definition of non-recurring profit and loss items as recurrent profit and loss items in the Explanatory Announcement No. 1 on Information Disclosure of Companies Publicly Issuing Securities - Non-recurring Profit and Loss Items

☒ Applicable ☐ Not applicable

Item	Amount involved (RMB)	Reason
Tax rebates on software	4,681,629.92	Government grants which are closely related to the normal business of the company and which are in accordance with national policies and certain standard quota or quantitative amount

Section III Discussion and Analysis of the Management

I. Industry Overview for the Reporting Period

At present, the Company's main businesses include consumer electronics and semiconductor businesses. The relevant industries are described below:

(I) Consumer electronics industry

In terms of the color TV industry, since China implemented the policy of trade-in of consumer goods, China's color TV market has entered the channel of medium and high-end competition upgrading. Statistics from AVC show that in 2024, the retail sales of China's color TV markets were 30.86 million sets, down 1.8% YoY, but the retail sales were RMB 127.1 billion, up 15.7% YoY. With the continuous development of future display technologies represented by Mini LED and Micro LED, as well as the intelligent upgrade of various electronic products driven by the Internet of Things (IoT), big data, cloud computing, and artificial intelligence, the development of new TV categories accelerated in 2024. The penetration rate of new display technologies, high refresh rates, and large-size mid-to-high-end products has been increasing. Regarding new display technologies, Mini LED technology entered a phase of rapid popularization in 2024. AVC's statistics show that the retail penetration rate of China's color TV Mini LED market was 9.8% in 2024, up 5.4% from 2023. In terms of high refresh rates, as living standards continue to improve, consumers' pursuit of quality viewing and gaming experiences has become increasingly high. Consequently, TVs with high refresh rates have seen a continuous rise in sales due to their ability to provide superior image quality. AVC's statistics show that the retail penetration rate of color TVs with refresh rates above 120Hz in China's market was 31.9% in 2024, up 16.4% from 2023. In terms of large size, the trend of large screen in China's color TV market continues, and the proportion of sales of products of 75 inches and above has steadily increased. AVC's statistics show that the retail penetration rate of 75-inch products in China's color TV market was 19.9% in 2024, up 6.4% from 2023.

In terms of the white goods industry, the pace of product upgrades accelerated in 2024, with enhancements in basic features and performance. Simultaneously, their products are more beautiful, healthy and integrated. This structural upgrade in products has driven the growth in sales of high-quality home appliances. In terms of refrigerators, the statistical data from AVC shows that the Chinese refrigerator market performed steadily in 2024. The total retail volume across all channels reached 40.19 million units, with a YoY increase of 4.9%, and the retail sales amounted to RMB 143.4 billion, growing by 7.6% YoY. The proportion of mid-to-high-end products has been continuously rising. In terms of washing machines, statistics from AVC show that the domestic washing machine market made steady progress in 2024, with omni-channel retail sales of 42.97 million units, growing by 7.3% YoY; And the retail sales amounted to RMB 101.4 billion, growing

by 7.6% YoY. Aside from the rise in sales volume, the average selling price of washing machines also saw a steady increase. In terms of air conditioners, according to the statistical data of AVC, in 2024, the annual production of domestic air conditioners in China reached 195.08 million units, with a YoY increase of 19.5%. The total sales volume was 189.77 million units, with a YoY increase of 20.9%. Both the domestic and overseas sales scales of air conditioners have increased.

(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: upstream chip manufacturing and mass transfer, midstream panel manufacturing, and downstream complete machine application. The Micro LED has wide industrial application and a broad market.

II. Principal Activity of the Company in the Reporting Period

(I) Consumer electronics business

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

1. The multimedia business

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

The domestic color TV business mainly focuses on two business models: B2B (an abbreviation for Business-to-Business, that is, business-to-business) and B2C (an abbreviation for Business-to-Consumer, that is, business-to-consumer). Branches, business departments, and after-sales maintenance service outlets have been established across the country. The operating profit is derived from the price difference between the cost of color TV products and their selling prices.

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 business

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.

The Company profits from the margins between the costs and the selling prices of its white goods. Through the merger and acquisition of the "Frestec" brand, the Company strengthened the white goods brand foundation; By establishing a Ningbo air-conditioning production base through a joint venture, the Company has built up its own air-conditioning manufacturing capabilities; By acquiring the Chinese factory of Beko (front-loading washing machine), the Company has made up for the technical shortcomings in front-loading washing machine production; By constructing a new Xi'an Smart Home Appliance Industrial Park, the Company explores and develops the dishwasher business; In addition, the Company is currently optimizing each link of "research, production, supply, sales and service" internally, integrating channel resources externally, achieving channel reuse with the upstream supply side and the downstream channel side, and continuously improving the product sales structure and competitiveness of its white goods business.

(II) Semiconductor business

Currently, the Company has established a presence in the semiconductor optoelectronics field, with a focus on three major business segments, including Micro LED & Mini LED chips, mass transfer, and display technology, advancing the transformation of its optoelectronics business from technological R&D to industrialization. After industrialization, the Company's operating profits will be derived from the spread between product costs and sales prices.

(III) PCB business

The Company's PCB business primarily focuses on metal substrate products, thick copper products, high multi-layer and HDI (high-density interconnect) products, and rigid-flex products. Operating under a B2B business model, the Company targets four major electronics fields, namely new energy, automotive electronics, communications & data centers, and new consumer electronics. Profitability is achieved through the spread between product costs and sales prices.

III. Core Competitiveness Analysis

The Company's core competitiveness lies in its manufacturing ability, R&D ability, brand, marketing network and human resources. In terms of manufacturing capabilities, the Company has carried out intelligent upgrading and transformation of its production and manufacturing bases in places such as Anhui, Dongguan, Xi'an, Suining, and Xinxiang. Among them, the Konka factory in Anhui has been awarded the title of "National Intelligent Manufacturing Demonstration Factory", and its intelligent manufacturing level has reached an advanced level in the industry. In terms of R&D, the Company has established a three-level R&D system consisting of "Research Institute + Key Laboratory + Product R&D Center". It has set up comprehensive AI and IoT laboratories and 5G Ultra HD laboratories in cooperation with major universities or scientific research institutions, and established an academician workstation. The Company has also formed a technology research alliance that matches its industrial layout. It possesses nearly a hundred core and key technologies, a R&D team of approximately 1,400 members, and has recruited a hundred industry technical talents

for its Micro LED project. 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. In offline channels, the Company has 48 branches in provinces and cities across the country, more than 5,000 after-sales service stores, and its marketing and service network covers the whole country; Through online channels, the Company has settled in e-commerce platforms such as Tmall, JD.com, Suning, Vipshop, Pinduoduo, etc., to explore the development of live e-commerce business and seek new growth poles for business development; In overseas channels, the Company's business covers Latin America, Europe, Asia-Pacific and other countries and regions, and has 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 2024, the Company promoted reform and transformation, continued to deepen the strategic deployment of "one axis, two wheels and three engines", actively promoted business restructuring, further promoted special actions such as asset revitalization, unified legal entity management, and manufacturing efficiency improvements, advanced various production and operation tasks, thereby achieving positive operating cash flows, and laying a foundation for the Company's development in the next stage.

In 2024, the Company achieved operating revenue of RMB11.115 billion, down 37.73% YoY, and net profit attributable to shareholders of the listed company of RMB-3.296 billion, down 52.31% YoY; cash flows from operating activities remained positive.

(1) Reasons for performance changes in 2024

① In 2024, the Company focused on its two main businesses, namely consumer electronics and semiconductors, continued to optimize and integrate its business structure. The Company proactively exited non-core businesses and those with weak empowerment to core businesses and in a continuous loss state. As a result, the Company's revenue saw a certain decline.

② In 2023, as the Company disposed of shares in an investee company and recognized the shares as trading financial assets for accounting, approximately a profit of RMB 750 million was generated; however, there was no similar large non-recurring profit in 2024. Therefore, the Company's NPATs for 2024 decreased YoY.

③ In 2024, the production efficiency of the Company's color TV business improved and the product competitiveness gradually increased; however, affected by factors such as intensified

market competition, continuous fluctuations in the supply chain and limited space for rigid cost reduction, the Company's color TV business continued to face pressure and was still in a loss state.

④ In 2024, in order to accelerate the industrialization process of semiconductor business, the Company continued to increase investment in the industrialization of MLED (collectively referred to as Micro LED and Mini LED), and made certain progress in the sales of Mini LED display products; however, as the Company's semiconductor business was still in the early stage of industrialization, it didn't achieved large-scale and efficient output, which affected the Company's profitability.

⑤ In 2024, based on the principle of prudence, the Company made a provision for impairment of assets of RMB1.345 billion according to its accounting policies and estimates, resulting in a decrease in profits.

⑥ In 2024, the value changes of financial assets measured at fair value held by the Company and the increase of contingent consideration resulted in the Company's profit or loss from changes in fair value of about RMB-363 million.

(2) Key tasks for 2024

① Solidly promote the Company's strategic transformation

Under the new development framework of "one axis, two wheels and three engines", the Company held strategic theory-discussing meetings and business seminars in 2024, and conducted in-depth analysis and systematic planning centered on key issues such as focusing on core business development and improving operational and management efficiency, resulting in the identification of seven key tasks, including "adjusting the layout" and "focusing on breakthroughs", and the formation of the Implementation Measures for Reform and Development of Konka Group. In 2024, centered on its two main businesses, namely consumer electronics and semiconductors, the Company optimized and integrated its business structure, and decisively exited non-core businesses and those with weak empowerment to the core businesses and in a continuous loss state. The Company clarified a new "1+4+N" management structure, redirecting resources to core businesses such as color TV, white goods, semiconductors, and PCB.

② Deepen reform and innovation

The Company promoted asset revitalization through organizational leadership, establishing the "Asset Revitalization Task Force" in 2024. A weekly reporting mechanism was implemented, and over 200 assets were revitalized throughout the year, generating cash inflows of more than RMB 1.5 billion. As a result, the Company's asset structure was optimized.

The Company also innovated its management model by focusing on unified legal entity management. In 2024, the Company established the "Unified Legal Entity Management Task Force" to systematically sort out and clarify the 2025 business objectives for the first batch of 27 major legal entities. As a result, the Company has completed the restructuring of comprehensive

budgeting, monitoring models, and business analysis, transitioning from the management entity to the legal entity.

The Company drove a positive operational cycle for its production bases through manufacturing efficiency improvements. In 2024, the Company established the "Manufacturing Efficiency Improvement Task Force", formulated a manufacturing efficiency improvement plan, and set clear goals for efficiency improvements of its manufacturing bases. In 2024, the Company made milestone progress in its manufacturing capabilities. Specifically, the Frestec refrigerator and freezer factory completed its relocation and began production; the dishwasher project of Shaanxi Konka Smart Home Appliance Co., Ltd. was successfully launched; the new manufacturing platform for drum washing machines of Jiangsu Konka Smart Appliance Co., Ltd. achieved milestone results; Chengdu Konka Electronics Co., Ltd. implemented various measures to enhance manufacturing efficiency, with production 21%, 22%, and 40% YoY respectively.

The Company leveraged marketing reform to drive market growth. In 2024, it established the "Marketing Reform Task Force" to improve business travel, commission and payment term management systems, while progressively centralizing logistics, service and online distribution platforms. Additionally, the Company actively promoted the integration of white goods and brown goods marketing, formulating implementation plans and specific targets for the integration.

③ Continuously improve the management efficiency

In terms of operational management and control, the Company comprehensively sorted out and reformed decision-making management mechanisms, and revised relevant management systems. It continuously strengthened cash flow budgeting and implementation control, adhering to the overarching principle of "determining expenses and investments based on revenue". Cash outflows were managed on a ten-day cycle to ensure that the Company's operating cash flows remained positive in 2024.

In terms of cost reduction and expense control, the Company implemented the full-process expense management mechanism and the "3+3" cost reduction measures, establishing monthly budget reviews and specialized controls for expense items. Period expenses for 2024 totaled RMB 2.4 billion, down RMB 410 million YoY (-14.44%).

④ Continuously improve the industrial capacity

Steady improvement of product efficiency: in 2024, the color TV business successfully launched flagship products such as A8 and Grand X7 series in mass production. The Company introduced the Tianjing Mini AI-LED A8 flagship product series, achieving the upgrading of product system; The white goods business has promoted the launch of products such as the 462-liter series and 500-liter series of cross-four-door flush-mounted refrigerators, the brand-new Zhencai series of washing machines, and the 10kg single-washing automatic-dosing washing machine, which has enhanced the product image. The introduction of double-sided aluminum substrate

products into the PCB business made up for the vacancy in double-sided aluminum mass production and laid a foundation for the adjustment of the Company's product structure.

Steady improvement in manufacturing efficiency: in terms of color TV business, in 2024, the comprehensive units per person per hour (UPPH) of Anhui Konka Electronics Co., Ltd., Dongguan Konka Electronics Co., Ltd. and Chengdu Konka Electronics Co., Ltd. increased by 20.6%, 13.3% and 9.6% YoY respectively; in addition, unit manufacturing costs were reduced by 16.6%, 3.2%, and 46% YoY, and the OEM business scale grew by 47% YoY; In terms of white goods business, in 2024, the integrated UPPH value of the manufacturing base increased by 7% YoY, and the manufacturing cost decreased significantly YoY.

Steady growth in overseas business: in 2024, the overseas business revenue of white goods increased by 47% YoY and profits increased by 51% YoY. Among them, air conditioner revenue grew by 85% YoY; washing machine revenue grew by 47% YoY; freezer revenue grew by 130% YoY; refrigerator revenue grew by 22% YoY. Additionally, the dishwasher export business saw successful shipment; The overseas business of color TVs has acquired 23 new customers, and the self-owned brand business has been launched in Sri Lanka.

Steady breakthroughs in scientific research and technology: in 2024, the Company won 4 national awards and 6 provincial and ministerial awards; the color TV business has developed the 110-inch Mini LED A8 PRO TV with 230,000 partitions; The high-quality special project of Chongqing Konka Optoelectronic Technology Co., Ltd. passed the on-site acceptance; The first batch of -25°C/-40°C medical freezers developed by Frestec has been approved with the "Medical Freezer" medical device registration certificate. Meanwhile, the combined commercial ultra - low-temperature cold storage developed based on the inverse Brayton refrigeration technology has been successfully tested.

2. Revenue and Cost Analysis

(1) Breakdown of operating revenue

Unit: RMB

	2024		2023		Change (%)
	Amount	As % of total operating revenue (%)	Amount	As % of total operating revenue (%)	
Total	11,114,763,969.59	100%	17,849,331,429.24	100%	-37.73%
By operating division					
Consumer electronics	10,136,942,898.84	91.20%	10,204,905,315.64	57.17%	-0.67%
Semiconductor and memory chip industry	170,202,408.61	1.53%	3,397,161,542.60	19.03%	-94.99%
Other	807,618,662.14	7.27%	4,247,264,571.00	23.80%	-80.98%
By product category					
Color TVs	5,027,758,205.02	45.23%	4,708,450,488.99	26.38%	6.78%
White goods	4,127,243,310.93	37.13%	4,257,423,386.71	23.85%	-3.06%
Semiconductor and	170,202,408.61	1.53%	3,397,161,542.60	19.03%	-94.99%

memory chip business					
PCB business	480,868,974.92	4.33%	476,456,155.62	2.67%	0.93%
Others	1,308,691,070.11	11.77%	5,009,839,855.32	28.07%	-73.88%
By operating segment					
Overseas	7,903,700,862.49	71.11%	10,716,944,822.00	60.04%	-26.25%
Domestic	3,211,063,107.10	28.89%	7,132,386,607.24	39.96%	-54.98%
By marketing model					
Direct sales	5,058,917,673.95	45.52%	5,565,516,534.04	31.18%	-9.10%
Distribution	6,055,846,295.64	54.48%	12,283,814,895.20	68.82%	-50.70%

(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						
Consumer electronics	10,136,942,898.84	9,697,985,518.65	4.33%	-0.67%	-1.55%	0.86%
By product category						
Color TVs	5,027,758,205.02	5,002,954,699.48	0.49%	6.78%	3.91%	2.75%
White goods	4,127,243,310.93	3,837,066,870.14	7.03%	-3.06%	-1.88%	-1.11%
By operating segment						
Domestic	7,903,700,862.49	7,500,439,150.67	5.10%	-26.25%	-28.31%	2.73%
Overseas	3,211,063,107.10	3,125,596,033.23	2.66%	-54.98%	-54.48%	-1.07%
By marketing model						
Direct sales	5,058,917,673.95	4,704,618,366.12	7.00%	-9.10%	-15.08%	6.55%
Distribution	6,055,846,295.64	5,921,416,817.78	2.22%	-50.70%	-49.77%	-1.81%

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	2024	2023	Change (%)
Consumer electronics	Unit sales	0,000 units	912	1,070	-14.77%
	Output	0,000 units	912	1,080	-15.56%
	Inventory	0,000 units	81	81	0.00%

Any over 30% YoY movements in the data above and reasons

□ 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

By product category	Item	2024		2023		Change (%)
		Amount	As % of total cost of sales (%)	Amount	As % of total cost of sales (%)	
Color TVs	Color TVs	5,002,954,699.48	47.08%	4,814,813,410.02	27.78%	3.91%
White goods	White goods	3,837,066,870.14	36.11%	3,910,767,599.72	22.57%	-1.88%
Semiconductors and memory chips	Semiconductors and memory chips	256,853,882.82	2.42%	3,433,148,164.76	19.81%	-92.52%
PCB business	PCB business	428,530,129.53	4.03%	420,480,569.60	2.43%	1.91%
Others	Others	1,100,629,601.93	10.36%	4,749,881,708.37	27.41%	-76.83%

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'0,000)	The Company's interest as at the end of the reporting period (%)	Date of change	Reason for change
Shenzhen Wankaida Science and Technology Co., Ltd.	1,000	0.00	2024-1-22	De-registration
Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.	500	0.00	2024-4-28	
Anhui Konka Low Carbon Technology Co., Ltd.	1,500	0.00	2024-6-20	
Shenzhen Kanghong Xintong Investment Partnership (Limited Partnership)	10,000	0.00	2024-8-9	
Chengdu Konka Smart Technology Co., Ltd.	5,000	0.00	2024-9-24	
Konka Photovoltaic Technology Co., Ltd.	15,000	0.00	2024-11-14	
Guizhou Konka New Energy Material Technology Co., Ltd.	10,000	0.00	2024-12-9	
Boluo Konka PCB Co., Ltd.	4,000	0.00	2024-12-26	Merger by absorption
Konka Huanjia Environmental Technology Co., Ltd.	18,000	51%	2024-3-15	Entry to bankruptcy liquidation procedures
Konka Huanjia (Henan) Environmental Technology Co., Ltd.	10,000	51%	2024-3-15	

(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)	3,509,777,615.12
Total sales to top five customers as % of total sales of the	31.58%

reporting period (%)	
Total sales to related parties among top five customers as % of total sales of the reporting period (%)	0.00%

Top five customers

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Customer A	1,831,921,038.38	16.48%
2	Customer B	851,049,761.92	7.66%
3	Customer C	473,013,307.18	4.26%
4	Customer D	183,783,749.11	1.65%
5	Customer E	170,009,758.53	1.53%
Total	--	3,509,777,615.12	31.58%

Other information about major customers

√ Applicable ☐ Not applicable

None of the top five customers were related parties of the Company. None of the Company's directors, supervisors, executive officers, core technicians, over 5% shareholders, De Facto 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)	3,229,325,957.39
Total purchases from top five suppliers as % of total purchases of the reporting period (%)	31.85%
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	2,220,792,621.16	21.91%
2	Supplier B	302,987,168.12	2.99%
3	Supplier C	268,096,638.28	2.64%
4	Supplier D	224,521,122.87	2.21%
5	Supplier E	212,928,406.96	2.10%
Total	--	3,229,325,957.39	31.85%

Other information about major suppliers

√ Applicable ☐ Not applicable

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

3. Expense

Unit: RMB

	2024	2023	Change (%)	Reason for any significant change
Selling expense	774,298,036.87	965,070,146.99	-19.77%	
Administrative expense	651,947,833.46	807,527,910.20	-19.27%	
Finance costs	581,022,498.12	562,016,110.24	3.38%	
R&D expense	416,405,840.34	497,993,759.86	-16.38%	

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
R&D of 8K UHD platform based on self-developed chip	Research on 8K UHD core technology, image quality enhancement technology, and pixel-level optical engine technology.	The core technology has been applied to the product.	While realizing 8K UHD decoding on the product, it also realizes functions such as image quality enhancement and precise light control.	Improve product competitiveness.
R&D of ultra-high partition Mini LED wallpaper TV	Research on ultra-thin and ultra-high partition Mini LED backlight technology, and develop multiple types of Mini LED backlight TVs.	Related products have been launched.	Create ultra-thin Mini LED backlit TVs with partitions at the levels of hundreds, thousands, and tens of thousands.	Launch products that meet market demand.
Research on High-end Glass Door Sterilization Flat-mounted Cross Four-door Refrigerator	Increase the market share of cross-shaped four-door high-end products in the offline market	Completed.	Increase the market share of cross-shaped four-door high-end products in the offline market.	Increase the market share of the Company's products and enhance the brand image.
R&D of air-cooled, energy-saving large two-door refrigerator	Meet the needs of mid-end, large-sized, two-door and large-sized frozen products in the offline market	Completed.	Increase the market share of large two-door frozen products in the offline market.	Expand the market share of products and enhance the overall brand image of the Company.
Micro LED laser transfer verification project	Micro LED technology achieves breakthrough, with a huge transfer of technical indicators.	The acceptance has been completed.	Achieve the technical indicators of mass transfer and repair.	Enhance the Company's huge transfer technology capabilities and expand the Company's influence in the industry.
R&D of manufacturing process of thick copper sandwich aluminum substrate	Develop high-tech and high value-added products in industrial control and other application fields to increase the Company's operating profit.	R&D has been completed and is currently in low-volume production.	Increase sales revenue and profit.	Improve the Company's overall R&D level, industry status and influence.
R&D of high multi-layer precision thick copper plate circuit board	Further improve process technology and open up new markets.	Trial production stage.	Obtain control technology patents, production technologies and process parameters, and obtain technical	Open up new markets.

			methods with independent intellectual property rights.	
R&D of Mini LED application based on high multi-layer precision circuit board technology	Carry out R&D and technical reserves to improve product competitiveness.	Trial production stage.	Achieve technical indicators and increase sales revenue and profits.	Improve the Company's product competitiveness and industry position.

Details about R&D personnel

	2024	2023	Change (%)
Number of R&D personnel	1,422	1,479	-3.85%
R&D personnel as % of total employees	10.65%	10.48%	0.17%
Educational background of R&D personnel			
Bachelor	1321	1,349	-2.08%
Master's degree	96	124	-22.58%
Doctoral degree	5	6	-16.67%
Age structure of R&D personnel			
Below 30	651	695	-6.33%
30-40 years old	569	551	3.27%
Over 40	202	233	-13.30%

Details about R&D investments

	2024	2023	Change (%)
R&D investments (RMB)	416,405,840.34	497,993,759.86	-16.38%
R&D investments as % of operating revenue	3.75%	2.79%	0.96%
Capitalized R&D investments (RMB)	0.00	0.00	0.00%
Capitalized R&D investments as % of total R&D investments	0.00%	0.00%	0.00%

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

5. Cash Flows

Unit: RMB

Item	2024	2023	Change (%)
Subtotal of cash generated from operating activities	11,193,611,750.42	18,703,945,979.20	-40.15%
Subtotal of cash used in operating activities	11,019,722,907.43	18,150,844,701.30	-39.29%
Net cash generated from/used in	173,888,842.99	553,101,277.90	-68.56%

operating activities			
Subtotal of cash generated from investing activities	725,004,698.10	2,481,589,961.16	-70.78%
Subtotal of cash used in investing activities	756,209,896.13	2,013,333,188.02	-62.44%
Net cash generated from/used in investing activities	-31,205,198.03	468,256,773.14	-106.66%
Subtotal of cash generated from financing activities	12,647,798,297.72	11,690,214,069.69	8.19%
Subtotal of cash used in financing activities	15,690,719,013.11	12,521,398,097.40	25.31%
Net cash generated from/used in financing activities	-3,042,920,715.39	-831,184,027.71	-266.09%
Net increase in cash and cash equivalents	-2,891,606,873.10	212,872,338.65	-1458.38%

Main influencing factors for significant YoY changes in relevant data

☒ Applicable ☐ Not applicable

Reasons for the change in net cash flows from operating activities: the sales payment collection scale of the Company during the reporting period has narrowed YoY, and the government grants received during this period have decreased.

Reasons for the change in net cash flows from financing activities: the cash paid by the Company to repay debts in the reporting period increased compared with the same period of the previous 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	Forming reason	Recurrent or not
Return on investment	-40,606,278.44	1.06%		Not
Gain/loss on changes in fair value	-363,008,154.15	9.52%	Mainly the change in the fair value of financial assets and the increase of contingent consideration	Not
Asset impairments	-1,345,168,787.27	35.26%	Mainly the impairment of receivable, inventories and equity investment	Not
Non-operating revenue	36,502,107.29	-0.96%	Mainly the increase in gains not directly related to the daily business activities of the Company	Not
Non-operating expense	165,575,114.70	-4.34%	Mainly the increase in losses not directly related to the daily business activities of the Company	Not

VI Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	End of 2024		Beginning of 2024		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	4,115,767,247.73	13.53%	6,506,359,577.02	18.16%	-4.63%	
Accounts receivable	1,458,923,066.70	4.80%	1,726,545,973.08	4.82%	-0.02%	
Contract assets	2,630,508.60	0.01%	2,190,385.93	0.01%	0.00%	
Inventories	2,694,648,186.93	8.86%	3,249,897,700.98	9.07%	-0.21%	
Investment property	1,650,843,239.51	5.43%	1,470,226,723.87	4.10%	1.33%	
Long-term equity investments	4,728,360,853.49	15.55%	5,566,483,863.29	15.54%	0.01%	
Fixed Assets	5,005,836,928.31	16.46%	5,218,297,745.16	14.57%	1.89%	
Construction in progress	873,042,499.04	2.87%	860,899,498.68	2.40%	0.47%	
Right-of-use assets	178,185,679.35	0.59%	197,054,423.17	0.55%	0.04%	
Short-term borrowings	5,741,171,468.26	18.88%	6,390,592,056.27	17.84%	1.04%	
Contract liabilities	623,555,669.97	2.05%	527,975,160.12	1.47%	0.58%	
Long-term borrowing	5,530,649,801.93	18.19%	7,779,150,079.88	21.71%	-3.52%	
Lease liabilities	146,561,588.52	0.48%	160,218,818.92	0.45%	0.03%	

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 Amount	Sold in the reporting period Amount	Other changes	Ending amount
Financial assets								
1. Trading financial assets (derivative financial assets excluded)	469,636,700.78	-141,227,271.44				41,761,300.00		286,648,129.34

2. Derivative financial assets								
3. Investments in other debt obligations								
4. Investments in other equity instruments	23,841,337.16					7,726,405.16		16,114,932.00
5. Other non-current financial assets	2,009,676,398.00	-184,923,826.49			1,400,000.00	23,742,683.62		1,802,409,887.89
Subtotal of financial assets	2,503,154,435.94	-326,151,097.93			1,400,000.00	73,230,388.78		2,105,172,949.23
Investment property								
Productive living assets								
Others	173,396,326.14				63,943,324.53	173,396,326.14	0.00	63,943,324.53
Total of the above	2,676,550,762.08	-326,151,097.93			65,343,324.53	246,626,714.92	0.00	2,169,116,273.76
Financial liabilities								

Contents of 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
Receivables financing	173,396,326.14				63,943,324.53	173,396,326.14		63,943,324.53

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 book value (RMB)	Reason for restriction
Monetary assets	1,332,589,771.28	Among them, 556,608,881.87 yuan is a deposit for guarantee, pledged for borrowing or opening bank acceptance bills; 567,478,893.23 yuan is a time deposit that cannot be withdrawn in advance, pledged for borrowing; 208,501,996.18 yuan is restricted for other reasons.
Accounts receivable	1,798,852.71	Pledge loan
Notes receivable	15,900,000.00	In pledge for the issuance of bank acceptance bill
Inventories	379,790,291.96	As collateral for loan
Investment property	712,454,010.27	As collateral for loan
Fixed Assets	1,551,889,522.63	As collateral for finance lease, loan, and former shareholder guarantee
Intangible Assets	587,351,084.33	Mortgage and mortgage borrowings under finance lease

Total	4,581,773,533.18
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VII Investments Analysis

1. Total Investment Amount

☒ Applicable ☐ Not applicable

Amount of Reporting Period (RMB)	Amount of the same period of last year (RMB)	Change (%)
621,882,495.13	1,483,759,951.04	-58.09%

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	Project 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)
Suining Konka Electronic Technology Industrial Park	Self-build	Yes	Electronic industry	38,149,394.04	599,076,337.80	Self-funded				Not applicable	October 17, 2018	Http://www.cninfo.com.cn/new/index
Chongqing Konka Semiconductor or Photoelectric Industrial Park	Self-build	Yes	Electronic industry	47,172,548.96	706,430,689.12	Self- and bank loan-funded				Not applicable	June 14, 2019	
Frestec Refrigeration Park	Self-build	Yes	Electronic industry	101,938,087.58	561,383,648.65	Self- and bank loan-funded				Not applicable	July 21, 2020	
Total	--	--	--	187,260,030.58	1,866,890,675.57	--	--			--	--	--

Remark: Suining Konka Electronic Technology Industrial Park and Frestec Refrigeration Industrial Park are under construction; The first-phase infrastructure construction of the project of the Semiconductor Optoelectronics Research Institute in Chongqing Konka Semiconductor Optoelectronics Industrial Park has been completed and passed the acceptance inspection, and the construction of the remaining parts of the infrastructure project is underway.

4. Financial Investments

(1) Securities Investments

☒ Applicable ☐ Not applicable

Unit: RMB

Variety of security	Tick er	Compan y name	Initial investm ent cost	Accountin g measurem ent method	Beginni ng book value	Gain/loss on fair-value changes in the reporting period	Cumulat ive fair-value changes charged to equity	Purchase d in the reportin g period	Sold in the reportin g period	Gain or loss in the reportin g period	Ending book value	Accountin g title	Capital resourc es
Domesti c/Foreig n stock	003 040	Chutian Dragon	195,283 ,634.00	Measured at fair value	469,636 ,700.78	141,227,271 .44	-		41,761,3 00.00	22,270,9 72.63	286,648,1 29.34	Trading financial assets	Self-funded
Other securities investments held at the period-end				--	-							--	--
Total			195,283 ,634.00	--	469,636 ,700.78	141,227,271 .44	-		41,761,3 00.00	22,270,9 72.63	286,648,1 29.34	--	--
Disclosure date of announcement on board's approving securities investment (if any)						April 4, 2023							
Disclosure date of announcement on shareholders' meeting approving securities investment (if any)						Not applicable							

(2) Investments in Derivative Financial Instruments

☐ Applicable ☒ Not applicable

None.

5. Use of raised funds

☒ Applicable ☐ Not applicable

(1) Overall use of raised funds

☒ Applicable ☐ Not applicable

Unit: RMB'0,000

Year of fundraising	Method of fundraising	Listing date of securities	Total raised funds	Net amount of raised funds (1)	Total raised funds used in the current period	Total used total raised funds (2)	Proportion of use of raised funds at the end of the reporting period (3) = (2)/(1)	Total raised funds changed in use during the reporting period	Total raised funds with changes in use	Proportion of total raised funds with changes in use	Total unused raised funds	Purpose and whereabouts of unused raised funds	Amount of raised funds idle for more than two years
2024	Non-public issuance of corporate bonds	January 29, 2024	150,000	149,520	150,000	150,000	100.32%	0	0	0.00%	0	Not applicable	0
2024	Non-public issuance of corporate bonds	March 18, 2024	40,000	39,872	40,000	40,000	100.32%	0	0	0.00%	0	Not applicable	0
2024	Non-public issuance of corporate bonds	March 18, 2024	40,000	39,872	40,000	40,000	100.32%	0	0	0.00%	0	Not applicable	0
Total	--	--	230,000	229,264	230,000	230,000	100.32%	0	0	0.00%	0	--	0
Description of overall use of raised funds													
<p>1. The non-public issuance of corporate bonds (Phase I) by Konka Group Co., Ltd. to professional investors in 2024 was completed on January 29, 2024, and the raised funds have been used up during the reporting period. The Company used the raised funds in strict accordance with the agreed purposes of the bond prospectus, and the special account for raised funds operated well;</p> <p>2. The non-public issuance of corporate bonds (Phase II) (variety II) by Konka Group Co., Ltd. to professional investors in 2024 was completed on March 18, 2024, and the raised funds have been used up during the reporting period. The Company used the raised funds in strict accordance with the agreed purposes of the bond prospectus, and the special account for raised funds operated well;</p> <p>3. The non-public issuance of corporate bonds (Phase II) (variety II) by Konka Group Co., Ltd. to professional investors in 2024 was completed on March 18, 2024, and the raised funds have been used up during the reporting period. The Company used the raised funds in strict accordance with the agreed purposes of the bond prospectus, and the special account for raised funds operated well.</p>													

(2) Committed projects of raised funds

☐ Applicable ☒ Not applicable

(3) Project changes of raised funds

☐ Applicable ☒ Not applicable

There were no changes in raised funds during the reporting period of the Company.

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

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
Henan Frestec Smart Home Technology Co., Ltd.	Subsidiaries	Production and sales of electronic products	RMB200,000,000	1,028,490,694.30	214,152,625.59	609,354,797.72	1,764,337.56	1,288,763.83
Hong Kong Konka Co., Ltd.	Subsidiaries	Import and export of electronic products	HKD500,000	2,969,595,074.50	439,204,538.42	2,456,769,167.00	4,646,450.41	-417,219.22

Subsidiaries obtained or disposed of in the reporting period

☒ Applicable ☐ Not applicable

Name	Subsidiaries obtained or disposed of in the reporting period	Effects on overall operations and operating performance
Shenzhen Wankaida Science and Technology Co., Ltd.	De-registration	For better allocation of assets
Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.	De-registration	
Anhui Konka Low Carbon Technology Co., Ltd.	De-registration	
Shenzhen Kanghong Xintong Investment Partnership (Limited Partnership)	De-registration	
Chengdu Konka Smart Technology Co., Ltd.	De-registration	
Konka Photovoltaic Technology Co., Ltd.	De-registration	
Guizhou Konka New Energy Material Technology Co., Ltd.	De-registration	
Boluo Konka PCB Co., Ltd.	Merger by absorption	
Konka Huanjia Environmental Technology Co., Ltd.	Bankruptcy and liquidation	
Konka Huanjia (Henan) Environmental Technology Co., Ltd.	Bankruptcy and liquidation	

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 2025, the Company will adhere to the leadership of party building, continue to thoroughly implement the new development strategy of "one axis, two wheels and three drives", make good use of four special task forces: unified legal management, asset revitalization, marketing integration and manufacturing efficiency improvement, comprehensively promote the five reforms, promote the implementation of key tasks of "six focuses", and ensure that the operating performance in 2025 is significantly improved.

(I) Make good use of four types of special task forces to drive reform and tackle key problems

1. Take the unification of legal management as the starting point to focus on business improvement

The first batch of 27 legal entities of the Company signed the business mission statement for 2025 at the end of 2024. The Company will fully implement the performance assessment mechanism for all employees, promote the assessment to cover all participating enterprises, and further promote the reduction of enterprises with more than three management levels.

2. Take asset revitalization as the starting point to grasp cash return

In 2025, the Company will advance its asset revitalization efforts under the principle of "revitalizing all available, maximizing collateral utilization, selling all eligible, and clearing all necessary", further promote the operational mechanism characterized by headquarters overseeing the overall plan, specialized task forces activating assets on a category basis, business segments implementing actions on an item basis, and accelerating breakthroughs of key projects. The Company will lock in annual targets, innovate activation methods, and accelerate fund recovery through diversified measures.

3. Take marketing integration as the starting point to improve efficiency

Firstly, expand overseas markets. First of all, the Company will optimize its business model, build overseas business stations, and build a localized marketing organization; Secondly, the Company will strengthen the group going overseas, implement systematic operations, and promote the reuse of multi-category channels; Finally, the Company will focus on the core market, establish business bases, select key target markets such as North America, Latin America, Japan and Russia, give full play to the advantages of regions, customers and brands to promote each other, and strengthen product capabilities, delivery capabilities and quality control capabilities.

Secondly, domestic integration and platform empowerment. The Company will focus on black-and-white goods integration, grasp capacity coordination, and optimize resource allocation. For

offline business, in terms of logistics, services, distribution platforms, etc., the Company will actively explore new models of integration and efficiency improvement, and build one-stop service capabilities for customers and users. The e-commerce business will strengthen the building of brand official flag, attach importance to the coordination of operational resources and the improvement of operational capabilities, and realize mutual empowerment of multiple categories to learn from each other.

4. Take manufacturing efficiency improvement as the starting point and focus on cost competitiveness

Firstly, optimize the production base and remove excess capacity. The Company will actively explore the production line contracting model, and concentrate orders to factories with high production efficiency, good cost control and stable quality. Secondly, strengthen production and marketing coordination and improve manufacturing efficiency. The Company will open up black-and-white goods OEM and overseas business customer platforms to effectively match production capacity and demand, manufacturing and marketing, production plans and materials. Thirdly, strengthen process innovation and benchmark the first-class industry. The Company will tackle bottleneck station processes to improve process stability. Fourthly, strengthen management innovation and echelon construction. The Company will optimize the production line management level, strengthen the precipitation and reuse of R&D and manufacturing talents, and improve the production stability of the production line. Fifthly, deepen lean cost reduction and enhance competitive advantage. The Company will reasonably plan the use efficiency of the park, promote the standardization of processes and parts, and reduce procurement costs.

(II) Adhere to the five-point reform and promote quality and efficiency improvement

1. Build a professional and efficient headquarters management and control system

Firstly, combine full authorization with effective management: in line with the business operation needs, further expand the scope of authorization. At the same time, strengthen the management of authorization approval. For the authorized matters, implement the responsibility system with the business units taking the main responsibility, and for the matters subject to approval by the Company's headquarters, implement the responsibility system with the competent functional departments taking the main responsibility. Secondly, strengthen the financial management system: take the full launch of the financial sharing center and the construction of the treasury system as an opportunity to promote full-level and sub-penetrating standardized financial supervision. At the same time, based on the unification of legal management and the dual-responsibility field system of product lines, provide refined, precise and lean financial accounting support. Thirdly, improve the compliance management system: continuously improve and strengthen the construction of compliance management working mechanism and management system, enhance the penetration of compliance culture cultivation, further promote legal and compliance operation and management,

and keep the bottom line of compliance operation. Fourthly, reshape the work safety management system: focus on the eight elements of work safety standardization, improve the nine work safety management systems, take standardization as the management norm, solidly promote the work of "strengthening the foundation" of work safety, consolidate the foundation of work safety, and comprehensively strengthen process management.

2. Establish an operation responsibility system with one post and two responsibilities

For core product lines such as color TVs, refrigerators, washing machines, air conditioners, and dishwashers, the product line leaders concurrently serve as heads of corresponding legal entities. The Company ensures that these leaders will be accountable for the operation of their legal entities, operating independently and assuming profit-and-loss accountability, while being responsible for the overall performance of their product lines. In addition, the Company drives horizontal integration across product lines, breaking down coordination barriers between multiple legal entities, brands, and distribution channels, promoting overall product planning, overall capacity allocation, unified brand image, and a coordinated marketing strategy.

3. Construct a value-oriented assessment and evaluation system

The Company will deepen the implementation of the Three System Reforms, establishing a quantified assessment and evaluation framework to enhance the functionality of assessment indicators. The Company will also refine the assessment incentive system by aligning with product innovation, technological innovation, and production efficiency improvements. Assessment reward distribution will be closely linked to the innovation achievement's market value, technological complexity and overall contribution to the Company and will focus on areas such as breakthroughs in critical technical bottlenecks and the development of new market-disruptive products, so as to further strengthen the application of assessment and evaluation results, and give full play to the guiding role of assessments.

4. Build a result-oriented all-round innovation system

The Company will revise the innovation incentive measures to cover more fields and reward in combination with economic contributions to promote all-round innovation covering products, supply chain, manufacturing, marketing, service and management, so as to ensure that innovation is selective and targeted, and innovation results can be quantified, evaluated and incentivized.

5. Establish a "zero tolerance" quality management system

The Company firmly establishes the awareness of "quality as the lifeline". Firstly, promote the reform of the quality system around the physical quality of products and the perceived quality of users; Secondly, benchmark the production safety management mechanism, establish a complete product quality management mechanism, compact the main responsibility, and assign the responsibility to the person; Thirdly, change the organization mode of quality management, do a good job in the coordination between product quality, cost and delivery through the large product

manager mechanism, improve the professional ability of the quality team, and build a quality management team with clear responsibilities and rights and strong professional ability; Fourthly, benchmark advanced products, build an applicable and effective quality standard management mechanism, and lead the improvement of product quality with standards.

(III) Adhere to deepening the six focuses and accelerate the implementation of transformation

1. Focus on risk prevention and control to ensure the stable operation of the enterprise

Firstly, continuously improve cash flows. The Company will focus its resources on businesses that contribute to positive cash flow from operations. It will strengthen the management of procurement, sales, inventory, the management of payment terms and credit limits, as well as the management of overdue accounts receivable. It will continuously improve the Company's operating cash flow, strictly control the investment rhythm, increase the efforts in revitalizing assets, conduct key follow-up on special tasks, and ensure a stable inflow of investment cash flow.

Secondly, build a dual prevention mechanism and reshape the work safety management system. The Company will establish and improve the dual prevention mechanism of safety risk hierarchical management and control and hidden danger investigation and management, establish a hidden danger list ledger, ensure the dynamic clearing of hidden dangers, focus on accelerating the rectification of historical safety problems, clarify the timetable roadmap, and promote the implementation of rectification plans item by item.

2. Focus on No. 1 product and improve product gross profit contribution

The Company will strengthen the awareness of high-quality products and the thinking of popular products, ensure that the No.1 product is built into the main source of profit contribution and an important guarantee for business improvement, and lay a solid product foundation for business improvement. The Company will strengthen organizational support and clarify planning objectives. Each category will take the No. 1 product project as the traction, clarify the working mechanism and support measures, form a continuous closed loop of work, and ensure the achievement of planning objectives.

3. Focus on six synergies to strengthen professional ability improvement

The Company will strengthen the coordination of supply chain, products, manufacturing, brands, marketing and services of each business unit, and promote the improvement of specialized capabilities of each category. For supply chain collaboration, it is mainly to create a full-link collaborative supply chain to promote cost reduction, shorten delivery cycle and maximize overall benefits; For the coordination of products, it is mainly to realize the coordination and integration of black and white goods, the coordination of products of Frestec and Konka within white goods, the cooperation of products of various legal entities, markets at all levels, domestic and foreign products, and the coordination of internal product lines from design, development, production, iteration and other links; For manufacturing collaboration, it is mainly to do a good job in product,

production capacity, off-peak season workers, management experience and other aspects of collaboration between multiple production bases. The factory focuses on all aspects of production and manufacturing, strengthens effective collaboration internally and between upstream and downstream, ensures smooth production, timely supply, and improves order delivery rate and production efficiency; For brand collaboration, it is mainly to do a good job in dual-brand collaboration between Konka and Frestec, promote the consistency of multi-category tonality, and promote joint marketing to enhance brand influence and maximize brand value; For marketing collaboration, it is mainly to share customers, coordinate promotion, maximize reuse, strengthen the action unity of marketing channels, achieve customer experience consistency, and improve channel efficiency and benefit through the integration of black and white goods; For service collaboration, it is mainly to share service resources in after-sales, logistics, technical support, applet platform, etc., and deal with customer problems collaboratively to achieve service consistency.

4. Focus on lean management to improve the quality of business operations

First, strive for efficiency and benefits through cost control. The main tasks include strengthening the coordination mechanism of functional departments, implementing professional and refined control over key expense accounts, optimizing the approval processes for various types of expenses, and accelerating the reduction of expenses unrelated to the core business. Second, strive for efficiency and benefits through cost reduction. The main tasks include continuously optimizing costs through measures such as reducing manufacturing costs by standardizing products and minimizing operational losses by improving the turnover efficiency. Third, strive for efficiency and benefits in manufacturing. The main tasks include strengthening the optimization of manufacturing costs, improving the quality of product delivery, ensuring the timeliness of product delivery, enhancing cost-effectiveness, labor productivity, first pass yield (FPY) and yield rate, as well as indicators of the manufacturing system such as the UPPH (units per person per hour) value, enhancing the introduction of new materials, new manufacturing processes and new methods, and unleashing the creativity and motivation of the team.

5. Focus on scientific and technological innovation and accelerate breakthroughs in core technologies

First, adhere to investment in research and development. First, the Company will focus on the industry, base itself on its products, make progressive and continuously iterative arrangements for scientific research and invest in related expenses. It will develop scientific and technological innovations and invention patents with originality and first-mover advantages, and strong value realization capabilities. The industrial transformation will reflect immediacy, lead, empower and serve the products.

Second, make good use of both "AI+" and "+AI". On the one hand, comprehensively enhance the company's intelligent manufacturing level with "AI+" to empower the development of industrial

products. Utilize artificial intelligence technology in existing businesses to improve manufacturing efficiency. On the other hand, use +AI to achieve disruptive product innovation and iteration, strengthen the application of AI technology in product design and R&D processes, and accelerate the development of single products and smart product series, and leverage AI technology to create new product forms.

6. Focus on reform and quality improvement, and improve the corporate governance system

First, strengthen the governance of listed companies. Conscientiously implement the decisions and deployments of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) on improving the quality of central state-owned enterprise (SOE)-controlled listed companies. Leverage the capital market to deepen reforms and promote development, focus on addressing the weaknesses and shortcomings that affect the high-quality development of listed companies, adopt targeted policies and measures, make precisely-tuned efforts, enhance asset quality and operational efficiency, strengthen self-value creation capabilities, and drive the achievement of high-quality development. Second, effectively carry out the "Science and Technology Reform Action" (a special action for 100 science and technology-based enterprises to deepen market-oriented reforms and enhance their independent innovation capabilities). Chongqing Konka Optoelectronic Technology Co., Ltd. will conscientiously implement the relevant requirements of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), focusing on reform tasks such as corporate governance, mechanism innovation, enhancing the ability of value creation, achieving breakthroughs in core technologies, and the transformation of achievements.

XII. Reception of researches, communications, interviews and other activities during the reporting period

√ Applicable □ Not applicable

Reception Date	Place of reception	Method of reception	Type of object of reception	Object of reception	Main points of discussion and information provided	Index of basic information of researches
January 8, 2024	Chongqing Konka Optoelectronic Technology Co., Ltd.	On-site	Institution	Cinda Securities: LUO Angyang Zhonggong Fund: LU Weicheng	For details, please refer to the Investor Relations Activity Record Form (No. 2024 - 01)	Http://www.cninfo.com.cn/new/index
January 10, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	China Life Asset Management: LI Shanshan. TF Securities: YU Xuejiao, YAO Gan	For details, please refer to the Investor Relations Activity Record Form (No. 2024 - 02)	
January 11, 2024	Conference Room of Office Building of Konka R&D	Others	Institution	CICC Fund: JIANG Panyu, LIU Xiao, QIU Yanbing CIFIC Asset Management: XIE	For details, please refer to the Investor Relations	

	Building			Bingzhi, CAO Yan, LI Wei Huaxi Securities: CHEN Yulu, LA Ruimeng	Activity Record Form (No. 2024 - 03)
January 17, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	Cedar Capital: YANG Ao, SONG Chengcheng Huaxi Securities: LA Ruimeng	For details, please refer to the Investor Relations Activity Record Form (No. 2024 - 04)
January 18, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	Huaan Securities: DENG Xin, CHEN Yaobo Fullgoal Fund: FAN Bowen Kaiyuan Asset Management: ZHENG Xiaofan Great Wall Fund: YIN Ning Ping An Fund: WANG Xiubao. Industrial Securities: WANG Yuqing Qianhai Alliance Asset Management: DU Hongsheng	For details, please refer to the Investor Relations Activity Record Form (No. 2024 - 05)
January 19, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	Changjiang Securities: CAI Shadong Oriental Alpha Fund: LIANG Shaowen JPMorgan Asset Management: LI Ziyang Cinda Australia Asia Fund: LUO Chenxi Fortune & Royal Asset: MAO Yunhong China Merchants Fund: GAO Yan V-Fund: ZENG Jie Qianhai Alliance Asset Management: WEI An	For details, please refer to the Investor Relations Activity Record Form (No. 2024 - 06)
January 25, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	TF Securities: XU Junfeng, LIU Yun, YAO Gan	For details, please refer to the Investor Relations Activity Record Form (No. 2024 - 07)
January 31, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	Southwest Securities: LI Mingming Guolian Fund: CHEN Zurui	For details, please refer to the Investor Relations Activity Record Form (No. 2024 - 08)
February 1, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	Sinolink Securities: LIU Yanxue GH Shining Asset Management: LI Hui Southern Asset Management: CHEN Sizhen Guosheng Securities: XU Chengying Bosera Funds: XU Heyuan HFT Fund: ZHAO Chenkai Wanjia Asset: LI Liya	For details, please refer to the Investor Relations Activity Record Form (No. 2024 - 09)
April 2, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	Ruilong Capital: LV Weiqun CICC Yin Hai (Hong Kong) Fund: YONG Xin Alta Capital: BAI Jianhua Fortune	For details, please refer to the Investor Relations Activity Record

				Factorial (Hong Kong) Fund: ZHANG Dongxiao GF Securities: LI Mengling Capital Securities: DENG Jiwei	Form (No. 2024 - 10)	
April 15, 2024	Conference Room of Office Building of Konka R&D Building	Others	Individual	Investors participating in the 2023 Online Performance Briefing of Konka Group Co., Ltd. through the irm.cninfo.com.cn of the Shenzhen Stock Exchange (http://irm.cninfo.com.cn)	For details, please refer to the Investor Relations Activity Record Form (No.2024-11)	
May 15, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	Guotai Junan: CAI Wenjuan, QU Shiqiang Sino Life Asset: HUANG Jin Dacheng Fund: TONG Ruoyan, LIU Yanlin	For details, please refer to the Investor Relations Activity Record Form (No.2024-12)	
May 16, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	China Galaxy Securities: LI Kaien, LAO Tongliang Chenghechang Private Securities Fund: LIU Zhihong, JIANG Jin Chengtian Chuanfu Asset Management: DAI Jiuhou	For details, please refer to the Investor Relations Activity Record Form (No.2024-13)	
May 17, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	China Development Bank Capital: HU Yongjun. Hengjiang Alliance Investment: ZHOU Zeyi. AVIC Yingfu Investment: HUANG Yong Chuanghua Investment: LI Junhui	For details, please refer to the Investor Relations Activity Record Form (No.2024-14)	
June 4, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	Southwest Securities: FANG Jianzhao	For details, please refer to the Investor Relations Activity Record Form (No.2024-15)	
November 11, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	CITIC Securities: WANG Weida Baoning Capital: HUANG Weixiang	For details, please refer to the Investor Relations Activity Record Form (No.2024-16)	
November 20, 2024	Conference Room of Office Building of Konka R&D Building	On-site	Institution	Shenzhen Roadshow Era Technology Co., Ltd.: HUANG Jingrong Shenzhen Huihe Chuangshi Investment Management Co., Ltd.: WANG Zhaojiang Leying (Zhuhai) Private Securities Investment Management Co., Ltd.: CHEN Qingyuan Shenzhen Hongyuantai Asset Management Co., Ltd.: LAI Biqi Shenzhen Fugue Investment Holding Co., Ltd.: ZHANG Ji	For details, please refer to the Investor Relations Activity Record Form (No.2024-17)	
December	Via the Investor	Others	Individual	Investors participating in	For details,	

12, 2024	Relations Interactive Platform on www.p5w.net			the 2024 Shenzhen Regional Listed Companies Collective Reception Day event through the Investor Relations Interactive Platform on www.p5w.net	please refer to the Investor Relations Activity Record Form (No.2024- 18)	
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XIII. Formulation and Implementation of Market Capitalization Management System and Valuation Enhancement Plan

Whether the Company has formulated a market capitalization management system.

☐ Yes ☒ No

Whether the Company has disclosed its valuation enhancement plan.

☐ Yes ☒ No

XIV. Implementation of the "Quality and Return Dual Enhancement" Action Plan

Whether the Company has disclosed an announcement on "Quality and Return Dual Enhancement" Action Plan.

☐ Yes ☒ No

Section IV Corporate Governance

I. General Information on Corporate Governance

During the reporting period, in strict accordance with the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange, relevant laws, regulations and rules of the China Securities Regulatory Commission (CSRC), as well as the actual needs of the Company, the Company revised relevant internal control systems, continuously improved the corporate governance structure, and standardized the company's operations, in a timely manner. As at the end of the reporting period, the actual situation of corporate governance was basically in compliance with the requirements of the relevant regulatory documents on governance of listed companies issued by the CSRC.

(I) About shareholders and general meetings of shareholders

The Company has formulated the Articles of Association and the Rules of Procedure for General Meetings of Shareholders, which ensure the legitimate rights and equal status of all shareholders, especially minority shareholders. During the reporting period, the Company was in strict compliance with relevant requirements to issue notices on the general meetings of shareholders in advance and convene the general meetings of shareholders, ensuring that shareholders had the rights to be informed and participate in major matters of the Company. Related party transactions between the Company and related parties are fair and reasonable and have been fully disclosed as required. In 2024, the company held a total of six general meetings of shareholders. In accordance with the requirements of laws and regulations, the Company issued a notice of convening the general meetings of shareholders in advance through the designated media, and earnestly carried out the registration, arrangement and organization work for the general meetings of shareholders. The Company strictly adhered to the provisions of the Articles of Association to hold on-site general meetings of shareholders at the Company's office address, which is conveniently located, allowing shareholders to attend the meetings based on their actual circumstances. The Company's directors, supervisors, and senior management provided explanations and clarifications in response to shareholders' inquiries and suggestions during the general meetings of shareholders.

(II) The Company and its controlling shareholder

During the reporting period, the controlling shareholder and the actual controller of the company have conducted themselves in a standardized manner, exercised their rights and fulfilled their obligations in accordance with the law. All major decisions of the Company were made by the general meetings of shareholders in accordance with the law. The controlling shareholder and the

De Facto Controller of the Company have not directly or indirectly interfered in the Company's decision-making and business operations beyond the scope of authority of the general meeting of shareholders. The Board of Directors, Board of Supervisors and internal organizations of the Company are able to operate independently, and are independent of the controlling shareholders and De Facto Controllers by practicing the “Five Separations” in terms of business, personnel, assets, organizations and finances.

(III) Directors and the Board of Directors

The number and composition of the Board of Directors of the Company are in compliance with the requirements of laws and regulations, and the Company has formulated the Rules of Procedure of the Board of Directors to ensure the efficient operation and scientific decision-making of the Board of Directors; The Company has established an Independent Directors System and has selected and appointed three independent directors. During the reporting period, the number and composition of the Board of Directors of the Company were in compliance with the laws and regulations and the provisions of the Articles of Association. The Board of Directors of the Company has set up four professional committees, namely the Finance and Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee and the Strategy Committee, to provide professional advice for the Board's decision-making. All directors of the Company are able to carry out their tasks and fulfill their duties in accordance with the Rules of Procedure of the Board of Directors, the Independent Directors System and other systems, and diligently attend the Board meetings. During the reporting period, the Company held a total of eighteen Board meetings, effectively leveraging the decision-making mechanism of the Board of Directors.

(IV) Supervisors and Board of Supervisors

The Company has formulated the Rules of Procedure of the Board of Supervisors, and the composition and structure of the Board of Supervisors are in compliance with the requirements of relevant laws and regulations; The Supervisors are able to fulfill their duties conscientiously and are able to exercise their supervisory and inspection functions independently and effectively in the spirit of accountability to shareholders. During the reporting period, the number and composition of the Board of Supervisors of the Company were in compliance with the requirements of laws and regulations. The Company's supervisors were able to conscientiously perform their duties in accordance with the Rules of Procedure for the Board of Supervisors and other requirements, supervise the decision-making procedures and resolutions of the board meetings and the operations of the Company in accordance with the law, convene the meetings of the Board of Supervisors in accordance with the prescribed procedures, and effectively supervise the Company's major matters, related-party transactions and financial situation, as well as the legality and compliance of the performance of duties by the directors, the President and other senior management of the Company.

(V) Performance evaluation, incentive and restraint mechanism

The appointment of the Company's senior management is open, transparent and in compliance with laws and regulations. The Company has established and is gradually improving the performance evaluation standards and incentive and restraint mechanism for senior management personnel, so as to attract talents, and ensure the stability of senior management personnel.

(VI) Stakeholders

The relationship between the Company and its stakeholders, including banks and its creditors, employees, consumers and suppliers, is one of complementarity, mutual promotion and common development, and the Company is able to fully respect and safeguard the legitimate rights of the stakeholders, and actively cooperate with them to jointly promote the sustainable and healthy development of the Company. During the reporting period, the Company fully respected and safeguarded the legitimate rights and interests of relevant stakeholders, achieved a coordinated balance of the interests of society, shareholders and employees, safeguarded the rights and interests of employees, promoted environmental protection and actively participated in social welfare and charitable undertakings, to jointly promote the Company's sustained and steady development.

(VII) Information disclosure and transparency

The Company has formulated the Investor Relations Management System, the Information Disclosure Management System, and the Implementation Rules of the Information Disclosure Committee, designated dedicated persons to be responsible for information disclosure, appointed a dedicated department to receive shareholders' visits and inquiries, and actively carried out investor relations management work to ensure that all shareholders have equal opportunities to access information. During the reporting period, the Company was able to disclose in a timely, truthful, complete and accurate manner all types of corporate information that should be disclosed to the public in accordance with the regulations in strict accordance with the laws, regulations and the Articles of Association of the Company, ensuring accurate and timely disclosure of corporate information and guaranteeing that all shareholders had equal opportunities of access to the Company's information.

(VIII) Non-standard Governance issues in the Company

1. Types of non-standard governance issues in the Company

There have been the circumstances where the Company provided undisclosed information to major shareholders.

2. Types and frequency of provision of undisclosed information to major shareholders

The Company provides monthly financial data to its major shareholders.

3. Reasons for the existence of related non-standard corporate governance issues.

In accordance with the management requirements of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the Company submits monthly financial data and other undisclosed information to the major shareholders directly under the

jurisdiction of SASAC.

4. Impacts on the company's independence

The Company's self-inspection shows that the Company strictly has adhered to the requirements of the Notice on Strengthening Supervision over the Provision of Undisclosed Information by Listed Companies to Major Shareholders and De Facto Controllers and the Supplementary Notice on Strengthening Supervision over Non-standard Governance Practices Such as the Provision of Undisclosed Information by Listed Companies to Major Shareholders and Actual Controllers and other relevant documents when providing relevant information to major shareholders, and strictly followed the necessary procedures. There has been no abuse of control by major shareholders to disclose undisclosed information for insider trading, and there has been no impact on the Company's independence.

(IX) Implementation of corporate governance special activities and the formulation and implementation of the insider registration management system

1. Establishment and improvement of the insider management system

In order to further standardize the Company's insider information management practices, strengthen the confidentiality of the Company's insider information, and uphold the principle of fair information disclosure, and in accordance with the Company Law, the Securities Law, the Measures for the Regulations on Information Disclosure of Listed Companies, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange and other relevant laws, regulations and normative documents, the Company has established the Inside Information and Insider Management System of Konka Group Co., Ltd. The Company strictly implements and enforces the system in its information disclosure practices. In addition, the Company has conscientiously implemented the Company's regulations on the registration and management of such insiders, registered such insiders and submitted filings to the Shenzhen Stock Exchange in accordance with the regulations.

The Company has conducted a special inspection on the management of inside information during the occurrence of major events in 2024 and the reporting period of the 2024 annual report. The self-inspection shows that the Company has effectively ensured that during the period of preparation, consideration, and disclosure of regular reports and major events, the insiders of the Company have been in strict compliance with the provisions on confidentiality. They have not leaked, disclosed, or spread the Company's inside information to outsiders. There have been no cases where insiders traded the Company's stocks using inside information prior to the disclosure of major sensitive information that may affect the Company's stock price, and there have been no cases of investigation, punishment, and rectification by the regulatory authorities. Inside Information and Insider Management System of Konka Group Co., Ltd. was implemented and controlled effectively.

2. Establishment and implementation of external information user management system

In order to strengthen the management of the filings of the Company's inside information, in

accordance with the relevant provisions of laws, regulations and normative documents such as the Securities Law of the People's Republic of China, the Regulations on Information Disclosure of Listed Companies, and the Inside Information and Insider Management System of Konka Group Co., Ltd., the Company has established an inside information filing mechanism, which regulates the matters such as the scope of inside information filing, the filing procedures, and the division of responsibilities.

The Company has conducted a special inspection on the management of inside information during the occurrence of major events in 2024 and the reporting period of the 2024 annual report. The self-inspection shows that the Company's inside information filings have been in compliance with the requirements of the Inside Information and Insider Management System of Konka Group Co., Ltd. Inside Information and Insider Management System of Konka Group Co., Ltd. was implemented and controlled effectively.

Whether there have been significant differences between the actual state of corporate governance and the laws, administrative regulations and the regulations issued by the CSRC on the governance of listed companies

☐ Yes ☒ No

The actual state of corporate governance has not differed materially from the laws, administrative regulations and the provisions on governance of listed companies issued by the CSRC.

II. The Company's Independence Relative to Its Controlling Shareholders and De Facto Controllers in Terms of Assets, Personnel, Finance, Organization, and Business

During the reporting period, the Company was completely separated from its controlling shareholder in terms of business, personnel, assets, organizations, finance, etc. It enjoyed the status of an independent legal entity and a market competition subject, conducted independent accounting, had an independent and complete business operation and the capability of independent operation, and independently assumed operating responsibilities and risks.

(I) Business separation: The Company has a complete supply, R&D, production, and sales system, with the capability to operate independently in the market. It conducts independent operations, accounting, decision-making, and independently assumes responsibilities and risks, without interference or control from the controlling shareholder, De Facto Controller, or other enterprises controlled by them.

(II) Personnel separation: The Company has an independent and complete system for labor, HR, and salary management, which is completely independent of the controlling shareholder and De Facto Controller. The Company has an independent workforce. Its senior management personnel, financial staff, and business personnel are all full-time employees in the Company and receive their salaries. They do not hold any positions other than directors and supervisors in the shareholder

entities or their affiliates.

(III) Assets integrity: The Company has production and operation premises independent of those of the controlling shareholder, possesses an independent and complete asset structure, and owns assets such as an independent production system, auxiliary production system, supporting facilities, and housing ownership rights. It also has an independent procurement and sales system.

(IV) Organization separation: The company has established functional organizations that meet its own development needs and the requirements of market competition. All functional organizations are completely independent in terms of personnel, office premises, and management systems. There have been no circumstances of interference in the establishment of the Company's organization by shareholders or any other entity or individual.

(v) Financial independence: The Company has an independent financial department with full-time financial personnel, has established an independent financial accounting system and complies with the requirements of the relevant accounting system to carry out financial work independently; The Company has formulated a sound financial management system, operates independently and does not share bank accounts with its controlling shareholders, affiliates or any other entities or individuals; The Company files tax returns and fulfills its payment obligations independently in accordance with the law, and there have been no cases involving mixed tax payments with shareholder entities.

III. Industry Competitions

☐ Applicable ☒ Not applicable

IV. Annual General Meetings and Extraordinary General Meetings of Shareholders Held during the Reporting Period

1. General meetings of shareholders held during the reporting period

Session No.	Type of meeting	Investor participation ratio	Meeting date	Disclosure date	Meeting resolutions
1st Extraordinary General Meeting of 2024	Extraordinary General Meeting	23.81%	February 26, 2024	February 27, 2024	Resolutions of the 1st Extraordinary General Meeting of 2024
2nd Extraordinary General Meeting of 2024	Extraordinary General Meeting	1.98%	March 18, 2024	March 19, 2024	Resolution of the 2nd Extraordinary General Meeting of 2024
Annual General Meeting of 2023	Annual general meeting	23.48%	June 24, 2024	June 25, 2024	Resolutions of the Annual General Meeting of 2023
3rd Extraordinary General Meeting of 2024	Extraordinary General Meeting	21.75%	September 26, 2024	September 27, 2024	Resolutions of the 3rd Extraordinary General Meeting of 2024
4th Extraordinary General Meeting of 2024	Extraordinary General Meeting	22.54%	October 21, 2024	October 22, 2024	Resolutions of the 4th Extraordinary General Meeting of 2024
5th Extraordinary General Meeting of 2024	Extraordinary General Meeting	22.76%	November 18, 2024	November 19, 2024	Resolutions of 5th Extraordinary General Meeting of 2024

2. Preferred shareholders with restored voting rights requesting the convening of extraordinary general meetings of shareholders

☐ Applicable ☒ Not applicable

V. Directors, Supervisors and Senior Officers

1. Basic information

Name	Gender	Age	Title	Employment status	Term start date	Term end date	Shareholding at the beginning of the period	Increase in the shareholding during the period	Decrease in the shareholding during the period	Other increase/decrease (shares)	Shareholding at the end of the period	Reasons for changes in shareholding
ZHOU Bin	Male	46	Vice Chairman of the Board of Directors (presiding over work)	Incumbent	August 27, 2024	July 25, 2025	0	0	0	0	0	
CAO Shiping	Male	47	Director	Incumbent	October 21, 2024	July 25, 2025	0	0	0	0	0	
YE Xingbin	Male	55	Employee Director	Incumbent	July 25, 2022	July 25, 2025	0	0	0	0	0	
HUANG Xinzheng	Male	47	Director	Incumbent	October 21, 2024	July 25, 2025	0	0	0	0	0	
LIU Jian	Male	59	Independent Director	Incumbent	July 25, 2022	July 25, 2025	0	0	0	0	0	
WANG Shuguang	Male	54	Independent Director	Incumbent	July 25, 2022	July 25, 2025	0	0	0	0	0	
DENG Chunhua	Female	62	Independent Director	Incumbent	July 25, 2022	July 25, 2025	0	0	0	0	0	
CAI Weibin	Male	52	Supervisor, Chairman of the Board of Supervisors	Incumbent	July 25, 2022	July 25, 2025	0	0	0	0	0	
YANG Guobin	Male	56	Supervisor	Incumbent	July 25, 2022	July 25, 2025	0	0	0	0	0	
LI Jun	Male	54	Employee Supervisor	Incumbent	July 25, 2022	July 25, 2025	0	0	0	0	0	
CAO Shiping	Male	47	President	Incumbent	August 27, 2024	May 18, 2026	0	0	0	0	0	
NIE Yong	Male	52	Financial Director	Incumbent	August 27, 2024	May 18, 2026	0	0	0	0	0	
YANG Bo	Male	55	Vice President	Incumbent	May 18, 2023	May 18, 2026	0	0	0	0	0	
LIN Hongfan	Male	54	Vice President	Incumbent	May 18, 2023	May 18, 2026	0	0	0	0	0	

LI Chunlei	Male	52	Secretary of the Board of Directors	Incumbent	August 27, 2024	May 18, 2026	0	0	0	0	0	
LIU Fengxi	Male	54	Director, Chairman of the Board	Former	July 25, 2022	August 26, 2024	0	0	0	0	0	
YAO Wei	Male	50	Director	Former	July 25, 2022	August 26, 2024	0	0	0	0	0	
WU Yongjun	Male	50	Secretary of the Board of Directors	Former	May 18, 2023	August 26, 2024	0	0	0	0	0	
LI Hongtao	Male	57	Vice President	Former	May 18, 2023	August 26, 2024	0	0	0	0	0	
Total							0	0	0	0	0	

Whether there have been departures of any directors, supervisors, or dismissals of senior management personnel during their terms of office in the reporting period

√ Yes ☐ No

On August 26, 2024, Mr. Liu Fengxi resigned from his positions as Chairman of the 10th Session of the Board of Directors, Director, and Member of the Strategy Committee of the Board of Directors of the Company due to work arrangements.

On August 26, 2024, Mr. Yao Wei resigned from his position as a Non-independent Director of the 10th Board of Directors of the Company and his positions in the relevant specialized committees of the Board of Directors due to work arrangements.

On August 26, 2024, Mr. ZHOU Bin resigned from his position as President of the Company due to work arrangements.

On August 26, 2024, Mr. LI Chunlei resigned from his position as Financial Director of the Company due to work arrangements.

On August 26, 2024, Mr. WU Yongjun resigned from his position as Secretary of the Board of Directors of the Company due to work arrangements.

On August 26, 2024, Mr. LI Hongtao resigned from his position as Vice President of the Company due to personal reasons.

Changes of directors, supervisors and senior officers

√ Applicable ☐ Not applicable

Name	Position(s) held	Type	Date	Reason
ZHOU Bin	Vice Chairman of the Board of Directors (presiding over work)	Elected	August 27, 2024	Job transfer
CAO Shiping	President	Appointment	August 27, 2024	Job transfer
CAO Shiping	Director	Elected	October 21, 2024	Job transfer
HUANG Xinzhen	Director	Elected	October 21, 2024	Job transfer
NIE Yong	Financial Director	Appointment	August 27, 2024	Job transfer
LI Chunlei	Secretary of the Board of Directors	Appointment	August 27, 2024	Job transfer
LIU Fengxi	Chairman of the Board of	Former	August 26, 2024	Job transfer

	Directors, Director			
YAO Wei	Director	Former	August 26, 2024	Job transfer
ZHOU Bin	President	Former	August 26, 2024	Job transfer
LI Hongtao	Vice President	Former	August 26, 2024	Personal reasons
WU Yongjun	Secretary of the Board of Directors	Former	August 26, 2024	Job transfer
LI Chunlei	Financial Director	Former	August 26, 2024	Job transfer

2. Employment Information

Professional background and major work experience of the Company's current directors, supervisors and senior management, as well as their current major responsibilities in the Company

(1) Non-independent Director

Mr. ZHOU Bin, Secretary of the Party Committee, Director and Vice Chairman of the Board of Directors (presiding over work). Male, of Han ethnicity, born in 1979, with a bachelor's degree. He previously served as Assistant to Director, Deputy Director, and Director of the Operations Management Center at Konka Group, Assistant to the Chairman of the Board of Directors and Director of the Operations Management Center at Konka Group, and President of Konka Group, among other positions. He currently serves as the Chairman of Shenzhen Konka Investment Holding Co., Ltd., Konka Group's Secretary of the Party Committee, Director and Vice Chairman of the Board of Directors (presiding over work)

Mr. CAO Shiping, Deputy Secretary of the Party Committee, Chief Executive Officer (CEO), Director, and President. Male, of Han ethnicity, born in 1978, with a master's degree. He previously served as General Manager of Konka Group's Multimedia Division Jinzhou Branch and Tianjin Branch, General Manager of the Customer Cooperation Department of the Multimedia Division, Deputy General Manager of the Multimedia Marketing Division, Deputy General Manager of the Head Office of Multimedia Division and General Manager of the Marketing Center, General Manager of the Multimedia Division, General Manager of the Internet Division, Vice President and Executive Vice President of Konka Group, among other positions. He currently serves as the Chief Executive Officer (CEO), Director, President and Deputy Secretary of the Party Committee of Konka Group.

Mr. YE Xingbin, Deputy Secretary of the Party Committee and Employee Director. Male, of Han ethnicity, born in 1970, with a bachelor's degree. He previously served as Full-time Director of Overseas Chinese Town Holdings Company, held concurrent positions as Member of the Standing Committee of the Party Committee of Qiandongnan Prefecture and Deputy Governor of the Qiandongnan Prefecture Government in Guizhou Province, Director of Shenzhen Huakang Chuangzhan Technology Holding Group Co., Ltd., and Deputy Secretary of the Party Committee and Director of Konka Group. He currently serves as Vice Chairman of the Trade Union Federation Committee of Overseas Chinese Town Holdings Company, Deputy Secretary of the Party

Committee, Chairman of the Trade Union, and Employee Director of Konka Group.

Mr. HUANG Xinzheng, Director. Male, of Han ethnicity, born in 1978, with a bachelor's degree. He previously served as Deputy Chief Accountant of Shenzhen Overseas Chinese Town Western Investment Co., Ltd., Deputy Chief Accountant of the Shenxi Division of Shenzhen Overseas Chinese Town Co., Ltd., Chief Accountant of Shenzhen Overseas Chinese Town Western Investment Co., Ltd., Chief Accountant of the Shenxi Division of Shenzhen Overseas Chinese Town Co., Ltd., and Financial Director of Shenzhen Overseas Chinese Town Hotel Development Co., Ltd., among other positions. He currently serves as Deputy General Manager of the Financial Operations Department of Overseas Chinese Town Holdings Company, Chief Accountant of Shenzhen Overseas Chinese Town Capital Investment Management Co., Ltd., Financial Director of Hong Kong Overseas Chinese Town Co., Ltd., and Director of Konka Group.

(2) Independent Director

Mr. LIU Qanjian, Independent Director. Male, of Han ethnicity, born in 1966, with a master's degree. He previously served as Editor at the University of International Business and Economics Press, Editor at the China Business Times, Independent Director of Wuhan Tianyuan Environmental Protection Co., Ltd., Independent Director of Hisense Visual Technology Co., Ltd., and Independent Director of Founder Technology Group Co., Ltd., among other positions. He currently serves as Director and General Manager of Shandong Economic Observer Media Co., Ltd., President and Editor-in-Chief of the Economic Observer, Chairman of Beijing Jingguan Culture Media Co., Ltd., and Independent Director of Konka Group.

Mr. WANG Shuguang, Independent Director. Male, of Han ethnicity, born in 1971, with a doctoral degree. He previously served as Independent Director of Yantai Rural Commercial Bank, Jinan Rural Commercial Bank, Ningbo Yuyao Rural Commercial Bank, and SDIC Zhonglu Group, External Supervisor and Convener of the Board of Supervisors of Industrial Bank, among other positions. He currently serves as Professor and Doctoral Supervisor at the School of Economics of Peking University, Executive Deputy Director of the Institute of Industry and Culture at Peking University, and Independent Director of Konka Group.

Ms. DENG Chunhua, Independent Director. Female, of Han ethnicity, born in 1963, Master of Business Administration, Professor of Accounting, Chinese Certified Public Accountant (non-practicing member). She previously served as Chief Accountant and Project Manager at WUYIGE Certified Public Accountants LLP of Zhongnan University of Finance and Economics, Teaching Assistant, Lecturer, Associate Professor, and Professor at the School of Accounting of Zhongnan

University of Economics and Law (formerly Zhongnan University of Finance and Economics), Independent Director of Zhejiang Jinhai High-Tech Co., Ltd., among other positions. Currently, she serves as a Professor at the School of Accounting of Zhongnan University of Economics and Law, Independent Director of Zhejiang Jinke Tom Culture Industry Co., Ltd., Independent Director of Wolong Electric Drive Group Co., Ltd., and Independent Director of Konka Group.

(3) Supervisors

Mr. CAI Weibin, Chairman of the Board of Supervisors. Male, of Han ethnicity, born in 1973, with a master's degree. He previously served as Deputy General Manager, Deputy Secretary of the Party Committee, and Secretary of the Discipline Inspection Commission of Chongqing Overseas Chinese Town Industrial Development Co., Ltd., Deputy Director of the Discipline Inspection and Supervision Department, and Director of the Discipline Enforcement and Review Office of Overseas Chinese Town Holdings Company, among other positions. He currently serves as General Manager of the Legal and Compliance Department of Overseas Chinese Town Holdings Company and Chairman of the Board of Supervisors of Konka Group.

Mr. YANG Guobin, Supervisor. Male, born in 1969, with a bachelor's degree, Certified Public Accountant. He previously served as Deputy Director of the Finance Department of Overseas Chinese Town Holdings Company, Financial Director of Konka Group, and Deputy Director of the Enterprise Management Department of Overseas Chinese Town Holdings Company, among other positions. He currently serves as Full-time Director of Overseas Chinese Town Holdings Company and Supervisor of Konka Group.

Mr. LI Jun, Employee Supervisor. Male, of Han ethnicity, born in 1971, with a bachelor's degree. He previously served as Senior Manager of the Finance Department at Shenzhen Communication Technology Company, Senior Manager, Assistant to Director, and Deputy Director of the Audit and Legal Affairs Center at Konka Group, Director of the Discipline Inspection Commission Office at Konka Group, and Employee Supervisor of Konka Group. He currently serves as Director of the Supervision, Audit, Legal, and Compliance Center of Konka Group and Employee Supervisor of Konka Group.

(4) Senior management

Mr. CAO Shipping, Deputy Secretary of the Party Committee, Chief Executive Officer (CEO), Director, and President. Male, of Han ethnicity, born in 1978, with a master's degree. He previously served as General Manager of Konka Group's Multimedia Division Jinzhou Branch and Tianjin

Branch, General Manager of the Customer Cooperation Department of the Multimedia Division, Deputy General Manager of the Multimedia Marketing Division, Deputy General Manager of the Head Office of Multimedia Division and General Manager of the Marketing Center, General Manager of the Multimedia Division, General Manager of the Internet Division, Vice President and Executive Vice President of Konka Group, among other positions. He currently serves as the Chief Executive Officer (CEO), Director, President and Deputy Secretary of the Party Committee of Konka Group.

Mr. NIE Yong, Financial Director. Male, of Han ethnicity, born in 1973, with a bachelor's degree. He previously served as Director of the Finance Department of Shenzhen Overseas Chinese Town Happy Valley Tourism Company, Director of the Finance Department of Beijing Century Overseas Chinese Town Industrial Co., Ltd., Director of the Finance Department of the Happy Valley Division of Shenzhen Overseas Chinese Town Co., Ltd., Financial Director of Shenzhen Overseas Chinese Town Culture and Tourism Technology Co., Ltd., Chief Accountant of Shenzhen Overseas Chinese Town Culture Group Co., Ltd., and Chief Accountant of Overseas Chinese Town Northern Investment Co., Ltd. He currently serves as the Financial Director of Konka Group.

Mr. YANG Bo, Vice President. Male, of Han ethnicity, born in 1970, with a master's degree. He previously served as Director at the Education and Finance Channel of Shenzhen Cable Television, Regional Director of Marketing, Sales, and Support at Tellabs Communications Inc., General Manager of the Program Operations Department at Shenzhen Topway Video Communication Co., Ltd., Director and General Manager of Shenzhen Tianhua Century Media Co., Ltd., General Manager of the Marketing and Sales Center at Shenzhen Topway Video Communication Co., Ltd., and Vice President of Konka Group. He currently serves as Vice President of Konka Group.

Mr. LIN Hongfan, Vice President. Male, of Han ethnicity, born in 1971, with a MBA degree. He previously served as Deputy General Manager of the Multimedia Marketing Division, General Manager of the Color TV Strategy and Supply Chain Management Center, Executive Deputy General Manager and General Manager of the Multimedia Business Division, and Assistant to the President and Vice President of Konka Group. He currently serves as Vice President of Konka Group.

Mr. LI Chunlei, Secretary of the Board of Directors. Male, of Han ethnicity, born in 1973, with a master's degree. He previously served as Director of the Financial Cost Center of the Real Estate Division at Konka Group, Deputy General Manager and General Manager of Kunshan Kangsheng Investment Development Co., Ltd., Deputy Director (presiding over work) and Director of the

Strategic Development Center, General Manager of the Financial Center and General Manager of the Fund Settlement Center, and Financial Director of Konka Group, among other positions. He currently serves as Secretary of the Board of Directors of Konka Group.

Position held at shareholder entity

√ Applicable ☐ Not applicable

Name of person holding the position	Name of shareholders	Positions held at shareholders	Term start date	Term end date	Whether the subject receives remuneration or allowance from the shareholders
CAI Weibin	Overseas Chinese Town Holdings Company	General Manager of Legal and Compliance Department	December 1, 2020		Yes
HUANG Xinzheng	Overseas Chinese Town Holdings Company	Deputy General Manager of Financial Operation Department	March 11, 2024		Yes
YANG Guobin	Overseas Chinese Town Holdings Company	Full time Director of the Board Office	March 7, 2018		Yes
Explanations on position held at shareholders	1. Apart from this, none of the other directors, supervisors, or senior management personnel of the Company hold positions in the shareholder entity. 2. The terms of office for Mr. CAI Weibin, Mr. HUANG Xinzheng, and Mr. YANG Guobin in their positions at the shareholder entity are currently unknown.				

Position held at the shareholders

√ Applicable ☐ Not applicable

Name of person holding the position	Name of other entity	Position held at other entities	Term start date	Term end date	Whether the subject receives remuneration or allowance from the shareholding entity
LIU Jian	The Economic Observer	Editor-in-Chief, President	April 16, 2001		
LIU Jian	Shandong Economic Observer Media Co., Ltd.	Director, General Manager	September 28, 2022		Yes
LIU Jian	Beijing Economic Observer Culture Media Co., Ltd.	Chairman of the Board	May 25, 2018		
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 Jinke Tom Culture Industry Co., Ltd.	Independent Director	July 8, 2020		Yes
DENG Chunhua	Wolong Electric Group Co., Ltd.	Independent Director	September 7, 2020		Yes
Explanations on position held at shareholders		None			

Penalties imposed in the recent three years by the securities regulator on the incumbent directors, supervisors and senior management as well as those who left their positions during the reporting period

□ Applicable √ Not applicable

3. Remunerations of directors, supervisors and senior officers

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

The remunerations of directors and supervisors of the Company shall be approved by the Board of directors, and thereafter submitted to the general meetings of shareholders for deliberation and decision. With reference to the remuneration levels of directors and supervisors of listed companies in the same industry in China, the remuneration scheme for the Company's directors and supervisors, which was deliberated and approved by the Company's 2nd Extraordinary General Meeting in 2015, is as follows: (1) The basic annual salary standard for the Chairman of the Board of Directors is RMB 1.2 million. The allowance standard for other directors (excluding directors who hold positions within the Company) is RMB 300,000 per person per year, and the allowance standard for supervisors (excluding employee supervisors) is RMB 200,000 per person per year. Implemented from June 2015. (2) The above standards are pre-tax standards, and the individual income tax shall be borne by the individuals themselves, which shall be withheld and paid by the Company.

The additional benefits for directors and supervisors include the reimbursement of travel expenses for attending meetings of the Board of Directors, Board of Supervisors, and the general meetings of shareholders, as well as the costs incurred in exercising their powers in accordance with relevant regulations of regulatory authorities, the Company's Articles of Association, and other related company policies, all of which are reimbursed by the Company based on actual expenses. The remuneration of the Company's senior management is determined by the Board of Directors with reference to the following factors: a. The job content and responsibilities of the position; B. Company's performance and profitability; C. The market remuneration levels within the same industry and region.

The remunerations of the Company's senior management shall be reviewed by the Board's Remuneration and Evaluation Committee and then submitted to the Company's Board of Directors for deliberation and decision.

The remuneration information of the Company's directors, supervisors and senior management disclosed for the year 2024 has been reviewed and approved by the Remuneration and Evaluation Committee of the Board of Directors.

Compensations of the directors, supervisors and senior officers of the Company during the reporting period

Unit: RMB'0,000

Name	Gender	Age	Title	Employment status	Total before-tax compensation	Whether the subject receives compensation
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					received from the Company	from related parties of the Company
ZHOU Bin	Male	46	Secretary of the Party Committee, Director, Vice Chairman of the Board of Directors (presiding over work)	Incumbent	86.33	No
CAO Shiping	Male	47	Deputy Secretary of the Party Committee, Chief Executive Officer (CEO), Director, President	Incumbent	90.46	No
YE Xingbin	Male	55	Deputy Secretary of the Party Committee, Employee Director	Incumbent	79.70	No
HUANG Xinzhen	Male	47	Director	Incumbent	0	Yes
LIU Jian	Male	59	Independent Director	Incumbent	30	No
WANG Shuguang	Male	54	Independent Director	Incumbent	30	No
DENG Chunhua	Female	62	Independent Director	Incumbent	30	No
CAI Weibin	Male	52	Chairman of the Board of Supervisors	Incumbent	0	Yes
YANG Guobin	Male	56	Supervisor	Incumbent	0	Yes
LI Jun	Male	54	Employee Supervisor	Incumbent	87.12	No
NIE Yong	Male	52	Financial Director	Incumbent	17.60	No
YANG Bo	Male	55	Vice President	Incumbent	79.28	No
LIN Hongfan	Male	54	Vice President	Incumbent	83.42	No
LI Chunlei	Male	52	Secretary of the Board of Directors	Incumbent	71.43	No
LIU Fengxi	Male	54	Director, Chairman of the Board	Former	0	Yes
YAO Wei	Male	50	Director	Former	0	Yes
LI Hongtao	Male	57	Vice President	Former	61.11	No
WU Yongjun	Male	50	Secretary of the Board of Directors	Former	59.46	No
Total	--	--	--	--	805.91	--

Other information or explanations

☐ Applicable ☒ Not applicable

VI. Performance of Duties by Directors during the Reporting Period

1. Information on the Board of Directors during the reporting period

Session No.	Meeting date	Disclosure date	Meeting resolutions
21st of the Tenth Session	January 10, 2024		Resolutions on the Company's Payroll Settlement Plan for 2022 and the Company's Payroll Budget Plan for 2023
			Resolutions on Special Operation Improvement Incentive for the Company's Management Team for 2022
22nd of the Tenth Session	February 6, 2024	February 7, 2024	Resolutions of the 22nd Meeting of the Tenth Board of Directors
23rd of the Tenth Session	March 1, 2024	March 2, 2024	Resolutions of the 23rd Meeting of the Tenth Board of Directors
			Resolutions on Applying for a Comprehensive Credit Line from China Minsheng Bank Shenzhen Branch
			Resolutions on Applying for a Comprehensive Credit Line from Bank of Beijing

			Resolutions on Applying for a Comprehensive Credit Line from China CITIC Bank
			Resolutions on Applying for a Comprehensive Credit Line from Hengfeng Bank
			Resolutions on Applying for a Comprehensive Credit Line from China Construction Bank
			Resolutions on Applying for a Comprehensive Credit Line from Agricultural Bank of China
			Resolutions on Applying for a Comprehensive Credit Line from Shanghai Pudong Development Bank
			Resolutions on Applying for a Comprehensive Credit Line from Huaxia Bank Shenzhen Branch
			Resolutions on Applying for a Comprehensive Credit Line from China Bohai Bank
			Resolutions on Applying for a Comprehensive Credit Line from Industrial Bank
			Resolutions on Applying for a Comprehensive Credit Line from Bank of Hangzhou
			Resolutions on Applying for a Comprehensive Credit Line from the Export-Import Bank of China Shenzhen Branch
			Resolutions of the 24th Meeting of the Tenth Board of Directors
24th of the Tenth Session	March 29, 2024	April 2, 2024	Resolution on the Business Performance Responsibility Statement of the Company's Management Team for 2024
			Resolutions on the Internal Audit Report of Konka Group
			Resolution on the Compliance Management Work Report of Konka Group for 2023
25th of the Tenth Session	April 26, 2024		Resolutions of the 25th Meeting of the Tenth Board of Directors
			Resolutions on the Internal Control and Risk Management Work Report of Konka Group for 2023
26th of the Tenth Session	May 16, 2024		Resolution on the Listing and Transfer of 13% Equity in Hefei KONSEMI Storage Technology Co., Ltd.
			Resolutions on the Sale of Partial Shares of Chutian Dragon Co., Ltd.
27th of the Tenth Session	May 31, 2024	June 1, 2024	Resolutions of the 27th Meeting of the Tenth Board of Directors
28th of the Tenth Session	July 12, 2024		Resolutions of the 28th Meeting of the Tenth Board of Directors
29th of the Tenth Session	July 19, 2024		Resolutions of the 29th Meeting of the Tenth Board of Directors
30th of the Tenth Session	August 15, 2024		Resolutions on the Establishment of a Vehicle-mounted Backlight Joint Venture by Shenzhen KONSEMI and Its Partner.
31st of the Tenth Session	August 27, 2024	August 28, 2024	Resolutions of the 31st Meeting of the Tenth Board of Directors
32nd of the Tenth Session	August 29, 2024		Resolutions of the 32nd Meeting of the Tenth Board of Directors
33rd of the Tenth Session	September 10, 2024	September 11, 2024	Resolutions on the Merger by Absorption of Boluo Konka Printed Circuit Board Co., Ltd. by Boluo Konka Precision Technology Co., Ltd.
			Resolutions on Internal Transfer of 51% Equity in Guangdong Xingda Hongye Electronics Co., Ltd. by Agreement
			Resolutions of the 33rd Meeting of the Tenth Board of Directors
			Resolution on the Revision of Konka Group's 14th Five-Year Strategic Plan
34th of the Tenth Session	September 18, 2024		Resolutions of the 34th Meeting of the Tenth Board of Directors
			Resolutions on the Fixed Asset Investment Plan for 2024
			Resolution on the De-registration of Konka Photovoltaic Technology Co., Ltd.
35th of the Tenth Session	September 27, 2024	September 28, 2024	Resolutions of the 35th Meeting of the Tenth Board of Directors
36th of the Tenth Session	October 30, 2024	October 31, 2024	Resolutions of the 36th Meeting of the Tenth Board of Directors

			Resolutions on the Business Plan and Financial Budget Plan for 2024
			Resolutions on Applying for a Comprehensive Credit Line from Bank of China
			Resolutions on Applying for a Comprehensive Credit Line from China Guangfa Bank Co., Ltd. Shenzhen Branch
			Resolutions on Applying for a Comprehensive Credit Line from Industrial and Commercial Bank of China
			Resolutions on Applying for a Comprehensive Credit Line from China Zheshang Bank
			Resolutions on Applying for a Comprehensive Credit Line from China Everbright Bank
			Resolutions on Applying for a Comprehensive Credit Line from Bank of Dongguan
			Resolutions on Applying for a Comprehensive Credit Line from Bank of Ningbo
37th of the Tenth Session	November 6, 2024	November 7, 2024	Resolutions of the 37th Meeting of the Tenth Board of Directors
38th of the Tenth Session	December 13, 2024	December 17, 2024	Resolutions on Adjusting the Remuneration Standards for Senior Management
			Resolutions on the Business Performance Evaluation Results of the Company's Management Team for 2023
			Resolution on the Performance-Based Annual Salary Plan for the Company's Management Team for 2023
			Resolutions on the Company's Payroll Settlement Plan for 2023 and the Company's Payroll Budget Plan for 2024
			Resolutions of the 38th Meeting of the Tenth Board of Directors

2. Attendance of directors at board meetings and general meetings

Attendance of directors at board meetings and general meetings							
Name of director	Number of Board meetings to be attended for the reporting period	Number of board meetings attended on site	Number of board meetings attended via means of telecommunication	Board meetings attended through a proxy	Number of board meetings not attended	Whether the subject has failed to attend the Board meetings in person for two consecutive times	Number of general meetings of shareholders attended
LIU Fengxi	10	1	9	0	0	No	0
YAO Wei	10	1	9	0	0	No	0
ZHOU Bin	18	3	15	0	0	No	6
CAO Shiping	3	2	1	0	0	No	3
YE Xingbin	18	3	15	0	0	No	6
HUANG Xinzhen	3	2	1	0	0	No	0
LIU Jian	18	1	17	0	0	No	0
WANG Shuguang	18	2	16	0	0	No	0
DENG Chunhua	18	2	16	0	0	No	1

Explanations on why the subject has failed to attend the Board meetings in person for two consecutive times

None

3. Objections raised by directors on relevant matters of the Company

Whether the director has raised objections on relevant matters of the Company

☐ Yes ☒ No

No objections have been raised by directors on relevant matters of the Company in the reporting period.

4. Additional explanations on the performance of duties by directors

Whether the suggestions from directors have been adopted by the Company

√ Yes ☐ No

Explanations on why suggestions from directors have or have not been adopted by the Company

During the reporting period, the Company's directors actively attended relevant meetings, diligently reviewed various proposals, and fully played their roles in "formulating strategies, making decisions, and preventing risks", gained an in-depth understanding of the development of businesses such as semiconductors, as well as the Company's operational status, internal control construction, and the implementation of resolutions of Board meetings.

The Company's directors have leveraged their professional expertise to provide constructive suggestions for the Company's development and corporate governance, such as increasing R&D investment, focusing on cash flow, actively expanding overseas markets, driving cost reduction and expense control in production, strengthening cooperation with upstream and downstream partners, and mitigating foreign exchange risks.

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

Name of committee	Members	Number of meetings convened	Meeting date	Content of meeting	Important opinions and suggestions put forward	Other information on the performance of duties	Details of matters of dissent (if any)
Audit Committee	DENG Chunhua, YAO Wei, WANG Shuguang	7	January 10, 2024	Review the financial statements for 2023 and the audit work arrangements for 2023 submitted by the company's Financial Center (to be issued by the company before the annual audit certified public accountants enter the site).	1. Approve the audit work arrangements for the company's 2023 annual report; 2. Approved the submission of the financial statements to the Certified Public Accountants for audit; 3. The annual audit firm engaged by the Company should strictly adhere to the requirements of the Chinese Certified Public Accountant Auditing Standards while conducting the audit. Any major issues identified should be promptly communicated to this Committee.		
			March 14, 2024	1. Communicate with the certified public accountants for annual audit and	1. No objections were raised regarding the Company's 2023 financial accounting statements preliminarily		

				<p>review the Company's 2023 financial accounting statements with preliminary audit opinions issued by the certified public accountants for annual audit issue;</p> <p>2. Communicate with the internal audit department of the Company.</p>	<p>reviewed by ShineWing Certified Public Accountants LLP.</p> <p>2. The Company's 2023 internal audit work, internal control effectiveness, and management standardization have been recognized, with an overall favorable situation.</p>		
			March 19, 2024	<p>1. Review the 2023 Internal Audit Work Report of Konka Group, the Self-assessment Report on the Quality of Internal Audit Work of Konka Group and the 2024 Internal Audit Plan of Konka Group submitted by the Company;</p> <p>2. Review the 2023 annual report and its summary prepared by the Company, as well as the standard unqualified opinion audit report issued by ShineWing Certified Public Accountants LLP for 2023;</p> <p>3. Postpone the appointment of the audit firm for the Company's 2024 financial statements;</p> <p>4. Review the Company's 2023 internal control evaluation report and related materials;</p> <p>5. Review the Report on the Performance of</p>	<p>1. No objections were raised regarding the 2023 Internal Audit Work Report of Konka Group, the Self-Assessment Report on the Quality of Internal Audit Work at Konka Group, and the 2024 Internal Audit Plan of Konka Group submitted by the Company;</p> <p>2. No objections were raised regarding the 2023 annual report and its summary prepared by the Company, as well as the standard unqualified opinion audit report issued by ShineWing Certified Public Accountants LLP for 2023.</p> <p>3. Proposed to postpone the appointment of the audit firm for the Company's 2024 financial statements;</p> <p>4. The Company has now established a relatively complete internal control system. The current internal control system complies with the requirements of relevant national laws and regulations as well as the actual needs of the company's production, operation and management, and can be effectively implemented. The establishment of the internal control system has played a significant role in risk prevention and control across all aspects of the</p>		

				Supervision Duties by the Accounting Firm in 2023.	Company's production, operation, and management, ensuring the orderly and effective conduct of the Company's business activities, safeguarding the security and integrity of the Company's assets, and protecting the interests of the Company and its shareholders. The Company's 2023 Internal Control Evaluation Report complies with the Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange – Standard Operations of Main Board Listed Companies issued by the Shenzhen Stock Exchange and other relevant documents. The evaluation report has truthfully and comprehensively reflected the actual situation of the Company's internal control system;		
			April 16, 2024	Review the Company's financial statements for the first quarter of 2024.	No objections were raised regarding the Company's financial statements for the first quarter of 2024.		
			August 16, 2024	Review the Company's appointment of Mr. NIE Yong as the Financial Director of the Company.	Approved the Company's appointment of Mr. NIE Yong as the Financial Director of the Company, with his term of office consistent with that of the current senior management.		
			August 19, 2024	Review the Company's semi-annual financial statements for 2024.	No objections were raised regarding the Company's semi-annual financial statements for 2024.		
	DENG Chunhua, WANG Shuguang		October 21, 2024	1. Deliberate on the matter of continuing to appoint ShineWing Certified Public	1. Proposed continuing to appoint ShineWing Certified Public Accountants LLP as the company's 2024 financial statement		

				Accountants LLP as the Company's 2024 financial statement audit firm and internal control audit firm. 2. Review the Company's financial statements for the third quarter of 2024.	audit firm and internal control audit firm. 2. No objections were raised regarding the Company's financial statements for the third quarter of 2024.		
Remuneration and Evaluation Committee	WANG Shuguang, YAO Wei, YE Xingbin, LIU Jian, DENG Chunhua	2	March 19, 2024	1. Review the Business Performance Responsibility Statement of the Company's Management Team for 2024; 2. Review the remuneration information disclosed by directors, supervisors and senior officers of the Company.	1. Reviewed and approved the Business Performance Responsibility Statement of the Company's Management Team for 2024 and approved its submission to the Board of the Directors for deliberation; 2. The remuneration status of the Company's directors, supervisors, and senior management disclosed in the 2023 annual report is accurate. The remuneration status disclosed by directors, supervisors and senior management complies with the Company's remuneration management system and there have been no cases of violations of the Company's remuneration management system.		
	WANG Shuguang, YE Xingbin, HUANG Xinzhen, LIU Jian, DENG Chunhua		December 2, 2024	1. Deliberate on and adjust the remuneration standards for senior officers; 2. Review the 2023 business performance evaluation results of the Company's management team; 3. Review the 2023 performance-based annual salary plan for the company's management team; 4. Review the Company's	1. Approved the adjustment of the remuneration standards for the Company's senior officers; 2. Approved the 2023 business performance evaluation results of the Company's management team; 3. Approved the 2023 performance-based annual salary plan for the company's management team; 4. Approve the Company's Payroll Settlement Plan for 2023 and the Company's Payroll Budget Plan for 2024.		

				Payroll Settlement Plan for 2023 and the Company's Payroll Budget Plan for 2024.			
Nomination Committee	LIU Jian, YAO Wei, ZHOU Bin, WANG Shuguang, DENG Chunhua	2	August 16, 2024	Review the appointments of Mr. CAO Shiping as President, Mr. NIE Yong as Financial Director, and Mr. LI Chunlei as Secretary of the Board of Directors.	Proposed the appointments of Mr. CAO Shiping as President, Mr. NIE Yong as Financial Director, and Mr. LI Chunlei as Secretary of the Board of Directors by the Company, with their terms of office consistent with that of the current senior officers.		
	LIU Jian, ZHOU Bin, WANG Shuguang, DENG Chunhua		September 17, 2024	Review the matter of nominating Mr. CAO Shiping and Mr. HUANG Xinzheng as candidates for non-independent directors.	Approved the nomination of Mr. CAO Shiping and Mr. HUANG Xinzheng as candidates for non-independent directors of the 10th Session of the Board of Directors of the Company, and approved the submission of the proposal to the board meeting of the Company for deliberation.		
Strategy Committee	LIU Fengxi, YAO Wei, ZHOU Bin, YE Xingbin, LIU Jian	4	August 5, 2024	Review the Proposal on the Establishment of a Vehicle-mounted Backlight Joint Venture by Shenzhen KONSEMI and Its Partner.	Approved the Proposal on the Establishment of a Vehicle-mounted Backlight Joint Venture by Shenzhen KONSEMI and Its Partner, and approved the submission of the proposal to the Board meeting of Konka Group for deliberation.		
	ZHOU Bin, YE Xingbin, LIU Jian		August 30, 2024	Review the Konka Group's 14th Five-Year Strategic Plan (2024 Revision).	Approved the Konka Group's 14th Five-Year Strategic Plan (2024 Revision), and approved the submission of the revised strategic plan to the board meeting of Konka Group for deliberation.		
			September 6, 2024	Review the Proposal on the Fixed Asset Investment Plan for 2024.	Approved the Proposal on the Fixed Asset Investment Plan for 2024, and approved the submission of the proposal to the Board meeting of Konka Group for deliberation.		
	ZHOU Bin, CAO Shiping, HUANG Xinzheng,		December 2, 2024	Review the Proposal on the Extension of the Investment Period of	Approved the submission of the Proposal on the Extension of the Investment Period of		

	LIU Jian, WANG Shuguang			Wuzhen Jiayu Fund.	Wuzhen Jiayu Fund to the Board meeting of Konka Group for deliberation.		
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VIII. Performance of Duties by the Board of Supervisors

Whether the Board of Supervisors, in its oversight activities, have identified any risks that the Company is exposed

☐ Yes ☒ No

The Board of Supervisors has raised no objections to the matters overseen during the reporting period.

IX. Company's employees

1. Number of employees, functional composition, and educational background

Number of in-service employees in the parent company at the end of the reporting period	1,503
Number of in-service employees in major subsidiaries at the end of the reporting period	11,855
Total number of in-service employees at the end of the reporting period	13,358
Total number of employees receiving remuneration during the period (in persons)	13,358
Number of retired employees for whom the parent company and major subsidiaries are responsible for bearing the costs (in persons)	0
Functional composition	
Functional composition type	Number of functional composition (in persons)
Production staff	6,954
Sales staff	3,382
Technical staff	1,422
Financial staff	570
Administrative staff	1,030
Total	13,358
Educational background	
Educational background	Number
Master's degree and above	275
Bachelor's degree	2,758
Vocational and technical college degree	3,802
High school diploma or below	6,523
Total	13,358

2. Remuneration policy

The Company has formulated a remuneration system based on the business strategy that serves the development and improvement of the Company, guided by the principles of determining salaries according to positions and setting salaries based on performance and capabilities, while balancing

market competitiveness and internal equity. Employee remuneration levels are determined based on the Company's profitability, the positions held, and the performance achievements.

3. Training program

The Company has adhered to a people-oriented approach, placed great emphasis on talent development, and actively organizes various training activities centered on the actual development of the Company's strategic business, continuously improved the Company's talent cultivation system to enhance employees' professional skills and overall quality.

In 2024, against the backdrop of the "One Axis, Two Wheels, Three Drivers" new development framework strategy, the Company has adhered to the principle of the Party overseeing talent management. With the implementation of lean management as a prerequisite, the Company has continuously carried out various tasks in three aspects, namely, "promoting the implementation of the strategy, supporting business transformation, and coordinating talent development". Centering around the "Three Levels, Seven Brands" project operation system, the Company has organized and carried out year-round projects such as Konka Open Courses for all employees. For campus recruits and social hires, it has respectively organized and carried out new employee onboarding training programs. In addition, in order to continuously strengthen professional development and empower business development, it has continuously carried out professional training targeted at marketing, research and development, manufacturing and other line functions.

4. Labor outsourcing

☐ Applicable ☒ Not applicable

X. The Company's Profit Distribution and the Conversion of Capital Reserve into Share Capital

The formulation, implementation, or adjustment of the profit distribution policy, particularly the cash dividend policy, during the reporting period

☒ Applicable ☐ Not applicable

The Company's cash dividend policy is clearly stipulated in the Articles of Association, with explicit and clear dividend standards and ratios. The relevant decision-making procedures and mechanisms are well-established. The independent directors of the Company have diligently performed their duties and played their due roles, providing minority shareholders with ample opportunities to express their opinions and demands, and effectively safeguarding the legitimate rights and interests of minority shareholders. The Company has strictly adhered to the cash dividend policy stipulated in the Articles of Association, and the cash dividends distributed by the Company are in compliance with the provisions of the Articles of Association and the requirements of the resolutions of general meetings of shareholders.

In accordance with the requirements of the Regulatory Guidelines for Listed Companies No. 3 - Cash Dividends of Listed Companies issued by the China Securities Regulatory Commission, the

Company has revised the profit distribution policy stipulated in the Articles of Association, further clarifying the provisions on priority of cash dividends in profit distribution and the proportion of cash dividends in profit distribution, etc. To further standardize the Company's shareholder return mechanism, the Company has promoted the establishment of a scientific, sustainable, and stable shareholder return mechanism, to enhance the transparency and operability of profit distribution policy decisions, and effectively protect the legitimate rights and interests of public investors.

Special explanations on the cash dividend policy	
Whether it is in compliance with the Company's Articles of Association and resolutions of general meetings of shareholders	Yes
Whether the dividend standards and ratios are explicit and clear:	Yes
Whether the relevant decision-making procedures and mechanisms are complete	Yes
Whether the independent directors have performed their duties diligently and played their due roles:	Yes
If the Company has not distributed cash dividends, it should disclose the specific reasons and the measures it plans to take next to enhance the level of investor returns:	Not applicable
Whether minority shareholders have been given ample opportunities to express their opinions and demands, and whether their legitimate rights and interests have been fully protected:	Yes
Whether the conditions and procedures have been compliant and transparent, if the cash dividend policy has been adjusted or changed:	Yes

The Company was profitable during the reporting period, and the parent company's profits available for distribution to shareholders were positive, but no cash dividend distribution plan was proposed

☐ Applicable ☒ Not applicable

The profit distribution and the conversion of capital reserve into share capital during the reporting period

☐ Applicable ☒ Not applicable

The Company plans not to distribute cash dividends, issue bonus shares, or convert capital reserve into share capital for the year.

XI. Implementation of the Company's equity incentive plan, employee stock ownership plan (ESOP) or other employee incentives

☐ Applicable ☒ Not applicable

None.

XII. Construction and Implementation of Internal Control Systems during the Reporting Period

1. Construction and implementation of internal control systems

In accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, the Company has established and improved its internal control system by adhering to the fundamental principles of internal control and tailoring them to the actual circumstances of the Company. The Company's Financial Audit Committee and the Supervisory Audit and Legal Affairs Center, guided by value management and aiming to strengthen risk control,

have continuously enhanced audit supervision and internal control evaluation, overseeing and assessing the Company's internal control management. The Company's Self-Evaluation Report on Internal Control for 2024 has comprehensively, truthfully and accurately reflected the actual situation of the Company's internal control, and no major deficiencies or significant deficiencies in the Company's internal control have been identified during the reporting period.

2. Details of major deficiencies in internal control identified during the reporting period

☐ Yes ☒ No

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

Name	Integration plan	Integration progress	Issues encountered during integration	Measures already taken to address the issues	Progress of the resolution	Follow-up resolution plans
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

XIV. Internal Control Evaluation Report or Internal Control Audit Report

1. Internal evaluation report

Date of full-text disclosure of the internal control evaluation report		April 15, 2025
Index to the full-text disclosure of the internal control evaluation report		Http://www.cninfo.com.cn/new/index
Total assets of the units included in the evaluation scope as a percentage on the total assets in the Company's consolidated financial statements		Over 90.00%
Revenue of the units included in the evaluation scope as a percentage on the total revenue in the Company's consolidated financial statements		Over 90.00%
Deficiency identification criteria		
Type	Financial reporting	Non-financial reporting
Qualitative criteria	Deficiencies with the following characteristics are identified as major deficiencies: (1) Discovery of fraudulent acts by the Company's directors, supervisors, and senior management that have a material impact on the financial reports; (2) The Company's alteration of published financial reports to reflect the correction of material misstatements resulting from the fraud or error; (3) The discovery by the certified public accountant of a material misstatement of a current period's financial reports and the failure of the internal controls to detect the misstatement during their operation; (4) Ineffective oversight of internal controls by the Company's financial audit committee and internal audit organization; (5) Major deficiencies identified in the evaluation of internal controls not corrected after a reasonable period of time; (6) Lack of institutional controls over significant operations or systemic failures of the system. Deficiencies with the following characteristics are recognized as significant deficiencies: (1) Failure to select and apply accounting policies in accordance with generally accepted accounting principles; (2) Failure to establish anti-fraud procedures and control measures; (3) Failure to establish corresponding control mechanisms or implement them for the	The following are indications that there may be major deficiencies in non-financial reporting-related internal controls: (1) Serious violations of national laws and regulations by the Company's business activities; (2) Very frequent exposure of negative news in the media that may cause significant damage to the Company's reputation; (3) The departure of the core management team in droves or a serious turnover of personnel in key positions; (4) Lack of institutional control or systematic failure of systems in important businesses; (5) Major deficiencies identified in the internal control evaluation have not been rectified in a timely manner. The following are indications that there may be significant deficiencies in non-financial reporting-related internal controls: (1) Relatively frequent appearance of negative news in the

	accounting treatment of non-routine or extraordinary transactions, and lack of corresponding compensatory controls; (4) One or more deficiencies in controls over the process of preparing the financial statements at the end of the period; no reasonable assurance that the prepared financial statements achieve the objectives of truthfulness and accuracy; (5) Significant deficiencies identified in the internal control evaluation have not been corrected after a reasonable period of time. Other internal control deficiencies that do not meet the criteria for major or significant deficiencies are classified as general deficiencies.	media that may cause considerable damage to the Company's reputation; (2) Relatively serious turnover of personnel in key positions; (3) Significant deficiencies in important business control systems; (4) Significant deficiencies identified in the internal control evaluation have not been rectified in a timely manner. Other internal control deficiencies that do not meet the criteria for major or significant deficiencies are classified as general deficiencies.
Quantitative criteria	Major deficiencies: potential misstatements amounting to $\geq 1\%$ of the gross profit amount of the Company's consolidated financial statements for 2024. Significant deficiencies: 0.5% of the gross profit amount of the Company's consolidated financial statements for 2024 \leq the amount of potential misstatement $< 1\%$ of the gross profit amount of the Company's consolidated financial statements for 2024. General deficiencies: Potential misstatements amounting to $< 0.5\%$ of the gross profit amount of the Company's consolidated financial statements for 2024.	Implement in accordance with the quantitative criteria of internal control defect evaluation in financial statements
Number of major deficiencies in financial reporting (counts)		0
Number of major deficiencies in non-financial reporting (counts)		0
Number of significant deficiencies in financial reporting (counts)		0
Number of significant deficiencies in non-financial reporting (counts)		0

2. Internal control audit report

☒ Applicable ☐ Not applicable

Opinion paragraph in the internal control audit report	
Konka Group Co., Ltd. has maintained, in all material aspects, effective internal control over financial reporting as of December 31, 2024, in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations.	
Disclosure of the internal control audit report	Disclosure
Disclosure date of the full text of the internal control audit report	April 15, 2025
Disclosure index of the full text of the internal control audit report	Http://www.cninfo.com.cn/new/index
Type of internal control audit report opinion	Standard unqualified opinion
Whether there are any major deficiencies in non-financial reporting	No

Whether the accounting firm has issued an internal control audit report with a non-standard opinion

☐ Yes ☒ No

Whether the internal control audit report issued by the accounting firm is consistent with the opinion of the Board of Directors' self-assessment report

☒ Yes ☐ No

XV. Rectification of Issues Identified by Self-inspection in the Special Action on the Governance of Listed Companies

The Company has completed the self-inspection in accordance with the relevant requirements of the China Securities Regulatory Commission and has rectified the issues identified during the self-inspection.

Section V Environmental and Social Responsibilities

I. Major environmental issues

Whether the listed company and its subsidiaries are classified as key pollutant-discharging units announced by the environmental protection department

√ Yes ☐ No

Environmental protection related policies and industry standards

The Company implements environmental protection laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Environmental Noise Pollution Prevention and Control Law of the People's Republic of China, and the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, The standards for water pollutant discharge, including the Emission Standard of Pollutants for Electroplating (DB44/1597-2015) and the Standard for Discharge Limits of Water Pollutants in Guangdong Province (DB44/26-2001), and the standards for atmospheric pollutant discharge including the Emission Standard of Air Pollutants for Printing Industry (DB44/815-2010), the Emission Standard of Pollutants for Electroplating (GB21900-2008), the Emission Standards for Odor Pollutants (GB14554-93), the Standard for Fugitive Emission of Volatile Organic Compounds (GB37822-2019), the Technical Specification for Setting Identification Signs of Hazardous Waste (HJ1276-2022), and the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2023).

Administrative license for environmental protection

1. Xingda Hongye

Xingda Hongye obtained the approval from the Zhongshan Bureau of Ecology and Environment (ZSBEE) in 2004 (ZHJ [2004] No. 61) for the construction and commissioning of its project in Zhongshan. Later, it successively obtained the approvals with Document Nos. ZHJD [2008] No. 06250 and ZHJD [2010] No. 04469 in 2008 and 2010 respectively. Since the original project of Xingda Hongye was put into operation, it has been accepted in two phases. Phase I was accepted in 2008 (HY [2008] No. 02) and Phase II was accepted in 2012 (ZHYR [2012] No. 000092).

In December 2012, Xingda Hongye commissioned the Zhongshan Institute of Environmental Protection Science to conduct the environmental impact assessment for the technical transformation and expansion project of Xingda Hongye. On December 31, 2012, the Company obtained the approval document from the Zhongshan Bureau of Ecology and Environment (ZSBEE), Approval of the Environmental Impact Assessment Report for the Technical Transformation and Expansion

Project of Guangdong Xingda Hongye Electronics Co., Ltd. (ZHJS (2012) No. 115), approving the increase in the production of six-layer circuit boards, eight-layer and above circuit boards, and HDI boards after the technical transformation and expansion, and the reduction in the production of single-layer circuit boards. After the technical transformation and expansion, the total production capacity will be 200,000 square meters/year for single-layer circuit boards, 250,000 square meters/year for double-layer circuit boards, 300,000 square meters/year for four-layer circuit boards, 200,000 square meters/year for six-layer circuit boards, 150,000 square meters/year for eight-layer and above circuit boards, and 100,000 square meters/year for HDI boards. For the technical transformation and expansion project, the original electroplating equipment and electroplating processes will remain unchanged, and a brown oxidation process on the basis of the existing production process will be added; All additional electroplating capacity will be outsourced for processing. The technical transformation and expansion project started construction in 2013 and was completed in January 2018. The commissioning period was from February 10th to July 8th, 2018. The construction of the expansion project complies with the requirements of the environmental impact assessment approval and meets the conditions for the completion acceptance of the environmental protection of the construction project. Renewal/replacement of National Pollutant Discharge Permit in 2021, Permit No.: 91442000768405216J001P. Change of National Pollutant Discharge Permit in 2022, Permit No.: 91442000768405216J001P. Change of National Pollutant Discharge Permit in 2023, Permit No.: 91442000768405216J001P.

2. Boluo Konka and Boluo Konka Precision

In 2000, Boluo Konka obtained the approval from the Huizhou Bureau of Ecology and Environment (HSHJ [2000] No. 23), and put its project into operation in the same year, with the Pollutant Discharge Permit No. 91441322721121283N001U.

In January 2007, Boluo Konka entrusted Huizhou Environmental Science Institute to carry out environmental impact assessment of its expansion project, and on February 8, 2007 obtained the Letter of Approval Opinions on the Environmental Impact Assessment Report of Boluo Konka Double-sided and Multi-layer Board Project (HSHJ [2007] No. J32) from Huizhou Environmental Protection Bureau, which approved the addition of double-sided and multi-layer circuit boards after the expansion of the project. After the expansion, the total productive capacity of single-sided circuit boards was 1 million square meters/year and that of double-sided multi-layer circuit boards was 650,000 square meters/year. Electroplating equipment and electroplating processes were added to the expansion project. The construction of the expansion project met the EIA approval opinions and the environmental protection acceptance conditions for the completion of the construction project. In the same year, the Pollutant Discharge Permit was obtained. The above project was later registered and renamed as Boluo Konka Precision. Boluo Konka Precision obtained the National Pollutant Discharge Permit in 2020, Permit No.: 91441322799316208F001V. Boluo Konka

Precision will produce 1.65 million square meters per year of double-sided and multilayer circuit boards, upon the Department of Ecology and Environment of Guangdong Province's approval of the Report on the Environmental Impact of the Circuit Boards Expansion Project with an Annual Capacity of 1 million square meters (YHSH [2023] No. 124) in June 2023.

The regulations for industrial emissions and the particular requirements for controlling pollutant emissions those are associated with production and operational activities.

Name of polluter	Type of major pollutants	Name of major pollutants	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/intensity	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	PH6-9; Total copper ≤ 0.3 mg/L; COD ≤ 50 mg/L; Ammonia nitrogen ≤ 8 mg/L; Total nitrogen ≤ 15 mg/L; Total phosphorus ≤ 0.5 mg/L; Total cyanide ≤ 0.2 mg/L; Total nickel ≤ 0.1 mg/L; Total iron ≤ 2 mg/L; Total aluminum ≤ 2 mg/L; Petroleum ≤ 2 mg/L; Suspended solids ≤ 30 mg/L;	GB 21900-2008 Discharge Standard For Pollutants From Electroplating	497,835 tons/year	Total discharge of main pollutants: COD19.061250 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 cyanide, nitrogen oxide, ammonia, benzene, toluene+xylene, TVOC, tin and its compounds, PM(dust)	Discharge of stationary pollution sources	14	Three on the roof of plant 1, ten on the roof of plant 2 and one on the roof of the canteen	Sulfuric acid mist ≤ 30 mg/m ³ ; NOx ≤ 200 mg/m ³ ; Hydrogen chloride ≤ 30 mg/m ³ ; Hydrogen cyanide ≤ 0.5 mg/m ³ ; TVOC ≤ 120 mg/m ³ ; Benzene ≤ 1 mg/m ³ ; Toluene + xylene ≤ 15 mg/m ³ ; Tin and its compounds ≤ 8.5 mg/m ³ ; Particulate	Emission Standard for Electroplating Pollutants GB21900-2008 Air Emission Limits Table 5, Emission Standard of Air Pollutants for Printing Industry (DB44/815-2010); Guangdong Air Pollutant Emission Standard DB44/27-2001 the Second	2,986,560,000 standard cube/year	Total discharge: 2,986,560,000 standard cube/year (note: the total discharge from all types of sources of exhaust gases is not specified in the latest National Pollutant Discharge Permit for 2021, calculated based on air volume in environmental	None

						matter (dust) \leq 120 mg/m ³ ;	Level Standard in the Second Period, Emission Standard for Odor Pollutants (GB 14554-1993) Table 2 Standard		impact assessment)	
Boluo Konka and Boluo Konka Precision	Pollution sources of waste water	PH, copper, COD, ammonia nitrogen, total nitrogen, total phosphorus	Discharge of stationary pollution sources	1	Main discharge outlet of the waste water station	1. Discharge standard of pollutant discharge certificate: copper \leq 0.5 mg/L; COD \leq 80 mg/L; ammonia nitrogen \leq 10 mg/L; total nitrogen \leq 20 mg/L; and total phosphorus \leq 0.5 mg/L; 2. Local emission standard: copper \leq 0.5 mg/L; COD \leq 30 mg/L; Ammonia nitrogen \leq 1.5 mg/L; Total nitrogen \leq 10 mg/L; Total phosphorus \leq 0.3 mg/L	1. Discharge standards on sewage discharge permission: Table 1 Pearl River Delta Discharge Standard of the Discharge Standard of Water Pollutants for Electroplating (DB44/1597-2015), Guangdong Provincial Water Pollutant Discharging Limit Standard (DB44/26-2001); 2. Local emission standards: BFBH [2019] No. 58 document: COD, NH ₃ -H, TP, Class IV Water Standard of Environmental Quality Standards for Surface Water (GB3838-2002), and TN emission meets 50% of the emission concentration limit requirements of the corresponding industry	318,300 tons/year Remarks: according to discharge permit	Pollutant COD 19.2 tons/year; Ammonia nitrogen 2.4 tons/year; Total nitrogen 4.8 tons/year Remarks: according to the pollutant discharge certificate	None
Boluo Konka	Waste gas pollutants	Sulfuric acid fume,	Discharge of	20 sets	Six on the roof of	Sulfuric acid mist \leq 30	Emission Standard for	/	The total discharge is not	None

and Boluo Konka Precision		hydrogen chloride, formaldehyde, hydrogen cyanide, nitrogen oxide, ammonia, benzene, methylbenzene, TVOC, tin and its compounds, PM (dust), oil fume	stationary pollution sources		plant 1, fourteen on the roof of plant 2 and one in sewage station	mg/m ³ ; NOx ≤ 200 mg/m ³ ; Hydrogen chloride ≤ 30 mg/m ³ ; TVOC ≤ 90 mg/ m ³ ; Benzene ≤ 12 mg/m ³ ; Toluene ≤ 40 mg/m ³ ; Xylene ≤ 70 mg/m ³ ; Tin and its compounds ≤ 8.5 mg/m ³ ; Particulate matter (dust) ≤ 120 mg/m ³ ; Oil fume ≤ 2 mg/m ³	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)		stated in the latest version of National Pollutant Discharge Permit in 2020	
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Treatment of pollutants

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. In 2022, RMB20 million was invested to increase a set of sewage treatment facility which had been put into operation so as to ensure stable discharge of sewage up to standard. 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 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 of discharge outlets, the discharge capacity would reach 1,100 tons per day. The aforementioned two 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 technical transformation 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%. In 2023, the BOT mode was adopted, and about RMB 25 million was invested to expand the sewage station to achieve a treatment capacity of 2,800 tons/day and a reuse rate of more than 60%. After the expansion, the effective pool capacity of the Boluo Konka sewage treatment system reached 14,000m³, further refining the sewage treatment process, consolidating the treatment effect, and increasing emergency pool area by about 1,000m³. 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 Gongzhuang Rive section of Dongjiang River.

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 Transformation and Expansion Project of Guangdong Xingda Hongye Electronics Co., Ltd. and the reply opinions for environmental impact assessment, the Company has formulated the Enterprise 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 based on the latest National Pollutant Discharge Permit issued and reported enterprise self-monitoring plans. 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 are disclosed in real time, or manual monitoring data on a monthly and quarterly basis are disclosed every two hours.

2. Boluo Konka and Boluo Konka Precision

According to the requirements of the Environmental Protection Administration, Boluo Konka and Boluo Konka Precision attach great importance to environmental monitoring management. Thus, pursuant to the Measures for Self-Monitoring and Information Disclosure of National Key Monitored Enterprises and the requirements for environmental impact assessment, the Company has formulated the Enterprise Environmental Self-Monitoring Plan and reported to the municipal environmental protection bureau for approval and record. It implements online monitoring for the PH, COD, ammonia nitrogen, total phosphorus and other 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 based on the latest National Pollutant Discharge Permits issued and reported enterprise self-monitoring plan. 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 are disclosed in real time, or manual monitoring data on a monthly and quarterly basis are disclosed every two hours.

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 Bureau of Ecology and Environment, 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 (600m³, underground pool of sewage treatment station) 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. The chemical liquid tank shall be managed by special personnel, and the supplier shall timely pull the liquid medicine for reasonable control and requirements of the workshop sewage, And prepare gas masks, boots, submersible pumps and other emergency rescue tools.

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.441322-2024-0011-M and 441322-2024-0396-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 fully equipped with emergency response facilities, with an industrial wastewater emergency pool of about 1,500m³ (the underground pool of

the sewage station), and a fire pool of 300m³ (next to the staff dormitory building). In case of environmental emergencies, such as pipe burst and leakage of wastewater conveying pipes or failure to operate normally, the wastewater emergency pool shall be used as an emergency temporary storage pool for industrial wastewater to prevent industrial wastewater accidents; In case of a fire safety incident, the fire pool shall be used for emergency. 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 warehouse shall be managed by special personnel, and the supplier shall carry out standardized control and requirements when loading and unloading chemicals; Emergency supporting materials: prepare gas masks, acid and alkali resistant water shoes, gloves, goggles, safety ropes, helmets, fire sand, submersible pumps and other emergency rescue tools.

Input in environmental governance and protection and payment of environmental protection tax

From January to December 2024, the Company invested about RMB 29.407 million in environmental treatment and protection, and paid RMB 23,700 in environmental protection tax from January to December 2024.

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

☒ Applicable ☐ Not applicable

The Company and its affiliated enterprises practiced the concept of green development, adopted measures such as the use of green energy, process improvement, transformation and elimination of high energy consumption equipment, and the carbon dioxide emissions decreased by 10.61% year-on-year.

No administrative punishments were received in the Reporting Period due to environmental issues.

No administrative punishments were received in the Reporting Period due to environmental issues.

Other environmental information that should be disclosed

1. Xingda Hongye

The environmental protection investment of Xingda Hongye from January to December 2024 was approximately RMB 17 million, mainly used for the depreciation 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

The total environmental protection investment of Boluo Konka and Boluo Konka Precision in 2024 was about RMB 11 million, which was mainly used for the daily treatment cost of wastewater and waste gas and facility maintenance cost. In addition, Boluo Konka and Boluo Konka Precision

disclosed environmental related information such as industrial sewage, waste gas, noise and solid waste on environmental protection platforms such as Guangdong Solid Waste Environmental Supervision Information Platform, National Pollutant Discharge Permit Management Information Platform - Enterprise Portal, Guangdong Whole-process IoT Automatic Monitoring Platform for Pollution Sources - Enterprise Portal, Environmental Statistics Business System Platform, and Automatic Monitoring and Basic Database System for Key Pollution Discharge Units (Enterprise Portal).

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, Air Pollution Prevention and Control Law of the People's Republic of China, Environmental Noise Pollution Prevention and Control Law of the People's Republic of China, and Solid Waste Pollution Prevention and Control Law of the People's Republic of China in the daily production and operation.

II. Social Responsibilities

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 minority shareholders, and make insurance of rights to be informed, participation and vote.

The Company actively performs its obligation of information disclosure to ensure the timely, accurate and complete disclosure of information; And strictly implements the insider registration and inside information confidentiality system to ensure the fairness of information disclosure.

The Company pays attention to repay to shareholders, and insists on mutual development with investors. The Company has strictly adhered to the cash dividend policy stipulated in the Articles of Association, and the cash dividends distributed by the Company are in compliance with the provisions of the Articles of Association and the requirements of the resolutions of general meetings of shareholders.

(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, training, promotion, dismissal 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

On the one hand, the Company objectively and effectively guarantees the personal safety and occupational health of employees from the system by establishing and improving the safety system, organizing relevant learning and strict safety assessment; On the other hand, through vigorous publicity of safety knowledge, safety awareness is deeply rooted in the hearts of the people, so that employees can abide by safety regulations spontaneously and consciously, and play a positive subjective role in ensuring their own occupational health 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 is meticulous in the training of routine business and vocational skills, and actively implements it in strict accordance with relevant national regulations to ensure the improvement of employees' business level, and improves employees' vocational skills through normalized regular training management; On the other hand, the Company provides employees with more colorful training programs through independent training platforms, training lecturers, special training, lectures, etc., so that employees can effectively improve their overall professional quality and comprehensive quality in addition to their own work.

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.

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 2024, the Company continued to actively purchase the agricultural and sideline products from Sansui and Tianzhu counties in Guizhou Province under the "assistance by consumption" project. The total amount spent on this project in 2024 amounted to RMB 246,400. In August 2024, the Company held the "one-to-one" pairing support donation ceremony with students in the two counties. More than 100 Konka "dream partners" donated a total of RMB 240,000, and conducted in-depth visits to the aided students. Representatives of the paired employees talked with the students "hand in hand, face to face and heart to heart", providing financial assistance, material support and educational inspiration for them.

Section VI Important Matters

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

None.

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

None.

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 Board of Supervisors 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 in Accounting Policies, Estimates or Correction of Material Accounting Errors

☒ Applicable ☐ Not applicable

October 25, 2023, the Ministry of Finance issued the Interpretation of the Accounting Standards for Business Enterprises No.17, of which the contents of "Division of Current Liabilities and Non-current Liabilities", "Disclosure of Supplier Finance Arrangement" and "Accounting Treatment of Post-sales Leaseback Transactions" will come into force from January 1, 2024. According to the relevant requirements, the Group has made corresponding changes to the accounting policies. The changes in accounting policies have no significant impact on the Group's total assets, total liabilities, net assets, net

profits and other financial indicators.

On December 6, 2024, the Ministry of Finance issued the Interpretation of the Accounting Standards for Business Enterprises No.18, stipulating that the estimated liabilities arising from guarantee-type quality assurance that does not belong to single performance obligation shall be included in "primary business costs" and "other business costs" according to the determined amount, and shall no longer be included in "selling expenses". According to the above accounting interpretation, the Group has made corresponding changes to the original accounting policies and retroactively adjusted the "cost of sales", "selling expenses" and other statement items. The Company started to implement these principles from January 1, 2024.

In accordance with the relevant provisions of Interpretation No.18, the names and amounts of the significantly affected statement items are set forth below:

Item affected	Year 2023		
	Before	Adjustment amount	Restated
Income statement items:			
Cost of sales (RMB)	17,149,036,750.50	180,054,701.97	17,329,091,452.47
Selling expense (RMB)	1,145,124,848.96	-180,054,701.97	965,070,146.99

VII. YoY Changes in 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 Section 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)	200
How many consecutive years the domestic independent auditor has provided audit service for the Company	6 years
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	DENG Dengfeng, LIU Lihong
How many consecutive years the certified public accountants have provided audit service for the Company	1 year, 3 years
Name of the overseas independent auditor (if any)	Not applicable
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)	Not applicable
Names of the certified public accountants from the overseas independent auditor writing signatures on the auditor's report (if any)	Not applicable
How many consecutive years the certified public accountants	Not applicable

have provided audit service for the Company (if any)	
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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

ShineWing Certified Public Accountants LLP was appointed as the internal control auditor of the Company for 2024 with RMB 700,000 (tax-exclusive) 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	Amount involved (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
Due to dispute over commission contract, Shenzhen Konka Pengrun Technology Industry Co., Ltd., a subsidiary of the Company, sued Guang'an Ouqishi Electronic Technology Co., Ltd., GUAN Hongshao, Huaying Gaokede Electronic Technology Co., Ltd. Huaying Gaokelong Electronic Technology Co., Ltd., Guizhou Jiaguida Technology Co., Ltd., Sichuan Horoy Real Estate Co., Ltd., DU Xinyu, LIN Bolong and WANG Shisheng, requesting the defendants to pay the payment for goods and liquidated damages.	16,681.2	No	The case has entered the execution phase.	The Company won And the case is in execution.	The case is in execution.	November 24, 2022	http://www.cninfo.com.cn/new/index
Due to the dispute over the guarantee contract, the Company's subsidiary	2,128.62	No	The case has been closed.	The Company won The court ruled in favor of the	The case has been closed.	November 24, 2022	

Anhui Konka Electronics Co., Ltd., sued Maoxinyuan Electronics (Shenzhen) Co., Ltd., requesting that the defendant be ordered to bear joint and several guarantee liability for the plaintiff.				principal of USD 2.3644 million and overdue interest. RMB 17.5387 million was recovered. The case has been closed.			
Due to dispute over equity transfer contract, the Company sued Langrui Haoteng Technology Development Co., Ltd., Beijing Beida Jade Bird Safety System Engineering Technology Co., Ltd. and Beijing Jingrui Haoteng Technology Development Co., Ltd. for payment of the equity transfer balance.	4,540.76	No	The case has entered the execution phase.	The Company won And the case is in execution.	The case is in execution.	June 1, 2023	
Due to dispute over capital increase, Shenzhen Konka Investment Holding Co., Ltd., a subsidiary of the Company, filed an arbitration application with the Shenzhen Court of International Arbitration, requiring the respondents Elion Resources Group Limited and Elion Ecology Co., Ltd. to perform the repurchase obligation.	9,790.53	No	The case has been closed.	The Company won the lawsuit and has recovered RMB 132.2354 million. The case has been closed.	The case has been closed.	June 1, 2021	
Due to a contract dispute, Shenzhen Oriental Venture Capital Co., Ltd. sued the Company for an order to pay the repurchase price and liquidated damages.	75,214.75	No	The case has been closed.	The Company won	The case has been closed.	November 24, 2022	
Due to a dispute over bankruptcy, Xinxiang Jiahui Dakeluo Crafts	4,576.7	No	The case has been closed.	The Company won	The case has been closed.	June 1, 2023	

Products Co., Ltd. filed a lawsuit against the Company's subsidiary Henan Frestec Refrigeration Appliance Co., Ltd., requesting a confirmation that the period-end excess VAT paid that had been returned by the tax authority to the defendant should have been other properties to be distributed.							
Due to a dispute over the purchase and sales contract of international goods, Anhui Kangzhi Trading Co., Ltd., a subsidiary of the Company, sued B&L TECHNOLOGY CO., LIMITED, requesting that the respondent be ordered to pay the payment for goods and liquidated damages.	2,845.19	No	The Company won the lawsuit and the award has taken effect.	The Company won	The case is in execution.	November 24, 2022	
Wu Rong sued the Company and its subsidiary Shenzhen Konka Electronic Technology Co., Ltd. due to a dispute over an installment purchase and sales contract, requesting an order to pay the plaintiff the payment for goods and interest on overdue payment.	2,190.25	No	The case has been closed.	The Company won	The case has been closed.	November 24, 2022	
Due to a dispute over the cancellation of creditor's rights, the Company's subsidiary Anhui Konka Electronics Co., Ltd. filed a lawsuit against Wu Rong and Makena Electronic (Shenzhen) Co., Ltd., seeking for the cancellation of the	2,190.25	No	The case has been closed.	The Company won	The case has been closed.	June 1, 2023	

Agreement on the Transfer of Creditor's Rights and the relevant supplemental agreement previously signed by the defendants.							
Due to dispute over commission contract, Henan Frestec Refrigeration Co., Ltd., a subsidiary of the Company, sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., LIN Yuanqin, HUANG Ruirong, Jiangsu East China Hardware City Co., Ltd. and Chuangfu Commercial Plaza Real Estate Development (Huizhou) Co., Ltd., requesting an order to terminate the contracts, return the payment for goods and pay liquidated damages with priority in compensation for the mortgaged property.	12,990.2	No	The case has entered the execution phase.	The Company won And the case is in execution.	The case is in execution.	November 30, 2021	
Due to a contractual dispute, Shenzhen Konka Unifortune Technology Co., Ltd., a subsidiary of the Company, filed a lawsuit against Shenzhen Junxing Communication Technology Co., Ltd., Gumei Electronics (Hongkong) Technology Limited, Shenzhen Hongxingfengda Industrial Development Co., Ltd., Shenzhen Junxing Junye Electronics Co., Ltd., ZENG Jiankai, ZHANG Zhenyu,	26,271.11	No	The case has entered the execution phase.	The Company won The case is in execution currently.	The case is in execution.	June 1, 2023	

Herewin Technology Group (HK) Co., Ltd., ZHANG Lixia, Anhui Baolin Industrial Co., Ltd., ZENG Qingpeng, and ZHONG Yuhua to return the payment for goods and pay the corresponding liquidated damages.							
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Remarks: the court or arbitration institution ruled in favor of the Company in the following cases, and the rules are currently being implemented.

For details of the cases, please refer to the Announcement on Large-amount Pending Litigation and Arbitration (Announcement No.: 2019-63) disclosed by the Company on June 25, 2019, the Announcement on Cumulative Litigation and Arbitration (Announcement No.: 2020-97) disclosed on September 19, 2020, the Announcement on Cumulative Litigation and Arbitration (Announced No.: 2021-48) disclosed on June 1, 2021, the Announcement on Cumulative Litigation and Arbitration (Announced No.: 2021-101) disclosed on December 1, 2021, the Announcement on Cumulative Litigation and Arbitration (Announcement No.: 2022-89) disclosed on November 24, 2022, the Announcement on Cumulative Litigation and Arbitration (Announcement No.: 2023-37) disclosed on June 1, 2023, the Announcement on Cumulative Litigation and Arbitration (Announcement No.: 2023-39) disclosed on June 22, 2023, and the regular reports of the Company: 1. for notes not paid at maturity, the Company filed a lawsuit with the court, requesting that China Energy Electric Fuel Co., Ltd., China Energy (Shanghai) Industrial Co., Ltd., Shanghai Nengping Industrial Co., Ltd., and Shenzhen Qianhai Baoying Commercial Factoring Co., Ltd. pay the notes and the corresponding interest to the Company; 2. Due to the unpaid notes due, the Company filed a lawsuit with the court, requesting that CEFC Shanghai International Group Limited and Tianjin International Trade Petrochemical Co., Ltd. be ordered to pay the notes and corresponding interests to the Company; 3. Due to the unpaid notes due, the Company filed a lawsuit with the court, requesting that CEFC Shanghai International Group Limited, Qingdao Bonded Zhongshe International Trade Co., Ltd. and Shenzhen Qianhai Benniu Agricultural Technology Co., Ltd. be ordered to pay the notes and corresponding interests to the Company; 4. Due to the unpaid notes due, Konka Factoring filed a lawsuit with the court, requesting that Tahoe Group Co., Ltd., Fuzhou Taijia Industrial Co., Ltd. and Xiamen Lianchuang Microelectronics Co., Ltd. be ordered to pay the notes and corresponding interests to Konka Factoring; 5. Since the notes were not repaid when due, the Company filed a lawsuit with the court, requesting that Hefei Huajun Trading Co., Ltd. and Wuhan Jialian Agricultural Science and Technology Development Co., Ltd. be ordered to pay the notes and corresponding interests to the Company; 6. Due to disputes over logistics contracts, the Company's subsidiary Anhui Konka Electronics Co., Ltd. sued the freight forwarding companies Shanghai Likai Logistics Co., Ltd. Shenzhen Branch and Shanghai Likai Logistics Ltd., demanding them to bear the responsibility for compensation for losses; 7. Due to a contract dispute, the Company's subsidiary Shenzhen Nianhua Enterprise Management Co., Ltd. filed an arbitration application, requesting the Respondent to pay the corresponding annual profit compensation and fund occupation fee to FANG Xianglong and JIANG Yan; 8. Due to a dispute over the payment for goods, the Company's subsidiary Hong Kong Konka Co., Ltd. filed an arbitration application with the Shenzhen Court of International Arbitration, requiring the respondent MAKENA ELECTRONIC (HONG KONG) COMPANY LIMITED to pay the payment for goods and liquidated damages; 9. Due to a dispute over the purchase and sales contract of international goods, the Company's subsidiary Anhui Konka Electronics Co., Ltd., sued MAKENA ELECTRONIC (HONG KONG) COMPANY LIMITED, requesting that the respondent be ordered to pay the applicant the interest on overdue payment and losses; 10. Due to a dispute over repurchase, the Company sued Luo Zaatong, Luo Jingxia, Luo Zongyin, Luo Zongwu and Shenzhen Yaode Technology Co., Ltd., requiring an order to pay the share repurchase and interests. 11. due to contract dispute, the Company filed a lawsuit with the Intermediate People's Court of Zhengzhou, requiring Henan Radio and Television Network Co., Ltd. to take delivery of the goods according to the contract and pay the payment for goods, interest and liquidated damages; 12. due to contract dispute, Shenzhen Konka Unifortune Technology Co., Ltd., a subsidiary of the Company, sued Shenzhen Yaode Technology Co., Ltd., Dongsheng Xinluo Technology (Shenzhen) Co., Ltd., Shenzhen Hongyao Dingsheng Investment Management Co., Ltd., Shenzhen Xiangrui Yingtong Investment Management LP, LUO Jingxia, LUO Zongwu, LUO Zongyin, LUO Zaatong, and LUO Saiyin, demanding payment of goods and liquidated damages; 13. due to trademark infringement and unfair competition, the Company sued Fu'an Xinshang Electronics Co., Ltd., Fujian Zhaoguan Industry and Trade Co., Ltd., Jinhua Konka Medical Equipment Factory and WANG Jun, demanding an order to stop the infringement and compensate for the loss; 14. due to commission contract dispute, the Company's subsidiary Anhui Konka Electronics Co., Ltd. sued Shenzhen Meisenyuan Plastic Electronics

Co., Ltd., Shantou Meisen Technology Co., Ltd., LIN Yuanqin, HUANG Ruirong and Jiangsu East China Hardware City Co., Ltd., requesting an order to terminate the contract, return the payment for goods and pay liquidated damages with priority in compensation for the mortgaged property; 15. Due to commission contract dispute, the Company's subsidiary Anhui Konka Electronics Co., Ltd. sued Shantou Meisen Technology Co., Ltd., Shenzhen Meisenyuan Plastic Electronics Co., Ltd., LIN Yuanqin, HUANG Ruirong and Jiangsu East China Hardware City Co., Ltd., requesting an order to terminate the contract, return the payment for goods and pay liquidated damages with priority in compensation for the mortgaged property; 16. Due to a dispute over the loan contract, the Company sued Yantai Kangyue Investment Co., Ltd., requesting that the defendant be ordered to repay the loan and interest; 17. Due to the equity repurchase dispute, the Company's subsidiary Shenzhen Nianhua Enterprise Management Co., Ltd. sued FANG Xiang Long and JIANG Yan, requesting to repurchase the equity and pay the repurchase price; 18. due to purchase and sales contract dispute, Sichuan Konka Intelligent Terminal Technology Co., Ltd., a subsidiary of the Company, sued Shenzhen Junxing Communication Technology Co., Ltd., Shenzhen Hongxing Fengda Industrial Development Co., Ltd., Shenzhen Junxing Junye Electronics Co., Ltd., Liuyang Huaichuan Heyuan Villa Co., Ltd., ZENG Jiankai and ZHONG Yuhua for payment of goods and liquidated damages, which is being implemented; 19. Due to contract disputes, the Company's subsidiary Konka Telecommunications Technology Co., Ltd. sued Hong Kong Join Star Electronics International Limited, ZENG Jiankai and ZHONG Yuhua, demanding payment of goods and liquidated damages; 20. Because of a dispute over a trust contract, 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 Commerce&Trade Plaza Real Estate Development(Huizhou)Co.,Ltd., requiring an order to terminate the contract, and then return the payment for goods, pay liquidated damages and give priority to the mortgaged property. 21. Due to a dispute over a trust contract, the Company's subsidiary, Hainan Konka Material Technology Co., Ltd. sued Shenzhen Meisenyuan Plastic Electronics Co., Ltd., Shantou Meisen Technology Co.,Ltd., Jiangsu East China Hardware City Co., Ltd., requiring an order to terminate the contract, and then return the payment for goods, pay liquidated damages and give priority to the mortgaged property. 22. Due to a dispute over a purchase and sales contract, the Company's subsidiary, Dongguan Konka Electronics Co., Ltd. filed a lawsuit with People's Court of Nanshan District, Shenzhen, requesting the latter to order Dongguan Gaoneng Polymer Limited Company, WANG Dong, Shenzhen Xinlian Xingyao Trading Co., Ltd., Shenzhen Jinchuan Qianchao Network Technology Co., Ltd., Puning Junlong Trading Co., Ltd., HUANG Zhihao to pay the overdue payment and corresponding liquidated damages.

The following cases have been disclosed in interim announcements and periodic reports and are under trial. For details of the cases, please refer to the Announcement on Large-amount Pending Litigation and Arbitration (Announcement No.: 2019-63) disclosed by the Company on June 25, 2019, the Announcement on Cumulative Litigation and Arbitration (Announcement No.: 2020-97) disclosed on September 19, 2020, the Announcement of Cumulative Litigation and Arbitration (Announcement No.: 2021-48) disclosed on June 1, 2021, the Announcement about Cumulative Litigate and Arbitration (Announcement No.: 2021-101) disclosed on December 1, 2021, the Announcement on Cumulative Litigation and Arbitration (Announcement No.: 2022-89) disclosed on November 24, 2022, the Announcement on Cumulative Litigation and Arbitration (Announcement No.: 2023-37) disclosed on June 1, 2023, the Announcement on Cumulative Litigation and Arbitration (Announcement No.: 2023-39) disclosed on June 22, 2023, and the Company's periodic reports: 1. the customer of Hong Kong Konka, H-BUSTER SAO PAULO INDUSTRIA COMERCIO S.A (Brazil), encountered insolvency and obtained approval for the judicial reorganization application from the Third Civil Court of Cotia, Sao Paulo State, Brazil, in May 2013. As the creditor of H-BUSTER, Hong Kong Konka submitted the claim application document, and the recognized claim amount in August 2014 was approximately USD 2.78 million; 2. As the bills held by the Company failed to be paid upon maturity, the Company filed a lawsuit with the court, requesting the latter to order Wuhan Jialian Agricultural Technology Development Co., Ltd. to pay the aforesaid bills and corresponding interest to the Company. 3. Due to disputes over international goods contracts, the Company's subsidiary Jiabin Technology Co., Ltd., sued TRIPOD ELECTRONICS TECHNOLOGY (HONGKONG) LIMITED., CHEN Wenhuan and CHEN Baohong, requesting that the defendants be ordered to pay the purchase price and liquidated damages; 4. Due to a purchase and sales contract, Sichuan Shuwu Guangrun Logistics Co., Ltd. filed a lawsuit against the Company's subsidiary Dongguan Konka Electronics Co., Ltd., requesting the latter to make payment for goods and pay liquidated damages. 5. Due to a dispute over the purchase and sales contract of international goods, Micro Crystal Transfer Group Ltd. filed a lawsuit against the Company's subsidiary Chongqing Konka Optoelectronics Technology Research Institute Co., Ltd., requesting the latter to make payment for goods and pay liquidated damages. 6. Due to a contractual dispute, the Company filed a lawsuit against Zhu Xinming, Leng Sumin, Gongqingcheng Jinzhuanrong Investment Management Partnership (Limited Partnership), and Gongqingcheng Xinrui Investment Management Partnership (Limited Partnership), requesting them to pay the

performance compensation. 7. Since Jiangxi Xinxin Jian'an Engineering Co., Ltd. (hereinafter referred to as "Jiangxi Xinxin"), Jiangxi Shanshi Technology Development Co., Ltd. (hereinafter referred to as "Jiangxi Shanshi"), and Jiangxi Zhongyi Decorative Materials Co., Ltd. (hereinafter referred to as "Jiangxi Zhongyi") failed to repay the loan and interest to Jiangxi Branch of China Great Wall Asset Management Co., Ltd. (hereinafter referred to as "Jiangxi Branch of Great Wall Asset") who sued the court for a judgment to repay the loan of RMB300 million, default penalty of RMB108,000 and interest of RMB13.65 million, and at the same time, nine guarantors including Jiangxi Konka, Xinfeng Microcrystalline and Nano Microcrystalline were requested to undertake joint and several liability guarantee.

XII. Punishments and Rectifications

☐ Applicable ☒ Not applicable

None.

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 related-party transactions	Content of related-party transactions	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
Overseas Chinese Town Holdings Company and its subsidiaries	Under the same De Facto Controller	Purchase of commodities and services	Property management, utilities, office leases	Negotiated price	Market price	11,278.44	1.11%	15,000	No	Cash	Not applicable	April 2, 2024	http://www.cninfo.com.cn/new/index
Overseas Chinese Town Holdings Company and its subsidiaries	Under the same De Facto Controller	Sales of goods and services	Sales of TV, smart terminals and other products and collection of smart TV terminal installation fees and other fees	Negotiated price	Market price	9,124.63	0.94%	10,000	No	Cash	Not applicable	April 2, 2024	http://www.cninfo.com.cn/new/index
Total				--	--	20,403.07	--	25,000	--	--	--	--	--
Large-amount sales return in detail				Not applicable									
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 on Securities Times, Shanghai Securities News, and China Securities Journal as well as the website http://www.cninfo.com.cn/new/index on April 2, 2024. 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 incurred was RMB 204.0307 million.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				Not applicable									

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

☒ Applicable ☐ Not applicable

For details, please refer to the relevant contents of other major related-party transactions in point 7 of this subsection.

3. Related-party 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

No credits receivable with related parties

Liabilities payable to related parties:

Related party	Relationship with the Company	Forming reason	Beginning balance (RMB'0,000)	Increase in this period (RMB'0,000)	Recovered in this period (RMB'0,000)	Interest rate	Interest in this period (RMB'0,000)	Ending balance (RMB'0,000)
Overseas Chinese Town Holdings Company	Controlling shareholder	The Company applies entrusted loan to it	81,091.00	0	0	3.45%	2,844.27	81,091.00
			50,000.00	0	0	3.45%	1,753.75	50,000.00
			70,000.00	0	0	3.45%	2,455.25	70,000.00
Effects of liabilities with related parties on the Company's operating results and financial conditions			The Company applies entrusted loan from Overseas Chinese Town Holdings Company which meets the needs of the company's existing business development and reduces the financing cost.					

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) The Company's provision of counter-guarantees and payment of the guarantee fee for applying for bank credit facilities: the Company reviewed and approved the Proposal on the Company's Provision of Counter-guarantees and Payment of Guarantee Fee for Applying for Bank Credit Facilities at the 23rd Meeting of the Tenth Board of Directors held on March 1, 2024 and the

2nd 2024 Extraordinary General Meeting held on March 18, 2024. To reduce financing costs and optimize the debt structure, the Company intends to apply to Overseas Chinese Town Holdings Company to provide a full, unconditional and irrevocable joint and several liability guarantee for the bank credit facilities of up to RMB 1.6 billion that the Company intends to apply for. In this regard, the Company intends to provide a counter-guarantee with equivalent amount and duration to Overseas Chinese Town Holdings Company, and the estimated counter-guarantee amount will not exceed RMB 1.6 billion, with the guarantee period not exceeding 3 years; In addition, the Company intends to pay the guarantee fee to Overseas Chinese Town Holdings Company for the actually used guarantee amount. It is estimated that the guarantee fee rate will not exceed 0.5% of the actually used guarantee amount, meaning that based on the guarantee amount of RMB 1.6 billion, the total guarantee fees paid by the Company will not exceed RMB 8 million during the guarantee period, and the actual amount shall be subject to the contract terms.

(2) The Company's non-public issuance of corporate bonds and the provision of counter-guarantee and payment of the guarantee fee to Overseas Chinese Town: the Company reviewed and approved the Proposal on the Company's Plan for Non-public Issuance of Corporate Bonds at the 33rd Meeting of the Tenth Board of Directors held on September 10, 2024 and the 3rd 2024 Extraordinary General Meeting held on September 26, 2024. To reduce financing costs, OCT Group intends to provide a full, unconditional, and irrevocable joint liability guarantee for the Company's non-public issuance of corporate bonds not exceeding RMB 2.4 billion (inclusive). Simultaneously, the Company plans to provide an equivalent and concurrent credit counter-guarantee to OCT Group, with the counter-guarantee amount not exceeding RMB 2.4 billion (inclusive) and the guarantee period not exceeding 5 years. In addition, the Company intends to pay the guarantee fee to OCT Group for the actually used guarantee amount. It is estimated that the guarantee fee rate will not exceed 0.5% of the actually used guarantee amount, meaning that based on the guarantee amount of RMB 2.4 billion, the total guarantee fee paid by the Company will not exceed RMB 12 million during the guarantee period, and the actual amount shall be subject to the contract terms.

(3) Listing and transfer of partial equity in the investee company and waiver of the right of first refusal: the Company reviewed and approved the Proposal on Listing and Transfer of Partial Equity of Kunshan Kangsheng Investment Development Co., Ltd. and Waiver of the Right of First Refusal at the 37th Meeting of the Tenth Board of Directors held on November 6, 2024. The Company jointly listed and transferred its 29.4% equity in Kunshan Kangsheng Investment Development Co., Ltd., and the 30.6% equity held by Taizhou Overseas Chinese Town Co., Ltd. in the same company, and waived its right of first refusal for the 30.6% equity listed and transferred by Taizhou Overseas Chinese Town Co., Ltd. This move aims to optimize the Company's asset allocation, recover funds, enhance asset liquidity, and improve overall operational efficiency. According to the Shanghai Property Transaction Contract signed by the Company, Taizhou Overseas Chinese Town Co., Ltd.

and Kunshan Fangxin Equity Investment Management Co., Ltd., the Company has received all the equity transfer price and completed the industrial and commercial registration of changes of Kunshan Kangsheng Investment Development Co., Ltd.

(4) Extension of Investment Period of Wuzhen Jiayu Fund: The 38th Meeting of the Tenth Board of Directors of the Company held on December 13, 2024 and the 2025 First Extraordinary General Meeting of Shareholders held on January 3, 2015 reviewed and approved the Proposal on the Extension of the Investment Period of Wuzhen Jiayu Fund. Due to the needs of business development, Tongxiang Jiayu Digital Economy Industry Equity Investment Partnership (Limited Partnership) intends to change the investment period from 4 years to 5 years and the exit period from 3 years to 2 years on the premise that the operation period remains unchanged and the total management fee does not increase.

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

Title of public announcement	Disclosure date	Disclosure website
Announcement on the Company's Provision of Counter-guarantee and Payment of Guarantee Fees and Related-party Transactions for Application for Bank Credit Business	March 2, 2024	Http://www.cninfo.com.cn/new/index
Announcement on the Company's Plan for Non-public Issuance of Corporate Bonds and the Provision of Counter-guarantee and Payment of Guarantee Fees to OCT Group	September 11, 2024	
Announcement on Listing Transfer of Partial Equity of Joint Stock Company and Waiver of Right of First Refusal and Related-party Transactions	November 7, 2024	
Progress Announcement on Listing Transfer of Partial Equity of Joint Stock Company and Waiver of Right of First Refusal and Related-party Transactions	December 11, 2024	
Announcement on Extension of Investment Period of Wuzhen Jiayu Fund and Related-party Transactions	December 17, 2024	

XV. Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

☐ Applicable ☒ Not applicable

None.

(2) Contracting

☐ Applicable ☒ Not applicable

None.

(3) Leases

☒ Applicable ☐ Not applicable

Note to leases

No significant leases in the Reporting Period.

During the reporting period, Konka R&D Building and Konka Guangming Technology Center and other properties received rents of about RMB 84.71 million.

The project bringing about the Company's profit or loss as over 10% of total profit in the

Reporting Period

☐ Applicable ☒ Not applicable

No lease project bringing about the Company's profit or loss as over 10% of total profit 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	Guaranteed amount	Type of guarantee	Collateral (if any)	Counter guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
Econ Technology	April 28, 2022	50,000	May 22, 2023	1,499	Joint-liability	None	No	4 years	No	No
Yi			August 28, 2023	999	Joint-liability	None	No	One year and a half	No	No
			December 28, 2023	2,498	Joint-liability	None	No	One year and a half	No	No
			February 6, 2024	125	Joint-liability	None	No	1 year	No	No
			March 1, 2024	4,489	Joint-liability	None	No	1 year	No	No
			April 30, 2024	500	Joint-liability	None	No	1 year	No	No
			July 30, 2024	1,374	Joint-liability	None	No	1 year	No	No
			July 30, 2024	1,124	Joint-liability	None	No	Semi-annual	No	No
			August 12, 2024	507	Joint-liability	None	No	1 year	No	No
			September 24, 2024	2,248	Joint-liability	None	No	1 year	No	No
			October 24, 2024	4,388	Joint-liability	None	No	1 year	No	No
December 25, 2024			1,374	Joint-liability	None	No	1 year	No	No	
Jiangxi Xinxin Jian'an Engineering Co., Ltd.		10,000	December 12, 2016	10,000	Joint-liability	None	No		No	No
Jiangxi Zhongyi Decoration Materials Co., Ltd.		10,000	December 12, 2016	10,000	Joint-liability	None	No		No	No
Jiangxi Shanshi Technology Development Co., Ltd.		10,000	December 12, 2016	10,000	Joint-liability	None	No		No	No
Overseas Chinese Town Holdings Company	March 30, 2022 and February 25, 2023 and August 10, 2023, March 1, 2024 and September 11, 2024	950,000	September 8, 2022	60,000	Joint-liability	None	No	3 years	No	Yes
			October 18, 2022	60,000	Joint-liability	None	No	3 years	No	Yes
			September 22, 2023	50,000	Joint-liability	None	No	3 years	No	Yes
			December 13, 2023	50,000	Joint-liability	None	No	3 years	No	Yes
			January 29, 2024	150,000	Joint-liability	None	No	3 years	No	Yes
			March 18, 2024	80,000	Joint-liability	None	No	3 years	No	Yes
			March 26, 2024	50,000	Joint-liability	None	No	3 years	No	Yes

			June 25, 2024	60,000	Joint-liability	None	No	Two years	No	Yes
			September 26, 2024	240,000	Joint-liability	None	No	Two years	No	Yes
Total approved line for such guarantees in the Reporting Period (A1)			400,000		Total actual amount of such guarantees in the Reporting Period (A2)				594,755	
Total approved line for such guarantees at the end of the Reporting Period (A3)			1,237,370		Total actual balance of such guarantees at the end of the Reporting Period (A4)				851,125	
Guarantees provided between the Company and subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Guaranteed 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 Tongchuang	February 25, 2023	55,000	October 19, 2023	10,000	Joint-liability	None	No	Two years	No	No
			November 20, 2023	3,000	Joint-liability	None	No	One year and a half	No	No
			June 20, 2024	5,000	Joint-liability	None	No	1 year	No	No
			July 12, 2024	3,000	Joint-liability	None	No	1 year	No	No
			August 14, 2024	1,000	Joint-liability	None	No	1 year	No	No
			December 13, 2024	4,980	Joint-liability	None	No	1 year	No	No
Boluo Konka Precision	April 28, 2022 and February 25, 2023	12,500	January 15, 2024	4,000	Joint-liability	None	No	1 year	No	No
			August 25, 2023	4,500	Joint-liability	None	No	3 years	No	No
			January 29, 2024	2,000	Joint-liability	None	No	1 year	No	No
			December 19, 2024	1,800	Joint-liability	None	No	1 year	No	No
Electronic Technology	February 25, 2023	100,000	April 2, 2024	8,500	Joint-liability	None	No	1 year	No	No
			December 3, 2024	50,000	Joint-liability	None	No	1 year	No	No
Dongguan Konka	March 24, 2021 and February 25, 2023	90,000	June 23, 2021	80,000	Joint-liability	None	No	10 years	No	No
Sichuan Konka	March 24, 2021 and February 25, 2023	20,000	May 23, 2023	4,000	Joint-liability	None	None	3 years	No	No
Ningbo Kanghanrui Electric Appliances	April 28, 2022	12,000	March 14, 2024	6,000	Joint-liability	None	None	One year and a half	No	No
			July 13, 2024	6,000	Joint-liability	None	None	1 year	No	No
Yibin Kangrun	October 24, 2020	10,000	November 13, 2020	10,000	Joint-liability	None	Other shareholder of Yibin Kangrun provides a counter guarantee for the Company for 33% of the guarantee line	Four and a half years	No	No
Anhui Konka	April 28, 2022	110,000	August 10, 2021	10,216	Joint-liability	None	Other shareholder of Anhui Konka provides a counter guarantee for the Company for 22% of the guarantee line	10 years	No	No
			October 29, 2021	7,000	Joint-liability	None		5 years	No	No
			October 24, 2022	7,000	Joint-liability	None		4 years	No	No
			June 25, 2023	5,000	Joint-liability	None		5 years	No	No
			September 22, 2023	18,000	Joint-liability	None		One year and a half	No	No
			September 11, 2024	5,500	Joint-liability	None		1 year	No	No
			September 20, 2024	2,000	Joint-liability	None		1 year	No	No

Konka Circuit	March 24, 2021	50,000	December 22, 2023	5,000	Joint-liability	None	None	Two years	No	No
			July 19, 2023	10,000	Joint-liability	None		Three and a half years	No	No
Konka Xinyun Semiconductor	March 24, 2021	30,000	July 12, 2021	8,278	Joint-liability	None	None	5 years	No	No
			November 26, 2024	12,100	Joint-liability	None	None	1 year	No	No
Yibin Smart	March 24, 2021	980	March 27, 2024	980	Joint-liability	None	None	1 year	No	No
Chongqing Konka	March 24, 2021	55,600	December 13, 2022	38,000	Joint-liability	None	None	15 years	No	No
Frestec Smart Home	April 28, 2022	12,240	January 30, 2024	10,200	Joint-liability	None	None	3 years	No	No
Konka Soft Electronic	April 28, 2022	19,000	December 19, 2022	975	Joint-liability	None	None	6 years	No	No
Konka Hongye Electronics	April 28, 2022 and February 25, 2023	27,500	January 24, 2024	19,010	Joint-liability	None	None	14 years	No	No
Xi'an Kanghong Technology Industry	February 25, 2023	30,000	May 26, 2023	30,000	Joint-liability	None	None	10 years	No	No
Total approved line for such guarantees in the Reporting Period (B1)				0	Total actual amount of such guarantees in the Reporting Period (B2)				90,070	
Total approved line for such guarantees at the end of the Reporting Period (B3)				938,855	Total actual balance of such guarantees at the end of the Reporting Period (B4)				393,039	
Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Guaranteed 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
None										
Total approved line for such guarantees in the Reporting Period (C1)				0	Total actual amount of such guarantees in the Reporting Period (C2)				0	
Total approved line for such guarantees at the end of the Reporting Period (C3)				0	Total actual balance of such guarantees at the end of the Reporting Period (C4)				0	
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)				400,000	Total actual guarantee amount in the Reporting Period (A2+B2+C2)				684,825	
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)				2,176,225	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)				1,244,164	
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets									525.04%	
Of which:										
Balance of guarantees provided for shareholders, De Facto Controller and their related parties (D)									800,000	
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)									1,244,164	
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)									1,125,681	
Total of the three amounts above (D+E+F)									1,244,164	
Joint responsibilities possibly borne in the Reporting Period for undue guarantees (if any)									None	
Provision of external guarantees in breach of the prescribed procedures (if any)									None	

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
Trust financial products	Self-funded	10,000	10,000	0	0
Total		10,000	10,000	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

None.

4. Other Major Contracts

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

XVI. Other Significant Events

☒ Applicable ☐ Not applicable

(I) Initiation and establishment of funds: the total scale of the Oriental-Konka Industry M&A Fund was RMB 1,001 million. Shenzhen Konka Investment Holding Co., Ltd. contributed RMB 500 million, accounting for 49.95% of the total units. By the date of this report, Shenzhen Konka Investment Holding Co., Ltd. has contributed RMB 487.34 million. 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 RMB100.6 million. 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 Microsystems (HME), 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 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 RMB217.36 million. The fund invested in Anhui Zhongdian Xinlong Technology Co., Ltd. (formerly known as Anhui Zhongdian Xingfa and Xinlong Co., Ltd., Chongqing E2info Technology Co., Ltd.) and Chongqing E2info Technology Co., Ltd., etc.

The total scale of Yibin Kanghui Electronic Information Industry Equity Investment Fund was RMB 1,002 million. 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 RMB 106.6 million. The fund invested in Chongqing E2info Technology Co., Ltd., etc.

The total scale of Chongqing Kangxin Equity Investment Fund was RMB 2 billion. Shenzhen Konka Investment Holding Co., Ltd. and Shenzhen Konka Capital Equity Investment Management Co., Ltd. contributed RMB 1 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 RMB 148.25 million. The fund invested in Shanghai VEIGLO Information System Co., Ltd., Jiangxi Taide Wisdom Technology Co., Ltd., etc.

(II) Issuance of corporate bonds: 1. the Company's non-public issuance of corporate bonds of RMB 2.3 billion has issued RMB 1.5 billion and RMB 800 million respectively on January 29, 2024 and March 18, 2024. 2. The Company's non-public issuance of corporate bonds not exceeding RMB 2.4 billion was approved by the General Meeting of the Company on September 26, 2024, and the Letter of No Objection on the Compliance of Konka Group Co., Ltd.'s Non-public Issuance of Corporate Bonds with the Listing Requirements of Shenzhen Stock Exchange (SZH [2024] No. 866) issued by Shenzhen Stock Exchange was obtained on December 18, 2024. Matters related to bond issuance are currently being promoted as planned.

(III) Progress on the plan to issue shares for asset acquisition and raise supporting funds: the Company intends to purchase 78% of the shares of MacroSilicon Technology Co., Ltd. from Liu Wei and 16 other parties by issuing shares, and simultaneously raise supporting funds (referred to as "the transaction"). For details on the transaction, please refer to the Plan for Issuing Shares to Purchase Assets and Raise Supporting Funds disclosed by Konka Group Co., Ltd. on January 14,

2025, on cninfo (<http://www.cninfo.com.cn/new/index>) and related announcements.

Since the disclosure of the Plan, the Company and relevant parties have actively advanced all aspects of the transaction. As of the disclosure date of this report, related work such as due diligence, auditing, and valuation for the transaction was in progress.

(IV) Major issues planned by the controlling shareholder of the Company: on April 8, 2024, the Company was notified by its controlling shareholder OCT Group: in order to advance the specialized integration among the state-owned enterprises and optimize allocation of resources, it was planned to introduce other central enterprise groups to implement specialized integration of the Company, and relevant subsequent procedures will be carried out in accordance with the law. This round of integration might bring changes in the controlling shareholder of the Company, but the actual controller would remain unchanged, namely State-owned Assets Supervision and Administration Commission of the State Council. Issues related to this round of integration were still in planning and with uncertainties. Subsequently, the Company would strictly comply with information disclosure requirements, continuously monitor relevant developments, and fulfill information disclosure obligations in a timely manner in accordance with relevant laws and regulations.

(V) Index of significant information disclosure

Announcement No.	Date	Title	Page on newspaper	Website link
2024-01	January 30, 2024	Announcement of Issuance Results of Privately Placed Corporate Bonds to Professional Investors in 2024 of Konka Group Co., Ltd (Tranche I)	Securities Times B53, Shanghai Securities News 36, etc.	http://www.cninfo.com.cn/new/index
2024-02	January 31, 2024	2023 Result Forecast	Securities Times B76, Shanghai Securities News 10, etc.	
2024-03	February 7, 2024	Announcement on Resolutions of 12th Meeting of the Tenth Board of Directors	Securities Times B128, Shanghai Securities News 74, etc.	
2024-04	February 7, 2024	Announcement on the Resolutions of the 7th Meeting of the Tenth Board of Supervisors	Securities Times B128, Shanghai Securities News 74, etc.	
2024-05	February 7, 2024	Announcement on Revising the Articles of Association and Other Company Systems	Securities Times B127, Shanghai Securities News 73, etc.	
2024-06	February 7, 2024	Announcement on Providing Financial Assistance to Sichuan Hongxincheng Real Estate Development Co., Ltd. according to Shareholding Ratio	Securities Times B128, Shanghai Securities News 74, etc.	
2024-07	February 7, 2024	Announcement on Providing Financial Assistance to Yantai Kangyun Industry Development Co., Ltd. according to Shareholding Ratio	Securities Times B45, Shanghai Securities News 74, etc.	
2024-08	February 7, 2024	Notice on Convening 2024 First Extraordinary General Meeting	Securities Times B128, Shanghai Securities News 73, etc.	
2024-09	February 27, 2024	Announcement on Resolutions of 2024 First Extraordinary General Meeting	Securities Times B3, Shanghai Securities News 73, etc.	
2024-10	March 2, 2024	Announcement on the Company's Provision of Counter-guarantee and Payment of Guarantee Fees and Related-party Transactions for Application for Bank Credit Business	Securities Times B49, Shanghai Securities News 20, etc.	
2024-11	March 2, 2024	Announcement on Resolutions of 23rd Meeting of the Tenth Board of Directors	Securities Times B49, Shanghai Securities News 20, etc.	
2024-12	March 2, 2024	Notice on Convening 2024 Second Extraordinary General Meeting	Securities Times B49, Shanghai Securities News 20, etc.	
2024-13	March 15, 2024	Informative Announcement on Convening the Second Extraordinary General Meeting in 2024	Securities Times B19, Shanghai Securities News 28, etc.	
2024-14	March 15, 2024	Announcement on Progress in the Provision of External Guarantee	Securities Times B19, Shanghai Securities News 28, etc.	
2024-15	March 19, 2024	Announcement on Resolutions of 2024 Second Extraordinary General Meeting	Securities Times B80, Shanghai Securities News 20, etc.	
2024-16	March 19, 2024	Announcement of Issuance Results of Privately Placed Corporate Bonds to Professional Investors in 2024 of Konka Group Co., Ltd (Tranche I)	Securities Times B80, Shanghai Securities News 20, etc.	
2024-17	March 22, 2024	Announcement on Progress in the Provision of External Guarantee	Securities Times B14, Shanghai Securities News 28, etc.	
2024-18	April 2, 2024	ANNUAL REPORT 2023	Securities Times B192, Shanghai Securities News 169, etc.	
2024-19	April 2, 2024	Abstract of 2023 Annual Report	Securities Times B192, Shanghai Securities News 169, etc.	
2024-20	April 2, 2024	Announcement on Resolutions of 24th Meeting of the Tenth Board of	Securities Times B192, Shanghai Securities News 169,	

		Directors	etc.
2024-21	April 2, 2024	Announcement of Resolutions of the 11th Meeting of the Tenth Board of Supervisors	Securities Times B192, Shanghai Securities News 169, etc.
2024-22	April 2, 2024	Announcement on Expected Routine Related-party Transactions in 2024	Securities Times B192, Shanghai Securities News 169, etc.
2024-23	April 2, 2024	Announcement on Expected Routine Related-party Transactions in 2024	Securities Times B192, Shanghai Securities News 169, etc.
2024-24	April 2, 2024	Announcement on Accrual of Asset Impairment Reserves for 2023	Securities Times B192, Shanghai Securities News 169, etc.
2024-25	April 8, 2024	Announcement on Holding 2023 Online Result Release	Securities Times B46, Shanghai Securities News 10, etc.
2024-26	April 29, 2024	2024 First Quarter Report	Securities Times B244, Shanghai Securities News 60, etc.
2024-27	May 11, 2024	Announcement on Reply to Inquiry Letter on 2023 Annual Report from Shenzhen Stock Exchange	Securities Times B129-B131, Shanghai Securities News 137-139, etc.
2024-28	May 21, 2024	Announcement on Progress in the Provision of External Guarantee	Securities Times B2, Shanghai Securities News 81, etc.
2024-29	June 1, 2024	Announcement on Resolutions of 27th Meeting of the Tenth Board of Directors	Securities Times B36, Shanghai Securities News 17, etc.
2024-30	June 1, 2024	Notice on Convening 2023 General Meeting	Securities Times B36, Shanghai Securities News 17, etc.
2024-31	June 25, 2024	Announcement on Resolutions of 2023 General Meeting	Securities Times B56, Shanghai Securities News 41, etc.
2024-32	June 26, 2024	Announcement on Progress of Guarantee Provision for Wholly-owned Subsidiaries	Securities Times B15, Shanghai Securities News 76, etc.
2024-33	July 9, 2024	2024 Semi-annual Results Pre-announcement Announcement	Securities Times B92, Shanghai Securities News 76, etc.
2024-34	July 20, 2024	Announcement on Progress of Guarantee Provision for Wholly-owned Company	Securities Times B18, Shanghai Securities News 12, etc.
2024-35	August 5, 2024	Announcement on Abnormal Fluctuations in Stock Trading	Securities Times B11, Shanghai Securities News 12, etc.
2024-36	August 8, 2024	Announcement on Abnormal Fluctuations in Stock Trading	Securities Times B31, Shanghai Securities News 68, etc.
2024-37	August 17, 2024	Announcement on the Progress of Overdue Shareholder Borrowings for Joint Stock Companies	Securities Times B25, Shanghai Securities News 49, etc.
2024-38	August 22, 2024	Announcement on Abnormal Fluctuations in Stock Trading	Securities Times B87, Shanghai Securities News 97, etc.
2024-39	August 28, 2024	Announcement on Resolutions of 31th Meeting of the Tenth Board of Directors	Securities Times B152, Shanghai Securities News 188, etc.
2024-40	August 28, 2024	Announcement on Changes in Directors and Senior Officers of the Company	Securities Times B152, Shanghai Securities News 188, etc.
2024-41	August 31, 2024	Summary of 2024 Interim Report	Securities Times B173, Shanghai Securities News 52, etc.
2024-42	August 31, 2024	2024 Interim Report	Securities Times B173, Shanghai Securities News 52, etc.
2024-43	August 31, 2024	Announcement on Semi-annual Provision for Assets Impairment for 2024	Securities Times B173, Shanghai Securities News 52, etc.
2024-44	September 11, 2024	Announcement of Resolutions of 33rd Meeting of the Tenth Board of Directors	Securities Times B53, Shanghai Securities News 41, etc.
2024-45	September 11, 2024	Announcement on Providing Financial Assistance to Dongguan Guankang Yuhong Investment Co., Ltd. According to Shareholding Ratio	Securities Times B53, Shanghai Securities News 41, etc.
2024-46	September 11, 2024	Announcement on Loans Provided by Holding Subsidiaries to Shareholders in Proportion to Equity	Securities Times B36, Shanghai Securities News 41, etc.
2024-47	September 11, 2024	Announcement on the Company's Plan for Non-public Issuance of Corporate Bonds and the Provision of Counter-guarantee and Payment of Guarantee Fees to OCT Group	Securities Times B53, Shanghai Securities News 41, etc.
2024-48	September 11, 2024	Notice on Convening 2024 Third Extraordinary General Meeting	Securities Times B53, Shanghai Securities News 41, etc.
2024-49	September 21, 2024	Announcement on Progress in the Provision of External Guarantee	Securities Times B37, Shanghai Securities News 20, etc.
2024-50	September 27, 2024	Announcement on Resolutions of 2024 Third Extraordinary General Meeting	Securities Times B64, Shanghai Securities News 49, etc.
2024-51	September 28, 2024	Announcement on Resolutions of 35th Meeting of the Tenth Board of Directors	Securities Times B63, Shanghai Securities News 44, etc.
2024-52	September 28, 2024	Notice on Convening 2024 Fourth Extraordinary General Meeting	Securities Times B63, Shanghai Securities News 44, etc.
2024-53	October 22, 2024	Announcement on Resolutions of 2024 First Extraordinary General Meeting	Securities Times B83, Shanghai Securities News 49, etc.
2024-54	October 22, 2024	Announcement on Abnormal Fluctuations in Stock Trading	Securities Times B86, Shanghai Securities News 49, etc.
2024-55	October 23, 2024	Announcement on Abnormal Fluctuations in Stock Trading	Securities Times B94, Shanghai Securities News 52, etc.
2024-56	October 28, 2024	Announcement on Abnormal Fluctuations in Stock Trading	Securities Times B48, Shanghai Securities News 44, etc.
2024-57	October 29, 2024	Announcement on Abnormal Fluctuations in Stock Trading	Securities Times B6, Shanghai Securities News 121, etc.
2024-58	October 30, 2024	Announcement on Abnormal Fluctuations in Stock Trading	Securities Times B470, Shanghai Securities News 329, etc.
2024-59	October 31, 2024	Announcement of Resolutions of 36th Meeting of the Tenth Board of Directors	Securities Times B432, Shanghai Securities News 329, etc.
2024-60	October 31, 2024	Announcement on Appointment of Audit Firms for 2024 Financial Statements and Internal Control Audit	Securities Times B432, Shanghai Securities News 329, etc.
2024-61	October 31, 2024	Notice on Convening 2024 Third Extraordinary General Meeting	Securities Times B432, Shanghai Securities News 329, etc.
2024-62	October 31, 2024	Announcement on Providing Financial Assistance to Chuzhou Kangxin Health Industry Development Company Limited According to Shareholding Ratio	Securities Times B432, Shanghai Securities News 329, etc.
2024-63	October 31, 2024	Announcement on the Loans Provided by Shaanxi Konka Smart Home Appliance Co., Ltd. to Shareholders in Proportion to Equity	Securities Times B401, Shanghai Securities News 329, etc.
2024-64	October 31, 2024	2024 Third Quarter Report	Securities Times B432, Shanghai Securities News 329, etc.

2024-65	November 1, 2024	Announcement on Abnormal Fluctuations and Serious Abnormal Fluctuations in Stock Trading	Securities Times B56, Shanghai Securities News 9, etc.
2024-66	November 7, 2024	Announcement on Resolutions of 37th Meeting of the Tenth Board of Directors	Securities Times B17, Shanghai Securities News 17, etc.
2024-67	November 7, 2024	Announcement on Listing Transfer of Partial Equity of Joint Stock Company and Waiver of Right of First Refusal and Related-party Transactions	Securities Times B17, Shanghai Securities News 17, etc.
2024-68	November 7, 2024	Announcement on Abnormal Fluctuations in Stock Trading	Securities Times B31, Shanghai Securities News 17, etc.
2024-69	November 16, 2024	Announcement on Reply to the Shareholder Inquiry Proposal Letter of CSI Small and Medium-sized Investor Service Center	Securities Times B14, Shanghai Securities News 65, etc.
2024-70	November 19, 2024	Announcement on Resolutions of 2024 Fifth Extraordinary General Meeting	Securities Times B47, Shanghai Securities News 17, etc.
2024-71	November 28, 2024	Announcement on Participating in the Collective Reception Day of Listed Companies in Shenzhen in 2024	Securities Times B45, Shanghai Securities News 84, etc.
2024-72	November 28, 2024	Announcement on Signing a Cooperation Framework Agreement with the Intelligent Manufacturing Industry Development Management Office of Nanjing Jiangbei New Area	Securities Times B45, Shanghai Securities News 84, etc.
2024-73	December 11, 2024	Progress Announcement on Listing Transfer of Partial Equity of Joint Stock Company and Waiver of Right of First Refusal and Related-party Transactions	Securities Times B2, Shanghai Securities News 44, etc.
2024-74	December 17, 2024	Announcement of Resolutions of 38th Meeting of the Tenth Board of Directors	Securities Times B18, Shanghai Securities News 17, etc.
2024-75	December 17, 2024	Notice on Convening 2025 First Extraordinary General Meeting	Securities Times B18, Shanghai Securities News 17, etc.
2024-76	December 17, 2024	Announcement on Extension of Investment Period of Wuzhen Jiayu Fund and Related-party Transactions	Securities Times B18, Shanghai Securities News 17, etc.
2024-77	December 19, 2024	Announcement on the Receipt of SZSE No Objection Letter for 2024 Corporate Bond Listing Qualification	Securities Times B27, Shanghai Securities News 60, etc.
2024-78	December 31, 2024	Suspension Announcement on Planning to Issue Shares to Purchase Assets	Securities Times B24, Shanghai Securities News 108, etc.

XVII. Significant Events of Subsidiaries

☐ Applicable ☒ Not applicable

Section VII Changes in Shares and Shareholders

I. Share Changes

1. Share changes

Unit: share

	Before		Increase/decrease in the reporting period (+/-)					After	
	Number	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Others	Subtotal	Number	Percentage (%)
I. Restricted shares	0	0.00%						0	0.00%
II. Unrestricted shares	2,407,945,408	100.00%						2,407,945,408	100.00%
1. RMB-denominated ordinary shares	1,596,593,800	66.31%						1,596,593,800	66.31%
2. Domestically listed foreign shares	811,351,608	33.69%						811,351,608	33.69%
III. Total shares	2,407,945,408	100.00%						2,407,945,408	100.00%

Reasons for changes in shareholding

☐ 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 in total shares, shareholder structure and asset and liability structure

☐ Applicable ☒ Not applicable

3. Existing Staff-Held Shares

☐ Applicable ☒ Not applicable

III. Shareholders and De Facto Controller

1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Number of ordinary shareholders as at the end of the reporting period	173,407	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	168,479	Number of preferred shareholders with resumed voting rights (if any)	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0	
5% or greater shareholders or top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of 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	Number
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	0	0	180,001,110		
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	Foreign legal person	2.55%	61,429,143	1,722,300	0	61,429,143		
HOLY TIME GROUP LIMITED	Foreign legal person	2.38%	57,289,100	0	0	57,289,100		
HONG KONG SECURITIES CLEARING COMPANY LTD.	Foreign legal person	0.97%	23,426,367	1,133,681	0	23,426,367		
NAM NGAI	Foreign natural person	0.83%	20,000,000	3,000,000	0	20,000,000		
CHINA MERCHANTS SECURITIES (HK) LIMITED	State-owned legal person	0.83%	19,998,520	133,000	0	19,998,520		
MORGAN STANLEY & CO. INTERNATIONAL PLC.	Foreign legal person	0.39%	9,299,939	9,299,939	0	9,299,939		
XU Zhiwang	Foreign natural person	0.37%	8,887,629	749,600	0	8,887,629		
LIU Mingxiang	Domestic natural person	0.33%	7,999,200	7,999,200	0	7,999,200		
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any) (see note 3)		None						
Related or acting-in-concert parties among the shareholders above		The wholly-owned subsidiary of the major shareholder, Overseas Chinese Town Holdings Company, Jialong Investment Co., Ltd., holds 180,001,110 common shares and 18,360,000 common stocks of the Company respectively through CITIC Securities Brokerage (Hong Kong) Co., Ltd. and China Merchants Securities (Hong Kong) Co., Ltd. Jialong Investment Co., Ltd. and Overseas Chinese Town Holdings Company are persons acting in concert. It is unknown whether other shareholders are related or act in concert.						
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights		Not applicable						
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	Type		Number				
		Type	Number					
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				
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	61,429,143	Domestically listed foreign stock		61,429,143				
HOLY TIME GROUP LIMITED	57,289,100	Domestically listed foreign stock		57,289,100				
HONG KONG SECURITIES CLEARING COMPANY LTD.	23,426,367	RMB-denominated ordinary stock		23,426,367				
NAM NGAI	20,000,000	Domestically listed foreign stock		20,000,000				
CHINA MERCHANTS SECURITIES (HK) LIMITED	19,998,520	Domestically listed foreign stock		19,998,520				
MORGAN STANLEY & CO. INTERNATIONAL PLC.	9,299,939	RMB-denominated ordinary stock		9,299,939				
XU Zhiwang	8,887,629	Domestically listed foreign stock		8,887,629				
LIU Mingxiang	7,999,200	RMB-denominated ordinary stock		7,999,200				
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	The wholly-owned subsidiary of the major shareholder, Overseas Chinese Town Holdings Company, Jialong Investment Co., Ltd., holds 180,001,110 common shares and 18,360,000 common stocks of the Company respectively through CITIC Securities Brokerage (Hong Kong) Co., Ltd. and China Merchants Securities (Hong Kong) Co., Ltd. Jialong Investment Co., Ltd. and Overseas Chinese Town Holdings Company are persons acting in concert. It is unknown whether other shareholders are related or act in concert.							
Top 10 ordinary shareholders involved in	None							

securities margin trading (if any) (see note 4)

Participation of shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares in refinancing business and lending shares

☐ Applicable ☒ Not applicable

Changes of the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares compared with the previous period due to refinancing lending/repayment

☐ Applicable ☒ Not applicable

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

None.

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 controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Overseas Chinese Town Holdings Company	ZHANG Zhengao	November 11, 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 automobiles (including cars).
Controlling shareholder's holdings in other listed companies at home or abroad in the Reporting Period	As of December 31, 2024, Overseas Chinese Town Holdings Company directly held 48.78% of the equity of Shenzhen Overseas Chinese Town Co., Ltd. (a company listed on the Shenzhen Stock Exchange, SZ.000069), and indirectly held 0.98% of the equity of Shenzhen Overseas Chinese Town Co., Ltd. through its subsidiary Shenzhen Overseas Chinese Town Capital Investment Management Co., Ltd. At the same time, Shenzhen Overseas Chinese Town Co., Ltd. indirectly held 70.94% of the equity of Overseas Chinese Town (Asia) Co., Ltd. (listed on the main board of the Hong Kong Stock Exchange, 3366.HK); Overseas Chinese Town Holdings Company directly and indirectly held 53.88% of the equity of Yunnan Tourism Co., Ltd. (a company listed on the Shenzhen Stock Exchange, SZ.002059); Overseas Chinese Town Holdings Company directly held 7.11% of the equity of CHINA EVERBRIGHT BANK COMPANY LIMITED (a company listed on the main board of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, SH.601818, 6818.HK); Overseas Chinese Town Holdings Company, through its subsidiary Shenzhen Overseas Chinese Town Capital Investment Management Co., Ltd., indirectly held 2.74% of the equity of Zhejiang Century Huatong Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange, SZ.002602); Overseas Chinese Town Holdings Company, through its subsidiary Shenzhen OCT Capital Investment Management Co., Ltd., indirectly held 10.36% of the equity of Jiangsu Guoxin Corp. Ltd. (a company listed on the Shenzhen Stock Exchange, SZ.002608).			

Change of the controlling shareholder in the reporting period

☐ Applicable ☒ Not applicable

None.

3. De Facto Controller and Its Persons Acting in Concert

Nature of the De Facto Controller: Central institution for state-owned assets management

Type of the De Facto Controller: legal person

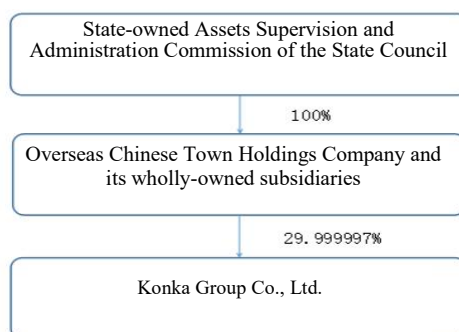
Name of De Facto Controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
State-owned Assets Supervision and Administration Commission of the State Council	Zhang Yuzhuo		Not applicable	Not applicable
De Facto Controller's holdings in other listed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

Change of the De Facto Controller during the Reporting Period:

☐ Applicable ☒ Not applicable

None.

Ownership and control relations between the De Facto Controller and the Company:



The De Facto Controller controls the company through trust or other asset management methods

☐ 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, De Facto 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

Section VIII Preference Shares

☐ Applicable ☒ Not applicable

No Preference shares in the Reporting Period.

Section IX 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'0,000

Name	Abbr.	Code	Issue date	Value date	Due date	Bonds balance	Interest rate	Way of redemption	Trade place
Corporate bonds publicly offered to professional investors in 2022 of Konka Group Co., Ltd. (Tranche I) (Variety I)	22 Konka 01	149987	July 14, 2022	July 14, 2022	July 14, 2025	120,000	3.23%	Interests shall be paid every year and the principals shall be repaid when expired.	The Shenzhen Stock Exchange
Privately placed corporate bonds to professional investors in 2022 of Konka Group Co., Ltd. (Tranche I) (Variety I)	22 Konka 03	133306	September 8, 2022	September 8, 2022	September 8, 2025	60,000	3.30%	Interests shall be paid every year and the principals shall be repaid when expired.	The Shenzhen Stock Exchange
Privately placed corporate bonds to professional investors in 2022 of Konka Group Co., Ltd. (Tranche II)	22 Konka 05	133333	October 18, 2022	October 18, 2022	October 18, 2025	60,000	3.50%	Interests shall be paid every year and the principals shall be repaid when expired.	The Shenzhen Stock Exchange
Privately placed corporate bonds to professional investors in 2024 of Konka Group Co., Ltd. (Tranche I)	24 Konka 01	133759	January 29, 2024	January 29, 2024	January 29, 2027	150,000	4.00%	Interests shall be paid every year and the principals shall be repaid when expired.	The Shenzhen Stock Exchange
Privately placed corporate bonds to professional investors in 2024 of Konka Group Co., Ltd. (Tranche II) (Variety I)	24 Konka 02	133782	March 18, 2024	March 18, 2024	March 18, 2027	40,000	4.00%	Interests shall be paid every year and the principals shall be repaid when expired.	The Shenzhen Stock Exchange
Privately placed corporate bonds to professional	24 Konka 03	133783	March 18, 2024	March 18, 2024	March 18, 2027	40,000	4.03%	Interests shall be paid every year and the	The Shenzhen Stock

investors in 2024 of Konka Group Co., Ltd. (Tranche II) (Variety II)								principals shall be repaid when expired.	Exchange
Appropriate arrangement of the investors (if any)	"22 Konka 03", "22 Konka 05", "24 Konka 01", "24 Konka 02" and "24 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. "22 Konka 01" was offered publicly to professional institutional investors meeting the requirements of Measures for the Administration of Issuing and Trading Corporate Bonds and opening a qualified A-share securities account in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.								
Applicable trade mechanism	"22 Konka 03", "22 Konka 05", "24 Konka 01", "24 Konka 02", "24 Konka 03": negotiate-and-deal, click-and-deal, inquire-and-deal and bid-and-deal; "22 Konka 01": Match-and-deal, negotiate-and-deal, click-and-deal, inquire-and-deal and bid-and-deal								
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

3. Intermediary

Bond	Intermediary	Office address	Accountants writing signatures	Contact person of intermediary	Contact number
22 Konka 01	Industrial Securities Co., Ltd	32/F, SK Building, No. 6, Jianguomen Waidajie, Chaoyang District, Beijing	/	Zhang Huifang, Zhang Ning	010-50911203
	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
	China Lianhe Credit Rating 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
	Shinewing Certified Public Accountants LLP	8/F, Block A, Fu Hua Mansion, No. 8, Chaoyangmen Beidajie, Dongcheng District, Beijing	Guo Dongchao, Liu Lihong, Zhan Miaoling, Liu Jianhua, Tang Qimei	Liu Jianhua, Tang Qimei	028-62922886
22 Konka 03 22 Konka 05	Industrial Securities Co., Ltd	32/F, SK Building, No. 6, Jianguomen Waidajie, Chaoyang District, Beijing	/	Zhang Huifang, Zhang Ning	010-50911203
	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	0755-28777990

24 Konka 01 24 Konka 02 24 Konka 03	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
	Shinewing Certified Public Accountants LLP	8/F, Block A, Fu Hua Mansion, No. 8, Chaoyangmen Beidajie, Dongcheng District, Beijing	Guo Dongchao, Zhan Miaoling, Liu Jianhua, Tang Qimei	Liu Jianhua, Tang Qimei	020-28309500
	Industrial Securities Co., Ltd	32/F, SK Building, No. 6, Jianguomen Waidajie, Chaoyang District, Beijing	/	Zhang Huifang, Zhang Ning	010-50911203
	China Merchants Securities Co. Ltd.	No. 111, Fuhua 1st Road, Futian Street, Futian District, Shenzhen, Guangdong	/	Chen Cheng, Feng Shu	0755-82943666
	Sinolink Securities Co., Ltd.	23/F, Zizhu International Building, No. 1088 Fangdian Road, Pudong New Area, Shanghai	/	Yao Heng, Qing Chunlin, Zhu Jing	021-68826021
	Century Securities Co., Ltd.	16/F, Building C, Huahai Financial Innovation Center, No. 5073, Menghai Avenue, Nanshan District, Shenzhen	/	Li Jiaqing, Yang Qi	0755-83199417
	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
	Shinewing Certified Public Accountants LLP	8/F, Block A, Fu Hua Mansion, No. 8, Chaoyangmen Beidajie, Dongcheng District, Beijing	Tang Qimei and Liu Lihong	Tang Qimei and Liu Lihong	020-28309500

Did the intermediary change during the Reporting Period?

☐ Yes ☒ No

4. Use of raised funds

Unit: RMB'0,000

Code	Abbr.	Total raised funds	Agreed purpose of raised funds	Amount spent	Actual use of raised funds (classified by purpose, excluding temporary supplementary flow)	Actual use of funds for each category	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
149987	22 Konka 01	120,000	Used to repay corporate bonds	120,000	Used to repay corporate bonds	All used to repay corporate bonds	0	It has been operating well and there has been no violation of relevant regulations and fund supervision	None	Yes

								agreements.		
133306	22 Konka 03	60,000	Used to repay interest- bearing debt	60,000	Used to repay interest-bearing debt	All used to repay interest- bearing debt	0	It has been operating well and there has been no violation of relevant regulations and fund supervision agreements.	None	Yes
133333	22 Konka 05	60,000	Used to repay interest- bearing debt	60,000	Used to repay interest-bearing debt	All used to repay interest- bearing debt	0	It has been operating well and there has been no violation of relevant regulations and fund supervision agreements.	None	Yes
133759	24 Konka 01	150,000	Used to repay corporate bonds	150,000	Used to repay corporate bonds	All used to repay interest- bearing debt	0	It has been operating well and there has been no violation of relevant regulations and fund supervision agreements.	None	Yes
133782	24 Konka 02	40,000	Used to repay corporate bonds	40,000	Used to repay corporate bonds	All used to repay interest- bearing debt	0	It has been operating well and there has been no violation of relevant regulations and fund supervision agreements.	None	Yes
133783	24 Konka 03	40,000	Used to repay corporate bonds	40,000	Used to repay corporate bonds	All used to repay interest- bearing debt	0	It has been operating well and there has been no violation of relevant regulations and fund supervision agreements.	None	Yes

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

Overseas Chinese Town Holdings Company provides full, unconditional and irrevocable joint liability guarantee for "22 Konka 01", "22 Konka 03", "22 Konka 05", "24 Konka 01", "24 Konka 02" and "24 Konka 03". During the reporting period, the Company's guarantee, debt repayment plan and other debt repayment safeguard measures were implemented in accordance with the agreement, and there was no change, which had no significant impact on the rights and interests of bond investors.

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

Item	Details of loss	Reason for loss	Impact on the company's production, operation and solvency
Net profit attributable to the listed company's shareholders	During the reporting period, the Company's net profit loss attributable to shareholders of listed companies was RMB32.96, accounting for 147.48% of the net assets.	<p>1. In 2024, the production efficiency of the Company's color TV business improved and the product competitiveness gradually increased. However, affected by factors such as intensified market competition, continuous fluctuations in the supply chain and limited space for rigid cost reduction, the company's color television business continued to be under pressure and was still in a loss state.</p> <p>2. In 2024, in order to accelerate the industrialization process of semiconductor business, the Company continued to increase investment in the industrialization of MLED (collectively referred to as Micro LED and Mini LED), and made certain progress in the sales of Mini LED display products. However, as the Company's semiconductor business is still in the early stage of industrialization, it has not achieved large-scale and efficient output, which has affected</p>	The Company will adhere to the leadership of party building, continue to thoroughly implement the new development strategy of "one axis, two wheels and three drives", make good use of four special classes: unified management, asset revitalization, marketing integration and manufacturing efficiency improvement, comprehensively promote reform and actively improve the Company's operating

		<p>the Company's profitability.</p> <p>3. In 2024, based on the principle of prudence, the Company made a provision for asset impairment of RMB1.345 billion in accordance with accounting policies and estimates, resulting in a decrease in profits.</p> <p>4. In 2024, the value changes of financial assets measured at fair value held by the Company and the increase of contingent consideration resulted in the Company's profit or loss from changes in fair value of about RMB-363 million</p>	<p>performance. The loss during the reporting period had no significant impact on the company's production, operation and solvency.</p>
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VI. Matured Interest-bearing Debt excluding Bonds as as the Reporting Period

☐ 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 as at the End of the Reporting Period

Unit: RMB'0,000

Item	End of the reporting period	End of the last year	Increase/decrease
Current ratio	63.44%	87.69%	-27.65%
Debt/asset ratio	92.65%	83.51%	9.14%
Quick ratio	49.28%	70.07%	-29.67%
	The reporting period	Same period last year	Increase/decrease
Net profit after deducting non-recurring profit or loss	-320,550.41	-291,444.51	-9.99%
EBITDA/debt ratio	-11.96%	-6.33%	-5.63%
Times interest earned	-5.29	-3.50	-51.14%
Times interest earned of cash	1.49	2.17	-31.34%
Times interest earned of EBITDA	-4.21	-2.39	-76.15%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage	100.00%	100.00%	0.00%

Section X Financial Report

I. Independent Auditor's Report

Type of the independent auditor's opinion	Unmodified unqualified opinion
Date of signing this report	April 11, 2025
Name of the independent auditor	Shinewing Certified Public Accountants LLP
Reference number of audit report	XYZH/2025SZAA8B0176
Name of the certified public accountants	DENG Dengfeng, LIU Lihong

Audit Report

XYZH/2025SZAA8B0176
Konka Group Co., Ltd.

All shareholders of Konka Group Co., Ltd.,

I. Audit Opinions

We have audited the financial statements of Konka Group Co., Ltd. (hereinafter referred to as Konka Group), including the consolidated and parent company balance sheets as of December 31, 2024, the consolidated and parent company income statement, consolidated and parent company cash flow statement, consolidated and parent company statement of changes in equity for the year 2024, and related financial statement notes.

We believe that the attached financial statements have been prepared in accordance with the provisions of the Accounting Standards for Business Enterprises in all material respects, and fairly reflect the consolidated and parent company's financial position as of December 31, 2024, as well as the consolidated and parent company's operating results and cash flows for the year then ended.

II. Basis for Forming Audit Opinions

We conducted the audit in accordance with the China Auditing Standards for Certified Public Accountants. Our responsibilities under these standards are elaborated in the section "Responsibilities of Certified Public Accountants in Auditing Financial Statements" of the audit report. According to the Code of Professional Ethics for Chinese Certified Public Accountants, we are independent of Konka Group and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate, providing a basis for issuing audit opinions.

IV. Key Audit matters

The key audit matters are those that we, based on our professional judgment, consider to be the most important for auditing the current financial statements. Corresponding measures to these matters is based on the overall audit of the financial statements and the formation of audit opinions, and we do not express

separate opinions on these matters.

1. Revenue Recognition Items	
Key audit matter	Corresponding measures
<p>For detailed information disclosure, please refer to the accounting policies described in the notes to the financial statements “IV. Important Accounting Policies and Accounting Estimates 34”, as well as “VI. Annotations to Major Items in the Consolidated Statements 48”.</p> <p>The operating revenue confirmed in Konka Group's consolidated financial statements for 2024 is RMB11.114764 billion, mainly consisting of revenue from businesses such as color TVs, white goods, printed circuit boards, and semiconductors. Due to the importance of revenue to the overall financial statements and the risk of misstatement caused by management manipulating revenue recognition in order to achieve specific goals or expectations, we consider revenue recognition as a key audit matter.</p>	<p>(1) Evaluate, test, and assess the effectiveness of key internal control designs and operations related to revenue recognition;</p> <p>(2) Obtain the signed sales contract, analyze the relevant terms of the sales contract, and evaluate whether Konka Group's revenue recognition policy complies with the requirements of the Accounting Standards for Business Enterprises;</p> <p>(3) Obtain a list of customers for product sales from Konka Group, and identify whether there is a relationship between customers and Konka Group by querying their business information and other methods;</p> <p>(4) Perform analytical procedures on revenue and costs to evaluate the reasonableness of changes in sales revenue and gross profit margin;</p> <p>(5) Check important sales contracts, orders, invoices, transfer of ownership vouchers, bank receipt vouchers, invoices and other materials to verify the authenticity, completeness and accuracy of revenue;</p> <p>(6) Perform cut-off test on sales revenue.</p>
2. Impairment of Inventory Items	
Key audit matter	Corresponding measures
<p>For detailed information disclosure, please refer to the accounting policies described in the notes to the financial statements “IV. Important</p>	<p>(1) Understand and evaluate the design and implementation of key internal controls related to the provision for inventory impairment, and</p>

<p>Accounting Policies and Accounting Estimates 17”, as well as “VI. Annotations to Major Items in the Consolidated Statements 9”.</p> <p>As of December 31, 2024, the inventory book balance of Konka Group was RMB3.3408005 billion, and the inventory impairment provision balance was RMB6.461523 billion. According to the accounting policy of Konka Group, inventory is measured at the lower of cost and net realizable value at the end of the year. When the net realizable value of inventory is lower than cost, a provision for inventory impairment is made based on the difference. Due to the provision for inventory impairment involving significant estimates by management, we have identified the impairment of inventory as a key audit matter.</p>	<p>test the effectiveness of key controls;</p> <p>(2) Evaluate the appropriateness of accounting policies related to the provision for inventory impairment;</p> <p>(3) Implement on-site inventory monitoring procedures, check the inventory count quantity based on sampling, and observe the status of inventory;</p> <p>(4) Select inventory samples to perform a depreciation test, based on historical cost, sales expenses, and relevant tax information, combined with open market prices, recent sales prices, or future sales prices, to check whether the determination of the net realizable value of inventory is reasonable;</p> <p>(5) Compare the net realizable value of inventory with its book value and verify the accuracy of the provision for inventory impairment.</p>
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IV. Other Information

The management of Konka Group (hereinafter referred to as the management) is responsible for other information. Other information includes the information covered in Konka Group's 2024 annual report, but does not include financial statements and our audit report.

Our audit opinions on the financial statements do not cover other information, and we do not issue any form of assurance conclusion on other information either.

Based on our audit of the financial statements, our responsibility is to read other information and, in the process, consider whether there are material inconsistencies or material misstatements with the financial statements or the information we have learned during the audit.

Based on the work we have performed, if we determine that there are material misstatements in other information, we should report that fact. We have nothing to report in this regard.

IV. Responsibilities of the management and governance for the financial statements

The management is responsible for preparing financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve fair presentation, and designing, implementing, and maintaining necessary internal controls to ensure that the financial statements are free

from material misstatement, whether due to fraud or error.

When preparing financial statements, the management is responsible for assessing the going concern capability of Konka Group, disclosing matters related to going concern (if applicable), and applying the going concern assumption, unless the management plans to liquidate Konka Group, terminate operations, or has no other realistic options.

The governance layer is responsible for supervising the financial reporting process of Konka Group Corporation.

VI. Responsibilities of Certified Public Accountants in Auditing Financial Statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an audit report containing audit opinions. Reasonable assurance is a high-level assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always detect the existence of a material misstatement. Misstatements may be caused by fraud or error, and are generally considered material if it is reasonably expected that the misstatements, individually or in aggregate, may affect the economic decisions made by financial statement users based on the financial statements.

In the process of conducting audit work in accordance with auditing standards, we use professional judgment and maintain professional skepticism. Meanwhile, we also carry out the following tasks:

(1) Identify and evaluate the risks of material misstatement in financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Due to the fact that fraud may involve collusion, forgery, intentional omission, false statements, or override of internal controls, the risk of failing to detect material misstatements caused by fraud is higher than the risk of failing to detect material misstatements caused by errors.

(2) Understand internal controls related to auditing to design appropriate audit procedures.

(3) Evaluate the appropriateness of management's selection of accounting policies and the reasonableness of accounting estimates and related disclosures made.

(4) Draw conclusions on the appropriateness of the management's utilization of the going concern assumption. In addition, based on the obtained audit evidence, a conclusion can be drawn on whether there is significant uncertainty regarding the matters or circumstances that may lead to significant doubts about the ability of Konka Group to continue as a going concern. If we conclude that there is significant uncertainty, audit standards require us to draw the attention of statement users to relevant disclosures in the financial statements in the audit report; if the disclosure is insufficient, we should express a non unqualified 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 financial statements, and assess whether the financial statements fairly reflect relevant transactions and events.

(6) Obtain sufficient and pertinent audit evidence on the financial information of entities or business activities within Konka Group to issue audit opinions on the financial statements. We are responsible for guiding, supervising, and executing group audits, and take full responsibility for audit opinions.

We have communicated with the governance regarding the planned audit scope, timeline, and significant audit findings, including the internal control deficiencies identified during the audit that deserve attention.

We have also provided a statement to the governance regarding compliance with professional ethics requirements related to independence, and communicated with the governance regarding all relationships and other matters that may reasonably be considered to affect our independence, as well as relevant preventive measures (if applicable).

From the matters discussed with the governance, we have identified which ones are most important for the audit of the current financial statements and therefore constitute key audit matters. We describe these matters in the audit report unless laws and regulations prohibit their public disclosure, or in rare cases, if it is reasonably expected that the negative consequences of communicating a matter in the audit report would outweigh the benefits in the public interest, we determine that the matter should not be communicated in the audit report.

Shinewing Certified Public Accountants LLP

Chinese Certified Public Accountant:

(Project Partner)

Chinese Certified Public Accountant:

Beijing, China

April 11, 2025

II. Financial Statements

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

1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

December 31, 2024

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary assets	4,115,767,247.73	6,506,359,577.02
Settlement reserve		
Interbank loans granted		
Trading financial assets	286,648,129.34	469,636,700.78
Derivative financial assets		
Notes receivable	169,675,176.16	533,171,949.15
Accounts receivable	1,458,923,066.70	1,726,545,973.08
Receivables financing	63,943,324.53	173,396,326.14
Prepayments	124,748,412.59	165,454,311.51
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	989,245,120.86	989,121,067.51
Including: Interest receivable		6,681,258.01
Dividends receivable		941,482.38
Financial assets purchased under resale agreements		
Inventories	2,694,648,186.93	3,249,897,700.98
Including: data resources		
Contract assets	2,630,508.60	2,190,385.93
Assets held for sale		
Current portion of non-current assets		
Other current assets	2,168,400,012.47	2,359,159,468.75
Total current assets	12,074,629,185.91	16,174,933,460.85
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term Receivables		
Long-term equity investments	4,728,360,853.49	5,566,483,863.29
Investments in other equity instruments	16,114,932.00	23,841,337.16
Other non-current financial assets	1,802,409,887.89	2,009,676,398.00
Investment property	1,650,843,239.51	1,470,226,723.87
Fixed Assets	5,005,836,928.31	5,218,297,745.16
Construction in progress	873,042,499.04	860,899,498.68
Productive living assets		
Oil and gas assets		
Right-of-use assets	178,185,679.35	197,054,423.17
Intangible Assets	988,045,525.76	1,087,386,015.34
Including: data resources		
Development costs		

Including: data resources		
Goodwill	22,196,735.11	22,196,735.11
Long-term prepaid expense	532,181,161.63	518,919,223.71
Deferred tax asset	1,392,239,301.87	1,426,573,982.16
Other non-current assets	1,148,677,970.47	1,248,328,806.16
Total non-current assets	18,338,134,714.43	19,649,884,751.81
Total assets	30,412,763,900.34	35,824,818,212.66
Current liabilities:		
Short-term borrowings	5,741,171,468.26	6,390,592,056.27
Borrowings from the central bank		
Interbank loans obtained		
Trading financial assets		
Derivative financial liabilities		
Notes payable	1,150,310,856.70	990,482,927.20
Accounts payable	2,774,615,788.24	2,726,831,675.97
Advances from customers	3,481,262.87	
Contract liabilities	623,555,669.97	527,975,160.12
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	243,731,849.78	304,733,103.63
Taxes payable	94,612,710.58	214,417,135.87
Other payables	1,676,154,887.59	1,922,791,905.14
Including: Interest payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	6,655,534,395.19	5,314,147,396.36
Other current liabilities	69,876,531.91	54,330,715.75
Total current liabilities	19,033,045,421.09	18,446,302,076.31
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowing	5,530,649,801.93	7,779,150,079.88
Bonds payable	2,295,193,501.05	2,426,992,578.67
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	146,561,588.52	160,218,818.92
Long-term payables	5,504,548.24	6,135,734.07
Long-term employee benefits payable	4,608,659.47	4,718,466.37
Provisions	428,433,732.19	304,519,839.80

Deferred income	393,437,007.37	425,135,237.90
Deferred income tax liabilities	133,299,175.48	185,026,165.27
Other non-current liabilities	207,378,781.21	179,996,351.33
Total non-current liabilities	9,145,066,795.46	11,471,893,272.21
Total liabilities	28,178,112,216.55	29,918,195,348.52
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	512,840,575.73	526,499,506.76
Less: Treasury stock		
Other comprehensive income	-9,040,290.32	-13,443,558.44
Specific reserve	11,249,678.53	4,657,488.24
Surplus reserves	1,244,180,364.24	1,244,180,364.24
General risk reserves		
Retained earnings	-1,797,506,898.08	1,474,561,975.85
Total equity attributable to owners of the parent company	2,369,668,838.10	5,644,401,184.65
Non-controlling interests	-135,017,154.31	262,221,679.49
Total owners' equity	2,234,651,683.79	5,906,622,864.14
Total liabilities and owners' equity	30,412,763,900.34	35,824,818,212.66

Legal representative: CAO Shipping CFO: NIE Yong Head of the financial department: PING Heng

2. Balance Sheet of the Parent Company

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary assets	2,310,021,016.85	4,739,026,071.80
Trading financial assets	286,648,129.34	469,636,700.78
Derivative financial assets		
Notes receivable	18,077,864.64	212,545,745.69
Accounts receivable	2,783,399,610.31	2,907,508,425.51
Receivables financing		
Prepayments	5,060,895,887.42	3,050,914,644.86
Other receivables	8,210,096,432.41	7,962,523,971.43
Including: Interest receivable		6,325,400.49
Dividends receivable	397,729,468.60	395,209,709.13
Inventories	143,981,116.62	74,359,735.29
Including: data resources		
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	1,621,740,187.04	1,776,247,847.16
Total current assets	20,434,860,244.63	21,192,763,142.52
Non-current assets:		

Investments in debt obligations		
Investments in other debt obligations		
Long-term Receivables		
Long-term equity investments	8,801,915,477.55	8,353,187,518.14
Investments in other equity instruments	10,213,810.20	17,940,215.36
Other non-current financial assets	396,353,137.96	396,353,137.96
Investment property	873,925,486.40	896,398,058.58
Fixed Assets	413,605,136.94	408,039,474.28
Construction in progress	12,762,103.76	10,456,702.05
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible Assets	36,845,184.32	44,546,041.59
Including: data resources		
Development costs		
Including: data resources		
Goodwill		
Long-term prepaid expense	32,966,195.77	43,352,655.77
Deferred tax asset	667,646,526.22	1,186,943,851.11
Other non-current assets	969,222.30	42,958,066.97
Total non-current assets	11,247,202,281.42	11,400,175,721.81
Total assets	31,682,062,526.05	32,592,938,864.33
Current liabilities:		
Short-term borrowings	2,312,074,875.00	2,344,154,349.99
Trading financial assets		
Derivative financial liabilities		
Notes payable	94,034,764.53	83,813,428.75
Accounts payable	6,342,200,859.52	6,459,535,317.41
Advances from customers		
Contract liabilities	2,503,838,527.97	943,718,573.19
Employee benefits payable	27,648,867.42	65,273,780.70
Taxes payable	5,299,228.44	9,069,845.15
Other payables	4,002,505,102.69	3,471,748,973.76
Including: Interest payable		
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	6,441,534,654.07	5,206,842,165.89
Other current liabilities	11,512,394.96	9,728,362.56
Total current liabilities	21,740,649,274.60	18,593,884,797.40
Non-current liabilities:		
Long-term borrowing	4,371,231,706.59	6,655,411,621.10
Bonds payable	2,295,193,501.05	2,426,992,578.67

Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions	346,376,800.41	201,607,949.06
Deferred income	42,829,889.81	40,966,821.50
Deferred income tax liabilities	34,882,051.56	69,803,544.47
Other non-current liabilities	44,189,363.15	45,682,878.82
Total non-current liabilities	7,134,703,312.57	9,440,465,393.62
Total liabilities	28,875,352,587.17	28,034,350,191.02
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	339,889,142.56	341,229,750.75
Less: Treasury stock		
Other comprehensive income	-1,281,096.83	-1,399,371.64
Specific reserve		
Surplus reserves	1,260,024,039.76	1,260,024,039.76
Retained earnings	-1,199,867,554.61	550,788,846.44
Total owners' equity	2,806,709,938.88	4,558,588,673.31
Total liabilities and owners' equity	31,682,062,526.05	32,592,938,864.33

3. Consolidated Income Statement

Unit: RMB

Item	Year 2024	Year 2023
I. Revenue	11,114,763,969.59	17,849,331,429.24
Including: operating revenue	11,114,763,969.59	17,849,331,429.24
Interest revenue		
Insurance premium income		
Handling charge and commission income		
II. Costs and expenses	13,175,666,727.68	20,267,187,420.23
Including: cost of sales	10,626,035,183.90	17,329,091,452.47
Interest costs		
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	125,957,334.99	105,488,040.47
Selling expense	774,298,036.87	965,070,146.99
Administrative expense	651,947,833.46	807,527,910.20

R&D expense	416,405,840.34	497,993,759.86
Finance costs	581,022,498.12	562,016,110.24
Including: Interest expense	819,234,748.93	884,535,066.01
Interest revenue	215,619,251.81	286,969,209.86
Add: Other income	110,600,310.12	270,618,031.94
Return on investment (“-” for loss)	-40,606,278.44	675,405,221.53
Including: Share of profit or loss of joint ventures and associates	-134,541,620.49	-170,413,352.22
Income from the derecognition of financial assets at amortized cost (“-” for loss)	-4,519,585.64	-3,132,035.83
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gains from fair value changes (losses expressed with “-”)	-363,008,154.15	-97,937,910.89
Credit impairment loss (“-” for loss)	-418,711,979.06	-456,603,000.84
Asset impairment loss (“-” for loss)	-926,456,808.21	-560,592,965.39
Asset disposal income (“-” for loss)	13,572,230.63	54,321.20
III. Operating profit (“-” for loss)	-3,685,513,437.20	-2,586,912,293.44
Add: Non-operating revenue	36,502,107.29	26,263,072.49
Less: Non-operating expense	165,575,114.70	156,685,855.03
IV. Profit before tax (“-” for loss)	-3,814,586,444.61	-2,717,335,075.98
Less: Income tax expense	69,552,329.00	-81,448,414.64
V. Net profit (“-” for net loss)	-3,884,138,773.61	-2,635,886,661.34
(I) By operating continuity		
1. Net profit from continuing operations (“-” for net loss)	-3,884,138,773.61	-2,635,886,661.34
2. Net profit from discontinued operations (“-” for net loss)		
(II) By ownership		
1. Net profit attributable to shareholders of the parent company	-3,295,588,668.77	-2,163,790,053.17
2. Net profit attributable to non-controlling interests	-588,550,104.84	-472,096,608.17
VI. Other comprehensive income, net of tax	-2,130,878.00	-84,979.37
Attributable to owners of the parent company	4,403,268.12	821,623.19
(I) Items that will not be reclassified to profit or loss		
1. Changes caused by remeasurements on defined benefit schemes		
2. Other comprehensive income that will not be reclassified to profit or loss under the equity method		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value arising from changes in own credit risk		
5. Others		
(II) Items that will be reclassified to profit or loss	4,403,268.12	821,623.19
1. Other comprehensive income that will be reclassified to profit or loss under the equity method	1,923,432.88	-86,041.63
2. Changes in the fair value of investments in other debt obligations		

3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Differences arising from the translation of foreign currency-denominated financial statements	2,479,835.24	907,664.82
7. Others		
Attributable to non-controlling interests	-6,534,146.12	-906,602.56
VII. Total comprehensive income	-3,886,269,651.61	-2,635,971,640.71
Attributable to owners of the parent company	-3,291,185,400.65	-2,162,968,429.98
Attributable to non-controlling interests	-595,084,250.96	-473,003,210.73
VIII. Earnings per share		
(I) Basic earnings per share	-1.3686	-0.8986
(II) Diluted earnings per share	-1.3686	-0.8986

Legal representative: CAO Shipping CFO: NIE Yong Head of the financial department: PING Heng

4. Income Statement of the Parent Company

Unit: RMB

Item	Year 2024	Year 2023
I. Operating revenue	1,908,123,924.10	1,847,995,092.79
Less: cost of sales	1,929,201,916.99	1,881,538,922.11
Taxes and surcharges	16,346,162.85	13,005,236.44
Selling expense	96,063,419.94	246,475,735.88
Administrative expense	185,596,812.40	294,635,923.59
R&D expense	27,710,971.97	33,956,995.43
Finance costs	414,390,626.68	417,683,630.95
Including: Interest expense	687,907,712.29	790,542,260.97
Interest revenue	252,748,895.39	357,509,620.15
Add: Other income	8,811,847.96	51,184,013.42
Return on investment ("-" for loss)	31,201,053.12	644,677,669.41
Including: Share of profit or loss of joint ventures and associates	-29,330,307.37	-34,502,328.35
Income from the derecognition of financial assets at amortized cost ("-" for loss)	-1,332,512.07	
Net gain on exposure hedges ("-" for loss)		
Gains from fair value changes (losses expressed with "-")	-166,949,370.96	-133,358,646.82
Credit impairment loss ("-" for loss)	-139,627,123.83	-86,470,747.72
Asset impairment loss ("-" for loss)	-205,577,693.21	-90,170,750.24
Asset disposal income ("-" for loss)	2,842,206.14	-17,987.13
II. Operating profit ("-" for loss)	-1,230,485,067.51	-653,457,800.69
Add: Non-operating revenue	11,728,990.17	2,160,817.77
Less: Non-operating expense	71,044,286.57	87,467,742.44
III. Profit before tax ("-" for loss)	-1,289,800,363.91	-738,764,725.36
Less: Income tax expense	484,375,831.98	10,424,753.35
IV. Net profit ("-" for net loss)	-1,774,176,195.89	-749,189,478.71

(I) Net profit from continuing operations (“-” for net loss)	-1,774,176,195.89	-749,189,478.71
(II) Net profit from discontinued operations (“-” for net loss)		
V. Other comprehensive income, net of tax	118,274.81	100,628.36
(I) Items that will not be reclassified to profit or loss		
1. Changes caused by remeasurements on defined benefit schemes		
2. Other comprehensive income that will not be reclassified to profit or loss under the equity method		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value arising from changes in own credit risk		
5. Others		
(II) Items that will be reclassified to profit or loss	118,274.81	100,628.36
1. Other comprehensive income that will be reclassified to profit or loss under the equity method	118,274.81	100,628.36
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Differences arising from the translation of foreign currency-denominated financial statements		
7. Others		
VI. Total comprehensive income	-1,774,057,921.08	-749,088,850.35
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Statement of Cash Flows

Unit: RMB

Item	Year 2024	Year 2023
I. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	10,525,465,272.93	17,378,235,561.44
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	203,389,517.86	233,820,738.77
Cash generated from other operating activities	464,756,959.63	1,091,889,678.99
Subtotal of cash generated from operating activities	11,193,611,750.42	18,703,945,979.20

Payments for commodities and services	8,054,236,938.71	14,643,693,951.06
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	1,561,187,041.71	1,734,831,096.85
Taxes paid	402,970,523.26	466,335,778.71
Cash used in other operating activities	1,001,328,403.75	1,305,983,874.68
Subtotal of cash used in operating activities	11,019,722,907.43	18,150,844,701.30
Net cash generated from/used in operating activities	173,888,842.99	553,101,277.90
II. Cash flows from investing activities:		
Proceeds from disinvestment	441,500,809.51	1,463,288,277.00
Return on investment	37,170,842.27	140,970,812.05
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	59,667,217.18	27,438,051.10
Net proceeds from the disposal of subsidiaries and other business units		165,963,074.98
Cash generated from other investing activities	186,665,829.14	683,929,746.03
Subtotal of cash generated from investing activities	725,004,698.10	2,481,589,961.16
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	620,482,495.13	1,476,559,951.04
Payments for investments	1,400,000.00	7,200,000.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	134,327,401.00	529,573,236.98
Subtotal of cash used in investing activities	756,209,896.13	2,013,333,188.02
Net cash generated from/used in investing activities	-31,205,198.03	468,256,773.14
III. Cash flows from financing activities:		
Capital contributions received	167,597,297.30	1,978,378.97
Including: Capital contributions by non-controlling interests to subsidiaries	167,597,297.30	1,978,378.97
Borrowings raised	11,581,264,358.29	10,950,030,506.74
Cash generated from other financing activities	898,936,642.13	738,205,183.98
Subtotal of cash generated from financing activities	12,647,798,297.72	11,690,214,069.69
Repayment of borrowings	13,426,379,153.79	10,672,675,811.70
Interest and dividends paid	577,370,283.16	812,403,661.30
Including: Dividends paid by subsidiaries to non-controlling interests	1,204,669.38	735,000.00
Cash used in other financing activities	1,686,969,576.16	1,036,318,624.40
Subtotal of cash used in financing activities	15,690,719,013.11	12,521,398,097.40
Net cash generated from/used in financing activities	-3,042,920,715.39	-831,184,027.71
IV. Effect of foreign exchange rates changes on cash and cash equivalents	8,630,197.33	22,698,315.32
V. Net increase in cash and cash equivalents	-2,891,606,873.10	212,872,338.65
Add: cash and cash equivalents, beginning of the period	5,674,784,349.55	5,461,912,010.90
VI. Cash and cash equivalents, end of the period	2,783,177,476.45	5,674,784,349.55

6. Cash Flow Statement of the Parent Company

Unit: RMB

Item	Year 2024	Year 2023
I. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	6,398,186,209.22	5,703,782,163.83
Tax rebates	60,530,397.37	70,166,100.06
Cash generated from other operating activities	141,831,895.20	208,374,488.43
Subtotal of cash generated from operating activities	6,600,548,501.79	5,982,322,752.32
Payments for commodities and services	5,971,237,961.40	6,122,040,543.84
Cash paid to and for employees	179,067,665.39	250,167,106.81
Taxes paid	39,982,463.72	21,411,524.06
Cash used in other operating activities	307,674,460.32	382,250,859.55
Subtotal of cash used in operating activities	6,497,962,550.83	6,775,870,034.26
Net cash generated from/used in operating activities	102,585,950.96	-793,547,281.94
II. Cash flows from investing activities:		
Proceeds from disinvestment	250,174,642.36	962,711,727.95
Return on investment	32,599,531.28	73,394,567.02
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	7,077,472.58	493,918.22
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	5,599,069,603.94	4,984,828,057.53
Subtotal of cash generated from investing activities	5,888,921,250.16	6,021,428,270.72
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	28,198,069.47	126,046,197.64
Payments for investments	770,369,387.85	139,400,000.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	5,493,614,221.91	3,091,985,302.32
Subtotal of cash used in investing activities	6,292,181,679.23	3,357,431,499.96
Net cash generated from/used in investing activities	-403,260,429.07	2,663,996,770.76
III. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	9,062,107,916.66	8,177,775,555.56
Cash generated from other financing activities	9,436,937,293.60	9,919,391,242.45
Subtotal of cash generated from financing activities	18,499,045,210.26	18,097,166,798.01
Repayment of borrowings	10,898,013,880.45	7,748,613,878.32
Interest and dividends paid	564,145,163.75	816,702,948.88
Cash used in other financing activities	9,422,438,355.78	10,977,125,705.33
Subtotal of cash used in financing activities	20,884,597,399.98	19,542,442,532.53
Net cash generated from/used in financing activities	-2,385,552,189.72	-1,445,275,734.52
IV. Effect of foreign exchange rates changes on cash and cash equivalents	4,656,657.45	4,531,990.24
V. Net increase in cash and cash equivalents	-2,681,570,010.38	429,705,744.54
Add: cash and cash equivalents, beginning of the period	4,263,319,288.76	3,833,613,544.22
VI. Cash and cash equivalents, end of the period	1,581,749,278.38	4,263,319,288.76

7. Consolidated Statements of Changes in Owners' Equity

Current amount

Unit: RMB

Item	Year 2024															
	Share capital	Other equity instruments				Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal	Non-controlling interests	Total owners' equity
		Preferred shares	Perpetual bonds	Others												
I. Balance as at the end of the prior year	2,407,945,408.00				526,499,506.76		-13,443,558.44	4,657,488.24	1,244,180,364.24		1,474,561,975.85		5,644,401,184.65	262,221,679.49	5,906,622,864.14	
Add: Adjustment for change in accounting policy																
Adjustment for correction of previous error																
Others																
II. Balance as at the beginning of the year	2,407,945,408.00				526,499,506.76		-13,443,558.44	4,657,488.24	1,244,180,364.24		1,474,561,975.85		5,644,401,184.65	262,221,679.49	5,906,622,864.14	
III. Increase/ decrease in the period ("-" for decrease)					-13,658,931.03		4,403,268.12	6,592,190.29			-3,272,068,873.93		-3,274,732,346.55	-397,238,833.80	-3,671,971,180.35	
(I) Total comprehensive income							4,403,268.12				-3,295,588,668.77		-3,291,185,400.65	-595,084,250.96	-3,886,269,651.61	
(II) Capital increased and reduced by owners					-13,658,931.03								-13,658,931.03	196,281,483.71	182,622,552.68	
1. Ordinary shares increased by owners														167,597,297.30	167,597,297.30	
2. Capital increased by holders of other equity instruments																
3. Share-based payments included in owners' equity																
4. Others					-13,658,931.03								-13,658,931.03	28,684,186.41	15,025,255.38	
(III) Profit distribution											23,519,794.84		23,519,794.84	-1,168,043.64	22,351,751.20	
1. Appropriation to surplus reserves																
2. Appropriation to general risk reserves																
3. Appropriation to owners (or shareholders)														-1,168,043.64	-1,168,043.64	
4. Others											23,519,794.84		23,519,794.84		23,519,794.84	
(IV) Transfers within owners' equity																
1. Increase in capital (or share capital) from capital reserves																
2. Increase in capital (or share capital) from surplus reserves																
3. Loss offset by surplus reserves																
4. Changes in defined benefit schemes transferred to retained earnings																

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5. Other comprehensive income transferred to retained earnings															
6. Others															
(V) Special reserves								6,592,190.29					6,592,190.29	2,731,977.09	9,324,167.38
1. Increase in the period								7,881,927.49					7,881,927.49	3,279,715.07	11,161,642.56
2. Used in the period								1,289,737.20					1,289,737.20	547,737.98	1,837,475.18
(VI) Others															
IV. Balance as at the end of the period	2,407,945,408.00				512,840,575.73		-9,040,290.32	11,249,678.53	1,244,180,364.24		-1,797,506,898.08		2,369,668,838.10	-135,017,154.31	2,234,651,683.79

Previous amount

Unit: RMB

Item	Year 2023														
	Equity attributable to owners of the parent company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal		
I. Balance as at the end of the prior year	2,407,945,408.00				365,247,361.05		-14,265,181.63		1,244,180,364.24		3,637,291,770.33		7,640,399,721.99	820,973,239.93	8,461,372,961.92
Add: Adjustment for change in accounting policy											1,060,258.69		1,060,258.69	-	1,060,258.69
Adjustment for correction of previous error											-		-	-	-
Others											-		-	-	-
II. Balance as at the beginning of the year	2,407,945,408.00				365,247,361.05		-14,265,181.63	-	1,244,180,364.24		3,638,352,029.02		7,641,459,980.68	820,973,239.93	8,462,433,220.61
III. Increase/ decrease in the period ("-" for decrease)					161,252,145.71		821,623.19	4,657,488.24			2,163,790,053.17		-1,997,058,796.03	-558,751,560.44	-2,555,810,356.47
(I) Total comprehensive income							821,623.19				2,163,790,053.17		-2,162,968,429.98	-473,003,210.73	-2,635,971,640.71
(II) Capital increased and reduced by owners					161,252,145.71								161,252,145.71	-86,392,628.48	74,859,517.23
1. Ordinary shares increased by owners														-16,021,621.03	-16,021,621.03
2. Capital increased by holders of other equity instruments														-	-
3. Share-based payments included in owners' equity														-	-
4. Others					161,252,145.71								161,252,145.71	-70,371,007.45	90,881,138.26
(III) Profit distribution														-735,000.00	-735,000.00
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Appropriation to owners (or shareholders)														-735,000.00	-735,000.00
4. Others															
(IV) Transfers within owners' equity															
1. Increase in capital (or share															

capital) from capital reserves														
2. Increase in capital (or share capital) from surplus reserves														
3. Loss offset by surplus reserves														
4. Changes in defined benefit schemes transferred to retained earnings														
5. Other comprehensive income transferred to retained earnings														
6. Others														
(V) Special reserves							4,657,488.24				4,657,488.24	669,962.82	5,327,451.06	
1. Increase in the period							5,509,215.43				5,509,215.43	933,563.87	6,442,779.30	
2. Used in the period							851,727.19				851,727.19	263,601.05	1,115,328.24	
(VI) Others							-				-	709,315.95	709,315.95	
IV. Balance as at the end of the period	2,407,945,408.00				526,499,506.76	-	13,443,558.44	4,657,488.24	1,244,180,364.24	-	1,474,561,975.85	5,644,401,184.65	262,221,679.49	5,906,622,864.14

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

Current amount

Unit: RMB

Item	Year 2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Balance as at the end of the prior year	2,407,945,408.00				341,229,750.75		-1,399,371.64		1,260,024,039.76	550,788,846.44		4,558,588,673.31
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Others												
II. Balance as at the beginning of the year	2,407,945,408.00				341,229,750.75		-1,399,371.64		1,260,024,039.76	550,788,846.44		4,558,588,673.31
III. Increase/ decrease in the period ("-" for decrease)					-1,340,608.19		118,274.81			-1,750,656,401.05		-1,751,878,734.43
(I) Total comprehensive income							118,274.81			-1,774,176,195.89		-1,774,057,921.08
(II) Capital increased and reduced by owners					-1,340,608.19							-1,340,608.19
1. Ordinary shares increased by owners												
2. Capital increased by holders of other equity instruments												
3. Share-based payments included in owners' equity												
4. Others					-1,340,608.19							-1,340,608.19
(III) Profit distribution										23,519,794.84		23,519,794.84
1. Appropriation to surplus reserves												
2. Appropriation to owners (or shareholders)												
3. Others										23,519,794.84		23,519,794.84
(IV) Transfers within owners' equity												
1. Increase in capital (or share capital) from capital reserves												
2. Increase in capital (or share capital) from surplus reserves												
3. Loss offset by surplus reserves												
4. Changes in defined benefit schemes transferred												

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to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special reserves											
1. Increase in the period											
2. Used in the period											
(VI) Others											
IV. Balance as at the end of the period	2,407,945,408.00				339,889,142.56	-1,281,096.83		1,260,024,039.76	-1,199,867,554.61		2,806,709,938.88

Previous amount

Unit: RMB

Item	Year 2023											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Balance as at the end of the prior year	2,407,945,408.00				241,044,390.55		-1,500,000.00		1,260,024,039.76	1,306,066,395.60		5,213,580,233.91
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Others										-6,088,070.45		-6,088,070.45
II. Balance as at the beginning of the year	2,407,945,408.00				241,044,390.55		-1,500,000.00		1,260,024,039.76	1,299,978,325.15		5,207,492,163.46
III. Increase/ decrease in the period ("-" for decrease)					100,185,360.20		100,628.36			-749,189,478.71		-648,903,490.15
(I) Total comprehensive income							100,628.36			-749,189,478.71		-749,088,850.35
(II) Capital increased and reduced by owners					100,185,360.20							100,185,360.20
1. Ordinary shares increased by owners												
2. Capital increased by holders of other equity instruments												
3. Share-based payments included in owners' equity												
4. Others					100,185,360.20							100,185,360.20
(III) Profit distribution												
1. Appropriation to surplus reserves												
2. Appropriation to owners (or shareholders)												
3. Others												
(IV) Transfers within owners' equity												
1. Increase in capital (or share capital) from capital reserves												
2. Increase in capital (or share capital) from surplus reserves												
3. Loss offset by surplus reserves												
4. Changes in defined benefit schemes transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special reserves												
1. Increase in the period												
2. Used in the period												
(VI) Others												
IV. Balance as at the end of the period	2,407,945,408.00				341,229,750.75		-1,399,371.64		1,260,024,039.76	550,788,846.44		4,558,588,673.31

I. Company Profile

1. Konka Group Co., Ltd. (hereinafter referred to as “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 August 29, 1995, the Company was renamed to “Konka Group Co., Ltd.” (unified social credit code: 914403006188155783) with its main business electronic industry. Now the headquarters locates in No. 28, No. 12 Keji South Road, 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 December 31, 2024, 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 consumer electronics and semiconductor businesses, conducting the production and sales of colour TVs, white goods, optoelectronic display, storage and printed circuit Boards, etc.

4. The financial statements were approved by the Board of Directors of the Company for disclosure on April 11, 2025.

II. Consolidation scope

The consolidated financial statements of the Group covers 105 subsidiaries such as Shenzhen Konka Electronic Technology Co., Ltd., Anhui Konka Electronics Co., Ltd. and Dongguan Konka Electronics Co., Ltd. Compared with last year, 11 subsidiaries such as Konka Huanjia Environmental Protection Technology Co., Ltd., Chengdu Konka Intelligent Technology Co., Ltd. and Shenzhen Wankaida Technology Co., Ltd. are excluded due to bankruptcy liquidation or de-registration in the current year.

For details, please refer to Note VIII “Changes in the Consolidation Scope” and Note IX “Equity in Other Entities”.

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

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

No.	Name	Abbreviation
1	Shenzhen Konka Electronics Technology Co., Ltd.	Electronic Technology
2	Nantong Haimen Konka Smart Technology Co., Ltd.	Haimen Konka
3	Chengdu Konka Smart Technology Co., Ltd.	Chengdu Konka Smart
4	Chengdu Konka Electronics Co., Ltd.	Chengdu Konka Electronics
5	Nantong Kangdian Intelligent Technology Co., Ltd	Nantong Kangdian
6	Shenzhen Kangcheng Technology Innovation and Development Co., Ltd.	Shenzhen Kangcheng
7	Xiaojia Technology Co., Ltd.	Xiaojia Technology
8	Liaoyang Kangshun Smart Technology Co., Ltd.	Liaoyang Kangshun
9	Liaoyang Kangshun Renewable Resources Co., Ltd.	Liaoyang Kangshun Renewable
10	Nanjing Konka Electronics Co., Ltd.	Nanjing Konka
11	Chuzhou Konka Precision Intelligent Manufacturing Technology Co., Ltd.	Chuzhou Konka
12	Guangdong Xingda Hongye Electronics Co., Ltd.	XingDa HongYe
13	Shenzhen Konka Circuit Co., Ltd.	Konka Circuit
14	Suining Konka Flexible Electronic Technology Co., Ltd.	Konka Soft Electronic
15	Suining Konka Hongye Electronics Co., Ltd.	Konka Hongye Electronics
16	Boluo Konka Precision Technology Co., Ltd.	Boluo Konka Precision
17	Boluo Konka PCB Co., Ltd.	Boluo Konka
18	Anhui Konka Tongchuang Electrical Appliances Co., Ltd.	Anhui Tongchuang
19	Jiangsu Konka Smart Appliance Co., Ltd.	Jiangsu Konka Smart
20	Anhui Konka Electrical Appliance Technology Co., Ltd.	Anhui Electrical Appliance
21	Henan Frestec Refrigeration Appliance Co., Ltd.	Frestec Refrigeration
22	Henan Frestec Electrical Appliances Co., Ltd.	Frestec Electrical Appliances
23	Henan Frestec Household Appliances Co., Ltd.	Frestec Household Appliances
24	Henan Frestec Smart Home Technology Co., Ltd.	Frestec Smart Home
25	Shenzhen Konka Investment Holding Co., Ltd.	Konka Investment
26	Yibin Konka Technology Park Operation Co., Ltd.	Yibin Konka Technology Park
27	Shenzhen Konka Capital Equity Investment Management Co., Ltd.	Konka Capital

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

28	Konka Suiyong Investment (Shenzhen) Co., Ltd.	Konka Suiyong
29	Shenzhen Konka Shengxing Industrial Co., Ltd.	Shengxing Industrial
30	Shenzhen Konka Zhitong Technology Co., Ltd.	Zhitong Technology
31	Konka Electronic Material Technology (Shenzhen) Co., Ltd.	Konka Electronic Material
32	Beijing Konka Electronic Co., Ltd.	Beijing Konka Electronic
33	Tianjin Konka Technology Co., Ltd.	Tianjin Konka
34	Suining Konka Industrial Park Development Co., Ltd.	Suining Konka Industrial Park
35	Suining Konka Electronic Technological Innovation Co., Ltd.	Suining Electronic Technological Innovation
36	Shanghai Konka Industrial Co., Ltd.	Shanghai Konka
37	Yantai Kangjin Technology Development Co., Ltd.	Yantai Kangjin
38	Shenzhen Konka Technology Industry Development Co., Ltd.	Development of science and technology industry
39	Sichuan Konka Smart Terminal Technology Co., Ltd.	Sichuan Konka
40	Yibin Konka Smart Technology Co., Ltd.	Yibin Smart
41	Shenzhen Konka Semiconductor Technology Co., Ltd.	Shenzhen Konka Semiconductor
42	Chongqing Konka Technology Development Co., Ltd.	Chongqing Konka
43	Kowin Memory Technology (Shenzhen) Co., Limited	Kowin Memory (Shenzhen)
44	Kowin Memory Technology (Hong Kong) Co., Limited	Kowin Memory (Hong Kong)
45	Konka ChipCloud Semiconductor Technology (Yancheng) Co., Ltd.	Konka Xinyun Semiconductor
46	Konka Cross-border (Hebei) Technology Development Co., Ltd.	Konka Cross-border (Hebei)
47	Shenzhen Nianhua Enterprise Management Co., Ltd.	Shenzhen Nianhua
48	Konka Huazhong (Hunan) Technology Co., Ltd.	Konka Central China
49	Shenzhen Wankaida Science and Technology Co., Ltd.	Wankaida
50	Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.	Shenzhen Chuangzhi Electrical Appliances
51	Suining Jiarun Property Co., Ltd.	Suining Jiarun Property
52	Anhui Konka Electronics Co., Ltd.	Anhui Konka
53	Anhui Kangzhi Trade Co., Ltd.	Kangzhi Trade
54	Shenzhen Konka Telecommunications Technology Co., Ltd.	Telecommunication Technology
55	Konka Mobility Co., Limited	Konka Mobility
56	Dongguan Konka Electronics Co., Ltd.	Dongguan Konka

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

57	Suining Konka Smart Technology Co., Ltd.	Suining Konka Smart
58	Chongqing Konka Optoelectronic Technology Co., Ltd.	Chongqing Optoelectronic Technology
59	Yibin Kangrun Environmental Technology Co., Ltd.	Yibin Kangrun
60	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.	Yibin Kangrun Medical
61	Ningbo Kanghanrui Electric Appliances Co., Ltd.	Ningbo Kanghanrui Electric Appliances
62	Jiangxi Konka New Material Technology Co., Ltd.	Jiangxi Konka
63	Jiangxi High Transparent Substrate Material Technology Co., Ltd.	Jiangxi High Transparent Substrate
64	Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.	Xinfeng Microcrystalline
65	Konka Huanjia Environmental Technology Co., Ltd.	Konka Huanjia
66	Konka Huanjia (Henan) Environmental Technology Co., Ltd.	Konka Huanjia (Henan)
67	Shanxi Konka Smart Home Appliance Co., Ltd.	Shanxi Konka Intelligent
68	Shenzhen Konka Pengrun Technology & Industry Co., Ltd.	Pengrun Technology
69	Jiaxin Technology Co., Ltd.	Jiaxin Technology
70	Konka Ronghe Industrial Technology (Zhejiang) Co., Ltd.	Konka Ronghe
71	Shenzhen Konka Unifortune Technology Co., Ltd.	Konka Unifortune
72	Jiali International (Hong Kong) Limited	Jiali International
73	Sichuan Kangjiatong Technology Co., Ltd.	Kangjiatong
74	Jiangkang (Shanghai) Technology Co., Ltd.	Jiangkang (Shanghai) Technology
75	Shenzhen Konka Intelligent Manufacturing Technology Co., Ltd.	Konka Intelligent Manufacturing
76	Hainan Konka Technology Co., Ltd.	Hainan Konka Technology
77	Konka Ventures Development (Shenzhen) Co., Ltd.	Konka Ventures
78	Yibin Konka Incubator Management Co., Ltd.	Yibin Konka Incubator
79	Yantai Konka Healthcare Enterprise Service Co., Ltd.	Yantai Konka
80	Chengdu Anren Konka Cultural and Creative Incubator Management Co., Ltd.	Chengdu Anren
81	Guiyang Konka Enterprise Service Co., Ltd.	Konka Enterprise Service
82	Ji'an Konka Technology Industry Development Co., Ltd.	Ji'an Konka
83	Konka (Europe) Co., Ltd.	Konka Europe
84	Hong Kong Konka Co., Ltd.	Hong Kong Konka
85	Hongdin International Trading Limited	Hongdin Trading

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

86	Konka North America LLC	Konka North America
87	Kanghao Technology Co., Ltd.	Kanghao Technology
88	Hongdin Invest Development Limited	Hongdin Investment
89	Chain Kingdom Memory Technologies Co., Limited	Chain Kingdom Memory Technologies
90	Chain Kingdom Semiconductor (Shaoxing) Co., Ltd.	Chain Kingdom Semiconductor (Shaoxing)
91	Hongjet (Hong Kong) Company Limited	Hongjet
92	Chongqing Xinyuan Semiconductor Co., Ltd.	Chongqing Xinyuan Semiconductor
93	Anlu Konka Industry Operation Service Co. Ltd.	Anlu Konka
94	Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership)	Kanghong Dongsheng
95	Guizhou Konka New Material Technology Co., Ltd.	Guizhou Konka New Material
96	Konka Smart Home Appliance (Shanxi) Industry Development Co., Ltd.	Shanxi Smart Home Appliance
97	Guizhou Kanggui Material Technology Co., Ltd.	Guizhou Kanggui Materials
98	Nantong Kanghai Technology Industry Development Co., Ltd.	Nantong Kanghai
99	Chongqing Kangyiyun Business Operation Management Co., Ltd.	Chongqing Kangyiyun
100	Jiangxi Konka High-tech Park Operation and Management Co., Ltd.	Jiangxi Konka High-tech Park
101	Shangrao Konka Electronic Technology Innovation Co., Ltd.	Shangrao Konka Electronic Technology Innovation
102	Guizhou Konka New Energy Material Technology Co., Ltd.	Guizhou Konka New Energy
103	Zhejiang Konka Electronics Co., Ltd.	Zhejiang Konka Electronic
104	Zhejiang Konka Technology Industry Development Co., Ltd.	Zhejiang Konka Technology Industry
105	Xi'an Konka Intelligent Appliance Co., Ltd.	Xi'an Konka Intelligent
106	Xi'an Konka Network Technology Co., Ltd.	Xi'an Konka Network
107	Xi'an Kanghong Technology Industry Development Co., Ltd.	Xi'an Kanghong Technology Industry
108	Xi'an Konka Intelligent Technology Development Co., Ltd.	Xi'an Konka Intelligent Technology
109	Anhui Konka Low Carbon Technology Co., Ltd.	Anhui Konka Low Carbon
110	Shenzhen Kanghong Xintong Investment Partnership (Limited Partnership)	Kanghong Xintong
111	Songyang Konka Smart Industry Operation Management Co., Ltd.	Songyang Industry Operation

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

112	Shenzhen Kangyan Technology Co., Ltd.	Kangyan Technology
113	Konka Photovoltaic Technology Co., Ltd.	Konka Photovoltaic Technology
114	Songyang Konka Intelligent Technology Development Co., Ltd.	Songyang Konka Intelligent
115	Konka North China (Tianjin) Technology Co., Ltd.	Konka North China
116	Shenzhen Konka Digital Technology Development Co., Ltd.	Digital Technology

III. Basis for the Preparation of Financial Statements

1. Basic for the Preparation

The Group's financial statements were prepared in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance as well as guidelines on accounting standards for business enterprises, announcements on interpreting the accounting standards for business enterprises and other related regulations (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises"), as well as the disclosure regulations of the General Provisions on Financial Reporting No. 15 for Companies Publicly Issuing Securities (revised in 2023) by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC").

2. Going-concern

The consolidated net profit of the Group for 2024 was RMB-3.884 billion. As at December 31, 2024, the Group's net assets in the consolidated statements were RMB2.235 billion, with an asset liability ratio of 92.65%.

In view of the above, the Board of Directors of the Company has prudently considered the Group's future working capital, operating conditions and available sources of financing when assessing the Group's ability to continue as a going concern. The Group has formulated the following plans and measures to reduce the pressure on working capital and improve its financial position:

(1) The Group will focus on the development of its two main business segments, optimize asset allocation, and deepen cost reduction and control. Efforts will be concentrated on carrying out special work such as marketing reform, manufacturing efficiency improvement, and No.1 product. The Company will anchor core products and focus on core markets to steadily improve industrial specialization capabilities, and further enhance the overall profitability of the company.

(2) In January 2025, the government introduced a new round of "national subsidies" policies, which expanded the number of household appliances eligible for trade-in subsidies from 8 categories last year to 12 categories. The Group will take this policy as an opportunity

to promote effective improvement of product structure and further enhance gross profit margin.

(3) The Group will take active measures to activate various existing resources and accelerate the return of funds.

(4) The Group will continue to communicate with commercial banks to alleviate the pressure on the Group's working capital by obtaining bank credit lines. At the end of the reporting period until the approval date of this financial report, the Group has added RMB2.327 billion in bank loans and repaid RMB2.913 billion in due debts on time. As at the date of the financial statements, the Group had a total unused approved bank credit line of RMB7.652 billion.

(5) The Group will actively utilize policies and timely expand financing channels in the capital market. The Group has applied to the Shenzhen Stock Exchange (hereinafter referred to as the "Shenzhen Stock Exchange") for a non-public issuance of corporate bonds not exceeding RMB2.4 billion (including RMB2.4 billion). On December 19, 2024, the Group received a non-objection letter from the Shenzhen Stock Exchange stating that Konka Group Co., Ltd.'s non-public issuance of corporate bonds meets the listing conditions of the Shenzhen Stock Exchange (SZH [2024] No. 866). The major shareholders will provide a full unconditional and irrevocable unlimited joint and several liability guarantee for the Group's bond issuance (Announcement No. 2024-47), which is to be issued at a later date.

(6) During its operation, the Group has received continuous financial support from the major shareholder. The major shareholder has provided a cumulative balance of RMB7.819 billion in shareholder guarantee. As of the date of issuance of this financial report, the Group has obtained a total of RMB2.125 billion (excluding interest) in shareholder loans from its major shareholder.

On the basis of full consideration of the above measures that the Group is implementing or plans to implement, the Board of Directors believes that it is appropriate for the Group to prepare the financial statements on the basis of going concern for at least 12 months from December 31, 2024.

IV. Important Accounting Policies and Estimations

Specific accounting policies and accounting estimates: The specific accounting policies and accounting estimates formulated by the Group according to the actual production and operation characteristics include provisions for bad debts of accounts receivable, provisions for inventory depreciation, depreciation of fixed assets, revenue recognition and measurement, etc.

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, accurately and completely present the Group's financial positions on December 31, 2024, business results and cash flows, and other relevant information for 2024.

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 Company uses RMB as the recording currency. Subsidiaries of the Group determine their functional currency according to the main economic environment in which they operate. When preparing the financial statements, the Group converts them into RMB according to the method described in IV. 10(2) Conversion of foreign currency financial statements.

5. Methodology for Determining Materiality Criteria and Basis for Selection

The Group prepares and discloses financial statements adhering to the principle of materiality. The disclosures in the notes to the financial statements cover matters involving judgments about materiality criteria, the methods for determining materiality thresholds, and the bases for selecting these criteria:

Disclosures involving materiality standard judgments	Location of disclosure of this matter in the notes to the present financial statements	Methodology for Determining Materiality Criteria and Basis for Selection
Significant individually bad debt provisioned receivables	Note VI. 4. Accounts receivable (2)	Individual amount exceeding RMB50,000,000
Receivables with significant amount of bad debt provision recovered or reversed during the year	Note VI. 4. Accounts receivable (3)	Individual amount exceeding RMB10 million

Disclosures involving materiality standard judgments	Location of disclosure of this matter in the notes to the present financial statements	Methodology for Determining Materiality Criteria and Basis for Selection
Write-off of significant receivables in the year	Note VI. 4. Accounts receivable (4)	Individual amount exceeding RMB10 million
Significant accounts payable aged over 1 year	Note VI. 26. Accounts payable	Individual amount exceeding RMB10 million
Significant receipts in advance and contractual liabilities/projected liabilities/other payables aged over 1 year	Note VI. 27; Note VI. 28; Note VI. 29; Note VI. 39	Individual amount exceeding RMB10 million
Significant construction in progress project	Note VI. 16. Construction in progress (2)	Increase or decrease in a single asset during the year or a balance exceeding RMB0.1 billion

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

(1) Business combinations under common control

A business combination involving entities under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

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 book value in the final controlling party on the combining date. The difference between the book value of the net assets acquired and the book value of the consideration paid for the combination (or the total par value of the shares issued) is used to adjust the capital reserves; In case the capital reserves are insufficient to cover the difference, the retained earnings will be adjusted.

(2) Business combinations not under common control

A business combination involving entities not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the combination.

As purchaser, 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 difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree shall be recognized as goodwill; If the combination costs are less than the fair value of the identifiable net assets acquired from the acquiree in the combination, the fair values of the identifiable assets, liabilities and contingent liabilities acquired from the combination and the combination costs shall be reviewed first. After review, if the combination costs are still less than the fair value, the difference shall be included in the current non-operating revenue of the combination.

7. Criteria for Judging Control and Methods for Preparing Consolidated Financial Statements

The scope of consolidation for the consolidated financial statements of the Group is based on control, including the Company and all its subsidiaries (including enterprises, divisible parts of investees, and structured entities controlled by the Company). The Group assesses control based on whether it has power over the investee, has exposure or rights to variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

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.

The impact of internal transactions between the Company and its subsidiaries, as well as between subsidiaries and each other, was offset in consolidation. 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 business combinations 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.

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 method in the consolidated financial statements shall be made in the reporting

period in which control is obtained. For example, if the equity of the investee under the same control is acquired in stages through multiple transactions to eventually result in a business combination, in preparing the consolidated statements, the adjustment shall be made as if the Group has existed in its current state when the ultimate controller starts to control it; in preparing the comparative statements, the Group shall incorporate the relevant assets and liabilities of the combined party into the comparative statements of the consolidated financial statements of the Group to the extent of not earlier than the time when the Group and the combined party are under the control of the ultimate controller, and the relevant items under the owners' equity in the comparative statements shall be adjusted for the net assets increased due to the combination. In order to avoid double counting of the value of the net assets of the combined party, for the long-term equity investment held by the Group before the combination, the recognized relevant profit or loss, other comprehensive income and other changes in net assets between the later of the date of acquisition of the original equity and the date when the Company and the combined party are under the same party's final control and the date of combination shall offset the retained earnings as at the beginning of the comparative statement period and the current profit or loss 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.

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 treatment method in the consolidated financial statements shall be made in the reporting period in which control is obtained. For example, 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, in preparing the consolidated statements, the equity of the acquiree held before the acquisition date shall be remeasured at the fair value of the equity on the acquisition date, and the difference between the fair value and its book value shall be included in the current investment income; other comprehensive income under the equity method involved in the equity of the acquiree held before the acquisition date related to it and changes in other owners' equity other than net profit or loss, other comprehensive income and profit distribution are converted into the current investment profit or loss on the acquisition date, except for other comprehensive income arising from the re-measurement of changes in net liabilities or net assets under the defined benefit plan by the investee.

For partial disposal of long-term equity investments in subsidiaries in the case of not

losing control, in the consolidated financial statements, the capital premiums or share premiums shall be adjusted according to the difference between the disposal price and the share which should be enjoyed for the disposal of long-term equity investments in the net assets of the subsidiary continuously calculated from the acquisition date or the combination date; if the capital reserves are insufficient to offset, retained earnings will be adjusted.

When the Group loses the control over the investee due to disposal of partial equity investment or other reasons, the remaining equity shall be remeasured by the Group at the fair value thereof on the date of losing the control while preparing the consolidated financial statements. The difference of the sum of the consideration acquired from disposal of equities and the fair value of the remaining equities less the share calculated at the original shareholding ratio in net assets of the original subsidiary which are continuously calculated as of the acquisition date or the combination date shall be included in the investment profit or loss of the period in which the control is lost, and goodwill shall be offset at the same time. Amount of the other comprehensive income relating to the equity investment of the original subsidiary shall be transferred to the current profit or loss at the time of losing the control right.

If the Group disposes of the equity investment in subsidiaries in stages through multiple transactions until it loses control, and the transactions that dispose of the equity investment in subsidiaries until it loses control belong to a package deal, the transactions shall be accounted for as a transaction that disposes of subsidiaries and loses control; However, before loss of control, the difference between each disposal price and the share of the subsidiary's net assets corresponding to the disposal of investment is recognized as other comprehensive income in consolidated financial statements, and is transferred into the current investment profit or loss on the loss of control at the time of loss of control.

8. 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.

9. Cash and cash equivalents

Cash in the Group's statement of cash flows refers to cash on hand and unrestricted

deposits. For the purpose of the statement of cash flows, cash equivalents refer to highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value with a holding period of not more than 3 months.

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

(1) Foreign currency transaction

Foreign currency transactions of the Group are initially recognized at the exchange rate at the beginning of the month of the transaction date (usually referring to the middle rate of the foreign exchange rate announced by the People's Bank of China on the day, the same below), converting the foreign currency amount into the functional currency amount. 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 profit or loss.

(2) Translation of foreign currency financial statement

When preparing the consolidated financial statements, the Group translates the financial statements of overseas operations into RMB, in which: assets and liabilities in the foreign currency balance sheet are translated at the spot exchange rate on the balance sheet date; Owners' equity items, except for "undistributed profits", are translated at the spot exchange rate when the business occurs; The income and expense items in the income statement are translated at the average exchange rate of the current period (the average exchange rate of the month) on the date when the transactions occur. 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.

11. Financial Instruments

(1) Recognition and derecognition of financial instruments

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

If the following conditions are met, a financial asset (or a part of a financial asset, or a part of a group of similar financial assets) shall be derecognized, that is, the previously

recognized financial asset shall be transferred from the balance sheet: 1) the right to receive the cash flows of the financial asset expires; 2) When the financial assets are transferred, the Group has transferred almost all the risks and rewards of ownership of the financial assets; 3) When a financial asset is transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, nor retains control over the financial asset.

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 book value and payment consideration into the current profit or loss.

All regular acquisitions or sales of financial assets are recognized and derecognized on a transaction date basis.

(2) Classification and measurement of financial assets

At initial recognition, the Group's financial assets are classified into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through current profit or loss according to the Group's business model for managing financial assets and the contractual cash flow characteristics of financial assets. All affected related financial assets will be reclassified if and only when the Group changes its business model for managing 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 are initially measured at fair value, and relevant transaction cost is included into the initially recognized amount; Subsequent measurement is carried out 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 classifies the financial assets meeting the following conditions simultaneously as financial assets measured at fair value through other comprehensive income: ① the business model for managing this financial asset aims at both collecting contractual cash flows and selling the financial asset. ② The 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, any other gains or losses arising from such financial assets, except for credit impairment losses or gains, exchange profit or loss, and interest on the financial asset calculated using the effective interest rate method, is included in other comprehensive income; When financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in 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-trading equity instrument investments as financial assets measured at fair value through other comprehensive income. Such designation, once made, may not be revoked. The non-trading equity instrument investments designated by the Group to be measured at fair value through other comprehensive income are initially measured at fair value, and the relevant transaction costs are included in the initial recognition amount; Except for dividends obtained (except for the recovery of investment costs) which are included in the current profit and loss, other relevant gains and losses (including exchange profit or loss) are included in other comprehensive income and shall not be subsequently transferred to the current profit or loss. 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.

For financial assets other than those classified as financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, The Group classifies them as financial assets measured at fair value through current profit or loss. These financial assets are initially measured at fair value, and the relevant transaction costs are directly included in the current profit or loss. Gains or losses arising from these financial assets is 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 is classified as the financial assets measured at fair value through current profit or loss.

(3) 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: ①Financial liabilities at fair value through profit or loss including held-for-trading financial liabilities (including the derivative instruments belonging to financial liabilities) and designated financial liabilities at fair value through profit or loss. ②Financial liabilities arising from the transfer of financial assets not meeting the derecognition conditions or 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.

(4) Impairment of financial instruments

Based on expected credit loss, the Group recognizes impairment and provisions for losses on financial assets measured at amortized cost, debt investments measured at fair value with changes in fair value recognized in other comprehensive income, contract assets, lease receivables, loan commitments, and financial guarantee contracts.

1) Measurement of expected credit loss

Expected credit loss refers to the weighted average of the credit losses of financial instruments weighted by the risk of default. 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.

Expected credit loss throughout the lifespan refers to the expected credit loss caused by all possible default events that may occur during the expected lifespan of a financial instrument. Expected credit loss in the next 12 months refers to the expected credit loss caused by a financial instrument default event that may occur within 12 months after the balance sheet date (if the expected lifespan of the financial instrument is less than 12 months, the actual expected lifespan applies), which is a part of the expected credit loss during the entire lifespan.

For accounts receivable, notes receivable, receivables financing, contract assets and other receivables arising from daily operating activities such as sales of goods and rendering of labor services, if they do not contain significant financing components, the Group adopts a simplified measurement method to measure the loss provision at the amount equivalent to the expected credit loss during the entire lifespan.

For lease receivables, receivables containing significant financing components and contract assets, the Group adopts the simplified measurement method to measure the loss provision at the amount equivalent to the expected credit loss over the entire lifespan.

For financial assets (such as debt investments, other debt investments and other receivables), loan commitments and financial guarantee contracts other than those measured with the above-mentioned simplified measurement method, the Group adopts the general method (three-stage method) to accrue the expected credit loss. On each balance sheet date, the Group assesses whether there is significant increase in credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, it is in the first stage. In this case, the Group accrues the loss provision at the amount equivalent to the expected credit loss in the next 12 months, and calculates the interest income according to the book balance and the effective interest rate; If the credit risk has increased significantly since initial recognition but credit impairment has not occurred, it is in the second stage. In this case, the Group accrues the loss provision at an amount equivalent to the expected credit loss during

the entire lifespan, and calculates the interest income according to the book balance and the effective interest rate; If a credit impairment occurs after initial recognition, it is in the third stage. In this case, the Group accrues the loss provision at an amount equivalent to the expected credit loss over the entire lifespan, and calculates the interest income at amortized cost and effective interest rate.

For financial instruments with low credit risk on the balance sheet date, the Group assumes that there is no significant increase in their credit risk since initial recognition. Regarding the Group's criteria for determining significant increases in credit risk and the definition of assets with credit impairment, please refer to Note XI. 1(2) for disclosure.

When the Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets, the expected changes in the debtors' credit risk are inferred based on historical repayment data and in combination with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment, therefore, the provision for impairment already made may not be equal to the actual amount of impairment loss in the future.

2) Portfolio category and determination basis of provision for impairment made by portfolio with credit risk characteristics

The Group assesses the expected credit loss of financial instruments on an individual and portfolio basis. When assessing on a portfolio basis, the Group divides financial instruments into different groups based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: type of financial instrument, credit risk rating, and aging of accounts receivable.

3) Judgment criteria for individual provision for impairment of bad debts based on individual basis

If the credit risk characteristics of a customer are significantly different from those of other customers in the portfolio, or the credit risk characteristics of the customer have changed significantly, such as accounts receivable from related parties; accounts receivable in dispute with the other party or involved in litigation or arbitration; accounts receivable with obvious signs that the debtor is likely to be unable to perform its repayment obligations.

4) Write-off of provision for impairment

When the Group no longer reasonably expects to recover all or part of the cash flows from financial asset contracts, the Group directly reduces the carrying amount of the financial asset. If the written-down financial assets are recovered later, they are included in the current profit or loss as the reversal of the impairment loss.

(5) Recognition and measurement of financial asset transfers

The Group derecognizes the financial assets that meet one of the following conditions:

① the contractual right to receive the cash flow from the financial assets is terminated; ② the financial assets have been transferred, and the Group has transferred almost all the risks and rewards of ownership of the financial assets; ③ the financial assets have been transferred, and the Group has neither transferred nor retained almost all risks and rewards of ownership of the financial assets, nor has it retained control over the financial assets.

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.

(6) The distinction between financial liabilities and equity instruments and related treatment 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 the former, the instrument is a financial liability of the issuer; If the latter, the instrument is an 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.

(7) Offset of 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. However, when the following conditions are met simultaneously, the net amount after mutual offset is presented in the balance sheet: (1) the Group has the legal right to offset the recognized amount, and such legal right is currently enforceable; (2) the Group plans to settle them on a net basis, or realize the financial assets and settle the financial liabilities at the same time.

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 bills	The Acceptor shall be the bank with high credit level and low risks
Trade Acceptance	Classified by credit risk of accepters (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.

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.
Related party combination	The accounts receivable from the other entities within the consolidation scope

14. Receivables 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 provision for losses of other receivables as below: ① for financial assets with no significant increase in credit risk since initial recognition, the Group measures the provision for loss according to the amount of expected credit loss in the next 12 months; ② for financial assets whose credit risk has increased significantly since initial recognition, the Group measures the provision for loss at an amount equivalent to the expected credit loss of the financial instrument during the entire lifespan; ③ for purchased or internally generated financial assets which have undergone credit impairment, the Group measures the provision for loss at an amount equivalent to the expected credit loss over the entire lifespan. 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 other receivables 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.

Item	Basis
Related party combination	Other receivables from the other entities within the consolidation scope.

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.

17. Inventories

The Group's inventories mainly include raw materials, products in process, semi-finished products, Products on hand, and entrusted processing materials.

The perpetual inventory system is adopted, and inventories are valued at actual cost upon acquisition; The actual cost of inventories that have undergone requisition and dispatch is determined by weighted average method. Low-value consumables and packaging are amortized through the one-off charge-off method.

For merchandise inventories directly for sale, such as finished goods, goods in process and materials for sale, their net realizable values are determined at the estimated selling prices of the inventories minus the estimated selling expenses and relevant taxes and surcharges; The net realizable value of material inventory held for production purposes is determined by subtracting the estimated costs to be incurred until completion, estimated sales expenses, and related taxes from the estimated selling price of the finished products produced. For inventories with large quantity and low unit price, the provision for inventory depreciation is made according to the inventory category; For inventories related to the product series produced and sold in the same area, with the same or similar end use or purpose, and difficult to be measured separately from other items, the provision for inventory depreciation is made on a consolidated basis.

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

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(Amounts are expressed in RMB unless otherwise stated)
effect of events after the 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 book value; 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 for determining the expected credit losses of contract assets involves measuring the impairment losses of contract assets by referencing the method used for the impairment loss measurement of receivables as previously described.

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 amount of the current provision for impairment of contract assets, the Group recognizes the difference as an impairment loss by debiting "impairment loss on assets" and crediting "provision for impairment of contract assets". 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 loss and determines that the relevant contract assets cannot be recovered, and the write-off is approved, the "provision for impairment of contract assets" is debited and the "contract assets" is credited according to the approved write-off amount. If the write-off amount is greater than the provision for losses that has been made, the difference is debited into "losses from asset impairment".

19. Assets Relating to 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.

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

Contract acquisition cost refers to the incremental cost incurred by the Group to obtain the contract that are expected to be recovered. It is recognized as an asset under contract acquisition cost; If the amortization period of the asset does not exceed one year, the asset is included in the current profit or loss when the amortization 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 determining the impairment loss of assets related to contract costs, the Group first determines the impairment loss of other assets related to the contract recognized in accordance with other relevant accounting standards for business enterprises; If its book value is higher than the difference between the remaining consideration expected to be obtained by the Group from the transfer of the goods related to the asset and the estimated cost to be incurred for the transfer of the relevant goods, the excess shall be provided for impairment and recognized as 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 and associates.

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 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 before the purchase date is designated as the financial assets measured at fair value through other comprehensive income, the cumulative gains or losses of the equity originally recognized in other comprehensive income shall be transferred from other comprehensive income and recognized in retained earnings; For financial assets measured at fair value through current profit or loss, the gains or losses of the equity originally included in the profit or loss from changes in fair value need 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 above long-term equity investments obtained through business combinations, long-term equity investments obtained through cash payments are recognized as investment costs based on the actual purchase price paid; For long-term equity investments acquired by issuing equity securities, the fair value of the issued equity securities is taken as the investment cost; For long-term equity investments invested by investors, the value agreed in the investment contract or agreement shall be taken as the investment cost.

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

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the due amount.

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. In recognizing the share of net profit or loss of an investee, the fair value of the identifiable assets of the investee at the time of investment acquisition is used as the basis for recognizing the net profit of the investee in accordance with the Group's accounting policies and accounting periods, with the offsetting of the portion of gains and losses on internal transactions with associates and joint ventures that are attributable to the investor based on the proportion of the investor's ownership interest, and the net profit of the investee is recognized after adjustments are made to the net profit of the investee.

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.

If common control or significant influence over an investee is lost due to the disposal of a portion of the equity investment, etc., the remaining equity interest after disposal is reclassified to be accounted for in accordance with the relevant provisions of the guidelines for the recognition and measurement of financial instruments, and the difference between the fair value of the remaining equity interest at the date of the loss of common control or significant influence and its book value is recognized in current profit or loss. 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 that the control over the investee is lost due to the disposal of part of the long-term equity investments, if the remaining equity after disposal can exercise joint control or significant influence on the investee, the accounting method is changed to equity method. The difference between the book value of the disposal equity and the disposal consideration shall be included in the investment income, and the remaining equity is adjusted as if it were

accounted for using the equity method from the time of acquisition; If the remaining equity after disposal is insufficient for exercising joint control or significant influence on the investee, accounting treatment shall be made in accordance with the relevant provisions of the recognition and measurement standards for financial instruments. The difference between the book value of the disposed 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 remaining equity on the date of loss of control is included in the current profit or loss.

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

21. Investment Property

The term “investment property” refers to the real estate held for generating rent and/or capital appreciation. Investment property of the 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. For subsequent expenses related to the investment property, if the economic benefits related to the asset are likely to flow in and the cost can be measured reliably, they are included in the cost of the investment property. Other subsequent expenses are included in the current profit or loss when 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. When a property is converted to an investment property measured using the cost model, the book value before conversion is taken as the entry value after conversion; When a property is converted into an investment property measured at fair value, the fair value on the conversion date is recognized as the entry value after conversion.

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 straight-line depreciation method (SLD) is adopted. The classified depreciation life, estimated net residual value rate and depreciation rate of the Group's fixed assets are as follows:

No.	Type	Depreciation period (year)	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

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No.	Type	Depreciation period (year)	Depreciation period (year)	Expected net salvage value (%)	Annual depreciation (%)
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

The cost of construction in progress is determined based on actual project expenditures, including all necessary project expenditures incurred during construction, borrowing costs to be capitalized before the project reaches its predetermined usable state, and other related expenses, etc.

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.

Construction in progress is transferred to fixed assets upon reaching the predetermined usable state, with the criteria as follows:

Item	Criteria for carrying forward fixed assets
Housing and building	The main construction project and ancillary projects are substantially completed, meeting the predetermined design requirements. Upon joint acceptance by the Company's Engineering Department and units responsible for surveying, design, construction, supervision, etc., and government departments such as the Fire Services Department and the Housing Authority, and reaching the predetermined usable state following process approval, it is transferred to fixed assets.
Machinery equipment	The equipment management department and the equipment manufacturer are jointly responsible for the installation and commissioning of the equipment, including hardware debugging, process conditions debugging, etc. Upon completion of debugging

Item	Criteria for carrying forward fixed assets
	and reaching the predetermined usable state following process approval, it is transferred to fixed assets.

24. Borrowing Costs

The Group capitalizes borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets as part of the cost of those assets. Other borrowing costs are recognized as expenses in the current period. The assets that meet the capitalization conditions determined by the Group include the borrowing costs of fixed assets, investment real estate and inventories that need more than one year of acquisition and construction or production activities to reach the expected serviceable or marketable status. Capitalization starts when asset expenditures have been incurred, borrowing costs have been incurred, or necessary purchasing, construction, or production activities have begun to bring the assets to their intended usable or marketable status; When the acquired and constructed, or produced assets that meet the capitalization conditions have reached the working condition for their intended use or sale, the capitalization is ceased, and the borrowing costs incurred thereafter is included in the current profit or loss. 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.

During each accounting period within the capitalization process, the Group recognizes the capitalization amount of borrowing costs using the following method: for specialized borrowings, the capitalization amount is based on the actual interest expenses incurred in the current period, after deducting the interest income earned from unused borrowing funds deposited in the bank or investment income earned from temporary investments; Where general borrowings are used, they shall be determined by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization rate of used general borrowings, and the capitalization rate is calculated and determined according to the weighted average interest rate of the general borrowings.

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 right-of-use assets. The cost includes the following four items: ① initial measurement amount of the lease liabilities; ② lease payment amount paid on or before the start date of the lease term. If there is any lease incentives, the lease incentives that have been enjoyed are deducted; ③ the initial direct costs incurred, i.e. the incremental costs incurred in obtaining the lease agreement; ④ the cost 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 upon in the lease terms, except for those incurred for the production of inventory.

(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.

(3) 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 life of right-of-use assets, the Group follows the following principles: if it can be reasonably determined that the ownership of the leased assets will be obtained at the expiration of the lease term, the depreciation is accrued over the remaining service life of the leased assets; If it can not be reasonably determined that the ownership of the leased asset can be obtained at the expiration of the lease term, the depreciation is accrued over the shorter of the lease term or the remaining service life of the leased asset.

(4) 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

Intangible assets of the Group include land use rights, patented technologies, non-

patented technologies, etc. They are measured at the actual cost on acquisition. Specifically, for purchased intangible assets, the actual price paid and other relevant expenses are taken as the actual cost; For intangible assets invested by investors, the value agreed in the investment contract or agreement is taken as the actual cost. However, if the value agreed in the contract or agreement is not fair, the actual cost is determined according to the fair value; For intangible assets such as patents acquired from a merger not under the same control, if they were owned the acquired party but not recognized in its financial statements, they shall be recognized as intangible assets at fair value upon initial recognition of the acquired party's assets.

(1) Service life and its determination basis, estimation, amortization method, or review procedure

Intangible assets of the Group include land use rights, patented technologies, non-patented technologies, etc. They are measured at the actual cost on acquisition. Specifically, for purchased intangible assets, the actual price paid and other relevant expenses are taken as the actual cost; For intangible assets invested by investors, the value agreed in the investment contract or agreement is taken as the actual cost. However, if the value agreed in the contract or agreement is not fair, the actual cost is determined according to the fair value; For intangible assets such as patents acquired from a merger not under the same control, if they were owned the acquired party but not recognized in its financial statements, they shall be recognized as intangible assets at fair value upon initial recognition of the acquired party's assets.

(2) Scope of R&D expenditures and related accounting treatment

The scope of the Group's R&D expenditures includes salaries of R&D personnel, direct input costs, depreciation and amortization, design fees, equipment testing fees, fees for R&D outsourced to external parties, and other expenses.

The Group classifies its internal research and development project expenditures into expenditure on the research phase and expenditure on the development phase, based on the nature of the expenditures and the degree of uncertainty in whether the R&D activities will result in an intangible asset. Expenditure on the research phase are recognized in profit or loss when incurred. Expenditure on the development phase are capitalized when all of the following conditions are met:

- A) The Group has assessed the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- B) The Group intends to complete the intangible asset and use or sell it.
- C) It is probable that the intangible asset will generate future economic benefits.

D) The Group has the adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset.

E) The expenditure attributable to the development phase of the intangible asset can be measured reliably. Development phase expenditures not meeting these capitalization criteria are recognized in profit or loss for the current period when incurred.

27. Impairment of Long-term Assets

For non-current non-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. Goodwill, intangible assets with uncertain service life and other non-accessible intangible assets should be tested for impairment at the end of each year, regardless of whether there is any indication of impairment.

(1) Impairment of non-current assets other than financial assets (except goodwill)

If the recoverable amount is less than book 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. The fair value of the assets is determined according to the sales agreement price in fair transactions; If there is no sales agreement but there is an active market for the asset, the fair value is determined based on the buyer's offer for the asset; If there is neither sales agreement nor an active market for the asset, the fair value is estimated based on the accessible optimum information. 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.

28. Impairment of Goodwill

In impairment test, book value of the business reputation in financial report should be shared to beneficial asset group and asset group combination in collaboration of business combinations. 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 book

value of business reputation of asset group or asset group combination, then deduct book value of all assets according to proportions of other book value of above assets in asset group or asset group combination except business reputation.

The methodology, parameters and assumptions for the goodwill impairment test are detailed in Note VI. 19.

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

29. 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 or loss.

30. 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.

31. 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 recognized 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 dismissal welfare, remuneration and liabilities produced from the dismissal welfare should be determined and included in current profits and losses when determining the costs of dismissal welfare and recombination. However, dismissal 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.

32. Lease liabilities

(1) Initial measurement

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

1) Lease payments

Lease payment amount refers to the amount paid by the Group to the lessor in relation to the right to use the leased asset during the lease term, including: ① fixed payment amount and substantially fixed payment amount, with lease incentives (if any) deducted from the relevant amount; ② the amount of variable lease payments that depend on an index or ratio, which is determined at the time of initial measurement based on the index or ratio at the commencement date of the lease term; ③ the exercise price of the call option when the Group reasonably determines that the call option will be exercised; ④ the amount needs to be paid for exercising the lease termination option when the lease term reflects that the Group will exercise the option to terminate the lease; ⑤ the amount expected to be paid according to 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: ① the Group's own situation, that is, the company's solvency and credit status; ② the term of the "borrowings", i.e. the lease term; ③ the amount of "borrowed" funds, i.e. the amount of the lease liability; ④ "collateral conditions", i.e. the nature and quality of the subject assets; ⑤ economic circumstances, including the jurisdiction in which the lessee is located, pricing currency, time of contract signing, 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 lease commencement date, the Group measures the lease liability in accordance with the following principles: ① when recognizing the interest on the lease liability, the carrying amount of the lease liability is increased; ② when the lease payment is made, the book amount of the lease liability is reduced; ③ when the lease payment changes due to revaluation or lease change, the book value of the lease liability is re-measured.

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 lease commencement date, 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 book 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 include the remaining amount in profit or loss for the current period. ① there have been changes in substantially fixed payments (in which case the original discount rate is adopted); ② there have been changes in the estimated payable amount of the guarantee residual value (in which case, the original discount rate is adopted); ③ there have been changes in the index or ratio used to determine the lease payments (in which case the revised discount rate is adopted); ④ there have been changes in the valuation results of the call option (in which case the revised discount rate is adopted); ⑤ there have been changes in the evaluation results or actual exercise of the option to renew or terminate the lease (in which

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case, the revised discount rate is adopted).

33. Provisions

When an obligation related to a contingency meets the following conditions simultaneously, it is recognized as an estimated liability: (1) the obligation is a present obligation undertaken by the Group; (2) the performance of the obligation is likely to result in an outflow of economic benefits; (3) the amount of the obligation can be reliably measured.

The projected liabilities are initially measured in accordance with the optimal estimate of the necessary expenses for the fulfillment of the current obligation, with the risks related to contingent matters, uncertainty, the time value of money, and other factors taken into consideration. The Group reviews the current best estimate of the provisions for contingent liabilities at the balance sheet date and adjusts the carrying amount of the provision as necessary.

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 book value of the estimated liabilities.

34. Principles of Revenue Recognition and Measurement Method

(1) General principles

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.

Performance obligation refers to the Group's commitment in a contract to transfer clearly distinguishable goods to the customer. A performance obligation of the Group is deemed as an obligation to be fulfilled within a certain period of time if one of the following conditions is met; otherwise, it is the performance of performance obligations 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 as the Group's performance;

② the customer is capable of controlling the goods under construction during the performance of the Group;

③ the goods produced during the performance of the Group have irreplaceable uses, and the Group is entitled 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 in time when the customer obtains control of the relevant goods or services. When judging whether the customer has obtained right of control of the goods, the Group considers the following signs:

- ① The Group has the current right to receive payment for the goods, which means the customer has current payment obligations for the goods;
- ② the Group has transferred the legal ownership of the goods to the customer, that is, the customer already has legal ownership of the goods;
- ③ the Group has physically transferred the goods to the customer, that is, the customer has physically taken possession of the goods;
- ④ the Group has transferred the significant risks and rewards pertaining to the ownership of the goods to the customer, that is, the customer has obtained the significant risks and rewards;
- ⑤ The customer has accepted the goods or services, etc.;
- ⑥ other signs indicating that the customer has gained control of the goods.

The Group's right to receive consideration for transfer of goods or services to customers is presented as a contract asset. The provision for impairment of contract assets is made based on expected credit loss. The Group's right to receive consideration from a customer unconditionally is presented as accounts receivable. The Group's obligation to transfer goods or services to customers for the consideration received or receivable from customers is presented as a contract liability.

(2) Revenue measurement principle

1) If the contract contains two or more performance obligations, at the commencement date of the contract, the Group will allocate the transaction price to each single performance obligation based on the relative proportion of the stand-alone selling price of the goods or services promised under each single performance obligation. Revenue is measured at the transaction price of each single performance obligation.

2) The transaction prices refers to the amount of consideration that the Company expects to be entitled to receive for transferring goods or services to customers, excluding amounts

collected on behalf of third parties and amounts expected to be returned to customers. The transaction price shall not exceed the amount that is highly unlikely to result in a significant reversal of the cumulative recognized income at the time of the elimination of relevant uncertainties. Amounts expected to be returned to customers are not included in the transaction price as a liability.

3) If there is variable consideration in a contract, such as cash discount and price guarantee in the contract between the Group and the customer, the Group determines the best estimate of the variable consideration according to the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the amount of the accumulated recognized income that is very unlikely to be significantly reversed when the relevant uncertainty is eliminated.

4) For the consideration payable to the customer, the Group offsets the transaction price against the consideration payable to the customer, and offsets the current income at the later of the recognition of the relevant income and the payment of (or commitment to pay) the customer's consideration, unless the consideration payable is for the purpose of obtaining other clearly distinguishable goods from the customer.

5) For sales with sales return clauses, when the customer obtains control of the relevant goods, the Group recognizes the revenue at the amount of consideration expected to be received due to the transfer of goods to the customer, and recognizes the amount expected to be refunded due to sales return as estimated liabilities; In addition, the balance of the expected book value of the returned goods at the time of transfer less the expected cost of recovering the goods (including the impairment of the value of the returned goods) is recognized as an asset, i.e. the return cost receivable. The net amount of the above asset cost is carried forward according to the book value of the transferred goods at the time of assignment. 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 determines the transaction price according to the amount payable in cash when the customer obtains the control of the goods or services. The difference between the determined transaction price and the amount of consideration promised in the contract is amortized over the contract period through the effective interest method using the discount rate that discounts the nominal amount of the contract consideration to the current selling price of the goods. 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 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. For service-type quality assurance where a separate service is provided in addition to the assurance to the customer that the goods sold meet the established standards, the Group treats it as a single performance obligation and apportions a portion of the transaction price to the service-type quality assurance based on the relative proportions of the separate selling prices of the goods and the service-type quality assurance provided and recognizes revenue 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 a contract change occurs in the construction contract between the Group and the customer: ①If the contract change increases clearly distinguishable construction services and the contract price, and the increase of contract price reflects the individual selling price of the increased construction service, the Group will treat the contract change as a separate contract for accounting treatment; ②If the contract change does not fall under the above-mentioned circumstance ①, and the construction services transferred on the date of contract change can be clearly distinguished from the construction services not transferred, the Group will regard the original contract as terminated, and at the same time, the unperformed part of the original contract and the contract change will be merged into a new contract for accounting treatment; ③If the contract change does not fall under the above-mentioned circumstance ①, and the construction services transferred on the date of contract change cannot be clearly distinguished from the construction services not transferred, the Group will treat the contract change as an integral part of the original contract for accounting treatment, and the resulting impact on the recognized income will be adjusted to the current income on the date of contract change.

(3) Specific method

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

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, operating leases, etc. are performance obligations performed within a certain period of time, and revenue is recognized according to the progress of the performance.

35. Government Grants

The government grants of the Group are divided into asset-based government grants and income-based government grants. Specifically, asset-based government grants refer to the government grants obtained by the Group for the purpose of purchasing, constructing or otherwise forming long-term assets; Income-based government grants refer to those other than asset-based government grants. 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 income-based government grants as a whole.

If the government subsidies are monetary assets, they shall be measured at the amount actually received. For a subsidy allocated according to a fixed quota standard, or when there is conclusive evidence at the end of the year that the relevant conditions stipulated in the financial support policies can be met and the financial support funds are expected to be received, the subsidy shall be measured according to the amount receivable; If the government grants are non-monetary assets, they are measured at fair value. Where the fair value cannot be reliably obtained, the grant is measured at a nominal amount (RMB1).

Asset-based grants shall be used to offset the book value of related assets or presented as deferred income, and shall, over the life of the related asset, be included in the current profits

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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 revenue 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.

36. Deferred Tax Assets/Deferred 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 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 tax assets and deferred tax liabilities are not recognized. On the balance sheet date, the deferred tax assets and deferred tax liabilities are measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

The Group recognizes deferred 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.

37. 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 the lessee

1) Lease recognition

On the lease commencement date, 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 "32. 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 there is any change in the lease and the following conditions are met at the same time, the Group shall account for the lease change as a separate lease: ① the lease change expands the lease scope or extends the lease term by adding the right to use one or more leased assets; ② the increased consideration is equivalent to the amount of the separate price of the expanded part of the lease scope or the extended part of the lease term adjusted according to the contract situation.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Group amortizes the consideration of the contract after the change in accordance with the relevant provisions of the lease standards and re-determine the lease term after the change; The revised discount rate is used to discount the changed lease payment to remeasure the lease liabilities. When calculating the present value of the lease payment after the change, the Group uses the interest rate implicit in the lease for the remaining lease period as the discount rate; Where the interest rate implicit in the lease for the remaining lease term cannot be determined, the Group adopts the lessee's incremental borrowing rate on the effective date of the lease change as the discount rate. 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: ① The lessee will 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. ② 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 the 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

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.

If a lease falls in one or more of the following circumstances, the Group usually classifies it as a finance lease: ① the ownership of the leased asset will be transferred to the lessee at the expiration of the lease term; ② the lessee has the option to purchase the leased asset, and the purchase price is low enough compared with the fair value of the leased asset when the option is expected to be exercised, so it can be reasonably determined that the lessee will exercise the option on the lease commencement date; ③ although the ownership of the asset will not be transferred, the lease term covers most of the service life of the leased asset; ④ on the lease commencement date, the current value of the lease receipts is almost equal to the fair value of the leased assets; ⑤ the leased asset can only be used by the lessee if no major modification is made due to its special nature. If a lease has one or more of the following signs, the Group may also classify it as a finance lease: ① If the lessee cancels the lease, the losses caused to the lessor by the cancellation of the lease are to be borne by the lessee; ② gains or losses arising from fluctuations in the fair value of the residual value of the asset are attributable to the lessee; ③ the lessee has the ability to continue the lease to the next period 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 receipts refer to the amount that the lessee shall collect from the lessee due to the transfer of the right to use the leased asset during the lease term, including: ① fixed payments and substantially fixed payments to be paid by the lessee; If there are lease incentives, the relevant amount of lease incentives shall be deducted; ② the amount of variable lease payments dependent on an index or ratio. This amount is determined at the time of initial measurement based on the index or ratio at the commencement date of the lease term; ③ the exercise price of the call option, provided that it can be reasonably determined that the lessee will exercise the option; ④ the amount to be paid by the lessee for exercising the option to terminate the lease, provided that the lease term reflects that the

lessee will exercise of the option to terminate the lease; ⑤ the residual value of the guarantee provided by the lessee, the party related to the lessee, or an independent third party economically capable of fulfilling the guarantee obligation to the lessor.

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 there is a change in a finance lease and the following conditions are met at the same time, the Group shall account for the change as a separate lease: ① the change expands the scope of the lease by adding the right to use one or more leased assets; ② The increased consideration is equivalent to the amount of the separate price of the expanded part of the lease scope adjusted according to the contract situation.

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 expenses

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 fixed assets in assets under operating lease, the Group adopts the depreciation policy for similar assets to accrue depreciation; For other assets under operating lease, a systematic and reasonable method is adopted for amortization.

Variable lease payments

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.

38. Measured at Fair Value

The Group measures equity instrument investments at fair value on each balance sheet date. Fair value refers to the price that can be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

For assets and liabilities measured or disclosed at fair value in the financial statements, the fair value level to which they belong is determined according to the lowest level input that is significant to the fair value measurement as a whole: Level 1 inputs refer to unadjusted quoted prices in the active market for the same assets or liabilities that can be obtained on the measurement date; Level 2 inputs refer to inputs other than Level 1 inputs that are directly or indirectly observable for the relevant assets or liabilities; Level 3 inputs are the unobservable inputs of related assets and liabilities.

On each balance sheet date, the Group re-evaluates the assets and liabilities continuously measured at fair value recognized in the financial statements to determine whether there is a conversion between the levels of fair value measurement.

39. Changes in Main Accounting Policies and Estimates

(1) Changes of accounting policies

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1) October 25, 2023, the Ministry of Finance issued the Interpretation of the Accounting Standards for Business Enterprises No.17 (hereinafter referred to as the "Interpretation No. 17"), of which the contents of "Division of Current Liabilities and Non-current Liabilities", "Disclosure of Supplier Finance Arrangement" and "Accounting Treatment of Post-sales Leaseback Transactions" will come into force from January 1, 2024. According to the relevant requirements, the Group has made corresponding changes to the accounting policies. The changes in accounting policies have no significant impact on the Group's total assets, total liabilities, net assets, net profits and other financial indicators.

2) On December 6, 2024, the Ministry of Finance issued the Interpretation of the Accounting Standards for Business Enterprises No.18, stipulating that the estimated liabilities arising from guarantee-type quality assurance that does not belong to single performance obligation shall be included in "primary business costs" and "other business costs" according to the determined amount, and shall no longer be included in "selling expenses". According to the above accounting interpretation, the Group has made corresponding changes to the original accounting policies and retroactively adjusted the "cost of sales", "selling expenses" and other statement items. The Company started to implement these principles from January 1, 2024.

In accordance with the relevant provisions of Interpretation No.18, the names and amounts of the significantly affected statement items are set forth below:

Item affected	Year 2023		
	Before	Adjustment amount	Restated
Income statement items:			
Cost of sales	17,149,036,750.50	180,054,701.97	17,329,091,452.47
Selling expense	1,145,124,848.96	-180,054,701.97	965,070,146.99

(2) Changes in Accounting Estimates

No such cases in the current year for the Group.

V. Taxation

1. Main Taxes and Tax Rate

Category of taxes	Basis	Specific situation of the taxes rate
VAT	Calculated the output tax at the tax rate and paid the VAT by the amount after deducting the	1%,3%,5%,6%,9% and 13%

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Category of taxes	Basis	Specific situation of the taxes rate
	deductible withholding VAT at current period, of which the VAT applicable to easy collection won't belong to the deductible withholding VAT.	
Urban maintenance and construction tax	The circulating tax actually paid	5% and 7% /See 2. Tax preferences for details
Education surcharge	The circulating tax actually paid	3% /See 2. Tax preferences for details
Local education surcharge	The circulating tax actually paid	2% /See 2. Tax preferences for details
Enterprise income tax	Taxable income	25%/ See 2. Tax Preference for details

The main taxpayers of different corporate income tax rates are explained as follows:

Name of entity	Income tax rate
Electronic Technology, Anhui Konka, Anhui Tongchuang, Shaanxi Konka, XingDa Hongye, Xinfeng Microcrystalline, Boluo Konka Precision, Xiaojia Technology, Jiangsu Konka Smart, Chengdu Konka Electronics	15%
Hong Kong Konka, Hongdin Trading, Jiali International, Hongjet, Jiaxin Technology, Hongdin Invest, Konka Mobility, Kowin Memory (Hong Kong), and Chain Kingdom Memory Technologies	16.5%
Konka Europe	15%
Kanghao Technology	22.5%
Konka North America	21%
The parent company and other subsidiaries	25%

Remarks: According to the Temporary Provisions of Income Tax of Trans-boundary Tax Payment Enterprises by State Taxation Administration, 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 January 1, 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 January 1, 2008 and will be final settled uniformly by the Company at the year-end.

2. Tax Preference and Approved Documents

(1) According to the announcement of the State Taxation Administration No. 12 of 2023: small low-profit enterprises shall reduce the taxable income amount by 25% and pay the corporate income tax at the tax rate of 20%, which shall be continued until 31 December 2027. Resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), farm land occupation tax, education surcharge and local education surcharge shall be levied by half on small-scale VAT taxpayers, small low-profit enterprises and individually-owned businesses from January 1, 2023 to December 31, 2027. A number of the Company’s subsidiaries of the Company, were eligible for the aforementioned preferential tax policy during the reporting period., specifically Chengdu Anren, Konka Entrepreneurship Services, Yibin Konka Incubator, Anhui Kangka Low Carbon, Yibin Smart, Anlu Kangka, Konka Soft Electronic, Shengxing Industry, Zhitong Technology, Nantong Kangdian, Digital Technology, Shanghai Kangjia, Guizhou Kangjia New Material, Shenzhen Nianhua, Guizhou Konka New Energy, Shanxi Zhijia, Ji’an Kangka, Kangka Ronghe, Jiangkang (Shanghai) Technology, Kangka Smart Manufacturing, Xi’an Kangka Intelligence, Chongqing Kangyiyun, Zhejiang Konka Electronic, Zhejiang Konka Technology Industry, Konka Unifortune and Kangka North China.

(2) On 18 October 2022, Anhui Konka, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Anhui Province, the Department of Finance of Anhui Province and Anhui Provincial Tax Service of State Taxation Administration, with the certificate number GR202234002272, which is valid for three years. According to relevant tax regulations, Anhui Konka enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2022 to 2024 and pays enterprise income tax at a preferential tax rate of 15%.

(3) On 4 November 2022, Xinfeng Microcrystalline, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Jiangxi Province, the Department of Finance of Jiangxi Province and the Jiangxi Provincial Tax Service of State Taxation Administration, with the certificate number GR202236000999, which is valid for three years. According to the relevant tax regulations, Xinfeng Microcrystalline enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2022 to 2024 and pays enterprise income tax at a preferential tax rate of 15%.

(4) On 18 October 2022, Anhui Tongchuang, a subsidiary of the Company, obtained the

Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Anhui Province, the Department of Finance of Anhui Province and Anhui Provincial Tax Service of State Taxation Administration, with the certificate number GR202234000798, which is valid for three years. According to relevant tax regulations, Anhui Tongchuang enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2022 to 2024 and pays enterprise income tax at a preferential tax rate of 15%.

(5) On December 22, 2022, Boluo Konka Precision, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise 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, with the certificate number GR202244017658, which will be valid for three years. According to relevant tax regulations, Boluo Konka Precision enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2022 to 2024 and pays enterprise income tax at a preferential tax rate of 15%.

(6) On 19 December 2022, Electronic Technology, a subsidiary of the Company, received the Certificate of High-Tech Enterprise jointly issued by Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau and Shenzhen Tax Service of State Taxation Administration, with the certificate number GR202244205867, which is valid for three years. According to relevant tax regulations, Electronic Technology enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2022 to 2024 and pays enterprise income tax at a preferential tax rate of 15%.

(7) On November 19, 2024, Xingda Hongye, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise 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, with the certificate number GR202444002600, which will be valid for three years. According to relevant tax regulations, Xingda Hongye is entitled to relevant preferential tax policies for high-tech enterprises for three consecutive years from 2024 to 2026, and pays enterprise income tax at a preferential tax rate of 15%.

(8) On December 19, 2022, Xiaojia Technology, a subsidiary of the Company, received the Certificate of High-Tech Enterprise jointly issued by Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau and Shenzhen Tax Service of State Taxation Administration, with the certificate number GR202244203274, which is valid for three years. According to relevant tax regulations, Xiaojia Technology enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2022 to 2024 and pays enterprise income tax at a preferential tax rate of 15%.

(9) On November 29, 2023, Shaanxi Konka, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Shanxi Province, the Department of Finance of Shanxi Province and the Shanxi Provincial Tax Service of State Taxation Administration, with the certificate number GR202361002167, which will be valid for three years. According to relevant tax regulations,

Shaanxi Konka enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2023 to 2025, and pays enterprise income tax at a preferential tax rate of 15%.

(10) On November 6, 2023, Jiangsu Konka Smart, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by the Department of Science and Technology of Jiangsu Province, the Department of Finance of Jiangsu Province and the Jiangsu Provincial Tax Service of State Taxation Administration, with the certificate number GR202332008044, which will be valid for three years. According to relevant tax regulations, Jiangsu Konka Smart enjoys relevant preferential tax policies for high-tech enterprises for three consecutive years from 2023 to 2025, and pays enterprise income tax at a preferential tax rate of 15%.

(11) In accordance with the Announcement on the Renewal of the Enterprise Income Tax Policy for Western Development Enterprises (Ministry of Finance, State Taxation Administration, National Development and Reform Commission Announcement No. 23 of 2020), 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 60% of its gross income in the current year, is entitled to a reduced corporate income tax rate of 15%. Chengdu Konka Electronic, a subsidiary of the Company, is eligible for this preferential tax policy.

(12) According to the CS [2011] No. 100 published by the Ministry of Finance and the State Taxation Administration, 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 portion of the actual VAT burden exceeding 3% shall be refunded immediately upon collection. The Company's subsidiaries, Electronic Technology and Anhui Tongchuang all enjoy this preferential policy.

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

Unless otherwise noted, for the financial statement data disclosed below, "beginning of the year" refers to January 1, 2024, "end of the year" refers to December 31, 2024, "the current year" refers to the period from January 1, 2024 to December 31, 2024, and "last year" refers to the period from January 1, 2023 to December 31, 2023. The monetary unit is renminbi.

1. Monetary assets

Item	Ending balance	Beginning balance
Cash on hand	208.19	469.28
Bank deposits	2,942,927,002.53	5,892,986,243.07
Other monetary assets	1,172,840,037.01	613,372,864.67
Total	4,115,767,247.73	6,506,359,577.02

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Item	Ending balance	Beginning balance
Of which: Total amount deposited overseas	16,326,669.23	55,324,772.13

Remarks: the ending balance of other monetary funds is mainly the balance of time deposits, margin deposits and account balance on WeChat, Alipay and other platforms. For details of restricted funds, please refer to Note VI. 23. Assets with restricted ownership or use right.

2. Trading financial assets

Item	Ending balance	Beginning balance
Financial assets measured at fair value through current profit or loss	286,648,129.34	469,636,700.78
Including: Investment in equity instruments	286,648,129.34	469,636,700.78
Total	286,648,129.34	469,636,700.78

3. Notes receivable

(1) Classified presentation of notes receivable

Item	Ending balance	Beginning balance
Bank acceptance bills	148,019,004.66	517,759,367.29
Trade Acceptance	21,656,171.50	15,412,581.86
Total	169,675,176.16	533,171,949.15

(2) Listed by withdrawal methods for provision for bad debts

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision set aside for bad debts by portfolio	170,126,162.18	100.00	450,986.02	0.27	169,675,176.16
Including: Bank acceptance bills	148,019,004.66	87.01			148,019,004.66

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Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Trade Acceptance	22,107,157.52	12.99	450,986.02	2.04	21,656,171.50
Total	170,126,162.18	100.00	450,986.02	0.27	169,675,176.16

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision set aside for bad debts by portfolio	533,492,913.47	100.00	320,964.32	0.06	533,171,949.15
Including: Bank acceptance bills	517,759,367.29	97.05			517,759,367.29
Trade Acceptance	15,733,546.18	2.95	320,964.32	2.04	15,412,581.86
Total	533,492,913.47	100.00	320,964.32	0.06	533,171,949.15

Provision for expected credit losses on commercial acceptance draft based on aging in the portfolio

Description	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	22,107,157.52	450,986.02	2.04
Total	22,107,157.52	450,986.02	2.04

(3) Provision for bad debts of notes receivable set aside, recovered or reclassified in the current year

Type	Beginning	Change in the current year	Ending
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Notes to Financial Statements of Konka Group Co., Ltd.
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		Provision	Recovered or reversed	Charge -off or write- off	Othe rs	
Trade Acceptance	320,964.32	450,986.02	320,964.32			450,986.02
Total	320,964.32	450,986.02	320,964.32			450,986.02

(4) Notes receivable pledged at the end of the year

Item	Amount pledged at the end of the year
Bank acceptance bills	15,900,000.00
Total	15,900,000.00

(5) Notes receivable endorsed or discounted but had not yet matured on the balance sheet date at the end of the year

Item	Amount derecognized at the end of the year	Amount not derecognized at the end of the year
Bank acceptance bills	1,317,732,411.95	
Trade Acceptance		12,820,620.61
Total	1,317,732,411.95	12,820,620.61

(6) Notes receivable actually written off in the current year

No notes receivable actually written off in the current year

4. Accounts receivable

(1) Accounts receivable listed by aging portfolio

Aging	Ending book balance	Beginning book balance
Within one year (inclusive)	985,155,712.60	1,489,573,102.24
1-2 years	467,086,582.23	152,217,296.67
2-3 years	112,149,892.90	131,889,796.60
3-4 years	117,756,261.01	265,897,663.73
4-5 years	255,011,480.57	674,517,508.86
Over 5 years	1,217,501,924.55	894,028,569.23
Total	3,154,661,853.86	3,608,123,937.33

(2) Accounts receivable listed by withdrawal methods for bad debts

Type	Ending balance
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Notes to Financial Statements of Konka Group Co., Ltd.
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	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	1,452,875,517.73	46.05	1,371,250,436.68	94.38	81,625,081.05
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	1,701,786,336.13	53.95	324,488,350.48	19.07	1,377,297,985.65
Subtotal of portfolio	1,701,786,336.13	53.95	324,488,350.48	19.07	1,377,297,985.65
Total	3,154,661,853.86	100.00	1,695,738,787.16	53.75	1,458,923,066.70

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	1,601,967,285.04	44.40	1,524,090,371.01	95.14	77,876,914.03
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	2,006,156,652.29	55.60	357,487,593.24	17.82	1,648,669,059.05
Subtotal of portfolio	2,006,156,652.29	55.60	357,487,593.24	17.82	1,648,669,059.05
Total	3,608,123,937.33	100.00	1,881,577,964.25	52.15	1,726,545,973.08

1) Provision set aside for bad debts of accounts receivable by single item

Description	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
CEFC Shanghai International Group	299,136,676.70	293,153,943.17	298,855,950.30	298,855,950.30	100.00	Not expected to be

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Description	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Limited						recoverable
Hongtu Sanpower Technology Co., Ltd.	200,000,000.00	180,000,000.00	200,000,000.00	200,000,000.00	100.00	Not expected to be recoverable
Shenzhen Yaode Technology Co., Ltd.	145,562,210.29	145,562,210.29	147,734,652.40	147,734,652.40	100.00	Not expected to be recoverable
Guangan Ouqishi Electronic Technology Co., Ltd.	113,140,553.53	110,965,942.46	113,139,940.86	110,965,942.46	98.08	Expected to be difficult to recover
Zhongfu Tiangong Construction Group Co., Ltd.	71,389,096.65	53,541,822.49	71,289,096.65	71,289,096.65	100.00	Not expected to be recoverable
CCCC First Harbor Engineering Company Ltd.	65,221,300.00	65,221,300.00	65,221,300.00	65,221,300.00	100.00	Not expected to be recoverable
Gome Customization (Tianjin) Home Appliances Co., Ltd.	59,569,295.02	59,569,295.02	57,021,975.73	57,021,975.73	100.00	Not expected to be recoverable
Xingda Hongye (HK) Limited	51,902,301.95	51,902,301.95	51,902,301.95	51,902,301.95	100.00	Not expected to be recoverable
Dongguan High Energy Polymer Materials Co., Ltd.			50,699,037.70	32,893,535.66	64.88	Not expected to be fully recovered
China Energy (Shanghai) Industrial Co., Ltd.	50,000,000.00	50,000,000.00	49,993,564.16	49,993,564.16	100.00	Not expected to be recoverable
Others	546,045,850.90	514,173,555.63	347,017,697.98	285,372,117.37	82.24	Not expected to be fully recovered
Total	1,601,967,285.04	1,524,090,371.01	1,452,875,517.73	1,371,250,436.68	—	—

2) Provision set aside for bad debts of accounts receivable by portfolio

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Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	957,061,940.69	19,524,063.55	2.04
1-2 years	409,952,097.73	41,077,200.19	10.02
2-3 years	49,910,568.10	11,324,707.92	22.69
3-4 years	91,968,538.70	59,669,187.91	64.88
4-5 years	64,276,230.99	64,276,230.99	100.00
Over 5 years	128,616,959.92	128,616,959.92	100.00
Total	1,701,786,336.13	324,488,350.48	19.07

(3) Provision for bad debts of accounts receivable set aside, recovered or reclassified in the current year

Type	Beginning balance	Change in the current year	
		Provision	Recovered or reversed
Provision for bad debts of accounts receivable	1,881,577,964.25	183,551,748.47	45,070,747.22
Total	1,881,577,964.25	183,551,748.47	45,070,747.22

(Continued)

Type	Change in the current year		Ending balance
	Charge-off or write-off	Others	
Provision for bad debts of accounts receivable	39,075,101.41	-285,245,076.93	1,695,738,787.16
Total	39,075,101.41	285,245,076.93	1,695,738,787.16

Remarks: among other changes this year, there was an increase of RMB5,802,505.43 due to exchange rate fluctuations, and a decrease of RMB291,047,582.36 yuan due to the bankruptcy liquidation of company Kangjia Huanjia.

(4) Accounts receivable actually written off in the current year

Item	Amount written off
Accounts receivable written off	39,075,101.41

There was no significant write-off of accounts receivable in the current year.

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(5) Top five accounts receivable and contract assets in the Ending balance categorized by debtors

The total amount of accounts receivable with top five Ending balance categorized by debtors in the current year was RMB1,260,131,772.42, accounting for 39.95% of the total Ending balance of accounts receivable. The total Ending balance of provision for bad debts correspondingly set aside was RMB543,470,115.36.

5. Contract Assets

(1) Contract assets

Item	Ending balance			Beginning balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Warranty	2,867,437.14	236,928.54	2,630,508.60	2,236,000.34	45,614.41	2,190,385.93
Total	2,867,437.14	236,928.54	2,630,508.60	2,236,000.34	45,614.41	2,190,385.93

(2) Classified presentation of contract assets by provisioning methods of bad debts

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	2,867,437.14	100.00	236,928.54	8.26	2,630,508.60
Subtotal of portfolio	2,867,437.14	100.00	236,928.54	8.26	2,630,508.60
Total	2,867,437.14	100.00	236,928.54	8.26	2,630,508.60

(Continued)

Type	Beginning balance		
	Book balance	Provision for bad debts	Book value

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	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	2,236,000.34	100.00	45,614.41	2.04	2,190,385.93
Subtotal of portfolio	2,236,000.34	100.00	45,614.41	2.04	2,190,385.93
Total	2,236,000.34	100.00	45,614.41	2.04	2,190,385.93

Provision set aside for bad debts of contract assets by portfolio

Description	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	631,436.80	12,881.31	2.04
1-2 years	2,236,000.34	224,047.23	10.02
Total	2,867,437.14	236,928.54	8.26

(Continued)

Description	Beginning balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	2,236,000.34	45,614.41	2.04
1-2 years			
Total	2,236,000.34	45,614.41	2.04

(3) Provision for bad debts of contract assets

Item	Beginning of the year Balance	Change in the current year				End of the year Balance	Reason
		The current year Provision	Recovered or reversed in the current year	Charge-off/Write-off in the current year	Others Change		

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Item	Beginning	Change in the current year				End of the	Reason
Warranty	45,614.41	191,314.13				236,928.54	Normal provision
Total	45,614.41	191,314.13				236,928.54	—

(4) Contract assets actually written off in the current year

There were no contract assets actually written off in the current year.

6. Receivables financing

Item	Ending balance	Beginning balance
Notes receivable	63,943,324.53	173,396,326.14
Total	63,943,324.53	173,396,326.14

7. Other receivables

Item	Ending balance	Beginning balance
Interest receivable		6,681,258.01
Dividends receivable		941,482.38
Other receivables	989,245,120.86	981,498,327.12
Total	989,245,120.86	989,121,067.51

7.1 Interest receivable

Item	Ending balance	Beginning balance
Time deposit		6,681,258.01
Total		6,681,258.01

7.2 Dividends receivable

The investee	Ending balance	Beginning balance
Shenzhen Jielunte Technology Co., Ltd.		941,482.38
Total		941,482.38

7.3 Other receivables

(1) Classified by account nature

Nature of fund	Ending book balance	Beginning book balance
Deposit and margin	344,822,666.77	1,234,840,210.69
Intercourse funds among minority shareholders in the business	182,764,171.72	179,663,586.05

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Nature of fund	Ending book balance	Beginning book balance
consolidation not under the same control and related parties		
Energy-saving subsidies receivable	152,399,342.00	152,399,342.00
Intercourse funds with related parties	2,253,362,393.92	271,570,568.23
Others	1,035,865,828.21	1,224,559,355.79
Total	3,969,214,402.62	3,063,033,062.76

(2) Other receivables listed by aging

Aging	Ending book balance	Beginning book balance
Within one year (inclusive)	394,812,584.95	253,550,068.51
1-2 years	206,901,565.92	77,519,916.42
2-3 years	110,433,169.22	551,521,166.18
3-4 years	683,019,991.91	690,507,047.29
4-5 years	771,766,144.27	1,092,957,617.71
Over 5 years	1,802,280,946.35	396,977,246.65
Total	3,969,214,402.62	3,063,033,062.76

(3) Classified presentation of other receivables by provisioning methods of bad debts

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	3,524,335,366.36	88.79	2,773,496,740.31	78.70	750,838,626.05
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	204,938,477.00	5.16	168,912,851.74	82.42	36,025,625.26
Low Risk Combination	239,940,559.26	6.05	37,559,689.71	15.65	202,380,869.55

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Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Subtotal of portfolio	444,879,036.26	11.21	206,472,541.45	46.41	238,406,494.81
Total	3,969,214,402.62	100.00	2,979,969,281.76	75.08	989,245,120.86

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	1,960,682,465.29	64.01	1,644,122,039.53	83.85	316,560,425.76
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	975,322,848.99	31.84	413,933,906.39	42.44	561,388,942.60
Low Risk Combination	127,027,748.48	4.15	23,478,789.72	18.48	103,548,958.76
Subtotal of portfolio	1,102,350,597.47	35.99	437,412,696.11	39.68	664,937,901.36
Total	3,063,033,062.76	100.00	2,081,534,735.64	67.96	981,498,327.12

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1) Provision set aside for bad debts of other receivables by portfolio

Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	154,043,693.12	1,712,968.68	1.11
1-2 years	23,768,853.22	2,146,728.84	9.03
2-3 years	67,248,004.99	6,885,804.00	10.24
3-4 years	5,551,506.14	2,079,980.14	37.47
4-5 years	36,283,271.67	35,663,352.67	98.29
Over 5 years	157,983,707.12	157,983,707.12	100.00
Total	444,879,036.26	206,472,541.45	46.41

2) Provision set aside for bad debts of other receivables by the general expected credit loss model

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of January 1, 2024	1,443,228.60	435,969,467.51	1,644,122,039.53	2,081,534,735.64
Balance as of January 1, 2024 in the current year				
-- Transferred to Phase II	-450,083.09	450,083.09		
-- Transferred to Phase III	-17,014.80	-257,278,612.45	257,295,627.25	
-- Reclassified under Phase II				
-- Reclassified under Phase I				
Provision in the current year	1,712,968.68	38,211,669.61	269,161,790.94	309,086,429.23
Recovery in the current year	976,130.71	10,214,966.34	17,794,376.07	28,985,473.12
Charge-off in the current year				

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	Phase I	Phase II	Phase III	
Provision for bad debts	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	Total
Write-off in the current year		1,730,786.92	96,000.00	1,826,786.92
Other changes		-647,281.73	620,807,658.66	620,160,376.93
Balance as of December 31, 2024	1,712,968.68	204,759,572.77	2,773,496,740.31	2,979,969,281.76

Remarks: 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 one 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 one 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.

(4) Provision for bad debts of other receivables set aside, recovered or reclassified in the current year

Type	Beginning balance	Change in the current year	
		Provision	Recovered or reversed
Provision for bad debts of other receivables	2,081,534,735.64	309,086,429.23	28,985,473.12
Total	2,081,534,735.64	309,086,429.23	28,985,473.12

(Continued)

Type	Change in the current year		Ending balance
	Charge-off or write-off	Others	

Notes to Financial Statements of Konka Group Co., Ltd.
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Type	Change in the current year		Ending balance
	Charge-off or write-off	Others	
Provision for bad debts of other receivables	1,826,786.92	620,160,376.93	2,979,969,281.76
Total	1,826,786.92	620,160,376.93	2,979,969,281.76

Remarks: among other changes this year, there was an increase of RMB7,365,507.60 due to exchange rate fluctuations, and an increase of RMB612,794,869.33 due to the bankruptcy liquidation of the company Kangjia Huanjia.

(5) Other receivables actually written off in the current year

Item	Amount written off
Other accounts receivable written off	1,826,786.92

(6) Other receivables with top five year-end balances categorized by debtors

The total amount of other receivables with top five ending balance categorized by debtors in the current year was RMB3,011,425,164.36, accounting for 75.87% of the total ending balance of other receivables. The total ending balance of provision for bad debts correspondingly set aside was RMB2,331,392,350.37.

8. Prepayments

(1) Age of prepayments

Item	Ending balance		Beginning balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	101,180,248.89	81.11	114,332,392.60	69.10
1-2 years	2,820,065.05	2.26	827,985.04	0.50
2-3 years	565,293.20	0.45	46,545,996.66	28.13
Over 3 years	20,182,805.45	16.18	3,747,937.21	2.27
Total	124,748,412.59	100.00	165,454,311.51	100.00

Remarks: The amount of advanced payments aged over one year at the end of the period is RMB 23,568,163.70, accounting for 18.89% of the total balance of advanced payments of the Group, and consists mainly of unsettled payments.

(2) Top five prepayments in the Ending balance categorized by payees

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The sum of the top five Ending balances categorized by payees in the current year was RMB 101,160,938.74, accounting for 81.09% of the total Ending balance.

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9. Inventories

(1) Inventory classification

Item	Ending balance		
	Book balance	Provision for depreciation	Book value
Raw materials	665,144,044.54	108,024,878.82	557,119,165.72
Semi-finished products	110,372,128.69	42,305,974.41	68,066,154.28
Commodities in stock	2,189,720,769.60	491,936,445.95	1,697,784,323.65
Commissioned products	2,235,269.96	262,121.44	1,973,148.52
Development costs	26,677,475.24		26,677,475.24
Developing products	346,650,809.82	3,622,890.30	343,027,919.52
Total	3,340,800,497.85	646,152,310.92	2,694,648,186.93

(Continued)

Item	Beginning balance		
	Book balance	Provision for depreciation	Book value
Raw materials	593,131,602.70	86,829,664.81	506,301,937.89
Semi-finished products	96,408,258.96	41,741,196.19	54,667,062.77
Commodities in stock	2,636,678,840.40	490,032,803.73	2,146,646,036.67
Commissioned products	1,934,264.95	211,225.91	1,723,039.04
Development costs	540,559,624.61		540,559,624.61
Total	3,868,712,591.62	618,814,890.64	3,249,897,700.98

(2) Inventory falling price reserves

Item	Beginning balance	Increase in the current year	
		Provision	Others
Raw materials	86,829,664.81	80,586,300.35	561,587.87
Semi-finished products	41,741,196.19	13,564,877.03	546.15
Commodities in stock	490,032,803.73	347,485,033.84	3,805,712.90

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Item	Beginning balance	Increase in the current year	
		Provision	Others
Commissioned products	211,225.91	46,210.83	4,684.70
Developing products		3,622,890.30	
Total	618,814,890.64	445,305,312.35	4,372,531.62

(Continued)

Item	Decrease in the current year		Ending balance
	Reversal or write-off	Others	
Raw materials	59,952,674.21		108,024,878.82
Semi-finished products	13,000,644.96		42,305,974.41
Commodities in stock	347,466,738.91	1,920,365.61	491,936,445.95
Commissioned products			262,121.44
Developing products			3,622,890.30
Total	420,420,058.08	1,920,365.61	646,152,310.92

Remarks: other increases this year were due to exchange rate fluctuations, while other decreases were due to the bankruptcy liquidation of subsidiary Kangjia Huanjia.

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 current year:

Item	Specific basis for withdrawal of inventory falling price reserves	Reasons for charge-off of provision for inventories impairment in the current year
Raw materials	The realizable net value was lower than the book value	They have been sold or used in the current year
Semi-finished products	The realizable net value was lower than the book value	They have been sold or used in the current year
Commodities in stock	The realizable net value was lower than the book value	They have been sold in the current year

10. Other current assets

Item	Ending balance	Beginning balance
Principal and interests of entrusted loans to associated enterprises	1,590,781,482.74	1,744,123,316.97

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Item	Ending balance	Beginning balance
Prepayments and deductible taxes, and refund of tax for export receivable	525,546,353.28	569,875,346.61
Deferred expenses	18,606,081.90	28,112,001.12
Costs receivable for returning goods	14,460,748.65	15,925,346.67
Others	19,005,345.90	1,123,457.38
Total	2,168,400,012.47	2,359,159,468.75

11. Investments in other equity instruments

(1) Other equity instrument investments

Item	Beginning balance	Changes in the current year					Ending balance	Dividend income recognized in the current year	Accumulated gains included in other comprehensive income at the end of the current year	Accumulated losses included in other comprehensive income at the end of the current year	Reason for assigning to measure at fair value of which changes included other comprehensive income
		Increase in the investment	Decrease in the investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others					
Beijing Huyu Entertainment Digital Technology Co., Ltd.	5,901,121.80						5,901,121.80				Long-term holding based on strategic purpose
Feihong											Long-term

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Item	Beginning balance	Changes in the current year					Ending balance	Dividend income recognized in the current year	Accumulated gains included in other comprehensive income at the end of the current year	Accumulated losses included in other comprehensive income at the end of the current year	Reason for assigning to measure at fair value of which changes included other comprehensive income
		Increase in the investment	Decrease in the investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others					
Electronics Co., Ltd.											holding based on strategic purpose
ZAEFI											Long-term holding based on strategic purpose
Shenzhen Chuangce Investment Development											Long-term holding based on strategic purpose

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Item	Beginning balance	Changes in the current year					Ending balance	Dividend income recognized in the current year	Accumulated gains included in other comprehensive income at the end of the current year	Accumulated losses included in other comprehensive income at the end of the current year	Reason for assigning to measure at fair value of which changes included other comprehensive income
		Increase in the investment	Decrease in the investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others					
Co., Ltd.											
Shanlian Information Technology Engineering Centre	1,860,809.20						1,860,809.20				Long-term holding based on strategic purpose
Shenzhen CIU Science & Technology	953,000.00						953,000.00				Long-term holding based on strategic purpose

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Item	Beginning balance	Changes in the current year					Ending balance	Dividend income recognized in the current year	Accumulated gains included in other comprehensive income at the end of the current year	Accumulated losses included in other comprehensive income at the end of the current year	Reason for assigning to measure at fair value of which changes included other comprehensive income
		Increase in the investment	Decrease in the investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others					
Co., Ltd.											
Shenzhen Digital TV National Engineering Laboratory Co., Ltd.	7,726,405.16		7,726,405.16								Long-term holding based on strategic purpose
Shanghai National	2,400,000.00						2,400,000.00				Long-term holding based on

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Item	Beginning balance	Changes in the current year					Ending balance	Dividend income recognized in the current year	Accumulated gains included in other comprehensive income at the end of the current year	Accumulated losses included in other comprehensive income at the end of the current year	Reason for assigning to measure at fair value of which changes included other comprehensive income
		Increase in the investment	Decrease in the investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others					
Engineering Research Centre of Digital TV Co., Ltd.											strategic purpose
BOHUA UHD	5,000,001.00						5,000,001.00				Long-term holding based on strategic purpose
Total	23,841,337.1		7,726,405.16				16,114,932.0				—

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Item	Beginning balance	Changes in the current year					Ending balance	Dividend income recognized in the current year	Accumulated gains included in other comprehensive income at the end of the current year	Accumulated losses included in other comprehensive income at the end of the current year	Reason for assigning to measure at fair value of which changes included other comprehensive income
		Increase in the investment	Decrease in the investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others					
	6						0				

(2) Derecognition at the end of the current year

Item	Fair value at derecognition	Accumulated gains transferred to retained earnings due to derecognition	Accumulated losses transferred to retained earnings due to derecognition	Reason for derecognition
Shenzhen Digital TV National Engineering Laboratory Co.,	31,246,200.00	23,519,794.84		Equity transfer

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Item	Fair value at derecognition	Accumulated gains transferred to retained earnings due to derecognition	Accumulated losses transferred to retained earnings due to derecognition	Reason for derecognition
Ltd.				
Total	31,246,200.00	23,519,794.84		—

12. Long-term equity investments

The investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Changes in the current year			
			Increase in the investment	Decrease in the investment	Profit or loss of investment recognized by the equity method	Changes in other comprehensive income
Associate						
Kangkong Venture Capital (Shenzhen) Co., Ltd.	5,004,579.62				179,727.25	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.	2,019,287.36				2,115.36	
Feidi Technology (Shenzhen) Co., Ltd.	10,706,907.72				4,413,646.40	
Shenzhen Kangyue Enterprise Co., Ltd.		24,977,328.88				
Foshan Pearl River Media Creative Park Culture Development Co., Ltd.						
Kangkai Technology Service (Chengdu) Co., Ltd.	114,193.79				-26,543.05	
Puchuang Jiakang Technology Co, Ltd.	2,716,274.71				906,362.66	
Shenzhen Jielunte Technology Co., Ltd.	94,917,575.00				-5,858,030.36	
Panxu Intelligence Co., Ltd.	48,686,477.11			47,534,354.06	-1,152,123.05	
Orient Excellent (Zhuhai) Asset	8,198,574.99				409,854.67	

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The investee	Beginning	Provision for	Changes in the current year			
Management Co., Ltd.						
Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	338,089,300.42			3,160,855.11	1,021,219.91	
Tongxiang Wuzhen Kunyu Venture Capital Co., Ltd.	3,524,037.08				3,922.88	
Shenzhen RF-Llink Technology Co., Ltd.		85,656,027.35				
Anhui Kaikai Shijie E-commerce Co., Ltd.	418,814,414.98				-17,390,453.36	
Kunshan Kangsheng Investment Development Co., Ltd.	207,333,483.86			117,988,276.54	-3,336,356.30	
Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.	5,187,588.48				-1,719,653.88	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.		12,660,222.73				
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.		214,559,469.35				
Wuhan Tianyuan Environmental Protection Co., Ltd.	512,729,351.11				45,219,787.67	
Chuzhou Konka Technology Industry Development Co., Ltd.	39,335,548.57				-8,025,705.96	

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The investee	Beginning	Provision for	Changes in the current year			
Chuzhou Kangjin Health Industrial Development Co., Ltd.	239,037,618.98				-43,880,778.79	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	107,310,029.86				-623,472.05	
Chuzhou Kangxin Health Industry Development Co., Ltd.	180,752,809.79				-2,073,946.32	
Dongguan Guankang Yuhong Investment Co., Ltd.	501,408,938.92				-18,723,799.88	
Shenzhen Morsemi Semiconductor Technology Co., Ltd.						
Econ Technology	1,130,575,773.36	81,806,510.02			-17,225,679.93	
Dongguan Kangjia New Materials Technology Co., Ltd..	6,857,694.77				-625,775.53	
Chongqing E2info Technology Co., Ltd.	1,048,983,188.06				5,440,718.75	
Yantai Kangyun Industrial Development Co., Ltd.	65,884,386.16				-5,244,545.93	
E3info (Hainan) Technology Co., Ltd.	30,715,678.97					
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	7,090,590.47				-1,194,072.40	
Shenzhen KONKA E-display Co., Ltd.	85,057,438.63				9,388,796.88	118,274.81
Chongqing Yuanlv Benpao Real Estate Co.,	28,089,915.82				-2,349,915.82	

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The investee	Beginning	Provision for	Changes in the current year			
Ltd.						
Shenzhen Kangpeng Digital Technology Co., Ltd.	1,770,021.01				-459,254.09	
Yantai Kangtang Construction Development Co., Ltd.	862,394.07				405,886.81	
Dongguan Konka Smart Electronic Technology Co., Ltd.	24,124,143.70				-5,238,101.82	
Shenzhen Aimijiakang Technology Co., Ltd.	1,173,870.57			1,075,836.93	-98,033.64	
Beijing Konka Jingyuan Technology Co., Ltd.	703,703.42				-15,746.38	
Chongqing Liangshan Enterprise Management Co., Ltd.	178,368.53				51,326.72	
Shenzhen Kangxi Technology Innovation Development Co., Ltd.	1,026,306.07				15,019.67	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	245,911.63					
Henan Kangfei Intelligent Electric Appliance Co., Ltd.	1,939,694.34			1,597,778.51	-341,915.83	
Guangdong Kangyuan Semiconductor Co., Ltd.	9,957,207.04				-2,596,664.97	

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The investee	Beginning	Provision for	Changes in the current year			
Chongqing Kangyiqing Technology Co., Ltd.	633,719.09				2,107.17	
Zhejiang Kangying Semiconductor Technology Co., Ltd. (formerly: Shenzhen Kangying Semiconductor Technology)	19,339,655.22				-2,189,024.18	-312,479.59
KK Smartech Limited	1,612,150.56				-18,059.12	
Chongqing Kangjian Photoelectric Technology Co., Ltd.	8,329,131.78				-5,051,714.58	
Anhui Kangta Supply Chain Management Co., Ltd.	17,256,599.85				-475,593.42	
Wuhan Kangtang Information Technology Co., Ltd.	25,757,222.60				-9,903,560.82	
Sichuan Chengrui Real Estate Co., Ltd.	31,708,992.07				-7,719,223.80	
Jiakang Industrial Development (Wuhan) Co., Ltd. (formerly: Konka Industrial Development (Wuhan) Co., Ltd.)	42,134,231.89				-3,449,819.17	
Hefei KONSEMI Storage Technology Co., Ltd.	188,654,285.66			74,785,430.07	-34,874,088.31	940.09
Xi'an Kang'an Intelligent Storage Technology Co., Ltd.	6,000,000.00				-233,447.02	
Sichuan Hongxincheng Real Estate	53,934,595.60					

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The investee	Beginning	Provision for	Changes in the current year			
Development Co., Ltd.						
Konka Huanjia Environmental Technology Co., Ltd.						
Total	5,566,483,863.29	419,659,558.33		246,142,531.22	-134,654,606.96	-193,264.69

(Continued)

The investee	Changes in the current year				Ending balance (Book value)	Provision for impairment Ending balance
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Associate						
Kangkong Venture Capital (Shenzhen) Co., Ltd.		55,392.38			5,128,914.49	
Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.		17,358.62			2,004,044.10	
Feidi Technology (Shenzhen) Co., Ltd.					15,120,554.12	
Shenzhen Kangyue Enterprise Co., Ltd.						24,977,328.88
Foshan Pearl River Media Creative Park Culture Development Co., Ltd.						

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The investee	Changes in the current year				Ending balance	Provision for
Kangkai Technology Service (Chengdu) Co., Ltd.					87,650.74	
Puchuang Jiakang Technology Co, Ltd.				-62,139.95	3,560,497.42	
Shenzhen Jielunte Technology Co., Ltd.					89,059,544.64	
Panxu Intelligence Co., Ltd.						
Orient Excellent (Zhuhai) Asset Management Co., Ltd.					8,608,429.66	
Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)		1,338,792.90			334,610,872.32	
Tongxiang Wuzhen Kunyu Venture Capital Co., Ltd.					3,527,959.96	
Shenzhen RF-Llink Technology Co., Ltd.						85,656,027.35
Anhui Kaikai Shijie E-commerce Co., Ltd.			68,817,908.06		332,606,053.56	68,817,908.06
Kunshan Kangsheng Investment Development Co., Ltd.		7,350,000.00			78,658,851.02	
Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.					3,467,934.60	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.						12,660,222.73

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The investee	Changes in the current year				Ending balance	Provision for
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Wuhan Tianyuan Environmental Protection Co., Ltd.	-1,641,801.68	10,465,181.53			545,842,155.57	
Chuzhou Konka Technology Industry Development Co., Ltd.					31,309,842.61	
Chuzhou Kangjin Health Industrial Development Co., Ltd.					195,156,840.19	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.					106,686,557.81	
Chuzhou Kangxin Health Industry Development Co., Ltd.					178,678,863.47	
Dongguan Guankang Yuhong Investment Co., Ltd.					482,685,139.04	
Shenzhen Morsemi Semiconductor Technology Co., Ltd.						
Econ Technology			265,931,400.00		847,418,693.43	347,737,910.02
Dongguan Kangjia New Materials Technology Co., Ltd..					6,231,919.24	

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The investee	Changes in the current year				Ending balance	Provision for
Chongqing E2info Technology Co., Ltd.	301,193.49		68,390,441.43	2,049,683.41	988,384,342.28	68,390,441.43
Yantai Kangyun Industrial Development Co., Ltd.					60,639,840.23	
E3info (Hainan) Technology Co., Ltd.		4,000,000.00	14,000,000.00	-1,337,370.98	11,378,307.99	14,000,000.00
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					5,896,518.07	
Shenzhen KONKA E-display Co., Ltd.		855,000.00		-225,300.25	93,484,210.07	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.			25,740,000.00			25,740,000.00
Shenzhen Kangpeng Digital Technology Co., Ltd.					1,310,766.92	
Yantai Kangtang Construction Development Co., Ltd.					1,268,280.88	
Dongguan Konka Smart Electronic Technology Co., Ltd.				-237,395.60	18,648,646.28	
Shenzhen Aimijiakang Technology Co., Ltd.						
Beijing Konka Jingyuan Technology Co., Ltd.					687,957.04	
Chongqing Liangshan Enterprise					229,695.25	

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The investee	Changes in the current year				Ending balance	Provision for
Management Co., Ltd.						
Shenzhen Kangxi Technology Innovation Development Co., Ltd.					1,041,325.74	
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.			245,911.63			245,911.63
Henan Kangfei Intelligent Electric Appliance Co., Ltd.						
Guangdong Kangyuan Semiconductor Co., Ltd.					7,360,542.07	
Chongqing Kangyiqing Technology Co., Ltd.					635,826.26	
Zhejiang Kangying Semiconductor Technology Co., Ltd. (formerly: Shenzhen Kangying Semiconductor Technology)					16,838,151.45	
KK Smartech Limited					1,594,091.44	
Chongqing Kangjian Photoelectric Technology Co., Ltd.					3,277,417.20	
Anhui Kangta Supply Chain Management Co., Ltd.					16,781,006.43	
Wuhan Kangtang Information					15,853,661.78	

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The investee	Changes in the current year				Ending balance	Provision for
Technology Co., Ltd.						
Sichuan Chengrui Real Estate Co., Ltd.					23,989,768.27	
Jiakang Industrial Development (Wuhan) Co., Ltd. (formerly: Konka Industrial Development (Wuhan) Co., Ltd.)					38,684,412.72	
Hefei KONSEMI Storage Technology Co., Ltd.	11,154,147.97			73,763.21	90,223,618.55	
Xi'an Kang'an Intelligent Storage Technology Co., Ltd.					5,766,552.98	
Sichuan Hongxincheng Real Estate Development Co., Ltd.					53,934,595.60	
Konka Huanjia Environmental Technology Co., Ltd.						91,800,000.00
Total	9,813,539.78	24,081,725.43	443,125,661.12	261,239.84	4,728,360,853.49	954,585,219.45

Remarks: (1) Konka Huanjia Environmental Protection Technology Co., Ltd., a holding subsidiary of the Company, has been declared bankrupt by the court; at the end of the year, it was not included in the scope of preparation of consolidated financial statements, and the provision for impairment of its investment cost was fully made.

(2) Other changes in the current year were due to unrealized profits from downstream transactions.

13. Other non-current financial assets

Item	Ending balance	Beginning balance
Kunshan Xinjia Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	230,264,035.04	231,190,200.00
China Asset Management-Jiayi Overseas Designated Plan	200,732,067.00	200,732,067.00
Tongxiang Wuzhen Jiayu Digital Economy Industry Equity Investment Partnership (Limited Partnership)	197,621,072.79	201,451,000.00
Yibin OCT Sanjiang Properties Co., Ltd.	174,599,313.55	199,774,696.09
Chongqing Kangxin Equity Investment Fund Limited Partnership (Limited Partnership)	144,028,481.56	155,691,200.00
Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)	139,166,271.83	162,937,428.56
Daye Trust - Hui Libao No. 19	100,000,000.00	100,000,000.00
CCB Trust-Cai Die No. 6 Property Rights Trust Scheme	66,080,293.70	66,080,293.70
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	59,264,288.31	60,292,000.00
Chuzhou Jiachen Information Technology Consulting Service Partnership (Limited Partnership)	58,296,141.16	59,700,013.59
Tianjin Property No. 8 Enterprise Management Partnership (Limited Partnership)	28,540,777.26	28,540,777.26
Tianjin Huacheng Property Development Co., Ltd.	1,000,000.00	1,000,000.00
Shenzhen Kanghuijia Technology Co., Ltd.	1,033.45	7,684.53
Subtotal of equity investments	1,399,593,775.65	1,467,397,360.73
Shenzhen Gaohong Enterprise Consulting Management Partnership (Limited Partnership)	120,874,956.69	109,739,999.99
Nanjing Kangfeng DeJia Asset Management Partnership (Limited Partnership)	100,000,000.00	100,000,000.00
Shenzhen Zitang No.1 Enterprise Consulting Management Partnership (Limited Partnership)	99,000,000.00	99,000,000.00
Shenzhen Beihu Technology Partnership (Limited Partnership)	59,735,232.88	59,735,232.88

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Item	Ending balance	Beginning balance
Xi'an Bihuijia Enterprise Management Consulting Partnership (Limited Partnership)	14,685,194.12	15,785,194.99
Shanxi Kangmengrong Enterprise Management Consulting Partnership (Limited Partnership)	8,520,728.55	9,163,411.30
Ningbo Yuanqing No.9 Investment Partnership (Limited Partnership)		148,855,198.11
Subtotal of debt investments	402,816,112.24	542,279,037.27
Total	1,802,409,887.89	2,009,676,398.00

14. Investment property

(1) Investment properties measured at cost

Item	Houses and buildings	Land use right	Total
I. Original book value			
1. Beginning balance	1,558,110,727.67	91,837,689.30	1,649,948,416.97
2. Increase in the current year	171,913,150.31	80,990,931.80	252,904,082.11
(1) External purchase			
(2) Transfer-in of inventories\fixed assets\construction in progress\intangible assets	171,913,150.31	80,990,931.80	252,904,082.11
3. Decrease in the current year	14,035,215.50	713,445.26	14,748,660.76
(1) Disposal	14,035,215.50		14,035,215.50
(2) Other transfer out		713,445.26	713,445.26
4. Ending balance	1,715,988,662.48	172,115,175.84	1,888,103,838.32
II. The accumulative depreciation and accumulative amortization			
1. Beginning balance	158,180,060.30	21,541,632.80	179,721,693.10
2. Increase in the current year	55,681,854.66	3,377,863.15	59,059,717.81
(1) Provision or amortization	55,681,854.66	3,377,863.15	59,059,717.81
3. Decrease in the current year	1,279,416.84	241,395.26	1,520,812.10
(1) Disposal	1,279,416.84		1,279,416.84
(2) Other transfer out		241,395.26	241,395.26

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Item	Houses and buildings	Land use right	Total
4. Ending balance	212,582,498.12	24,678,100.69	237,260,598.81
III. Provision for impairment			
1. Beginning balance			
2. Increase in the current year			
(1) Provision			
3. Decrease in the current year			
(1) Disposal			
(2) Other transfer out			
4. Ending balance			
IV. Book value			
1. Ending book value	1,503,406,164.36	147,437,075.15	1,650,843,239.51
2. Beginning book value	1,399,930,667.37	70,296,056.50	1,470,226,723.87

Remarks: the other transfers out of the reduced amount of investment real estate in this period were reclassified according to the holding purpose and transferred to intangible assets.

(2) Impairment test of investment properties measured at cost

No provision for impairment of investment properties was made during the current year.

(3) Investment properties measured at fair value

There were no investment properties measured at fair value of the Group.

(4) Investment property converted and measured at fair value in the current year

There was no conversion of investment property measured at fair value in the current year.

(5) Investment properties in the process of title certificate handling

Item	Book value	Reason that the certificate of title was not completed
Electronic Product Standard Factory Project of Suining Kangjia	371,981,941.97	The completion filing has not been done for the project
Houses and buildings of Xi'an Kanghong	102,530,430.44	Being handled

(6) Investment properties with restricted ownership or use right

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Item	Book value	Reason for restriction
Guangming Science and Technology Center	559,047,283.38	As collateral for loan
Houses and buildings of Xi'an Kanghong	102,530,430.44	As collateral for loan
Properties and buildings of Shaanxi Konka Intelligent	36,742,239.98	As collateral for loan
Properties and buildings of Yantai Kangjin	14,134,056.47	As collateral for loan
Total	712,454,010.27	

15. Fixed Assets

Item	Ending balance	Beginning balance
Fixed Assets	5,005,836,928.31	5,218,297,745.16
Liquidation of fixed assets		
Total	5,005,836,928.31	5,218,297,745.16

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(1) Fixed assets

Item	Properties and buildings	Machinery equipment	Electronic equipment	Transportation vehicle	Other equipment	Total
I. Original book value						
1. Beginning balance	4,064,218,816.99	3,320,880,784.80	302,188,512.88	55,935,781.31	189,243,639.88	7,932,467,535.86
2. Increase in the current year	45,656,054.15	252,918,706.16	9,362,248.18	1,161,694.87	8,074,740.44	317,173,443.80
(1) Purchase	43,219,768.37	194,778,335.38	9,295,402.64	1,161,341.15	5,912,239.75	254,367,087.29
(2) Transfer-in of construction in progress	2,143,737.73	58,140,140.22	49,646.61		2,110,735.81	62,444,260.37
(3) Other increase	292,548.05	230.56	17,198.93	353.72	51,764.88	362,096.14
3. Decrease in the current year	148,673,918.01	90,729,488.64	18,091,602.16	4,347,916.59	6,027,859.36	267,870,784.76
(1) Disposal or write-off	84,947,193.21	88,447,784.75	17,572,459.50	4,347,916.59	6,023,127.25	201,338,481.30
(2) Decrease for loss of controlling right		302,363.06	515,092.89		2,876.10	820,332.05
(3) Other decreases	63,726,724.80	1,979,340.83	4,049.77		1,856.01	65,711,971.41
4. Ending balance	3,961,200,953.13	3,483,070,002.32	293,459,158.90	52,749,559.59	191,290,520.96	7,981,770,194.90
II. Accumulated depreciation						
1. Beginning balance	740,844,429.80	1,465,754,243.66	200,150,283.49	42,094,186.82	125,133,960.40	2,573,977,104.17
2. Increase in the current year	112,344,592.59	246,189,457.42	25,996,833.94	3,057,760.92	14,145,739.53	401,734,384.40
(1) Provision	112,189,701.38	246,189,353.68	25,889,602.60	3,057,519.46	14,103,940.74	401,430,117.86

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Item	Properties and buildings	Machinery equipment	Electronic equipment	Transportation vehicle	Other equipment	Total
(2) Other increases	154,891.21	103.74	107,231.34	241.46	41,798.79	304,266.54
3. Decrease in the current year	55,019,151.20	73,126,685.61	14,529,228.08	3,630,041.45	5,482,476.99	151,787,583.33
(1) Disposal or write-off	48,546,533.65	72,766,119.25	14,065,347.35	3,630,041.45	5,478,455.01	144,486,496.71
(2) Decrease for loss of controlling right		167,718.39	461,325.63		2,588.49	631,632.51
(3) Other decreases	6,472,617.55	192,847.97	2,555.10		1,433.49	6,669,454.11
4. Ending balance	798,169,871.19	1,638,817,015.47	211,617,889.35	41,521,906.29	133,797,222.94	2,823,923,905.24
III. Provision for impairment						
1. Beginning balance	23,987,527.51	107,259,898.81	2,789,800.42	841,445.29	5,314,014.50	140,192,686.53
2. Increase in the current year	43,413.72	20,760,602.48	30,427.91		74.00	20,834,518.11
(1) Provision	43,413.72	20,760,602.48	30,427.91		74.00	20,834,518.11
(2) Other increases						
3. Decrease in the current year		6,943,653.05	1,972,291.49	8,799.15	93,099.60	9,017,843.29
(1) Disposal or write-off		6,809,008.41	1,972,291.49	8,799.15	93,099.60	8,883,198.65
(2) Decrease for loss of controlling right		134,644.64				134,644.64
(3) Other decreases						
4. Ending balance	24,030,941.23	121,076,848.24	847,936.84	832,646.14	5,220,988.90	152,009,361.35
IV. Book value						

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Item	Properties and buildings	Machinery equipment	Electronic equipment	Transportation vehicle	Other equipment	Total
1. Ending book value	3,139,000,140.71	1,723,176,138.61	80,993,332.71	10,395,007.16	52,272,309.12	5,005,836,928.31
2. Beginning book value	3,299,386,859.68	1,747,866,642.33	99,248,428.97	13,000,149.20	58,795,664.98	5,218,297,745.16

Note 1: The decrease in disposal or scrapping of buildings, machinery and equipment this year is mainly due to the land acquisition and storage matters of Xinfei Home Appliances.

Note 2: The decrease in housing construction caused by other reasons this year is due to the transfer to investment real estate.

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(2) List of temporarily idle fixed assets

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value
Housing and building	263,606,918.96	151,468,025.62	7,943,313.79	104,195,579.55
Machinery equipment	994,399,872.58	610,704,433.79	106,308,066.10	277,387,372.69
Electronic equipment	9,251,967.01	7,830,280.24	132,351.90	1,289,334.87
Transportation vehicle	3,887,229.49	3,651,820.67	20,675.15	214,733.67
Other equipment	3,714,097.48	1,977,909.02	259,822.68	1,476,365.78
Total	1,274,860,085.52	775,632,469.34	114,664,229.62	384,563,386.56

(3) Fixed assets leased out through operating leases

Item	Ending book value
Machinery equipment	9,042,076.75
Electronic equipment	234,841.33
Transportation vehicle	13,854.83
Other equipment	233,690.42
Total	9,524,463.33

(4) Details of fixed assets failed to accomplish certification of property

Item	Original book value	Accumulated depreciation	Provision for impairment	Net book value	Reason that the certificate of title was not completed
Fenggang Konka Intelligent Color TV Project	425,011,644.82	13,547,246.18		411,464,398.64	Being handled
Anhui Konka's buildings	185,456,424.50	14,574,493.67		170,881,930.83	Being handled
Frestec Smart Home properties and buildings	405,293,032.24	11,266,450.17		394,026,582.07	Being handled
Standard electronic product	1,544,085.19	101,506.83		1,442,578.36	The completion filing has

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Item	Original book value	Accumulated depreciation	Provision for impairment	Net book value	Reason that the certificate of title was not completed
plants in Sunning					not been done for the project
Jingyuan Building property	7,700,000.00	4,417,862.89		3,282,137.11	Being handled
Yikang Building property	76,610,752.33	43,799,731.27		32,811,021.06	Being handled

(5) Impairment test of fixed assets

In the current year, the Company conducted impairment tests on the fixed assets of its subsidiaries, Frestec Refrigeration, Jiangxi Konka and Chengdu Konka Electronics, determined their recoverable amounts based on the net fair value less disposal costs, and recognized an impairment loss on assets of RMB 20,834,518.11.

Item	Book value	Recoverable amount	Impairment amount
Machinery equipment of Frestec Refrigeration	13,043,951.93	2,397,667.85	10,646,284.08
Production line of Jiangxi Konka	209,758,813.91	200,234,310.00	9,524,503.91
Machinery equipment of Chengdu Konka Electronics	2,158,154.90	1,494,424.78	663,730.12
Total	224,960,920.74	204,126,402.63	20,834,518.11

(Continued)

Item	Determination of fair value and disposal costs	Key parameters	Basis for determining key parameters
Machinery equipment of Frestec Refrigeration	Fair value=Recovery unit price x Equipment quantity; disposal	Recycling unit price, equipment quantity, intermediary service fee	1. The recycling unit price is determined based on the net disposal price of waste materials (demolition and transportation costs are borne by the recycling unit); 2. The quantity of equipment is determined through on-

Item	Determination of fair value and disposal costs	Key parameters	Basis for determining key parameters
	cost=intermediary service fee		site inventory; 3. The intermediary service fee mainly includes the evaluation fee and the intermediary fee of the trading platform.
Production line of Jiangxi Konka	Fair value = replacement cost × comprehensive newness rate × (1 - economic depreciation rate); Disposal cost = demolition cost, freight and miscellaneous expenses + intermediary service fee	Replacement costs, comprehensive newness rate, Economic depreciation rate, dismantling fees, transportation and miscellaneous fees, intermediary service fees	1. Replacement cost: mainly through direct inquiry to distributors or manufacturers, or by referring to the price list of the website platform; 2. Comprehensive newness rate: comprehensive consideration of the current technical state of the equipment, tangible loss and intangible loss and other factors; 3. Economic depreciation rate = (1 - (capacity of equipment expected to be utilized / original design capacity of equipment) ^ economy of scale index) x 100%. Economy of scale index, i.e., empirical data, takes the value of 0.7 for the processing industry in general. 4. Demolition fees and freight and miscellaneous expenses: refer to the Manual of Common Methods and Parameters for Assets Appraisal and empirical data; 5. The intermediary service fee mainly includes the evaluation fee and the intermediary fee of the trading platform.
Machinery equipment of Chengdu Konka Electronics	Fair value=Recovery unit price x Equipment quantity; disposal cost=intermediary	Recycling unit price, equipment quantity, intermediary service fee	1. The recycling unit price is determined based on the net disposal price of waste materials (demolition and transportation costs are borne by the recycling unit); 2. The quantity of equipment is determined through on-site inventory; 3. The intermediary

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Item	Determination of fair value and disposal costs	Key parameters	Basis for determining key parameters
	service fee		service fee mainly includes the evaluation fee and the intermediary fee of the trading platform.
Total	—	—	—

(6) Fixed Assets with Restricted Ownership or Use Right

Item	Ending book value	Reason for restriction
Anhui Konka's buildings	590,165,081.19	As collateral for loan
Buildings of Chongqing Konka	330,531,110.12	As collateral for loan
Properties and buildings of Shanxi Konka Intelligent	285,398,086.08	As collateral for loan
Housing and buildings of Anhui Tongchuang	135,299,237.69	As collateral for loan
Housing and buildings of Frestec Refrigeration	80,753,926.77	As collateral for loan
Buildings of Konka Group	60,161,433.16	As collateral for loan
Housing and buildings of Jiangsu Konka Smart	32,814,788.47	As collateral for loan
Housing and buildings of XingDa HongYe	27,492,969.87	As collateral for loan
Machinery equipment of Xinfeng Microcrystalline	7,218,727.59	As collateral for finance lease
Housing and buildings of Jiangxi Konka	2,054,161.69	Original shareholder guarantee mortgage
Total	1,551,889,522.63	

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16. Construction in progress

(1) Construction in progress

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Jiangxi High-permeability Crystallisation Kiln	246,576,748.57	56,387,538.57	190,189,210.00	246,576,748.57	46,755,148.57	199,821,600.00
Construction of Suining Electronic Industrial Park Workshops	177,739,108.43		177,739,108.43	177,516,258.23		177,516,258.23
Production Line Renovation Project of Jiangxi Konka	85,354,578.78	17,688,178.78	67,666,400.00	85,861,185.36	12,518,073.84	73,343,111.52
Suining Konka Hongye Plant Decoration Project	84,574,481.80		84,574,481.80	76,141,438.86		76,141,438.86
Construction and Decoration Project of Phase I of Dongguan Konka Science and Technology Industrial Park	53,096,645.21		53,096,645.21			
Other projects	333,576,197.93	33,799,544.33	299,776,653.60	376,827,989.20	42,750,899.13	334,077,090.07
Total	980,917,760.72	107,875,261.68	873,042,499.04	962,923,620.22	102,024,121.54	860,899,498.68

(2) Changes in major projects under construction in the current year

Name of item	Beginning balance	Increase in	Decrease in the current year	Ending balance
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			Transfer to fixed assets	Other decreases	
Construction of Suining Electronic Industrial Park Workshops	177,516,258.23	222,850.20			177,739,108.43

(Continued)

Name of item	Budget amount (RMB ten thousand yuan)	Proportion of the project accumulative input in budget (%)	Engineering Schedule (%)	Accumulated amount of interest capitalization	Of which: the amount of the capitalized interests in the current year	Capitalization rate of the interests in the current year (%)	Capital resources
Construction of Suining Electronic Industrial Park Workshops	76,342.22	95.00	95.00				Self-funded

(3) Provision set aside for impairment of construction in progress in the current year

Type	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance	Reason for withdrawal
Production Line Engineering Renovation Project of Jiangxi Konka	12,518,073.84	5,272,847.63	102,742.69	17,688,178.78	Failure to achieve serviceable conditions
Jiangxi High Transparent Substrate Production Line Project	85,031,242.76	11,727,154.87	6,575,392.40	90,183,005.23	Failure to achieve serviceable conditions

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Type	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance	Reason for withdrawal
Other projects	4,474,804.94		4,470,727.27	4,077.67	Failure to achieve serviceable conditions
Total	102,024,121.54	17,000,002.50	11,148,862.36	107,875,261.68	—

(4) Impairment test of construction in progress

In the current year, the Company conducted impairment tests on the construction in progress of its subsidiaries, Jiangxi Konka and Jiangxi High Transparent Substrate, determined their recoverable amounts based on the net fair value less disposal costs, and recognized the impairment loss on assets of RMB 5,272,847.63 in Jiangxi Konka and RMB 11,727,154.87 in Jiangxi High Transparent Substrate.

Item	Book value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Basis for determining key parameters
Production Line Renovation Project of Jiangxi Konka	72,939,247.63	67,666,400.00	5,272,847.63	Recoverable amount = replacement costs x (1 - economic depreciation rate) - disposal costs	Economic depreciation rate	Economic depreciation rate = (1 - (capacity of equipment expected to be utilized / original design capacity of equipment) ^ economy of scale index) x 100%. Economy of scale index, i.e., empirical data, takes the value of 0.7 for the processing industry in general.
Jiangxi High Transparent	223,131,254.87	211,404,100.00	11,727,154.87	Recoverable amount =	Economic depreciation rate	Economic depreciation rate = (1 - (capacity of equipment expected to be utilized /

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Item	Book value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Basis for determining key parameters
Substrate Production Line Project				replacement costs x (1 - economic depreciation rate) - disposal costs		original design capacity of equipment) ^ economy of scale index) x 100%. Economy of scale index, i.e., empirical data, takes the value of 0.7 for the processing industry in general.
Total	296,070,502.50	279,070,500.00	17,000,002.50	—	—	—

17. Right-of-use assets

Item	Properties and buildings	Machinery equipment	Electronic equipment	Total
I. Original book value				
1. Beginning balance	278,099,315.84		279,350.52	278,378,666.36
2. Increase in the current year	44,246,841.46	428,197.71	50,199.63	44,725,238.80
(1) Rent	44,246,841.46	428,197.71	50,199.63	44,725,238.80
(2) Others				
3. Decrease in the current year	38,354,082.07			38,354,082.07
(1) Decrease for loss of controlling right				
(2) Others	38,354,082.07			38,354,082.07
4. Ending balance	283,992,075.23	428,197.71	329,550.15	284,749,823.09
II. Accumulated depreciation				
1. Beginning balance	81,209,388.74		114,854.45	81,324,243.19
2. Increase in the current year	54,942,266.40	171,279.11	66,956.14	55,180,501.65
(1) Provision	54,942,266.40	171,279.11	66,956.14	55,180,501.65
(2) Others				
3. Decrease in the current year	29,940,601.10			29,940,601.10
(1) Decrease for loss of controlling right				
(2) Others	29,940,601.10			29,940,601.10
4. Ending balance	106,211,054.04	171,279.11	181,810.59	106,564,143.74
III. Provision for impairment				
1. Beginning balance				
2. Increase in the current year				
(1) Provision				
3. Decrease in the current year				

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Item	Properties and buildings	Machinery equipment	Electronic equipment	Total
(1) Disposal				
4. Ending balance				
IV. Book value				
1. Ending book value	177,781,021.19	256,918.60	147,739.56	178,185,679.35
2. Beginning book value	196,889,927.10		164,496.07	197,054,423.17

Remarks: the decrease in original value and other accumulated depreciation is mainly due to termination of leases.

18. Intangible Assets

(1) List of intangible assets

Item	Land use right	Trademark right	Patent and know-how	Franchise rights	Right to use software and others	Total
I. Original book value						
1. Beginning balance	886,356,061.91	72,197,456.33	116,697,625.44	187,333,182.47	177,648,647.63	1,440,232,973.78
2. Increase in the current year	713,445.26			5,665,697.04	5,655,673.06	12,034,815.36
(1) Purchase				25,471.70	3,792,884.30	3,818,356.00
(2) Transfer-in of construction in progress				5,640,225.34	1,862,788.76	7,503,014.10
(3) Other reasons	713,445.26					713,445.26
3. Decrease in the current year	69,870,962.82		4,272,655.65		21,534,714.34	95,678,332.81
(1) Disposal or write-off	62,883,643.45		4,272,655.65		21,534,714.34	88,691,013.44
(2) Other reasons	6,987,319.37					6,987,319.37
4. Ending balance	817,198,544.35	72,197,456.33	112,424,969.79	192,998,879.51	161,769,606.35	1,356,589,456.33
II. Accumulated amortization						
1. Beginning balance	96,724,173.74	23,415,626.44	71,699,652.31	11,721,315.62	103,542,668.71	307,103,436.82
2. Increase in the current year	23,428,735.13	3,516.01	115,651.51	10,543,841.88	19,450,468.22	53,542,212.75
(1) Provision	23,187,339.87	3,516.01	115,651.51	10,543,841.88	19,405,433.13	53,255,782.40

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Item	Land use right	Trademark right	Patent and know-how	Franchise rights	Right to use software and others	Total
(2) Others	241,395.26				45,035.09	286,430.35
3. Decrease in the current year	12,071,987.30		4,512,655.65		21,260,597.67	37,845,240.62
(1) Disposal or write-off	12,071,987.30		4,512,655.65		21,260,597.67	37,845,240.62
4. Ending balance	108,080,921.57	23,419,142.45	67,302,648.17	22,265,157.50	101,732,539.26	322,800,408.95
III. Provision for impairment						
1. Beginning balance		564,705.88	44,943,521.62		235,294.12	45,743,521.62
2. Increase in the current year						
(1) Provision						
3. Decrease in the current year						
(1) Disposal						
4. Ending balance		564,705.88	44,943,521.62		235,294.12	45,743,521.62
IV. Book value						
1. Ending book value	709,117,622.78	48,213,608.00	178,800.00	170,733,722.01	59,801,772.97	988,045,525.76
2. Beginning book value	789,631,888.17	48,217,124.01	54,451.51	175,611,866.85	73,870,684.80	1,087,386,015.34

Note 1: there was no impairment of the Group's intangible assets during the Reporting Period.

Note 2: the reduction in disposal or scrapping of land use rights this year is mainly due to the land acquisition and storage matters of Frestec Electric Appliances.

(2) Land use right with certificate of title uncompleted

The Group did not have land use rights for which no title deeds had been issued.

(3) Significant intangible assets

Item	Ending book value	Remaining amortization period (year)
Land use right of Dongguan Konka	181,763,138.67	44.67
Concessions of Yibin Konka	171,122,506.14	15.83
Land use right of Shanxi Konka Intelligent	112,085,337.15	46.58
Land use right of Frestec Smart Home	88,337,088.84	45.75
Total	553,308,070.80	—

(4) Intangible assets with restricted ownership or using right

Item	Ending book value	Reason for restriction
Land use right of Dongguan Konka	181,763,138.67	As collateral for loan
Land use right of Shanxi Konka Intelligent	112,085,337.15	As collateral for loan
Land use right of Frestec Smart Home	88,337,088.84	As collateral for loan
Land usage right of Frestec Refrigeration	61,891,079.20	As collateral for loan
Land use right of Anhui Konka	52,673,556.00	As collateral for loan
Land use right of Chongqing Kangka	43,609,197.23	As collateral for loan
Land use right of Anhui Tongchuang	16,966,292.48	As collateral for loan
Land use right of Jiangsu Konka Smart	13,276,014.08	As collateral for loan
Land use right of XingDa HongYe	12,644,372.96	As collateral for loan
Land use right of Konka Group Guangming	4,105,007.72	As collateral for loan
Total	587,351,084.33	

19. Goodwill

(1) Original book value of goodwill

Investee	Beginning balance	Increase in the current year		Decrease in the current year		Ending balance
		Formed through business combinations	Others	Disposal	Others	
Jiangxi Konka	340,111,933.01					340,111,933.01
XingDa HongYe	44,156,682.25					44,156,682.25
Total	384,268,615.26					384,268,615.26

(2) Provision for goodwill impairment

Investee	Beginning balance	Increase in the current year		Decrease in the current year		Ending balance
		Provision	Others	Disposal	Others	
Jiangxi Konka	340,111,933.01					340,111,933.01
XingDa HongYe	21,959,947.14					21,959,947.14
Total	362,071,880.15					362,071,880.15

(3) Information on the asset group or the combination of asset groups of the goodwill

Description	Composition and basis of the asset group or combination of asset groups	Whether it is consistent with the previous year
Asset group of XingDa HongYe	It is a group of assets related to goodwill consisting of all operating tangible assets and recognizable intangible assets of the corresponding subsidiary's main business as reflected in its balance sheet (excluding working capital and non-operating assets), based on whether or not the major cash inflows generated	Yes

Description	Composition and basis of the asset group or combination of asset groups	Whether it is consistent with the previous year
	by the asset group are independent of those generated by other assets or the asset group	

(4) Specific determination method for recoverable amount

The Company's management performed an impairment test of goodwill at the end of the year, and recognized XingDa HongYe as a whole as a single asset group, which is consistent with prior years.

The Company uses the present value of estimated future cash flows to calculate the recoverable amount of an asset group. Future cash flows are determined based on the financial budgets approved by management for the years 2025 through 2029 and using a discount rate of 12.62%. The cash flows of XingDa HongYe for more than 5 years are calculated on the basis of a growth rate of 0%. The Company engaged an appraisal institution, Shenzhen Pengxin Asset Appraisal Land and Real Estate Appraisal Co., Ltd., to conduct an appraisal of the asset group containing goodwill of Xingda Hongye by adopting the income approach, using the present value of the estimated future cash flows of the assets of the asset group as its recoverable amount. The appraisal institution issued on April 11, 2025 Asset Appraisal Report on the Recoverable Amount of the Asset Group Containing Goodwill Formed by the Merger and Acquisition of Guangdong Xingda Hongye Electronic Co., Ltd. in Relation to the Goodwill Impairment Test to be Conducted by Konka Group Co., Ltd. (PXZPBZ [2025] No. S195), which takes December 31, 2024 as the appraisal base date. The present value of the asset group of Xingda Hongye as at the appraisal date amounted to RMB 231.98 million, and the book value of the asset group adjusted to its fair value (including the goodwill as a whole) was RMB 230.9636 million, of which the book value of goodwill (inclusive of minority shareholders) amounted to RMB 43.523 million. Therefore, XingDa HongYe had been tested for impairment of goodwill and no impairment of goodwill existed in the current year. As of the reporting date, Xingda Hongye had accumulated goodwill impairment of approximately RMB 21.9599 million.

20. Long-term prepaid expense

Item	Beginning balance	Increase in the current year	Amortization in the current year	Other decreases in the current year	Ending balance
Decoration	370,388,936.88	8,433,152.74	70,259,447.31	11,708,495.73	296,854,146.58

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Item	Beginning balance	Increase in the current year	Amortization in the current year	Other decreases in the current year	Ending balance
expenses					
Shoppe expense	24,974,475.38	29,805,101.09	24,243,165.30		30,536,411.17
Others	123,555,811.45	131,171,473.32	46,419,398.36	3,517,282.53	204,790,603.88
Total	518,919,223.71	169,409,727.15	140,922,010.97	15,225,778.26	532,181,161.63

21. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets that have not been offset

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax asset	Deductible temporary differences	Deferred tax asset
Deductible losses	4,072,599,866.74	821,192,030.16	3,747,584,829.70	794,363,411.92
Provision for asset impairment	1,711,958,350.44	383,396,704.79	1,879,389,407.11	407,751,765.55
Deferred income	165,698,149.55	36,951,815.16	167,691,056.33	36,766,230.50
Accrued expenses	154,175,886.01	30,405,673.44	262,522,401.07	58,732,850.29
Unrealized internal sales profits	21,418,121.43	5,354,530.36	55,653,196.64	13,913,299.16
Lease liabilities	190,036,774.82	46,680,049.35	207,847,769.62	50,208,319.90
Others	303,824,133.13	68,258,498.61	279,982,155.72	64,838,104.84
Total	6,619,711,282.12	1,392,239,301.87	6,600,670,816.19	1,426,573,982.16

(2) Deferred tax liabilities that have not been offset

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Estimated added value of assets not under the same control	148,603,098.25	32,684,086.93	154,693,540.82	37,285,533.12
Prepaid interest	21,809,373.23	5,452,343.31	37,541,390.08	9,385,347.52
Accelerated depreciation	2,198,376.27	443,840.17	3,005,493.04	608,518.82

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Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
of fixed assets				
Financial assets measured at fair value through current profit or loss	164,553,726.22	41,138,431.56	327,802,549.12	81,950,637.29
Right-of-use assets	177,009,862.45	43,672,811.85	195,220,008.99	48,074,535.52
Others	57,798,900.95	9,907,661.66	47,153,970.40	7,721,593.00
Total	571,973,337.37	133,299,175.48	765,416,952.45	185,026,165.27

(3) Breakdown of unrecognized deferred tax assets

Item	Ending balance	Beginning balance
Deductible losses	5,076,924,357.43	3,693,212,186.74
Deductible temporary differences	4,057,061,699.25	4,173,904,666.60
Total	9,133,986,056.68	7,867,116,853.34

(4) Deductible losses of unrecognized deferred tax assets matured/will mature in the following year

Year	Ending balance	Beginning balance
2024		175,414,641.28
2025	252,950,466.34	464,500,932.68
2026	313,956,730.12	224,104,387.87
2027	307,074,252.94	110,289,035.04
2028	710,259,863.04	763,196,328.43
2029 and following years	3,492,683,044.99	1,955,706,861.44
Total	5,076,924,357.43	3,693,212,186.74

22. Other non-current assets

Item	Ending balance		
	Book balance	Provision for impairment	Book value
Prepayment for land-purchase	1,029,457,502.92		1,029,457,502.92
Prepayment for construction, equipment and other long-term assets	119,220,467.55		119,220,467.55

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Item	Ending balance		
	Book balance	Provision for impairment	Book value
Total	1,148,677,970.47		1,148,677,970.47

(Continued)

Item	Beginning balance		
	Book balance	Provision for impairment	Book value
Prepayment for land-purchase	1,029,317,896.04		1,029,317,896.04
Prepayment for construction, equipment and other long-term assets	219,010,910.12		219,010,910.12
Total	1,248,328,806.16		1,248,328,806.16

23. Assets with restricted ownership or use rights

Item	End of the year			
	Book balance	Book value	Type of restriction	Restriction details
Monetary assets	1,332,589,771.28	1,332,589,771.28	Time deposit, margins, etc.	Among them, RMB 556,608,881.87 is the margin deposit, which is pledged for borrowing or issuing bank acceptance bills; RMB567,478,893.23 is a time deposit that is used as pledge for loans and cannot be withdrawn in advance; RMB 208,501,996.18 is restricted due to other reasons.
Accounts	1,837,337.71	1,798,852.71	Pladge	Pladged loan

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Item	End of the year			
	Book balance	Book value	Type of restriction	Restriction details
receivable				
Notes receivable	15,900,000.00	15,900,000.00	Pledge	In pledge for the issuance of bank acceptance bill
Inventories	383,413,182.26	379,790,291.96	Mortgage	As collateral for loan
Investment property	790,608,780.11	712,454,010.27	Mortgage	As collateral for loan
Fixed Assets	1,832,372,199.20	1,551,889,522.63	Mortgage	As collateral for finance lease, loan, and former shareholder guarantee
Intangible Assets	664,764,256.55	587,351,084.33	Mortgage	Mortgage and mortgage borrowings under finance lease
Total	5,021,485,527.11	4,581,773,533.18	—	—

(Continued)

Item	Beginning of the year			
	Book balance	Book value	Type of restriction	Restriction details
Monetary assets	831,575,227.47	831,575,227.47	Margins, pledges, time deposits	Among them, RMB 384,011,696.60 is the margin deposit, which is pledged for borrowing or issuing bank acceptance bills; RMB 226,611,500.00 is a time deposit that cannot be withdrawn in advance; RMB 220,952,030.87 was restricted due to other reasons.
Accounts receivable	2,527,314.22	2,474,071.67	Pledge	In pledge for loan
Notes receivable	209,288,446.67	209,288,446.67	Pledge	In pledge for the issuance of bank acceptance bill
Inventories	601,395,411.05	599,475,045.44	Seizure,	Affected by the minor shareholder case of

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Item	Beginning of the year			
	Book balance	Book value	Type of restriction	Restriction details
			mortgage	the subsidiary, the book value of the seized inventory was RMB 49,679,547.48, and the company did not waive its claim; The ending book value of inventories used for mortgage borrowings was RMB 549,795,497.96.
Investment property	634,578,011.63	585,984,804.04	Mortgage	As collateral for loan
Fixed Assets	2,003,558,346.93	1,689,602,310.18	Mortgage	As collateral for finance lease, loan, and former shareholder guarantee
Intangible Assets	687,667,571.97	620,594,057.60	Mortgage	As collateral for finance lease, loan, and former shareholder guarantee
Construction in progress	40,629,663.23	40,629,663.23	Mortgage	As collateral for loan
Total	5,011,219,993.17	4,579,623,626.30	—	—

24. Short-term borrowings

(1) Classification of short-term borrowings

Type of borrowings	Ending balance	Beginning balance
Credit loan	4,709,049,751.78	4,741,431,032.21
Guaranteed loan	629,950,527.05	1,374,378,896.71
Mortgage loan	402,171,189.43	274,782,127.35
Total	5,741,171,468.26	6,390,592,056.27

(2) Outstanding Short-term borrowings overdue

There were no outstanding short-term borrowings overdue at the end of the current year.

25. Notes payable

Type of note	Ending balance	Beginning balance
Bank acceptance bills	850,916,858.18	786,833,882.36
Trade Acceptance	299,393,998.52	203,649,044.84
Total	1,150,310,856.70	990,482,927.20

Remarks: There were no notes payable that were due but unpaid at the end of the current year.

26. Accounts payable

(1) List of accounts payable

Item	Ending balance	Beginning balance
Within 1 year	2,295,798,887.75	2,002,263,324.19
1-2 years	194,600,008.24	448,060,250.16
Two to three years	101,677,548.46	107,371,417.74
Over 3 years	182,539,343.79	169,136,683.88
Total	2,774,615,788.24	2,726,831,675.97

(2) Significant accounts payable with aging over 1 year or overdue

Unit	Ending balance	Reason for non-repayment or carry-over
A company	51,419,595.21	Unsettled
B company	35,620,358.59	Unsettled
C company	30,327,400.00	In litigation
D company	10,600,000.00	Unsettled
Total	127,967,353.80	—

27. Other payables

Item	Ending balance	Beginning balance
Interest payable		
Dividends payable		
Other payables	1,676,154,887.59	1,922,791,905.14
Total	1,676,154,887.59	1,922,791,905.14

(1) Other accounts payable presented based on the fund nature

Nature of fund	Ending balance	Beginning balance
Trading funds	489,457,474.93	798,553,216.65
Expenses payable	539,342,363.22	521,810,773.58
Related party borrowing	221,405,227.76	236,064,633.74
Cash deposit and front	283,501,144.00	282,035,338.52
Advance payment	7,758,315.35	5,480,880.33
Equity payable	24,302,796.96	24,302,796.96

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Nature of fund	Ending balance	Beginning balance
Others	110,387,565.37	54,544,265.36
Total	1,676,154,887.59	1,922,791,905.14

(2) Significant other accounts payable with an age of more than one year or overdue

Unit	Ending balance	Reason for non-repayment or carry-over
E company	195,755,182.15	Outstanding principal and interest of the loan that has not yet matured
F company	30,000,000.00	Performance bond
G company	19,758,860.03	Outstanding principal and interest of the loan that has not yet matured
Total	245,514,042.18	—

28. Advances from customers

Type	Ending balance	Beginning balance
Rents	3,481,262.87	
Total	3,481,262.87	

29. Contract liabilities

(1) Contract liabilities

Item	Ending balance	Beginning balance
Sales advances received	623,555,669.97	527,975,160.12
Total	623,555,669.97	527,975,160.12

Remarks: Contract liabilities over one year are detailed in "VI.41. Other non-current liabilities" in this note.

(2) Significant contract liabilities with an age of more than one year

There were no significant contract liabilities with an age of more than one year in the current year.

(3) Significant changes in book value in the current year

There were no significant changes in book value in the current year.

30. Employee benefits payable

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(1) List of payrolls payable

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Short-term remuneration	302,906,283.43	1,355,059,472.22	1,420,728,747.43	237,237,008.22
Post-employment benefits-defined contribution plans	984,500.20	120,950,933.23	120,902,660.82	1,032,772.61
Dismissal benefits	842,320.00	23,558,600.62	18,938,851.67	5,462,068.95
Total	304,733,103.63	1,499,569,006.07	1,560,570,259.92	243,731,849.78

(2) Short-term remuneration

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Salaries, bonuses, allowances and subsidies	292,819,254.32	1,182,531,300.65	1,244,619,308.09	230,731,246.88
Employee benefits	5,354,332.27	52,364,964.09	54,384,350.21	3,334,946.15
Social insurance premiums	564,961.75	52,232,243.57	52,263,649.61	533,555.71
Including: Medical insurance premiums	396,722.21	46,268,656.18	46,277,750.55	387,627.84
Work injury insurance premiums	77,112.94	4,100,100.66	4,099,573.45	77,640.15
Maternity insurance premiums	91,126.60	1,863,486.73	1,886,325.61	68,287.72
Housing fund	486,011.97	50,089,093.92	50,067,478.24	507,627.65
Labour union funds and education funds	3,681,723.12	11,105,444.54	13,224,037.48	1,563,130.18
Others		6,736,425.45	6,169,923.80	566,501.65
Total	302,906,283.43	1,355,059,472.22	1,420,728,747.43	237,237,008.22

(3) Defined contribution plans

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Basic endowment management insurance	835,465.17	115,977,654.93	115,908,631.67	904,488.43
Unemployment insurance premiums	149,035.03	4,973,278.30	4,994,029.15	128,284.18

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Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Total	984,500.20	120,950,933.23	120,902,660.82	1,032,772.61

31. Taxes payable

Item	Ending balance	Beginning balance
Enterprise income tax	46,039,928.61	91,733,192.66
VAT	18,304,436.27	66,607,505.30
Property tax	11,724,042.19	5,219,025.56
Stamp duty	8,598,131.85	6,782,263.86
Land use tax	3,640,999.21	11,704,493.10
Personal income tax	2,590,216.18	2,285,063.65
Tariff	1,584,862.54	1,513,377.11
City construction and maintenance tax	455,815.56	3,479,642.26
Education fees and local education Surcharge	384,461.10	2,525,463.27
Fund for disposing abandoned appliances and electronic products		21,210,465.50
Others	1,289,817.07	1,356,643.60
Total	94,612,710.58	214,417,135.87

32. Current portion of non-current liabilities

Item	Ending balance	Beginning balance
Long-term borrowings due within one year	4,099,941,220.89	2,891,407,222.55
Bonds payable due within one year	2,510,473,199.20	2,370,572,421.45
Long-term payables due within one year	452,824.05	141,650.44
Lease liabilities due within one year	44,667,151.05	52,026,101.92
Total	6,655,534,395.19	5,314,147,396.36

33. Other current liabilities

Item	Ending balance	Beginning balance
Tax to be charged off	39,793,570.78	23,890,662.41
Refunds payable	17,262,340.52	18,915,977.41
Accounts payable paid by endorsement of outstanding notes at the end of the Reporting Period	12,820,620.61	11,524,075.93
Total	69,876,531.91	54,330,715.75

34. Long-term borrowing

Type of borrowings	Ending balance	Beginning balance
Guaranteed loan	3,426,786,189.06	4,047,706,381.39
Credit loan	2,407,276,815.65	3,276,240,462.52
Entrusted borrowings	2,125,382,964.61	2,054,850,296.35
Mortgage loan	1,271,960,335.66	1,207,161,686.81
Pledged loan	399,184,717.84	84,598,475.36
Less: portion due within one year (see Note VI. 32 for details)	4,099,941,220.89	2,891,407,222.55
Total	5,530,649,801.93	7,779,150,079.88

35. Bonds payable

(1) List of Bonds Payable

Item	Ending balance	Beginning balance
Corporate bonds	4,805,666,700.25	4,797,565,000.12
Less: bonds payable due within one year (see Note VI. 32 for details)	2,510,473,199.20	2,370,572,421.45
Total	2,295,193,501.05	2,426,992,578.67

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(2) Changes in bonds payable

Name	Total par value	Coupon rate	Issue date	Bond maturity	Issue amount	Beginning balance	Issuance in the current year	Accrue interest by par value	Amortization of premium/discount	Prepayment in the current year	Ending balance	Default status
21 Konka 01 (note ①)	1,000,000,000.00	4.46%	2021/1/8	3 years	996,500,000.00	1,043,732,777.88		867,222.14		1,044,600,000.02		No
21 Konka 02 (note ②)	500,000,000.00	4.00%	2021/5/21	3 years	498,250,000.00	512,094,339.67		7,722,222.16	183,438.12	519,999,999.95		No
21 Konka 03 (note ③)	800,000,000.00	3.95%	2021/7/9	3 years	797,200,000.00	814,745,303.93		16,414,444.50	440,251.60	831,600,000.03		No
22 Konka 01 (note ④)	1,200,000,000.00	3.23%	2022/7/14	3 years	1,195,800,000.00	1,217,398,867.91		38,760,000.00	1,320,754.71	38,760,000.00	1,218,719,622.62	No
22 Konka 03 (note ⑤)	600,000,000.00	3.30%	2022/9/8	3 years	597,900,000.00	605,499,371.09		19,800,000.00	660,377.40	19,800,000.00	606,159,748.49	No
22 Konka 05 (note ⑥)	600,000,000.00	3.50%	2022/10/18	3 years	597,900,000.00	604,094,339.64		21,000,000.00	660,377.40	21,000,000.00	604,754,717.04	No
24 Konka 01 (Note ⑦)	1,500,000,000.00	4.00%	2024/1/29	3 years	1,495,200,000.00		1,495,200,000.00	55,500,000.00	1,752,830.14		1,552,452,830.14	No
24 Konka 02 (Note ⑧)	400,000,000.00	4.00%	2024/3/18	3 years	398,720,000.00		398,720,000.00	12,622,222.19	400,335.46		411,742,557.65	No
24 Konka 03 (note ⑨)	400,000,000.00	4.03%	2024/3/18	3 years	398,720,000.00		398,720,000.00	12,716,888.86	400,335.45		411,837,224.31	No
Total	7,000,000,000.00	—	—	—	6,976,190,000.00	4,797,565,000.12	2,292,640,000.00	185,402,999.85	5,818,700.28	2,475,760,000.00	4,805,666,700.25	—

Remark ①: On January 8, 2021, the Company issued RMB1 billion of private placement corporate bonds with the duration of three years, the annual interest rate of 4.46% and the due date of January 8, 2024.

Remark ②: On May 21, 2021, the Company issued RMB500 million of private placement corporate bonds with the duration of three years, the annual interest rate of 4.00% and the due date of May 21, 2024.

Remark ③: On July 9, 2021, the Company issued RMB800 million of private placement corporate bonds with the duration of three years, the annual interest rate of 3.95% and the due date of July 9, 2024.

Note ④: On July 14, 2022, the Company issued RMB1.2 billion of public placement corporate bonds with the duration of three years, the annual interest rate of 3.23% and the due date of July 14, 2025.

Note ⑤: On September 8, 2022, the Company issued RMB600 million of private placement corporate bonds with the duration of three years, the annual interest rate of 3.30% and the due date of September 8, 2025.

Note ⑥: On October 18, 2022, the Company issued RMB600 million of private placement corporate bonds with the duration of three years, the annual interest rate of 3.50% and the due date of October 18, 2025.

Note ⑦: On January 29, 2024, the Company issued RMB 1.5 billion of private placement corporate bonds with the duration of three years (at the end of the second year, the issuer has the option to adjust the coupon rate and the investor put option), the annual interest rate of 4.00% and the due date of January 29, 2027.

Note ⑧: On March 18, 2024, the Company issued RMB 400 million of private placement corporate bonds with the duration of three years (at the end of the second year, the issuer has the option to adjust the coupon rate and the investor put option), the annual interest rate of 4.00% and the due date of March 18, 2027.

Note ⑨: On March 18, 2024, the Company issued RMB 400 million of private placement corporate bonds with the duration of three years, the annual interest rate of 4.03% and the due date of March 18, 2027.

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36. Lease liabilities

Item	Ending balance	Beginning balance
Lease liabilities	191,228,739.57	212,244,920.84
Less: Lease liabilities due within one year (see Note VI.32)	44,667,151.05	52,026,101.92
Total	146,561,588.52	160,218,818.92

37. Long-term payables

Item	Ending balance	Beginning balance
Accrued finance lease outlay	6,314,362.65	6,823,209.13
Less: Unrecognized financing expenses	356,990.36	545,824.62
Amount above due within one year (see Note VI.32)	452,824.05	141,650.44
Total	5,504,548.24	6,135,734.07

38. Long-term employee benefits payable

Item	Ending balance	Beginning balance
Termination benefits-net liabilities of defined contribution plans	4,608,659.47	4,718,466.37
Total	4,608,659.47	4,718,466.37

39. Estimated Liabilities

Item	Ending balance	Beginning balance	Forming reason
Compensation for performance and contingent consideration	346,222,251.09	200,942,606.09	
Product quality assurance	80,603,137.10	101,726,574.07	After-sales of household appliances
Pending litigation	206,591.51	206,591.51	
Discard expenses	1,401,752.49	1,644,068.13	
Total	428,433,732.19	304,519,839.80	—

40. Deferred income

(1) Category of deferred income

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Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance	Forming reason
Government grants	425,135,237.90	24,456,000.00	56,154,230.53	393,437,007.37	Related to assets/income
Total	425,135,237.90	24,456,000.00	56,154,230.53	393,437,007.37	—

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(2) Government subsidy items

Government subsidy items	Beginning balance	Subsidies increased in the current year	Amount recognized as non-operating revenue in the current year	Amount recognized as other income in the current year	Amount of cost offset in the current year	Other changes	Ending balance	Related to assets/income
Plant construction subsidy for Yibin Konka Industrial Park	103,545,436.45			2,319,532.32			101,225,904.13	Related to assets
Rewards and subsidies for Special Project for Supporting the Development of Advanced Manufacturing and Modern Service Industry of Henan Frestec Smart Home	32,690,000.00			1,179,671.78			31,510,328.22	Related to assets

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Government subsidy items	Beginning balance	Subsidies increased in the current year	Amount recognized as non-operating revenue in the current year	Amount recognized as other income in the current year	Amount of cost offset in the current year	Other changes	Ending balance	Related to assets/income
Medical waste centralized treatment project in Gaoxian County, Yibin City	29,150,950.10			1,720,165.49			27,430,784.61	Related to assets
Headquarters 8K device-side R&D project of Konka Group	22,424,922.40	3,000,000.00		1,470,181.98			23,954,740.42	Related to assets
Industrial support funds for Suining Kangka	20,000,000.00			223,451.46			19,776,548.54	Related to assets
Industry rewards and subsidies of Henan Frestec Smart Home	13,554,960.35	6,610,000.00		430,027.40			19,734,932.95	Related to assets

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Government subsidy items	Beginning balance	Subsidies increased in the current year	Amount recognized as non-operating revenue in the current year	Amount recognized as other income in the current year	Amount of cost offset in the current year	Other changes	Ending balance	Related to assets/income
Returned payments for land by Chongqing Konka	17,934,545.55			392,727.24			17,541,818.31	Related to assets
Equipment subsidy for Konka Xinyun Semiconductor (Yancheng)	9,696,681.53			899,350.08			8,797,331.45	Related to assets
Plant decoration subsidy for Yibin Konka Industrial Park	10,074,508.36			1,439,215.44			8,635,292.92	Related to assets
Other government subsidies related to assets/income	166,063,233.16	14,846,000.00		32,079,907.34		-14,000,000.00	134,829,325.82	Related to assets/income
Total	425,135,237.90	24,456,000.00		42,154,230.53		-14,000,000.00	393,437,007.37	

41. Other non-current liabilities

Item	Ending balance	Beginning balance
Contract liabilities over one year	207,378,781.21	179,996,351.33
Total	207,378,781.21	179,996,351.33

42. Share capital

Item	Beginning balance	Increase/decrease (+/-) in the current year					Ending balance
		New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Others	Subtotal	
Total shares	2,407,945,408.00						2,407,945,408.00

43. Capital reserves

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Other capital reserves	526,499,506.76	11,455,341.46	25,114,272.49	512,840,575.73
Total	526,499,506.76	11,455,341.46	25,114,272.49	512,840,575.73

Remarks: Capital reserves for the current year - other capital reserves increased and decreased due to the following reasons:

① The equity incentives of the associate Hefei KONSEMI Storage Technology Co., Ltd. resulted in an increase in other capital reserves of RMB 11,154,147.97.

② The equity incentives of the associate Chongqing E2info Technology Co., Ltd. resulted in an increase in other capital reserves of RMB 301,193.49;

③The subsidiary Shenzhen Konka Semiconductor transferred 13% equity of the associate Hefei KONSEMI Storage Technology Co., Ltd., and carried forward the amount originally recorded in capital reserves, resulting in a decrease of RMB 23,472,470.81 in other capital reserves;

④The repurchase of shares and equity incentives by the associate Wuhan Tianyuan Environmental Protection Co., Ltd. led to a decrease of RMB 1,641,801.68 in other capital reserves.

44. Other comprehensive income

Item	Beginning balance	Amount incurred before income tax in the current year	Amount incurred in the current year					Ending balance
			Less: Amount recognized as other comprehensive income in the previous period and transferred to profit or loss in the Reporting Period	Less: Amount recognized as other comprehensive income in the previous period and transferred to retained earnings in the Reporting Period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified as profits or losses	-6,398,878.20							-6,398,878.20
Including: changes in fair value of other equity instrument investments	-6,398,878.20							-6,398,878.20
II. Other comprehensive income reclassified as profits	-7,044,680.24	-4,247,575.57	-2,116,697.57			4,403,268.12	-6,534,146.12	-2,641,412.12

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Item	Beginning balance	Amount incurred before income tax in the current year	Amount incurred in the current year					Ending balance
			Less: Amount recognized as other comprehensive income in the previous period and transferred to profit or loss in the Reporting Period	Less: Amount recognized as other comprehensive income in the previous period and transferred to retained earnings in the Reporting Period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
and losses								
Including: Other comprehensive income that can be transferred to profits or losses under the equity method	-4,115,978.90	-193,264.69	-2,116,697.57			1,923,432.88		-2,192,546.02
Exchange difference on translating foreign operations	-2,928,701.34	-4,054,310.88				2,479,835.24	-6,534,146.12	-448,866.10
Total of other comprehensive income	-13,443,558.44	-4,247,575.57	-2,116,697.57			4,403,268.12	-6,534,146.12	-9,040,290.32

45. Specific reserve

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Safety production fund	4,657,488.24	7,881,927.49	1,289,737.20	11,249,678.53
Total	4,657,488.24	7,881,927.49	1,289,737.20	11,249,678.53

46. Surplus reserves

Item	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Statutory surplus reserves	1,005,961,774.19			1,005,961,774.19
Discretionary surplus reserves	238,218,590.05			238,218,590.05
Total	1,244,180,364.24			1,244,180,364.24

47. Retained earnings

Item	The current year	Last year
Undistributed profit at the end of last year before adjustment	1,474,561,975.85	3,637,291,770.33
Adjustment to total undistributed profits at the beginning of the year (+ for increase and - for decrease)		1,060,258.69
Including: change to accounting policies		1,060,258.69
Adjusted undistributed profit at the beginning of the year	1,474,561,975.85	3,638,352,029.02
Add: Net profit attributable to owners of the parent company in the current year	-3,295,588,668.77	-2,163,790,053.17
Others	23,519,794.84	
Less: Appropriation of statutory surplus reserves		
Ending balance of the current year	-1,797,506,898.08	1,474,561,975.85

Remarks: other changes in undistributed profits in the current year are due to the gains from derecognition of other equity instrument investments.

48. Operating revenue and cost of sales

(1) Operating revenue and cost of sales

Item	Amount incurred in the current year		Amount incurred last year	
	Income	Cost	Income	Cost
Principal activity	10,417,600,703.11	10,070,419,957.35	16,951,243,781.74	16,577,542,836.11
Other	697,163,266.48	555,615,226.55	898,087,647.50	751,548,616.36
Total	11,114,763,969.59	10,626,035,183.90	17,849,331,429.24	17,329,091,452.47

(2) Information on the breakdown of operating revenue and cost of sales

Category of contracts	Amount incurred in the current year		Amount incurred last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Business type				
Including: colour TV business	5,027,758,205.02	5,002,954,699.48	4,708,450,488.99	4,814,813,410.02
White goods	4,127,243,310.93	3,837,066,870.14	4,257,423,386.71	3,910,767,599.72
PCB business	480,868,974.92	428,530,129.53	476,456,155.62	420,480,569.60
Memory chip trading and semiconductor	170,202,408.61	256,853,882.82	3,397,161,542.60	3,433,148,164.76
Other	1,308,691,070.11	1,100,629,601.93	5,009,839,855.32	4,749,881,708.37
Total	11,114,763,969.59	10,626,035,183.90	17,849,331,429.24	17,329,091,452.47
Classified by operating region				
Of which: Domestic	7,903,700,862.49	7,500,439,150.67	10,716,944,822.00	10,462,602,919.38
Overseas	3,211,063,107.10	3,125,596,033.23	7,132,386,607.24	6,866,488,533.09
Total	11,114,763,969.59	10,626,035,183.90	17,849,331,429.24	17,329,091,452.47

(3) Information in relation to the trade price apportioned to the residual contract performance obligation

At the end of the current year, the revenue corresponding to the performance obligation that has been signed but not yet performed or not yet fully performed was RMB

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1,009,604,741.97, of which RMB 925,536,196.45 was expected to be recognized as revenue in 2025, RMB 26,843,515.78 recognized as revenue in 2026, and RMB 57,225,029.74 recognized as revenue in 2027 and later years.

49. Taxes and surcharges

Item	Amount incurred in the current year	Amount incurred last year
Property tax	46,155,747.46	31,766,475.03
Stamp duty	39,993,676.00	34,773,519.65
Land use tax	24,048,724.05	20,537,445.82
Urban maintenance and construction tax	8,067,589.84	9,421,882.52
Education surcharge	3,697,149.73	4,271,078.25
Local education surcharge	2,464,766.48	2,847,868.04
Water resources fund	925,768.34	935,650.62
Others	603,913.09	934,120.54
Total	125,957,334.99	105,488,040.47

50. Selling expense

Item	Amount incurred in the current year	Amount incurred last year
Employee Compensation	346,592,018.83	356,377,425.69
Promotional activities	142,882,509.25	144,332,006.20
Advertising expense	107,677,304.60	233,506,458.32
Logistic Fee	69,134,847.32	78,886,050.69
Travel expenses	21,923,991.20	21,297,750.22
Insurance Premiums	10,893,622.99	18,399,706.24
Market service fee	10,848,646.14	12,709,977.35
Lease expense	9,587,524.14	12,330,023.91
Entertainment fees	9,163,301.49	12,054,482.82
Others	45,594,270.91	75,176,265.55
Total	774,298,036.87	965,070,146.99

Remarks: According to the Interpretation of the Accounting Standards for Business Enterprises No.18, the Group changes the presentation of guarantee-type quality assurance from in "selling expenses" to in "cost of sales", and retrospectively adjusts the comparative data of financial statements accordingly.

51. Administrative expense

Item	Amount incurred in the current year	Amount incurred last year
Employee Compensation	314,459,207.37	442,241,850.70
Depreciation charges	215,615,082.76	221,920,806.29
Intermediary fees	37,100,613.46	27,526,556.25
Water and electricity expenses	12,036,310.67	9,399,817.49
Travel expenses	7,023,438.59	11,896,505.16
Loss on scraping of inventories	3,905,406.48	2,768,674.29
Others	61,807,774.13	91,773,700.02
Total	651,947,833.46	807,527,910.20

52. R&D expense

Item	Amount incurred in the current year	Amount incurred last year
Salary	226,287,518.69	271,425,739.22
Depreciation and amortization charge	105,315,963.39	109,324,146.88
New product trial production expense	20,011,198.25	37,107,469.57
Material expense	18,169,936.41	29,602,114.38
Commission service fee	1,242,563.23	4,452,755.80
Testing expense	3,315,736.07	5,899,826.42
Others	42,062,924.30	40,181,707.59
Total	416,405,840.34	497,993,759.86

53. Finance costs

Item	Amount incurred in the current year	Amount incurred last year
Interest expense	819,234,748.93	884,535,066.01
Less: Interest income	215,619,251.81	286,969,209.86
Add: Exchange loss	-51,329,032.40	-72,904,637.81
Other expenses	28,736,033.40	37,354,891.90
Total	581,022,498.12	562,016,110.24

54. Other income

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Resources	Amount incurred in the current year	Amount incurred last year
Transfer of deferred income	42,154,230.53	49,036,136.15
Rewards and subsidies	34,231,995.98	59,087,470.50
Support funds	14,923,388.00	147,251,929.00
Reduction or exemption of tax	10,191,356.70	3,596,246.55
Tax rebates on software	4,681,629.92	5,819,853.78
Post subsidies	1,895,971.87	3,523,345.06
Subsidies for L/C exports	1,250,714.67	2,231,210.76
Others	1,271,022.45	71,840.14
Total	110,600,310.12	270,618,031.94

55. Income from changes in the fair value

Sources of income from changes in the fair value	Amount incurred in the current year	Amount incurred last year
Financial assets measured at fair value through current profit or loss	-267,484,270.45	-16,629,916.60
Estimated contingent consideration	-95,523,883.70	-81,307,994.29
Total	-363,008,154.15	-97,937,910.89

56. Return on investment

Item	Amount incurred in the current year	Amount incurred last year
Returns on long-term equity investments calculated by the equity method	-134,541,620.49	-170,413,352.22
Return on investment arising from the disposal of long-term equity investments	101,946,531.33	195,999,095.98
Investment income from financial assets held for trading during the holding period	4,240,444.62	9,383,976.00
Investment income from disposal of financial assets measured at fair value through current profit or loss	-26,511,417.25	-38,708,152.12
Interest income from debt investments during the holding period	19,239,106.21	56,292,758.87
Income from the derecognition of financial assets at amortized cost (“-” for loss)	-4,519,585.64	-3,132,035.83

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Item	Amount incurred in the current year	Amount incurred last year
Gains from debt restructuring	-459,737.22	-832,158.49
Conversion of long-term equity investments accounted for by the equity method to financial assets		574,780,174.75
Gains from remeasurement of residual stock rights at fair value after losing control power		51,474,909.15
Investment income arising from the disposal of other equity instruments investments		560,005.44
Total	-40,606,278.44	675,405,221.53

57. Credit impairment loss

Item	Amount incurred in the current year	Amount incurred last year
Bad debt loss of notes receivable	-130,021.70	6,971,440.21
Bad debt loss of accounts receivable	-138,481,001.25	-209,233,746.63
Bad debt loss of other accounts receivable	-280,100,956.11	-254,340,694.42
Total	-418,711,979.06	-456,603,000.84

58. Impairment losses on assets

Item	Amount incurred in the current year	Amount incurred last year
Inventory depreciation loss and contract performance cost impairment loss	-445,305,312.35	-371,733,599.86
Impairment loss of long-term equity investments	-443,125,661.12	-106,783,838.90
Impairment loss of construction in progress	-17,000,002.50	-41,422,211.82
Impairment loss on fixed assets	-20,834,518.11	-40,607,700.40
Contractual asset impairment loss	-191,314.13	-45,614.41
Total	-926,456,808.21	-560,592,965.39

59. Income from asset disposal

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Item	Amount incurred in the current year	Amount incurred last year
Gains on disposal of non-current assets	13,572,230.63	54,321.20
Including: gains on disposal of non-current assets not classified as held-for-sale assets	13,572,230.63	54,321.20
Including: Gains on fixed assets disposal	12,323,105.39	-8,803,043.13
Gains on Intangible assets disposal	660,377.36	8,559,461.64
Gains on disposal of construction in progress		-321,592.91
Gains and losses on disposal of right-of- use assets	537,251.48	619,495.60
Others	51,496.40	
Total	13,572,230.63	54,321.20

60. Non-operating revenue

Item	Amount incurred in the current year	Amount incurred last year	Amount recorded into the non- recurring profit or loss of the current year
Write-off of current accounts	12,321,231.59	12,652,519.62	12,321,231.59
Income from compensation, fines and liquidated damages	19,309,630.18	6,981,587.26	19,309,630.18
Non-current assets damage and retirement gains	7,381.77	15,390.13	7,381.77
Others	4,863,863.75	6,613,575.48	4,863,863.75
Total	36,502,107.29	26,263,072.49	36,502,107.29

61. Non-operating expense

Item	Amount of the current year	Amount of last year	Amount recorded into the non- recurring profit or loss of the current year

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Performance compensation	69,755,761.30	74,344,977.85	69,755,761.30
Losses on damage and scrapping of non-current assets	14,433,649.96	4,072,756.52	14,433,649.96
Compensation expense	5,087,299.42	3,945,526.50	5,087,299.42
Others	76,298,404.02	74,322,594.16	76,298,404.02
Total	165,575,114.70	156,685,855.03	165,575,114.70

62. Income tax expense

(1) Income tax expense

Item	Amount incurred in the current year	Amount incurred last year
Income tax expense in the current year	86,944,638.50	58,328,317.21
Deferred income tax expense	-17,392,309.50	-139,776,731.85
Total	69,552,329.00	-81,448,414.64

(2) Adjustment process of accounting profits and income tax expenses

Item	Amount incurred in the current year
Total consolidated profit in the current year	-3,814,586,444.61
Income tax expense calculated at legal/applicable tax rate	-953,646,611.15
Impact of different tax rates applied by subsidiaries	71,049,449.05
Impact of income tax in the periods before adjustment	42,435,463.58
Impact of non-taxable income	49,497,251.06
Impacts of non-deductible costs, expenses, and losses	49,728,811.50
Impact of using deductible losses on the deferred tax assets not recognized previously	60,604,552.12
Impact of deductible temporary differences or deductible losses of deferred tax assets not recognized in the current year	705,722,562.46
Changes in the balance of deferred tax assets/liabilities in previous period due to adjustment of tax rate	
Others	44,160,850.38
Income tax expense	69,552,329.00

63. Other comprehensive income

For details, please refer to "Note VI.44 Other comprehensive income".

64. Items in the cash flow statement

(1) Cash related to operating activities

1) Other cash received related to operating activities

Item	Amount incurred in the current year	Amount incurred last year
Front money and guarantee deposit	123,926,037.77	392,830,280.36
Trading funds	99,175,088.89	159,741,742.98
Income from government grants	91,084,949.55	362,725,223.50
Interest income from bank deposits	66,117,530.26	116,327,870.24
Compensation and penalty income	20,552,157.49	20,504,317.63
Others	63,901,195.67	39,760,244.28
Total	464,756,959.63	1,091,889,678.99

2) Other cash paid related to operating activities

Item	Amount incurred in the current year	Amount incurred last year
Cash payment fee	803,310,338.17	898,328,046.30
Deposit and margin	120,837,849.81	230,032,945.74
Expense for bank handling charges	4,474,661.97	4,874,263.89
Payment made on behalf	397,101.66	6,916,151.52
Others	72,308,452.14	165,832,467.23
Total	1,001,328,403.75	1,305,983,874.68

(2) Cash related to investment activities

1) Other cash received related to investing activities

Item	Amount incurred in the current year	Amount incurred last year
Recovery of loan at call	10,535,206.45	473,934,626.67
Others	176,130,622.69	209,995,119.36
Total	186,665,829.14	683,929,746.03

2) Other cash paid related to investing activities

Item	Amount incurred in the current year	Amount incurred last year
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Item	Amount incurred in the current year	Amount incurred last year
Payment of loan at call	100,000,000.00	310,116,949.03
Cash paid for disposal of subsidiaries		840,192.20
Others	34,327,401.00	218,616,095.75
Total	134,327,401.00	529,573,236.98

(3) Cash related to financing activities

1) Other cash received related to financing activities

Item	Amount incurred in the current year	Amount incurred last year
Recovery of margin deposit pledged	898,936,642.13	570,834,983.98
Receiving loan at call		167,370,200.00
Total	898,936,642.13	738,205,183.98

2) Other cash paid related to financing activities

Item	Amount incurred in the current year	Amount incurred last year
Deposit as margin for pledge	1,608,682,236.20	773,184,328.31
Cash paid for leases	29,886,200.09	145,535,542.98
Financing cost	26,001,127.56	32,222,659.12
Retuning loan at call	18,099,962.83	79,183,194.53
Others	4,300,049.48	6,192,899.46
Total	1,686,969,576.16	1,036,318,624.40

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3) Changes in liabilities arising from financing activities

Item	Beginning balance	Increase in the current year		Decrease in the current year		Ending balance
		Cash changes	Non-cash Change	Cash changes	Non-cash Change	
Current portion of non-current liabilities	5,314,147,396.36		6,654,172,818.72	5,290,623,131.15	22,162,688.74	6,655,534,395.19
Short-term borrowings	6,390,592,056.27	6,495,079,934.39	185,383,690.04	7,329,570,740.18	313,472.26	5,741,171,468.26
Long-term borrowing	7,779,150,079.88	2,793,544,423.90	365,775,223.87	1,312,469,004.19	4,095,350,921.53	5,530,649,801.93
Bonds payable	2,426,992,578.67	2,292,640,000.00	185,359,603.62	104,563,888.80	2,505,234,792.44	2,295,193,501.05
Lease liabilities	160,218,818.92		39,259,646.80	2,445,783.73	50,471,093.47	146,561,588.52
Long-term payables	6,135,734.07		1,517,224.45	1,491,994.45	656,415.83	5,504,548.24
Total	22,077,236,664.17	11,581,264,358.29	7,431,468,207.50	14,041,164,542.50	6,674,189,384.27	20,374,615,303.19

(4) Notes to the presentation of cash flows on a net basis

No cash flows were presented on a net basis in the current year.

(5) Significant activities and financial effects that do not involve current cash receipts and payments but affect the financial position of the enterprise or may affect the enterprise's cash flows in the future

Item	Amount incurred in the current year
Payment for materials made by endorsement of notes receivable	1,452,294,715.15
Acquisition of long-term assets by endorsement of notes receivable	105,135,400.35
Other payments made by endorsement of notes receivable	196,982,236.56
Total	1,754,412,352.06

65. Supplementary data on the statements of cash flows

(1) Supplementary data on the statements of cash flows

Item	Amount of the current year	Amount of last year
1. Reconciliation of net profit to cash flows from operating activities:	—	—
Net profit	-3,884,138,773.61	-2,635,886,661.34
Add: Provision for asset impairment	926,456,808.21	560,592,965.39
Credit impairment loss	418,711,979.06	456,603,000.84
Depreciation of fixed assets and investment property	460,489,835.67	450,848,329.23
Depreciation of right-of-use assets	55,180,501.65	42,868,891.40
Amortization of intangible assets	53,255,782.40	47,675,317.23
Amortization of long-term prepaid expense	140,922,010.97	127,376,763.41
Losses on disposal of fixed assets, intangible assets and other long-lived assets (" " indicates income)	-13,572,230.63	-54,321.20
Losses on scrap of fixed assets (" " indicates income)	14,426,268.19	65,989,435.90
Losses on changes in fair value (" " indicates income)	363,008,154.15	97,937,910.89

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Item	Amount of the current year	Amount of last year
Finance costs (" " indicates income)	750,700,141.18	723,081,917.40
Investment loss (" " indicates income)	40,606,278.44	-675,405,221.53
Decrease in deferred tax assets ("-" for increase)	34,334,680.29	-229,384,248.41
Increase in deferred income tax liabilities (" " indicates decrease)	-51,726,989.79	89,598,866.96
Decrease in inventories (" " indicates increase)	-123,830,950.55	772,941,542.37
Decrease in accounts receivable generated from operating activities (" " indicates increase)	574,731,714.03	879,334,900.88
Increase in accounts payable used in operating activities (" " indicates decrease)	456,487,863.86	-171,981,975.37
Others	-42,154,230.53	-49,036,136.15
Net cash generated from/used in operating activities	173,888,842.99	553,101,277.90
2. Significant investment and financing activities not involving cash		
Conversion of liabilities into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Balance of cash at the end of the year	2,783,177,476.45	5,674,784,349.55
Less: Beginning balance of cash	5,674,784,349.55	5,461,912,010.90
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-2,891,606,873.10	212,872,338.65

(2) Supplier finance arrangement

① Terms and conditions of supplier financing arrangements

The Group has signed agreements with banks and financial institutions, and qualified suppliers recognized by the Group may transfer their accounts receivable from the Group to the bank. When the payable amount is due, the Group shall fulfill its unconditional payment obligation.

② Presented items and related information in the balance sheet (unit: RMB 10000)

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Presented item	Ending balance
Accounts payable	219.31
Including: accounts received by suppliers	219.31
Total	219.31

③ Range of payment due dates

Presented item	Range of due dates
Liabilities under this arrangement	360-365 days from the date of issuance
Comparable accounts payable that do not belong to this arrangement	-

④ Changes in the current period that do not involve cash inflows and outflows

There is no impact of corporate mergers or exchange rate fluctuations on the above-mentioned financial liability changes of the Company.

(3) Net cash paid for the acquisition of subsidiaries in the current year

Net cash was paid for the acquisition of subsidiaries in the current year.

(4) Net cash received for the disposal of subsidiaries in the current year

There was no net cash received from disposal of subsidiaries in the current year.

(5) Composition of cash and cash equivalents

Item	Ending balance	Beginning balance
Cash	2,783,177,476.45	5,674,784,349.55
Including: Cash on hand	208.19	469.28
Bank deposits available for payment at any time	2,779,974,224.23	5,672,034,875.67
Other monetary funds available for payment at any time	3,203,044.03	2,749,004.60
Balance of cash and cash equivalents at the end of the year	2,783,177,476.45	5,674,784,349.55

(6) Presentation of cash and cash equivalents with restricted use

Item	Amount of the current year	Amount of last year	Reasons for classifying the funds as cash and cash equivalents
Project loan proceeds	38,316,138.97	2,554,356.19	The proceeds can be used at any time to make

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Item	Amount of the current year	Amount of last year	Reasons for classifying the funds as cash and cash equivalents
			payments, and such payments can only be made for projects
Project pre-sale funds	24,054,347.29	40,951,191.37	The proceeds can be used at any time to make payments, and such payments can only be made for projects
Total	62,370,486.26	43,505,547.56	—

(7) Monetary funds not classified as cash and cash equivalents

Item	Amount of the current year	Amount of last year	Reasons for not classifying the funds as cash and cash equivalents
Cash deposit	556,608,881.87	384,011,696.60	Pledged for borrowing or deposit for issuance of banker acceptance
Time deposit	567,478,893.23	226,611,500.00	Pledged for borrowing
Frozen funds	208,501,996.18	220,952,030.87	Not readily available for payment
Total	1,332,589,771.28	831,575,227.47	—

66. Items in the Statement of Changes in Shareholders' Equity

No "other" amount in the closing amount of last year was adjusted in the current year.

67. Foreign currency monetary items

(1) Foreign currency monetary items

Item	Year-end foreign currency balance	Exchange rate	Year-end balance denominated in RMB
Monetary assets	—	—	
Including: USD	47,765,558.32	7.18840	343,357,939.43
EUR	6,687.64	7.52570	50,329.17
EGP	15,867,184.95	0.14140	2,243,619.95

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Item	Year-end foreign currency balance	Exchange rate	Year-end balance denominated in RMB
Sterling	1.32	9.07560	11.98
HKD	2,539,642.58	0.92604	2,351,810.61
CAD	6.96	5.04980	35.15
PLN	3,166,006.02	1.75973	5,571,315.77
Accounts receivable	—	—	
Including: USD	86,994,147.59	7.18840	625,348,730.54
EUR	380,971.00	7.52570	2,867,073.45
EGP		0.14140	
HKD	957,472.71	0.92604	886,658.03
AUD	49,764.00	4.50700	224,286.35
Other receivables	—	—	
Including: USD	108,431,901.40	7.18840	779,451,880.02
EGP	108,000.00	0.14140	15,271.20
HKD	749,053.67	0.92604	693,653.66
JPY	21,400,000.00	0.04623	989,386.20
Accounts payable	—	—	
Including: USD	5,367,446.58	7.18840	38,583,353.00
EUR		7.52570	
EGP	35,620,358.59	0.14140	5,036,718.70
HKD	117,930,944.11	0.92604	109,208,771.48
Other payables	—	—	
Including: USD	3,708,173.01	7.18840	26,655,830.87
EUR	112,867.40	7.52570	849,406.19
EGP	498,014.80	0.14140	70,419.29
HKD	3,124,750.08	0.92604	2,893,643.56

(2) Overseas entities

The significant overseas entities include Hongdin Trading, Hong Kong Konka, Chain Kingdom Memory Technologies, Hongjet, Jiali International, and Kowin Memory (Hong Kong). 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.

VII. R&D expenditures

Item	Amount incurred in the current year	Amount incurred last year
Salary	226,287,518.69	271,425,739.22
Depreciation and amortization charge	105,315,963.39	109,324,146.88
New product trial production expense	20,011,198.25	37,107,469.57
Material expense	18,169,936.41	29,602,114.38
Commission service fee	1,242,563.23	4,452,755.80
Testing expense	3,315,736.07	5,899,826.42
Others	42,062,924.30	40,181,707.59
Total	416,405,840.34	497,993,759.86
Including: Expensed R&D expenditure	416,405,840.34	497,993,759.86
Capitalized R&D expenditure		

VIII. Changes in the Scope of Consolidation

1. Business combinations not under common control

The Company had no combinations of businesses not under common control in the current year.

2. Business combinations under common control

The Company had no combinations of businesses under common control in the current year.

3. Disposal of subsidiaries

The Company did not dispose of any subsidiary in the current year.

4. Changes in the scope of consolidation due to other reasons

(1) Subsidiaries established in the current year

No subsidiaries were established in the current year.

(2) Subsidiaries de-registered or reduction in the current year

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Name of subsidiary	Registered capital (RMB'0,000)	Shareholding percentage (%)
Chengdu Anren	500.00	51.00
Wankaida	1,000.00	100.00
Boluo Konka	4,000.00	100.00
Chengdu Konka Smart	5,000.00	100.00
Konka Huanjia	18,000.00	51.00
Konka Huanjia (Henan)	10,000.00	51.00
Konka Intelligent Manufacturing	2,000.00	51.00
Guizhou Konka New Energy	10,000.00	98.00
Anhui Konka Low Carbon	1,500.00	55.00
Kanghong Xintong	10,000.00	95.09
Konka Photovoltaic Technology	15,000.00	60.00

IX. Interests in other entities

1. Interests in subsidiaries

(1) Composition of the business group

No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
1	Konka Ventures	Shenzhen, Guangdong	Shenzhen, Guangdong	Enterprise management consulting, incubation management, housing leasing, etc.	51.00		Establishment or investment
2	Yantai Konka	Yantai, Shandong	Yantai, Shandong	Other professional consultation and investigation		51.00	Establishment or investment
3	Konka Enterprise Service	Guiyang, Guizhou	Guiyang, Guizhou	Enterprise management consulting		51.00	Establishment or investment
4	Yibin Konka Incubator	Yibin, Sichuan	Yibin, Sichuan	Commercial services		51.00	Establishment or investment
5	Anhui Konka	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing	78.00		Establishment or investment
6	Kangzhi Trade	Chuzhou, Anhui	Chuzhou, Anhui	Wholesale		78.00	Establishment or investment
7	Konka Electronic Material	Shenzhen, Guangdong	Shenzhen, Guangdong	Other science and technology promotion services	100.00		Establishment or investment
8	Konka Unifortune	Shenzhen,	Shenzhen,	Trade and services	51.00		Establishment

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
		Guangdong	Guangdong				or investment
9	Jiali International	Hong Kong, China	Hong Kong, China	Trade and services		51.00	Establishment or investment
10	Dongguan Konka	Dongguan, Guangdong	Dongguan, Guangdong	Manufacturing	75.00	25.00	Establishment or investment
11	Suining Konka Smart	Suining, Sichuan	Suining, Sichuan	Wholesale		100.00	Establishment or investment
12	Konka Europe	Germany, Frankfurt	Germany, Frankfurt	International trade	100.00		Establishment or investment
13	Telecommunication Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacturing	75.00	25.00	Establishment or investment
14	Konka Mobility	Hong Kong, China	Hong Kong, China	Commerce		100.00	Establishment or investment
15	Development of science and technology industry	Shenzhen, Guangdong	Shenzhen, Guangdong	Commerce	100.00		Establishment or investment
16	Sichuan Konka	Yibin, Sichuan	Yibin, Sichuan	Manufacturing		100.00	Establishment or investment
17	Yibin Smart	Yibin, Sichuan	Yibin, Sichuan	Manufacturing		100.00	Establishment or investment

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
18	Anhui Tongchuang	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing	100.00		Establishment or investment
19	Anhui Electrical Appliance	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing		51.00	Establishment or investment
20	Frestec Refrigeration	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51.00	Merger of enterprises not under the same control
21	Frestec Smart Home	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51.00	Establishment or investment
22	Frestec Electrical Appliances	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51.00	Merger of enterprises not under the same control
23	Frestec Household Appliances	Xinxiang, Henan	Xinxiang, Henan	Manufacturing		51.00	Merger of enterprises not under the same control
24	Jiangsu Konka Smart	Changzhou, Jiangsu	Changzhou, Jiangsu	Manufacturing		51.00	Establishment

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
							or investment
25	Kangjiatong	Yibin, Sichuan	Yibin, Sichuan	Trade and services	100.00		Establishment or investment
26	Pengrun Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Trade and services	51.00		Establishment or investment
27	Jiixin Technology	Hong Kong, China	Hong Kong, China	Trade and services		51.00	Establishment or investment
28	Beijing Konka Electronic	Beijing	Beijing	Sale of home appliance	100.00		Establishment or investment
29	Tianjin Konka	Tianjin Pilot Free Trade Zone	Tianjin Pilot Free Trade Zone	Service Industry		100.00	Establishment or investment
30	Konka Circuit	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacturing	100.00		Establishment or investment
31	Boluo Konka Precision	Boluo, Guangdong	Boluo, Guangdong	Manufacturing		100.00	Establishment or investment
32	Hong Kong Konka	Hong Kong, China	Hong Kong, China	International trade	100.00		Establishment or investment
33	Hongdin Investment	Hong Kong, China	Hong Kong, China	Investment holding		100.00	Establishment or investment

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
34	Chain Kingdom Memory Technologies	Hong Kong, China	Hong Kong, China	International trade		51.00	Establishment or investment
35	Chain Kingdom Semiconductor (Shaoxing)	Zhejiang, Shaoxing	Zhejiang, Shaoxing	Trade and services		51.00	Establishment or investment
36	Hongjet	Hong Kong, China	Hong Kong, China	Trade and services		51.00	Establishment or investment
37	Hongdin Trading	Hong Kong, China	Hong Kong, China	International trade		100.00	Establishment or investment
38	Kanghao Technology	Egypt, Cairo	Egypt, Cairo	International trade		67.00	Establishment or investment
39	Konka North America	America, California	America, California	International trade		100.00	Establishment or investment
40	Konka Investment	Shenzhen, Guangdong	Shenzhen, Guangdong	Capital market services	100.00		Establishment or investment
41	Yibin Konka Technology Park	Yibin, Sichuan	Yibin, Sichuan	Industrial park development and operation management		100.00	Establishment or investment
42	Konka Capital	Shenzhen, Guangdong	Shenzhen, Guangdong	Capital market services		100.00	Establishment or investment

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
43	Konka Suiyong	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial services		51.00	Establishment or investment
44	Shengxing Industrial	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial services		51.00	Establishment or investment
45	Zhitong Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Software and information technology services		51.00	Establishment or investment
46	Electronic Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacturing	100.00		Establishment or investment
47	Shenzhen Kangcheng	Shenzhen, Guangdong	Shenzhen, Guangdong	Software and information technology services		100.00	Establishment or investment
48	Xiaojia Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Retail trade		100.00	Establishment or investment
49	Haimen Konka	Nantong, Jiangsu	Nantong, Jiangsu	Trade and services		100.00	Establishment or investment
50	Chengdu Konka Electronics	Chengdu, Sichuan	Chengdu, Sichuan	Manufacturing		100.00	Establishment or investment
51	XingDa HongYe	Zhongshan, Guangdong	Zhongshan, Guangdong	Manufacturing		51.00	Merger of enterprises not under the

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
							same control
52	Liaoyang Kangshun	Liaoyang, Liaoning	Liaoyang, Liaoning	Wholesale		100.00	Establishment or investment
53	Liaoyang Kangshun Renewable	Liaoyang, Liaoning	Liaoyang, Liaoning	Comprehensive utilization of renewable resources		100.00	Establishment or investment
54	Nanjing Konka	Nanjing, Jiangsu	Nanjing, Jiangsu	Wholesale		100.00	Establishment or investment
55	Shanghai Konka	Shanghai	Shanghai	Real estate	100.00		Establishment or investment
56	Yantai Kangjin	Yantai, Shandong	Yantai, Shandong	Real estate		62.80	Establishment or investment
57	Jiangxi Konka	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Manufacturing and processing	51.00		Merger of enterprises not under the same control
58	Xinfeng Microcrystalline	Nanchang, Jiangxi	Nanchang, Jiangxi	Manufacturing and processing		51.00	Merger of enterprises not under the same control

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
59	Shenzhen Nianhua	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial services	100.00		Establishment or investment
60	Shenzhen Konka Semiconductor	Shenzhen, Guangdong	Shenzhen, Guangdong	Semiconductors	100.00		Establishment or investment
61	Chongqing Konka	Chongqing	Chongqing	Software and information technology services		100.00	Establishment or investment
62	Ji'an Konka	Ji'an, Jiangxi	Ji'an, Jiangxi	Commercial services	51.00		Establishment or investment
63	Suining Konka Industrial Park	Suining, Sichuan	Suining, Sichuan	Industrial park development and operation management	100.00		Establishment or investment
64	Konka Ronghe	Jiaxing, Zhejiang	Jiaxing, Zhejiang	Wholesale and retail trade	51.00		Establishment or investment
65	Suining Electronic Technological Innovation	Suining, Sichuan	Suining, Sichuan	Commercial services	100.00		Establishment or investment
66	Shenzhen Chuangzhi Electrical Appliances	Shenzhen, Guangdong	Shenzhen, Guangdong	Wholesale	100.00		Establishment or investment
67	Chongqing Optoelectronic Technology	Chongqing	Chongqing	Research & experiment development	70.00	5.00	Establishment or investment

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
68	Kowin Memory (Shenzhen)	Shenzhen, Guangdong	Shenzhen, Guangdong	Computer, telecommunications and other electronic equipment manufacturing	100.00		Establishment or investment
69	Konka Xinyun Semiconductor	Yancheng, Jiangsu	Yancheng, Jiangsu	Computer, telecommunications and other electronic equipment manufacturing		100.00	Establishment or investment
70	Jiangkang (Shanghai) Technology	Shanghai	Shanghai	Research & experiment development	51.00		Establishment or investment
71	Ningbo Kanghanrui Electric Appliances	Ningbo, Zhejiang	Ningbo, Zhejiang	Electrical machinery and equipment manufacturing	60.00		Establishment or investment
72	Suining Jiarun Property	Suining, Sichuan	Suining, Sichuan	Real estate	100.00		Establishment or investment
73	Yibin Kangrun	Yibin, Sichuan	Yibin, Sichuan	Ecological protection and environmental governance services	67.00		Establishment or investment
74	Hainan Konka Technology	Haikou, Hainan	Haikou, Hainan	Commercial services	100.00		Establishment or investment
75	Jiangxi High Transparent Substrate	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Manufacturing and processing		51.00	Merger of enterprises not under the same control
76	Nantong Kangdian	Nantong, Jiangsu	Nantong, Jiangsu	Computer, telecommunications and other		100.00	Establishment

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
				electronic equipment manufacturing			or investment
77	Chuzhou Konka	Chuzhou, Anhui	Chuzhou, Anhui	Manufacturing		94.90	Establishment or investment
78	Konka Soft Electronic	Suining, Sichuan	Suining, Sichuan	Manufacturing		97.50	Establishment or investment
79	Konka Hongye Electronics	Suining, Sichuan	Suining, Sichuan	Manufacturing		95.05	Establishment or investment
80	Kowin Memory (Hong Kong)	Hong Kong, China	Hong Kong, China	Wholesale of computers, software and auxiliary equipment		100.00	Establishment or investment
81	Konka Cross-border (Hebei)	Handan, Hebei	Handan, Hebei	Wholesale	100.00		Establishment or investment
82	Konka Central China	Changsha, Hunan	Changsha, Hunan	Commercial services	100.00		Establishment or investment
83	Yibin Kangrun Medical	Yibin, Sichuan	Yibin, Sichuan	Ecological protection and environmental governance services		63.65	Establishment or investment
84	Shanxi Konka Intelligent	Xi'an, Shanxi	Xi'an, Shanxi	Manufacture of household cleaning and sanitary electrical appliances		51.00	Establishment or investment
85	Chongqing Xinyuan Semiconductor	Chongqing	Chongqing	Science and technology promotion and application services		75.00	Establishment or investment

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
86	Anlu Konka	Anlu, Hubei	Anlu, Hubei	Software and information technology services		100.00	Establishment or investment
87	Kanghong Dongsheng	Shenzhen, Guangdong	Shenzhen, Guangdong	Commercial services		95.09	Establishment or investment
88	Guizhou Konka New Material	Qiannan Buyi and Miao Autonomous Prefecture, Guizhou	Qiannan Buyi and Miao Autonomous Prefecture, Guizhou	Manufacturing and processing		51.00	Establishment or investment
89	Shanxi Smart Home Appliance	Jincheng, Shanxi	Jincheng, Shanxi	Computer, telecommunications and other electronic equipment manufacturing		100.00	Establishment or investment
90	Guizhou Kanggui Materials	Qiannan Buyi and Miao Autonomous Prefecture, Guizhou	Qiannan Buyi and Miao Autonomous Prefecture, Guizhou	Manufacturing and processing	70.00		Establishment or investment
91	Nantong Kanghai	Nantong, Jiangsu	Nantong, Jiangsu	Real estate	51.00		Establishment or investment
92	Chongqing Kangyiyun	Chongqing	Chongqing	Real estate	80.00		Establishment or investment
93	Jiangxi Konka High-tech Park	Shangrao, Jiangxi	Shangrao, Jiangxi	Commercial services	100.00		Establishment or investment
94	Shangrao Konka	Shangrao, Jiangxi	Shangrao, Jiangxi	Research & experiment development	100.00		Establishment

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
	Electronic Technology Innovation						or investment
95	Zhejiang Konka Electronic	Zhejiang, Shaoxing	Zhejiang, Shaoxing	Research & experiment development	100.00		Establishment or investment
96	Zhejiang Konka Technology Industry	Zhejiang, Shaoxing	Zhejiang, Shaoxing	Commercial services	51.00	49.00	Establishment or investment
97	Xi'an Konka Intelligent	Xi'an, Shanxi	Xi'an, Shanxi	Wholesale		51.00	Establishment or investment
98	Xi'an Konka Network	Xi'an, Shanxi	Xi'an, Shanxi	Computer, telecommunications and other electronic equipment manufacturing		100.00	Establishment or investment
99	Xi'an Kanghong Technology Industry	Xi'an, Shanxi	Xi'an, Shanxi	Commercial services	40.00	60.00	Establishment or investment
100	Xi'an Konka Intelligent Technology	Xi'an, Shanxi	Xi'an, Shanxi	Retail trade	100.00		Establishment or investment
101	Songyang Industry Operation	Lishui, Zhejiang	Lishui, Zhejiang	Software and information technology services		51.00	Establishment or investment
102	Kangyan Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Computer, telecommunications and other electronic equipment manufacturing		100.00	Establishment or investment
103	Songyang Konka	Lishui, Zhejiang	Lishui, Zhejiang	Wholesale	100.00		Establishment

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No.	Name of subsidiary	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
	Intelligent						or investment
104	Konka North China	Tianjin	Tianjin	Electrical machinery and equipment manufacturing	100.00		Establishment or investment
105	Digital Technology	Shenzhen, Guangdong	Shenzhen, Guangdong	Software and information technology services		100.00	Establishment or investment

(2) Major non-wholly-owned subsidiaries

Company name	Shareholding of minority shareholders	Profit or loss attributable to minority shareholders in the current year	Dividends declared to be distributed to minority shareholders in the current year	Ending balance of minority shareholders' equities
Shanxi Konka Intelligent	49.00%	-11,962,921.97		182,180,174.07

(3) Key financial data on major non-wholly-owned subsidiaries

Name of subsidiary	Ending balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanxi Konka Intelligent	523,431,034.77	560,221,880.91	1,083,652,915.68	423,606,123.36	288,250,518.71	711,856,642.07

(Continued)

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Name of subsidiary	Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanxi Konka Intelligent	523,223,416.76	566,375,884.26	1,089,599,301.02	398,648,732.52	295,071,926.82	693,720,659.34

(Continued)

Name of subsidiary	Amount incurred in the current year			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shanxi Konka Intelligent	260,200,550.68	-24,414,126.47	-24,414,126.47	42,019,883.38

(Continued)

Name of subsidiary	Amount incurred last year			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shanxi Konka Intelligent	243,470,872.39	-7,754,013.73	-7,754,013.73	138,204,929.56

2. Equity in associates

(1) Important associates

Name of associates	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Accounting processing method for investment in joint ventures or
				Direct	Indirect	

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Name of associates	Main place of business	Place of registration	Business nature	Shareholding percentage (%)		Accounting processing method for investment in joint ventures or associated enterprises
				Direct	Indirect	
Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	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 important associates

Item	Amount incurred at the end of the year/in the current year		Amount incurred at the beginning of the year/in last year	
	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.
Current assets	679,918,421.73	299,214,528.27	686,882,241.74	274,817,240.18
Including: cash and cash equivalents	9,020,859.89	16,394,140.52	11,679,383.12	12,866,776.37
Non-current assets		385,578,306.45		338,361,205.79
Total assets	679,918,421.73	684,792,834.72	686,882,241.74	613,178,445.97

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Item	Amount incurred at the end of the year/in the current year		Amount incurred at the beginning of the year/in last year	
	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.
Current liabilities	10,026,785.45	310,050,065.52	10,026,785.45	261,433,145.90
Non-current liabilities		172,196,132.11		133,388,974.62
Total liabilities	10,026,785.45	482,246,197.63	10,026,785.45	394,822,120.52
Total net assets	669,891,636.28	202,546,637.09	676,855,456.29	218,356,325.45
Including: minority equity		6,414,476.36		9,322,847.51
Equities attributable to shareholders of the parent company	669,891,636.28	196,132,160.73	676,855,456.29	209,033,477.94
Share of net assets calculated based on the shareholding	334,610,872.32	83,924,951.58	338,089,300.42	94,917,575.00
Adjustments				
- Goodwill				
- Unrealized profit of internal transactions				
- Others				
Book value of equity investments in associated enterprises	334,610,872.32	89,059,544.64	338,089,300.42	94,917,575.00

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Item	Amount incurred at the end of the year/in the current year		Amount incurred at the beginning of the year/in last year	
	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.	Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership)	Shenzhen Jielunte Technology Co., Ltd.
Fair value of equity investments in associates with publicly quoted prices				
Operating revenue		453,598,821.35		410,594,556.87
Finance costs	-124,906.64	5,643,459.99	-558,256.35	4,030,883.95
Income tax expense		6,482,111.17		1,864,514.10
Net profit	3,192,911.59	-15,630,059.79	32,981,401.16	-12,883,145.89
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	3,192,911.59	-15,630,059.79	32,981,401.16	-12,883,145.89
Dividend received from joint venture in the current year				

(3) Summarized financial information of insignificant associates

Item	Ending balance / Amount incurred in the current year	Beginning balance / Amount incurred last year
Associate	—	—
Total book value of investment	4,304,690,436.53	5,133,476,987.87
The total of following items according to the shareholding proportions	—	—
- Net profit	-127,981,842.74	-182,806,294.40
Other comprehensive income	-115,491.69	-86,041.63
Total comprehensive income	-128,097,334.43	-182,892,336.03

X. Government grants

1. Liability items involving government subsidies

Account title	Beginning balance	Subsidies increased in the current year	Amount recognized as non-operating revenue in the current year	Amount transferred to other incomes in the current year
Deferred income	425,135,237.90	24,456,000.00		42,154,230.53

(Continued)

Account title	Other changes in the current year	Ending balance	Related to assets/ income
Deferred income	-14,000,000.00	393,437,007.37	Related to assets/ income

2. Government grants recognized as profit or loss of the Reporting Period

Account title	Amount incurred in the current year	Amount incurred last year
Other income	99,292,763.50	270,618,031.94
Finance costs	10,040,000.00	

Remarks: the Group received a loan interest subsidy of RMB 10,040,000.00 in the current year, which directly offset the interest expenses in the current financial expenses.

XI. Risks Related to Financial Instruments

The Group'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. The risks related to these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. The management of the Group manages and monitors these risk exposures to ensure that these risks are controlled within a limited scope.

1. Management objectives and policies for various risks

The Group's objective in engaging in the risk management is to achieve the proper balance between the risks and benefits, minimise the negative impact of these risks on the Company's operating results, and maximise the profits of shareholders and other equity investors. Based on the risk management goal, the basic strategy of the Company's risk management is determining and analyzing the various risks faced by the Company, setting up the bottom line of risk and conducting appropriate risk management, and timely supervising various risks in a reliable way and controlling the risk within the range of limit.

(1) Market risk

1) Exchange rate 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 Group 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 Group'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 of December 31, 2024, the Group'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	December 31, 2024	December 31, 2023
Monetary assets	47,765,558.32	91,184,116.43
Accounts receivable	86,994,147.59	85,032,871.75
Other receivables	108,431,901.40	110,836,591.33
Other payables	3,708,173.01	3,453,133.32
Accounts payable	5,367,446.58	4,828,295.25

The Group pays close attention to the impact of exchange rate changes on the Group'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 Group bears interest rate risk due to interest rate changes of interest-bearing financial assets and liabilities. The Group's interest bearing financial assets are mainly bank deposits, of which the majority of the variable interest rates are short-term in nature, while the interest bearing financial liabilities are mainly bank borrowings and corporate bonds. The Group's long-term bank borrowings and corporate 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 bank borrowings with floating interest rates. The Group's policy is to maintain the floating interest rates of such borrowings to eliminate the fair value risk of interest rate changes. As of December 31, 2024, the balance of such short-term borrowings was RMB 5,741,171,468.26.

(2) Credit risk

As of December 31, 2024, the maximum credit risk exposure that may cause financial losses to the Group mainly came from losses generated from the Group's financial assets due to failure of the other party to a contract to perform its obligations and the financial guarantee undertaken by the Group, including:

The book amount of the financial assets recognized in the consolidated balance sheet; For financial instruments measured at fair value, the book value reflects its risk exposure, but it is not the maximum risk exposure, and its maximum risk exposure will change with the change of fair value in the future.

In order to reduce credit risk, the Group 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 Group reviews the recovery of each single receivable on each balance sheet date to ensure that sufficient provision for bad debts is made for the unrecoverable amount. Therefore, the Group's management believes that the Group's credit risk has been greatly reduced.

The Group's working capital is deposited in banks with a high credit rating, so the credit risk of working capital is low.

The Group 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 Group has no other major credit concentration risks. For the financial assets of the Group 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 Group is unable to fulfill its financial obligations on the due date. The Group manages liquidity risk in the method of ensuring that there is sufficient liquidity to fulfil debt obligations without causing unacceptable loss or damage to the Group's reputation. In order to mitigate the liquidity risk, the Group's management has carried out a detailed inspection on the liquidity of the Group, including the maturity of accounts payable and other payables, bank credit line and bond financing. The conclusion is that the Group 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 Group based on the maturity period of the undiscounted remaining contractual obligations is as follows:

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Amount as of December 31, 2024:

Item	Within 1 year	One to two years	Two to five years	Over 5 years	Total
Financial assets					
Monetary assets	4,115,767,247.73				4,115,767,247.73
Trading financial assets	286,648,129.34				286,648,129.34
Notes receivable	169,675,176.16				169,675,176.16
Accounts receivable	1,458,923,066.70				1,458,923,066.70
Other receivables	989,245,120.86				989,245,120.86
Other current assets	1,590,781,482.74				1,590,781,482.74
Financial liabilities					
Short-term borrowings	5,741,171,468.26				5,741,171,468.26
Notes payable	1,150,310,856.70				1,150,310,856.70
Accounts payable	2,774,615,788.24				2,774,615,788.24
Other payables	1,676,154,887.59				1,676,154,887.59
Employee benefits payable	243,731,849.78				243,731,849.78
Current portion of non-current liabilities	6,655,534,395.19				6,655,534,395.19
Long-term borrowing		4,178,221,706.59	512,738,058.07	839,690,037.27	5,530,649,801.93
Bonds payable			2,295,193,501.05		2,295,193,501.05

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Item	Within 1 year	One to two years	Two to five years	Over 5 years	Total
Long-term payables			5,504,548.24		5,504,548.24

2. Sensitivity analysis

The Group 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	Year 2024		Year 2023	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
USD	Appreciation of 1% against RMB	13,038,269.46	9,355,341.19	16,574,067.76	12,261,381.38
USD	Depreciation of 1% against RMB	-13,038,269.46	-9,355,341.19	-16,574,067.76	-12,261,381.38

(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:

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Item	Interest rate fluctuations	Year 2024		Year 2023	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Borrowings at floating interest rates	Up 0.5%	-21,670,117.43	-21,331,876.38	-24,196,276.74	-23,679,719.04
Borrowings at floating interest rates	Down 0.5%	21,670,117.43	21,331,876.38	24,196,276.74	23,679,719.04

XII. Disclosure of Fair Value

1. Closing fair value of assets and liabilities measured at fair value

Item	Closing fair value			
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	Total
I. Continuous fair value measurement	—	—	—	—
(I) Trading financial assets	286,648,129.34			286,648,129.34
1. Financial assets measured at fair value through current profit or loss	286,648,129.34			286,648,129.34
(II) Accounts receivable financing		63,943,324.53		63,943,324.53
(III) Other debt investments				
(IV) Other equity instrument investments			16,114,932.00	16,114,932.00
(V) Investment properties				
(VI) Other non-current financial assets			1,802,409,887.89	1,802,409,887.89
Total assets continuously measured at fair value	286,648,129.34	63,943,324.53	1,818,524,819.89	2,169,116,273.76
Total liabilities continuously measured at fair value				

Item	Closing fair value			
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	Total
II. Non-continuous fair value measurement	—	—	—	—
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2. Basis for determining the market price of projects continuously and non-continuously measured at Level-1 fair value

The Level-1 input is an unadjusted quoted price in an active market for the same assets and liabilities available on the measurement date.

3. Qualitative and quantitative data on valuation techniques and important parameters adopted for projects continuously and non-continuously measured at Level-2 fair value

The 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. Qualitative and quantitative data on valuation techniques and important parameters adopted for projects continuously and non-continuously measured at Level-3 fair value

The Level-3 inputs are the unobservable inputs of related assets and liabilities.

5. For items continuously measured at fair value, if there is a conversion between levels in the current year, the reasons for the conversion and the policy for determining the conversion time point

For the Group's items continuously measured at fair value, there was no conversion between levels in the current year.

6. Changes in valuation techniques in the current year and reasons for such changes

For the items measured at fair value of the Group, there were no changes in valuation techniques in the current year.

XIII. Related Party and Related Party Transactions

1. Related party relationship

(1) Parent company of the Company

Name of the parent company	Place of registration	Business nature	Registered capital	Shareholding percentage of the parent company in the Company (%)	Voting right percentage of the parent company in the Company (%)
Overseas Chinese Town Holdings Company	Shenzhen	Tourism, real estate, electronics industry	RMB12 billion	29.999997	29.999997

The ultimate controller of the Company is State-owned Assets Supervisor Commission of the State Council.

(2) Subsidiaries of the Company

Please refer to Note IX.1.(1) Subsidiaries for the information of subsidiaries.

(3) Associates of the Company

For details of the Company's important associates, please refer to Note IX.2.(1) Important associates.

Information on other associated enterprises having connected transactions with the Company in the current year, or forming balance due to connected transactions made in previous period:

Name of associates	Relationship with the Company
Kangkong Venture Capital (Shenzhen) Co., Ltd.	Associates
Dongguan Guankang Yuhong Investment Co., Ltd.	Associates
Chuzhou Kangxin Health Industry Development Co., Ltd.	Associates
Sichuan Chengrui Real Estate Co., Ltd.	Associates
Yantai Kangyun Industrial Development Co., Ltd.	Associates

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Name of associates	Relationship with the Company
Sichuan Hongxincheng Real Estate Development Co., Ltd.	Associates
Zhejiang Kangying Semiconductor Technology Co., Ltd. (formerly known as Shenzhen Kangying Semiconductor Technology Co., Ltd.)	Associates
Shenzhen KONKA E-display Co., Ltd.	Associates
Shenzhen Jielunte Technology Co., Ltd.	Associates
Dongguan Konka Smart Electronic Technology Co., Ltd.	Associates
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	Associates
Shenzhen Aimijiakang Technology Co., Ltd.	Associates
Anhui Kaikai Shijie E-commerce Co., Ltd.	Associates
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	Associates
Puchuang Jiakang Technology Co, Ltd.	Associates
KK Smartech Limited	Associates
Shenzhen Yaode Technology Co., Ltd.	Associates
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	Associates
Panxu Intelligence Co., Ltd.	Associates
Econ Technology	Associates
Dongguan Kangjia New Materials Technology Co., Ltd..	Associates
Konka Sungo Smart Energy (Zhejiang) Co., Ltd.	Associates
Konka Huanjia Environmental Technology Co., Ltd.	Associates
Yantai Kangyue Investment Co., Ltd.	Associates
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	Associates

(4) Other related parties

Names of other related parties	Relationship with the Company
Chuzhou Hanshang Electric Appliance Co., Ltd.	Minority shareholder of subsidiary
Beijing Xuri Shengxing Technology Co., Ltd.	Minority shareholder of subsidiary
Chongqing Liangshan Industrial Investment Co., Ltd.	Minority shareholder of subsidiary
Chuzhou State-owned Assets Management Co., Ltd.	Minority shareholder of subsidiary
Wu Guoren	Minority shareholder of subsidiary
Xiao Yongsong	Minority shareholder of subsidiary
Shenzhen Unifortune Supply Chain Management Co., Ltd.	Minority shareholder of subsidiary
Guizhou Huajinrun Technology Co. Ltd.	Minority shareholder of subsidiary
Shenzhen Henglongtong Technology Co., Ltd.	Minority shareholder of subsidiary

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Names of other related parties	Relationship with the Company
AUJET INDUSTRY LIMITED	Minority shareholder of subsidiary
Zhu Xinming	Minority shareholder of subsidiary
Suiyong Rongxin Asset Management Co., Ltd.	Minority shareholder of subsidiary
Shenzhen Qianhai Datang Technology Co., Ltd.	Minority shareholder of subsidiary
Korea Electric Group Co., Ltd.	Minority shareholder of subsidiary
HOHO ELECTRICAL & FURNITURE CO., LIMITED	Minority shareholder of subsidiary
Huanjia Group Co., Ltd.	Minority shareholder of subsidiary
Central SOEs Industrial Investment Fund for Poverty-stricken Area (Jiangxi) Industrial Investment Fund Partnership (L.P.)	Minority shareholder of subsidiary
Hu Zehong	Minority shareholder of subsidiary
Liang Ruiling	Minority shareholder of subsidiary
Dai Yaojin	Minority shareholder of subsidiary
Guizhou Jiading Mining Management Investment Co., Ltd.	Minority shareholder of subsidiary
Dai Rongxing	Close family member of minority shareholders
Jiangsu Korea Electric Group Co., Ltd.	The company controlled by minority shareholders of the subsidiary
Jiangxi Meiji Enterprise Co., Ltd.	The company controlled by minority shareholders of the subsidiary

2. Related-party transaction

(1) Related party transactions involving the purchase and sale of goods and the supply and acceptance of services

1) Purchasing goods/receiving services

Related party	Content of related-party transactions	Amount incurred in the current year	Amount incurred last year
Chuzhou Hanshang Electric Appliance Co., Ltd.	Purchase of goods	167,386,472.57	331,347,005.28
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	Purchase of goods	78,398,311.31	41,713,723.62
Overseas Chinese Town Holdings Company and its subsidiaries and associates	Purchase of goods and services	78,142,076.88	83,132,471.79
Puchuang Jiakang Technology	Purchase of goods	37,713,014.15	170,595,512.46

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Co, Ltd.			
Jiangsu Korea Electric Group Co., Ltd.	Purchase of goods	26,521,440.81	
Korea Electric Group Co., Ltd. and its subsidiaries	Purchase of goods	21,852,844.87	18,096,478.28
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	Purchase of goods	10,375,886.32	15,984,953.15
Dongguan Kangjia New Materials Technology Co., Ltd..	Purchase of goods	7,136,584.98	10,995,157.55
Panxu Intelligent Co., Ltd. and its subsidiaries	Purchase of goods	6,754,741.71	7,383,664.55
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	Purchase of goods	4,419,586.21	6,126,037.72
Dongguan Konka Smart Electronic Technology Co., Ltd.	Purchase service	1,443,620.08	12,468,662.09
HOHO ELECTRICAL & FURNITURE CO., LIMITED	Purchase of goods	25,101.76	5,864,370.25
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	Purchase of goods		23,456,578.00
KK Smartech Limited	Purchase of goods		10,415,968.34
Zhejiang Kangying Semiconductor Technology Co., Ltd. (formerly Shenzhen Kangying Semiconductor Technology Co., Ltd.) and its subsidiaries	Purchase of goods		6,102,501.84
Subtotal of other related parties	Purchase of goods and services	4,404,845.81	1,978,824.14
Total		444,574,527.46	745,661,909.05

(2) Information of sales of goods and provision of labour service

Related party	Content of related-party transactions	Amount incurred in the current year	Amount incurred last year
Chuzhou Hanshang Electric Appliance Co., Ltd.	Sales of goods and provision of labour service	448,249,572.71	222,670,602.32

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Related party	Content of related-party transactions	Amount incurred in the current year	Amount incurred last year
OCT Group Co., Ltd. and its subsidiaries and associates	Sales of goods and provision of labour service	66,416,176.82	78,023,377.38
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	Sales of goods and provision of labour service	56,756,074.23	44,349,541.96
Korea Electric Group Co., Ltd. and its subsidiaries	Sales of goods and provision of labour service	48,253,101.99	79,556,345.56
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	Sales of goods and provision of labour service	21,105,047.32	43,851,112.38
Dongguan Konka Smart Electronic Technology Co., Ltd.	Sales of goods and provision of labour service	5,182,683.36	9,556,588.12
Zhejiang Kangying Semiconductor Technology Co., Ltd. (formerly Shenzhen Kangying Semiconductor Technology Co., Ltd.) and its subsidiaries	Sales of goods	3,618,418.09	7,902,974.42
Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.	Sales of goods		21,015,219.00
Subtotal of other related parties	Sales of goods and provision of labour service	15,427,419.47	49,498,978.71
Total		665,008,493.99	556,424,739.85

(3) Related party leases

1) Leases

Lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the previous year
OCT Group Co., Ltd. and its subsidiaries and associates	Commercial residences and office buildings	24,830,127.03	26,323,455.08
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	Commercial residences and office buildings	9,161,779.62	6,524,825.90
Other Affiliated Companies	Commercial residences and office buildings	7,669,134.96	9,687,108.69
Total		41,661,041.61	42,535,389.67

2) Lease situation

Lessor	Type of leased assets	Lease expense recognized in the current year	Lease expense recognized last year
Overseas Chinese Town Holdings Company and its subsidiaries	Commercial residences and office buildings	34,642,360.06	30,302,719.98
Dongguan Guankang Yuhong Investment Co., Ltd.	Industrial plant	12,091,006.44	44,767,575.56
Total		46,733,366.50	75,070,295.54

(4) Related party guarantees

1) The Company was guarantor

Guarantee	Contracted guarantee amount (RMB'0,000)	Actual guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Boluo Konka	4,000.00		CNY	2024/8/14	2025/8/13	No

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Guarantee	Contracted guarantee amount (RMB'0,000)	Actual guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Precision						
Boluo Konka Precision	4,500.00		CNY	2024/7/12	2025/7/11	No
Boluo Konka Precision	2,000.00	1,666.13	CNY	2024/12/13	2025/6/13	No
Boluo Konka Precision	1,800.00	1,800.00	CNY	2024/11/26	2025/8/1	No
Konka Circuit	10,000.00	2,316.27	CNY	2021/7/12	2022/7/11	No
Konka Circuit	5,000.00	1,351.16	CNY	2022/12/13	2037/12/13	No
Anhui Tongchuang	10,000.00	8,540.00	CNY	2024/4/2	2025/3/22	No
Anhui Tongchuang	5,000.00	1,380.00	CNY	2024/12/3	2025/7/25	No
Anhui Tongchuang	3,000.00	2,800.00	CNY	2021/6/23	2031/5/7	No
Anhui Tongchuang	1,000.00	1,000.00	CNY	2023/5/23	2026/4/26	No
Anhui Tongchuang	3,000.00	3,000.00	CNY	2024/3/27	2025/3/19	No
Anhui Tongchuang	4,980.00	4,980.00	CNY	2023/5/26	2032/12/31	No
Konka Xinyun Semiconductor	12,100.00	5,955.31	CNY	2024/1/24	2038/11/7	No
Konka Xinyun Semiconductor	8,277.66	3,425.00	CNY	2022/12/19	2023/12/19	No
Chongqing Konka	38,000.00	13,029.16	CNY	2024/3/14	2025/8/9	No
Electronic Technology	8,500.00		CNY	2024/7/13	2025/7/12	No
Electronic Technology	50,000.00	50,000.00	CNY	2024/1/30	2027/1/30	No
Dongguan Konka	80,000.00	33,007.90	CNY	2020/11/13	2024/12/31	No
Sichuan Konka	4,000.00	2,800.00	CNY	2024/9/11	2025/3/29	No
Yibin Smart	980.00	980.00	CNY	2023/9/22	2024/9/21	No
Xi'an Kanghong Technology Industry	30,000.00	7,645.16	CNY	2021/8/10	2031/7/15	No
Konka Hongye Electronics	19,010.00	10,379.39	CNY	2021/10/29	2026/10/26	No
Konka Soft	975.00	138.21	CNY	2022/10/24	2026/10/26	No

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Guarantee	Contracted guarantee amount (RMB'0,000)	Actual guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Electronic						
Ningbo Kanghanrui Electric Appliances	6,000.00	1,191.89	CNY	2024/9/20	2025/3/29	No
Ningbo Kanghanrui Electric Appliances	6,000.00	3,000.00	CNY	2023/6/25	2028/6/24	No
Frestec Smart Home	10,200.00	2,652.00	CNY	2023/5/22	2024/5/21	No
Yibin Kangrun	10,000.00	10,000.00	CNY	2024/10/24	2025/8/6	No
Anhui Konka	5,500.00	3,802.37	CNY	2023/8/28	2024/6/11	No
Anhui Konka	18,000.00	5,000.00	CNY	2024/12/25	2025/12/24	No
Anhui Konka	10,215.95	7,451.15	CNY	2023/12/28	2024/12/27	No
Anhui Konka	7,000.00	3,000.00	CNY	2024/2/6	2025/2/5	No
Anhui Konka	7,000.00	3,000.00	CNY	2024/3/1	2024/12/14	No
Anhui Konka	2,000.00	2,000.00	CNY	2024/4/30	2025/4/23	No
Anhui Konka	5,000.00	4,551.28	CNY	2024/7/30	2025/7/29	No
Econ Technology	1,498.97	1,305.36	CNY	2024/7/30	2025/1/10	No
Econ Technology	4,388.00	3,734.64	CNY	2024/8/12	2025/6/12	No
Econ Technology	999.32	261.32	CNY	2024/9/24	2025/9/23	No
Econ Technology	1,374.06	1,374.06	CNY	2024/12/25	2025/12/24	No
Econ Technology	2,498.29	2,248.46	CNY	2023/12/28	2024/12/27	No
Econ Technology	124.91	124.91	CNY	2024/2/6	2025/2/5	No
Econ Technology	4,489.43	4,489.43	CNY	2024/3/1	2024/12/14	No
Econ Technology	499.66	499.66	CNY	2024/4/30	2025/4/23	No
Econ Technology	1,374.06	1,374.06	CNY	2024/7/30	2025/7/29	No
Econ Technology	1,124.23	1,103.57	CNY	2024/7/30	2025/1/10	No
Econ Technology	507.15	507.15	CNY	2024/8/12	2025/6/12	No
Econ Technology	2,248.46	1,523.95	CNY	2024/9/24	2025/9/23	No

Note: regarding the guarantee provided by OCT Group Co., Ltd. for the financing of the Group, the actual amount of counter guarantee provided by the Group is RMB5.6 billion. As of the end of 2024, the relevant guarantee has not been fully fulfilled.

2) As the secured party

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Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Konka Circuit	8,200.00	CNY	2024/2/5	2025/2/4	No
Suining Konka Industrial Park	32,800.00	CNY	2024/2/5	2025/2/4	No
Jiangxi Konka	13,431.31	CNY	2023/6/15	2027/3/8	No
Jiangxi High Transparent Substrate	38,045.57	CNY	2023/6/15	2027/3/19	No
Jiangxi High Transparent Substrate	258.80	CNY	2024/4/28	2030/3/6	No
Xinfeng Microcrystalline	34,475.18	CNY	2023/6/15	2025/12/31	No
XingDa HongYe	15,083.08	CNY	2024/7/15	2029/7/14	No
Konka Ventures	1,322.54	CNY	2021/12/15	2022/11/5	No
Zhejiang Kangying Semiconductor Technology Co., Ltd. (formerly known as Shenzhen Kangying Semiconductor Technology Co., Ltd.)	15,000.00	CNY	2024/12/3	2025/7/25	No
Overseas Chinese Town Holdings Company	60,000.00	CNY	2022/9/8	2025/9/8	No
Overseas Chinese Town Holdings Company	60,000.00	CNY	2022/10/18	2025/10/18	No
Overseas Chinese Town Holdings Company	120,000.00	CNY	2022/7/14	2025/7/14	No
Overseas Chinese Town Holdings Company	49,000.00	CNY	2022/8/23	2025/8/22	No
Overseas Chinese Town Holdings Company	12,000.00	CNY	2022/12/22	2025/12/22	No
Overseas Chinese Town Holdings Company	54,000.00	CNY	2023/1/18	2026/1/18	No
Overseas Chinese Town Holdings Company	40,000.00	CNY	2023/9/22	2026/9/22	No
Overseas Chinese Town Holdings Company	47,000.00	CNY	2023/12/13	2026/12/20	No
Overseas Chinese Town Holdings Company	50,000.00	CNY	2024/3/26	2027/3/26	No
Overseas Chinese Town Holdings	59,850.00	CNY	2024/6/25	2026/6/25	No

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Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Company					
Overseas Chinese Town Holdings Company	150,000.00	CNY	2024/1/29	2027/1/29	No
Overseas Chinese Town Holdings Company	80,000.00	CNY	2024/3/18	2027/3/18	No
Econ Technology	3,300.00	CNY	2020/11/13	2024/12/31	No
Chuzhou State-owned Assets Management Co., Ltd.	836.52	CNY	2024/9/11	2025/3/29	No
Chuzhou State-owned Assets Management Co., Ltd.	1,100.00	CNY	2023/9/22	2024/9/21	No
Chuzhou State-owned Assets Management Co., Ltd.	1,639.25	CNY	2021/8/10	2031/7/15	No
Chuzhou State-owned Assets Management Co., Ltd.	660.00	CNY	2021/10/29	2026/10/26	No
Chuzhou State-owned Assets Management Co., Ltd.	660.00	CNY	2022/10/24	2026/10/26	No
Chuzhou State-owned Assets Management Co., Ltd.	440.00	CNY	2024/9/20	2025/3/29	No
Chuzhou State-owned Assets Management Co., Ltd.	1,001.28	CNY	2023/6/25	2028/6/24	No
Wu Guoren	875.00	USD	2019/12/31	2024/12/31	No
Wu Guoren	2,285.00	USD	2019/12/31	2024/12/31	No
Xiao Yongsong	840.00	USD	2019/12/31	2024/12/31	No
Xiao Yongsong	2,193.60	USD	2019/12/31	2024/12/31	No
Shenzhen Unifortune Supply Chain Management Co., Ltd.	1,269.10	USD	2021/6/21	2022/12/31	No
Shenzhen Unifortune Supply Chain Management Co., Ltd.	818.30	USD	2021/6/21	2022/12/31	No
Guizhou Huajinrun Technology Co. Ltd.	381.15	USD	2022/1/1	2025/12/31	No
Guizhou Huajinrun Technology Co. Ltd.	157.50	USD	2022/1/1	2025/12/31	No

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Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Shenzhen Henglongtong Technology Co., Ltd.	241.40	USD	2022/1/1	2025/12/31	No
Shenzhen Henglongtong Technology Co., Ltd.	99.75	USD	2022/1/1	2025/12/31	No
AUJET INDUSTRY LIMITED	3,227.63	USD	2021/11/10	2025/12/31	No
AUJET INDUSTRY LIMITED	40.18	USD	2021/11/10	2025/12/31	No
AUJET INDUSTRY LIMITED	1,029.00	USD	2020/7/20	2025/12/31	No
Zhu Xinming	12,446.00	CNY	2022/10/15	2023/10/14	No
Zhu Xinming	3,399.49	CNY	2023/1/1	2023/12/31	No
Zhu Xinming	13,249.19	CNY	2023/2/19	2024/2/18	No
Zhu Xinming	6,860.00	CNY	2023/3/1	2024/2/28	No
Zhu Xinming	2,330.54	CNY	2023/3/9	2024/3/8	No
Zhu Xinming	2,156.00	CNY	2023/4/1	2023/9/30	No
Zhu Xinming	443.45	CNY	2023/1/13	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/3/30	2023/12/31	No
Zhu Xinming	443.45	CNY	2023/4/14	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/6/30	2023/12/31	No
Zhu Xinming	443.45	CNY	2023/7/14	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/10/11	2023/12/31	No
Zhu Xinming	149.45	CNY	2023/10/13	2023/12/31	No
Zhu Xinming	44.05	CNY	2023/12/29	2023/12/31	No
Zhu Xinming	490.00	CNY	2023/2/28	2024/2/27	No
Zhu Xinming	5,109.05	CNY	2023/1/1	2023/12/31	No
Zhu Xinming	252.63	CNY	2023/1/13	2023/12/31	No
Zhu Xinming	101.77	CNY	2023/1/13	2023/12/31	No
Zhu Xinming	203.63	CNY	2023/4/14	2023/12/31	No
Zhu Xinming	1,862.90	CNY	2023/1/1	2023/12/31	No
Zhu Xinming	223.85	CNY	2023/2/17	2023/12/31	No
Zhu Xinming	93.12	CNY	2023/3/8	2023/12/31	No
Zhu Xinming	101.35	CNY	2023/5/19	2023/12/31	No

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Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Zhu Xinming	93.12	CNY	2023/6/8	2023/12/31	No
Zhu Xinming	93.12	CNY	2023/9/8	2023/12/31	No
Zhu Xinming	62.25	CNY	2023/12/7	2023/12/31	No
Zhu Xinming	137.20	CNY	2024/11/1	2026/10/30	No
Hu Zehong	7,006.02	CNY	2024/7/15	2029/7/14	No
Liang Ruiling, Dai Yaojin			2024/7/15	2025/12/31	No
Suiyong Rongxin Asset Management Co., Ltd.	2,450.00	CNY	2018/1/1	2025/6/30	No
Suiyong Rongxin Asset Management Co., Ltd.	2,842.00	CNY	2018/1/1	2024/12/31	No
Shenzhen Henglongtong Electronic Technology Co., Ltd., Guizhou Huajinrun Technology Group Co., Ltd., Huaying Gaokede Electronic Technology Co., Ltd. and Huaying Gaokelong Electronic Technology Co.,Ltd.	735.00	CNY	2022/1/1	2025/12/31	No
Shenzhen Baili Yongxing Technology Co., Ltd.			2018/1/1	2023/12/31	No
Shenzhen Henglongtong Electronic Technology Co., Ltd., Guizhou Huajinrun Technology Group Co., Ltd., Huaying Gaokede Electronic Technology Co., Ltd. and Huaying Gaokelong Electronic Technology Co.,Ltd.	488.37	CNY	2022/1/1	2025/12/31	No
Shenzhen Baili Yongxing Technology Co., Ltd.			2018/1/1	2023/12/31	No
Shenzhen Henglongtong Electronic Technology Co., Ltd., Guizhou Huajinrun Technology Group Co., Ltd., Huaying Gaokede Electronic	552.72	CNY	2022/1/1	2025/12/31	No

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Guarantor	Guarantee amount (RMB'0,000)	Currency	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Technology Co., Ltd. and Huaying Gaokelong Electronic Technology Co.,Ltd.					
Shenzhen Baili Yongxing Technology Co., Ltd.			2018/1/1	2023/12/31	No
Chuzhou Hanshang Electric Appliance Co., Ltd.	4,533.96	CNY	2021/5/20	2024/5/19	No
Shenzhen Qianhai Datang Technology Co., Ltd.	441.00	CNY	2024/11/17	2025/11/16	No

(5) Loans from/to related parties

Related party	Amount (RMB'0,000)	Currency	Start date	Due date
Borrowing				
Overseas Chinese Town Holdings Company	81,091.00	CNY	2022/1/10	2025/1/9
Overseas Chinese Town Holdings Company	50,000.00	CNY	2022/5/19	2025/5/18
Overseas Chinese Town Holdings Company	70,000.00	CNY	2022/5/26	2025/5/25
Chuzhou Hanshang Electric Appliance Co., Ltd.	12,862.50	CNY	2024/1/1	2024/12/31
Chuzhou Hanshang Electric Appliance Co., Ltd.	2,450.00	CNY	2024/8/3	2025/12/31
Chuzhou Hanshang Electric Appliance Co., Ltd.	980.00	CNY	2024/2/14	2025/2/13
Econ Technology	1,914.00	CNY	2024/3/20	2025/3/19
Kangkong Venture Capital (Shenzhen) Co., Ltd.	245.00	CNY	2022/7/21	2025/7/18
Beijing Xuri Shengxing Technology Co., Ltd.	228.67	CNY	2024/12/1	2025/11/30
Total	219,771.17			

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Related party	Amount (RMB'0,000)	Currency	Start date	Due date
Lending				
Dongguan Guankang Yuhong Investment Co., Ltd.	2,223.19	CNY	2022/8/6	2025/9/25
Dongguan Guankang Yuhong Investment Co., Ltd.	17,376.81	CNY	2022/8/6	2025/9/25
Chuzhou Kangxin Health Industry Development Co., Ltd.	13,288.00	CNY	2022/12/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	2,000.00	CNY	2022/12/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	735.00	CNY	2023/1/5	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	59.45	CNY	2023/1/5	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,240.03	CNY	2022/12/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	16,758.00	CNY	2023/3/22	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,359.26	CNY	2023/3/21	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	109.95	CNY	2023/3/21	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	1,344.36	CNY	2023/3/22	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	2,080.72	CNY	2023/10/18	2025/12/21
Chuzhou Kangxin Health Industry Development Co., Ltd.	562.97	CNY	2023/12/22	2025/12/21
Sichuan Chengrui Real Estate Co., Ltd.	14,724.50	CNY	2022/1/21	2025/4/15
Yantai Kangyue Investment Co., Ltd.	12,852.70	CNY	2020/12/16	2022/11/5
Yantai Kangyun Industrial Development Co., Ltd.	10,020.00	CNY	2021/11/23	2025/3/31
Yantai Kangyun Industrial Development Co., Ltd.	949.00	CNY	2022/8/25	2025/3/31
Yantai Kangyun Industrial Development Co., Ltd.	1,394.00	CNY	2022/8/25	2025/3/31

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Related party	Amount (RMB'0,000)	Currency	Start date	Due date
Yantai Kangyun Industrial Development Co., Ltd.	323.00	CNY	2022/8/25	2025/3/31
Yantai Kangyun Industrial Development Co., Ltd.	564.00	CNY	2022/8/25	2025/3/31
Yantai Kangyun Industrial Development Co., Ltd.	1,020.00	CNY	2022/3/17	2025/3/31
Yantai Kangyun Industrial Development Co., Ltd.	3,400.00	CNY	2022/5/23	2025/3/31
Yantai Kangyun Industrial Development Co., Ltd.	2,500.00	CNY	2022/6/1	2025/3/31
Yantai Kangyun Industrial Development Co., Ltd.	2,430.00	CNY	2022/11/15	2025/3/31
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	18,843.00	CNY	2020/11/25	2023/11/24
Sichuan Hongxincheng Real Estate Development Co., Ltd.	19,879.55	CNY	2022/9/15	2025/2/27
Econ Technology	18,315.11	CNY	2023/12/20	2025/12/20
Econ Technology	4,996.58	CNY	2023/12/21	2025/12/20
Chongqing Liangshan Industrial Investment Co., Ltd.	5,000.00	CNY	2024/9/29	2025/03/28
Chongqing Liangshan Industrial Investment Co., Ltd.	5,000.00	CNY	2024/9/30	2025/03/28
Total	181,349.18			

(6) Remuneration for key management personnel

Item	The current year (RMB'0,000)	Last year (RMB'0,000)
Total remuneration	805.91	805.08

3. Balance of amount receivable and payable by related parties

(1) Receivables

Related party	Ending balance		Beginning balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable:				

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Related party	Ending balance		Beginning balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Shenzhen Yaode Technology Co., Ltd. and its subsidiaries	147,734,652.41	147,734,652.41	145,562,210.29	145,562,210.29
HOHO ELECTRICAL & FURNITURE CO., LIMITED	124,609,404.13	93,990,064.79	124,378,346.69	51,863,807.49
Overseas Chinese Town Holdings Company and its subsidiaries and associates	72,276,979.60	31,123,407.93	100,590,722.52	15,162,359.88
Chuzhou Hanshang Electric Appliance Co., Ltd.	47,717,928.47	973,445.73	38,536,165.52	786,137.78
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	38,344,115.39	38,344,115.39	39,226,376.64	39,214,097.96
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	26,677,417.75	2,692,954.15	60,994,542.80	1,879,460.35
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	13,210,046.28	269,484.95	8,538,236.25	173,326.20
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	1,367,734.51	143,334.28	2,038,868.80	130,671.94
Subtotal of other related parties	14,486,876.29	4,766,671.12	36,068,461.04	4,978,006.25
Total	486,425,154.83	320,038,130.75	555,933,930.56	259,750,078.15
Financing accounts receivable/Notes receivable:				
Chuzhou Hanshang Electric Appliance Co., Ltd. and its subsidiaries	320,000.00		10,000,000.00	
Chuzhou Hanshang Electric Appliance Co., Ltd. and its subsidiaries			10,000,000.00	
Total	320,000.00		20,000,000.00	
Dividends receivable:				
Shenzhen Jielunte Technology Co., Ltd.			941,482.38	
Total			941,482.38	

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Related party	Ending balance		Beginning balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables:				
Konka Huanjia Environmental Technology Co., Ltd.	1,744,736,434.49	1,744,736,434.49		
Chongqing Lanlv Moma Real Estate Development Co., Ltd.	236,698,102.31	17,677,972.27	235,830,613.25	
Yantai Kangyue Investment Co., Ltd.	171,069,706.45	73,609,697.70	170,712,417.56	18,682,100.00
Chongqing Liangshan Industrial Investment Co., Ltd.	100,858,150.67	1,008,581.51		
Jiangxi Meiji Enterprise Co., Ltd.	93,512,640.31	93,512,640.31	93,512,640.31	93,512,640.31
Dai Rongxing	89,251,531.41	89,251,531.41	86,150,945.74	86,150,945.74
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	39,130,497.17	39,044,321.62	39,888,921.64	39,888,921.64
Overseas Chinese Town Holdings Company and its subsidiaries and associates	31,319,550.72	21,246,621.58	31,185,288.31	20,608,710.48
Huanjia Group Co., Ltd.			25,083,675.53	24,582,002.02
Dongguan Guankang Yuhong Investment Co., Ltd.	22,000,000.00	2,200,000.00	22,000,000.00	660,000.00
HOHO ELECTRICAL & FURNITURE CO., LIMITED	2,522,359.24	2,522,359.24	2,485,213.19	1,612,406.32
Hu Zehong	816,533.42	171,132.24	1,395,042.29	135,057.89
Zhu Xinming	1,844,316.15	184,800.48		
Subtotal of other related parties	3,840,950.86	71,393.70	145,049.83	2,993.94
Total	2,537,600,773.20	2,085,237,486.55	708,389,807.65	285,835,778.34
Prepayments:				
Konka Sungo Smart Energy (Zhejiang) Co., Ltd.	48,239,426.19			48,239,426.19
Overseas Chinese Town Holdings Company and its subsidiaries and associates	113,278.60		238,185.12	113,278.60

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Related party	Ending balance		Beginning balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Subtotal of other related parties	429,661.79		7,764.63	429,661.79
Total	48,782,366.58		245,949.75	48,782,366.58
Other current assets:				
Chuzhou Kangxin Health Industry Development Co., Ltd.	428,413,383.27		396,256,021.05	
Yantai Kangyun Industry Development Co., Ltd. and its subsidiaries	274,833,800.04		256,452,466.70	
Sichuan Hongxincheng Real Estate Development Co., Ltd.	244,320,945.73		228,799,064.74	
Shandong Econ Technology Co., Ltd. and its subsidiaries	233,116,949.03		233,116,949.03	
Dongguan Guankang Yuhong Investment Co., Ltd.	229,643,489.20		224,838,028.99	
Sichuan Chengrui Real Estate Co., Ltd.	180,452,915.47		168,476,988.84	
Total	1,590,781,482.74		1,507,939,519.35	
Contract assets:				
Overseas Chinese Town Holdings Company and its subsidiaries and associates	401,807.84	8,196.88		
Total	401,807.84	8,196.88		

(2) Payables

Related party	Ending book balance	Beginning book balance
Accounts payable:		
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates	65,368,676.00	33,987,442.17
Overseas Chinese Town Holdings Company and its subsidiaries and associates	42,040,127.95	28,693,864.79
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	11,078,987.35	10,343,033.76
Chuzhou Hanshang Electric Appliance Co., Ltd.	8,399,596.80	43,592,692.34
Panxu Intelligence Co., Ltd. and its subsidiaries	6,343,887.78	3,558,734.12

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Related party	Ending book balance	Beginning book balance
HOHO ELECTRICAL & FURNITURE CO., LIMITED	5,036,570.10	10,195,877.56
Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries	4,326,148.17	4,614,860.81
Korea Electric Group Co., Ltd. and its subsidiaries		4,374,416.65
Subtotal of other related parties	28,185,129.54	62,883,215.09
Total	170,779,123.69	202,244,137.29
Notes payable:		
Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries	10,327,556.31	916,829.48
Dongguan Kangjia New Materials Technology Co., Ltd..	1,991,363.46	4,352,821.66
Korea Electric Group Co., Ltd. and its subsidiaries	1,565,908.77	4,709,353.26
Panxu Intelligence Co., Ltd. and its subsidiaries		1,962,738.39
Total	13,884,828.54	11,941,742.79
Contract liabilities/other current liabilities/other non-current liabilities:		
Overseas Chinese Town Holdings Company and its subsidiaries and associates	65,821,382.94	43,675,417.58
AUJET INDUSTRY LIMITED	3,851,376.79	
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	4,449,842.05	
Shenzhen KONKA E-display Co., Ltd. and its subsidiaries	915,488.73	28,903,907.67
Shenzhen Aimijiakang Technology Co., Ltd.		1,030,654.81
Subtotal of other related parties	501,429.98	1,659,155.59
Total	75,539,520.49	75,269,135.65
Other payables:		
Chuzhou Hanshang Electric Appliance Co., Ltd.	207,983,241.15	195,705,860.89
Shandong Econ Technology Co., Ltd. and its subsidiaries	21,696,728.31	42,146,282.34
Overseas Chinese Town Holdings Company and its subsidiaries and associates	22,391,131.89	23,291,255.06
Guizhou Jiading Mining Management Investment Co., Ltd.	18,000,000.00	
Central SOEs Industrial Investment Fund for Poverty-stricken Area (Jiangxi) Industrial Investment Fund Partnership (L.P.)	14,400,000.00	9,600,000.00

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Related party	Ending book balance	Beginning book balance
Dongguan Guankang Yuhong Investment Co., Ltd.	12,100,893.94	
Beijing Xuri Shengxing Technology Co., Ltd.	2,675,533.68	2,536,047.85
Kangkong Venture Capital (Shenzhen) Co., Ltd.	2,523,701.42	2,523,500.05
Subtotal of other related parties	16,551,142.92	11,526,313.92
Total	318,322,373.31	287,329,260.11

XIV. Commitments and Contingencies

1. Significant commitments

(1) Capital commitments

Item	Year end balance	Year beginning balance
Large amount contract	173,593,973.84	295,615,545.67
Total	173,593,973.84	295,615,545.67

(2) Other commitments

As of December 31, 2024, there were no other significant commitments for the Group to disclose.

2. Contingencies

The Group's material contingencies requiring disclosure are set out below:

(1) Before the Company acquired Jiangxi Konka , Jiangxi Konka and its subsidiaries Xinfeng Microcrystalline and Jiangxi High Transparent Substrate (formerly known as Nano Microcrystalline) 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 , 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 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 to repay the loan principal amounting to RMB300 million and the liquidated damage and interest arising from it and guarantors Jiangxi Konka, Jiangxi High Transparent Substrate and Xinfeng Microcrystalline to bear joint and several liability for such debts.

On October 31, 2019, the Jiangxi Provincial Higher People's Court ruled in the first

instance that Jiangxi Xinxin, Jiangxi Zhongyi Decoration and Jiangxi Shanshi should repay the loan principal totaling RMB300 million, interest and liquidated damages to Great Wall Assets Jiangxi Branch within 10 days from the effective date of the judgment; Jiangxi Konka, ZHU Xinming, LENG Sumin, Nano Microcrystalline, and Xinfeng Microcrystalline shall be jointly and severally liable for the repayment of all the debts determined by the above judgment. The defendants were dissatisfied with the judgment of first instance and have filed an appeal, and the Supreme People's Court has accepted the case. On March 24, 2021, the Supreme People's Court of the People's Republic of China issued a ruling: I. Revoke the Civil Judgment (2018) GMC No. 110 of Jiangxi Higher People's Court; II. The case shall be remanded to the Jiangxi Higher People's Court for retrial. As of the date of issuance of this report, the first instance of the retrial was decided, an appeal had been filed, and the second instance of the retrial is in progress.

The original De Facto Controller of Jiangxi Konka, ZHU Xinming and his spouse, Leng Sumin, Jiangxi Xinxin Real Estate Co., Ltd., ZHU Zilong, ZHU Qingming and ZENG Xiaohong, as guarantors, provided a total of approximately RMB 143 million of real estate mortgage guarantee to Great Wall AMC for the above loans, and 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 signed with Jiangxi Konka, Xinfeng Microcrystalline and Nano Microcrystalline that the contingent debts incurred by Jiangxi Konka, Xinfeng Microcrystalline and Nano Microcrystalline shall be born by the original shareholders of Jiangxi Konka in the form of joint and several liability. Jiangxi Xinxin Real Estate Co., Ltd. has held a total of approximately RMB243 million of real estate assets as the case of the anti-guarantee mortgage to the Company and went through the mortgage registration procedures.

(2) The amount of the subject matter involved in the dispute between Sichuan Shuwu Guangrun Logistics Co., Ltd. (plaintiff) and the Company's subsidiary, Dongguan Konka (defendant), over a purchase and sales contract is RMB 122.8346 million. As of the date of issuance of this report, the case was under trial.

(3) The amount of the subject matter involved in the dispute between Micro Crystal Transfer Group Ltd. (the Applicant) and the Company's subsidiary, Chongqing Optoelectronics Technology (The Respondent), over the equipment purchase and sales contract is RMB 36.3967 million. As of the date of issuance of this report, the case was under trial.

(4) The amount of the subject matter involved in the dispute between Heilongjiang Xinda New Material Co., Ltd. (plaintiff) and the Company's subsidiary, Anhui Konka (defendant), over the purchase and sales contract is RMB 134.4402 million. As of the date of issuance of this report, the case was under trial.

XV. Subsequent Events after the Balance Sheet Date

1. Important non-adjusting matters

As of the date of issuance of this financial report, the Group has no significant non-adjusting matters that need to be disclosed.

2. Sales return

As of the date of this financial report, the Group had no material sales returns.

3. Notes to other subsequent events after the balance sheet date

On April 8, 2025, the Company received a notice from our controlling shareholder, OCT Group Co., Ltd., stating that in order to promote professional integration among central enterprises and optimize resource allocation, we plan to have other central enterprise groups implement professional integration for the Company.

This integration may result in a change in the controlling shareholder of the Company, but the actual controller remains the State owned Assets Supervision and Administration Commission of the State Council.

XVI. Other Key Matters

As of the date of issuance of this financial report, the Group has no other significant matters.

XVII. Notes to the Main Items of the Financial Statements of the Parent Company

1. Accounts receivable

(1) Accounts receivable listed by aging portfolio

Aging	Ending book balance	Beginning book balance
Within one year (inclusive)	2,478,867,657.14	1,206,382,965.89
1-2 years	269,445,994.78	1,471,518,725.52
2-3 years	25,878,752.19	116,480,162.93
3-4 years	42,081,276.61	58,805,217.49
4-5 years	10,744,497.16	122,821,401.69
Over 5 years	848,569,108.69	806,589,292.93
Total	3,675,587,286.57	3,782,597,766.45

(2) Accounts receivable listed by withdrawal methods for bad debts

Type	Ending balance		
	Book balance	Provision for bad debts	Book value

Notes to Financial Statements of Konka Group Co., Ltd.
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	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	751,101,547.52	20.43	751,041,259.51	99.99	60,288.01
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	262,862,169.32	7.15	141,146,416.75	53.70	121,715,752.57
Related party combination	2,661,623,569.73	72.41			2,661,623,569.73
Subtotal of portfolio	2,924,485,739.05	79.57	141,146,416.75	4.83	2,783,339,322.30
Total	3,675,587,286.57	100.00	892,187,676.26	24.27	2,783,399,610.31

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	752,763,517.97	19.90	708,873,222.27	94.17	43,890,295.70
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	355,972,586.88	9.41	166,216,118.67	46.69	189,756,468.21
Related party combination	2,673,861,661.60	70.69			2,673,861,661.60
Subtotal of portfolio	3,029,834,248.48	80.10	166,216,118.67	5.49	2,863,618,129.81
Total	3,782,597,766.45	100.00	875,089,340.94	23.13	2,907,508,425.51

1) Provision set aside for bad debts of accounts receivable by single item

Description	Beginning balance	Ending balance
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Notes to Financial Statements of Konka Group Co., Ltd.
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	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
CEFC Shanghai International Group Limited	299,136,676.70	293,153,943.17	298,855,950.30	298,855,950.30	100.00	Not expected to be recoverable
Hongtu Sanpower Technology Co., Ltd.	200,000,000.00	180,000,000.00	200,000,000.00	200,000,000.00	100.00	Not expected to be recoverable
Zhongfu Tiangong Construction Group Co., Ltd.	71,389,096.65	53,541,822.49	71,289,096.65	71,289,096.65	100.00	Not expected to be recoverable
CCCC First Harbor Engineering Company Ltd.	55,438,105.00	55,438,105.00	55,438,105.00	55,438,105.00	100.00	Not expected to be recoverable
China Energy Electric Fuel Co., Ltd.	50,000,000.00	50,000,000.00	49,993,564.16	49,993,564.16	100.00	Not expected to be recoverable
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.	36,900,685.94	36,900,685.94	36,211,057.55	36,211,057.55	100.00	Not expected to be recoverable
Others	39,898,953.68	39,838,665.67	39,313,773.86	39,253,485.85	99.85	Expected to be difficult to recover
Total	752,763,517.97	708,873,222.27	751,101,547.52	751,041,259.51	99.99	—

2) Provision for bad debts for accounts receivable made as per portfolio

① In the portfolio, accounts receivable of provision for expected credit loss made by aging

Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)

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Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	108,768,640.03	2,218,880.24	2.04
1-2 years	637,438.49	63,871.34	10.02
2-3 years	174,611.00	39,619.24	22.69
3-4 years	41,165,814.00	26,708,380.13	64.88
4-5 years	739,858.10	739,858.10	100.00
Over 5 years	111,375,807.70	111,375,807.70	100.00
Total	262,862,169.32	141,146,416.75	53.70

② In the portfolio, accounts receivable of provision for expected credit loss made by other methods

Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Related party combination	2,661,623,569.73		
Total	2,661,623,569.73		

(3) Provision for bad debts of accounts receivable set aside, recovered or reclassified in the current year

Type	Beginning balance	Change in the current year	
		Provision	Recovered or reversed
Provision for bad debts of accounts receivable	875,089,340.94	64,806,200.31	8,632,763.58
Total	875,089,340.94	64,806,200.31	8,632,763.58

(Continued)

Type	Change in the current year		Ending balance
	Charge-off or write-off	Others	
Provision for bad debts of accounts receivable	39,075,101.41		892,187,676.26
Total	39,075,101.41		892,187,676.26

(4) Accounts receivable actually written off in the current year

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Item	Amount written off
Accounts receivable written off	39,075,101.41

(5) Top five accounts receivable and contract assets in the Ending balance categorized by debtors

The total amount of accounts receivable with top five Ending balance categorized by debtors in the current year was RMB 2,510,779,476.99, accounting for 68.31% of the total Ending balance of accounts receivable. The total Ending balance of provision for bad debts correspondingly set aside was RMB 498,855,950.30.

2. Other receivables

Item	Ending balance	Beginning balance
Interest receivable		6,325,400.49
Dividends receivable	397,729,468.60	395,209,709.13
Other receivables	7,812,366,963.81	7,560,988,861.81
Total	8,210,096,432.41	7,962,523,971.43

2.1 Interest receivable

(1) Classification of interest receivable

Item	Ending balance	Beginning balance
Time deposit		6,325,400.49
Total		6,325,400.49

2.2 Dividends receivable

The investee	Ending balance	Beginning balance
Hong Kong Konka Co., Ltd.	117,729,468.60	115,209,709.13
Suining Konka Industrial Park Development Co., Ltd.	280,000,000.00	280,000,000.00
Total	397,729,468.60	395,209,709.13

2.3 Other receivables

(1) Classified by account nature

Nature of fund	Ending book balance	Beginning book balance
Intercourse funds among subsidiaries	7,470,528,350.51	9,069,786,800.21
Energy-saving subsidies receivable	141,549,150.00	141,549,150.00

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Nature of fund	Ending book balance	Beginning book balance
Intercourse funds with other related parties	2,217,059,558.78	235,267,733.09
Deposit and margin	11,203,961.90	12,721,943.88
Others	51,145,919.15	99,060,310.98
Total	9,891,486,940.34	9,558,385,938.16

(2) Other receivables listed by aging

Aging	Ending book balance	Beginning book balance
Within one year (inclusive)	2,833,825,882.55	5,210,348,063.16
1-2 years	2,791,206,932.00	2,145,922,239.93
2-3 years	2,093,828,942.23	198,105,811.44
3-4 years	198,020,662.24	439,082,181.54
4-5 years	438,628,738.59	1,004,762,554.22
Over 5 years	1,535,975,782.73	560,165,087.87
Total	9,891,486,940.34	9,558,385,938.16

(3) Classified presentation of other receivables by provisioning methods of bad debts

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	2,346,639,698.77	23.72	2,030,143,279.98	86.51	316,496,418.79
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	59,556,884.46	0.60	41,789,999.23	70.17	17,766,885.23
Low Risk Combination	14,762,006.60	0.15	7,186,697.32	48.68	7,575,309.28
Related party combination	7,470,528,350.51	75.52			7,470,528,350.51
Subtotal of portfolio	7,544,847,241.57	76.28	48,976,696.55	0.65	7,495,870,545.02
Total	9,891,486,940.34	100.00	2,079,119,976.53	21.02	7,812,366,963.81

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(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	2,110,298,248.95	22.08	1,958,251,651.39	92.80	152,046,597.56
Provision set aside for bad debts by portfolio					
Of which: Aging portfolio	84,338,231.39	0.88	32,163,233.75	38.14	52,174,997.64
Low Risk Combination	16,543,239.09	0.17	6,982,191.21	42.21	9,561,047.88
Related party combination	7,347,206,218.73	76.87			7,347,206,218.73
Subtotal of portfolio	7,448,087,689.21	77.92	39,145,424.96	0.53	7,408,942,264.25
Total	9,558,385,938.16	100.00	1,997,397,076.35	20.90	7,560,988,861.81

1) Provision set aside for bad debts of other receivables by portfolio

Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year	2,596,770,491.35	97,657.39	
1-2 years	2,612,304,310.50	1,496,969.47	0.06
2-3 years	2,054,396,641.91	502,609.89	0.02
3-4 years	72,198,065.40	1,036,781.06	1.44
4-5 years	122,337,965.60	32,522,750.00	26.58
Over 5 years	86,839,757.73	13,319,928.74	15.34
Total	7,544,847,241.57	48,976,696.55	0.65

2) Provision set aside for bad debts of other receivables by the general expected credit loss model

Provision for	Phase I	Phase II	Phase III	Total
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Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of January 1, 2024	841,697.01	38,303,727.95	1,958,251,651.39	1,997,397,076.35
Balance as of January 1, 2024 in the current year				
-- Transferred to Phase II	-305,034.59	305,034.59		
-- Transferred to Phase III				
-- Reclassified under Phase II				
-- Reclassified under Phase I				
Provision in the current year	97,657.39	13,546,978.74	72,605,569.97	86,250,206.10
Recovery in the current year	536,662.42	1,545,915.20	713,941.38	2,796,519.00
Charge-off in the current year				
Write-off in the current year		1,730,786.92		1,730,786.92
Other changes				
Balance as of December 31, 2024	97,657.39	48,879,039.16	2,030,143,279.98	2,079,119,976.53

Remarks: 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 one 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 one 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.

(4) Provision for bad debts of other receivables set aside, recovered or reclassified in the current year

Type	Beginning balance	Change in the current year	
		Provision	Recovered or reversed
Provision for bad debts of other receivables	1,997,397,076.35	86,250,206.10	2,796,519.00
Total	1,997,397,076.35	86,250,206.10	2,796,519.00

(Continued)

Type	Change in the current year		Ending balance
	Charge-off or write-off	Others	
Provision for bad debts of other receivables	1,730,786.92		2,079,119,976.53
Total	1,730,786.92		2,079,119,976.53

(5) Other receivables actually written off in the current year

Item	Amount written off
Other accounts receivable written off	1,730,786.92

(6) Other receivables with top five year-end balances categorized by debtors

The total amount of other receivables with top five ending balance categorized by debtors in the current year was RMB 6,823,271,100.47, accounting for 68.98% of the total ending balance of other receivables. The total ending balance of provision for bad debts correspondingly set aside was RMB 1,744,736,434.49.

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

3. Long-term equity investments

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	7,825,394,811.83	689,680,000.00	7,135,714,811.83	7,156,825,933.98	781,480,000.00	6,375,345,933.98
Investment in associates	2,256,836,610.99	590,635,945.27	1,666,200,665.72	2,279,596,484.20	301,754,900.04	1,977,841,584.16
Total	10,082,231,422.82	1,280,315,945.27	8,801,915,477.55	9,436,422,418.18	1,083,234,900.04	8,353,187,518.14

(1) Investment in subsidiaries

The investee	Beginning balance (Book value)	Beginning balance of provision for impairment	Changes in the current year				Ending balance (Book value)	Ending balance of the provision for impairment
			Increase in the investment	Decrease in the investment	Provision set aside for impairment	Others		
Konka Ventures	2,550,000.00						2,550,000.00	
Anhui Konka	122,780,937.98						122,780,937.98	
Konka Electronic Material	300,000,000.00						300,000,000.00	
Konka Unifortune	15,300,000.00						15,300,000.00	

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

The investee	Beginning balance (Book value)	Beginning balance of provision for impairment	Changes in the current year				Ending balance (Book value)	Ending balance of the provision for impairment
			Increase in the investment	Decrease in the investment	Provision set aside for impairment	Others		
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	
Telecommunication Technology	360,000,000.00						360,000,000.00	
Development of science and technology industry	100,000,000.00						100,000,000.00	
Anhui Tongchuang	779,702,612.22						779,702,612.22	
Kangjiatong	30,749,800.00						30,749,800.00	
Pengrun Technology	25,500,000.00						25,500,000.00	
Beijing Konka Electronic	200,000,000.00						200,000,000.00	
Konka Circuit	437,050,000.00		303,702,721.18				740,752,721.18	
Hong Kong Konka	781,828.61						781,828.61	
Konka Investment	500,000,000.00						500,000,000.00	
Electronic	1,000,000,000.00						1,000,000,000.00	

Notes to Financial Statements of Konka Group Co., Ltd.
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(Amounts are expressed in RMB unless otherwise stated)

The investee	Beginning balance (Book value)	Beginning balance of provision for impairment	Changes in the current year				Ending balance (Book value)	Ending balance of the provision for impairment
			Increase in the investment	Decrease in the investment	Provision set aside for impairment	Others		
Technology								
Konka Huanjia		91,800,000.00						
Shanghai Konka	40,000,000.00						40,000,000.00	
Jiangxi Konka		689,680,000.00						689,680,000.00
Shenzhen Nianhua	30,000,000.00						30,000,000.00	
Shenzhen Konka Semiconductor	100,000,000.00						100,000,000.00	
Ji'an Konka	50,000.00						50,000.00	
Suining Konka Industrial Park	200,000,000.00						200,000,000.00	
Konka Ronghe	5,100,000.00						5,100,000.00	
Suining Electronic Technological Innovation	200,000,000.00						200,000,000.00	
Shenzhen Chuangzhi Electrical Appliances	10,000,000.00						10,000,000.00	
Chongqing	933,333,333.33		466,666,666.67				1,400,000,000.00	

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

The investee	Beginning balance (Book value)	Beginning balance of provision for impairment	Changes in the current year				Ending balance (Book value)	Ending balance of the provision for impairment
			Increase in the investment	Decrease in the investment	Provision set aside for impairment	Others		
Optoelectronic Technology								
Kowin Memory (Shenzhen)	192,520,000.00						192,520,000.00	
Ningbo Kanghanrui Electric Appliances	90,000,000.00						90,000,000.00	
Konka Intelligent Manufacturing	510.00			510.00				
Suining Jiarun Property	10,000,000.00						10,000,000.00	
Yibin Kangrun	67,000,000.00						67,000,000.00	
Hainan Konka Technology	9,205,452.93						9,205,452.93	
Konka Cross-border (Hebei)	50,000,000.00						50,000,000.00	
Konka Central China	30,000,000.00						30,000,000.00	
Guizhou Kanggui Materials	28,000,000.00						28,000,000.00	

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

The investee	Beginning balance (Book value)	Beginning balance of provision for impairment	Changes in the current year				Ending balance (Book value)	Ending balance of the provision for impairment
			Increase in the investment	Decrease in the investment	Provision set aside for impairment	Others		
Nantong Kanghai	15,300,000.00						15,300,000.00	
Jiangxi Konka High-tech Park	50,000,000.00						50,000,000.00	
Shangrao Konka Electronic Technology Innovation	30,000,000.00						30,000,000.00	
Xi'an Kanghong Technology Industry	12,000,000.00						12,000,000.00	
Xi'an Konka Intelligent Technology	50,000,000.00						50,000,000.00	
Songyang Konka Intelligent	30,000,000.00						30,000,000.00	
Konka North China	30,000,000.00						30,000,000.00	
Total	6,375,345,933.98	781,480,000.00	770,369,387.85	10,000,510.00			7,135,714,811.83	689,680,000.00

Remarks: The decrease in the provision for impairment in the current year due to the loss of control by the Company's subsidiary, Konka Huanjia, in the bankruptcy liquidation in the current year is transferred to accounting under the equity method.

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

(2) Investment in associates

The investee	Beginning balance (book value)	Beginning balance of provision for impairment	Changes in the current year			
			Increase in the investment	Decrease Investment	Profit or loss of investment recognized by the equity method	Changes in other comprehensive income
Anhui Kaikai Shijie E-commerce Co., Ltd.	17,493,847.46				-11,219,047.96	
Kunshan Kangsheng Investment Development Co., Ltd.	112,914,774.51			61,337,050.93	-3,336,356.30	
Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.	5,187,588.48				-1,719,653.88	
Shenzhen Kanghongxing Intelligent Technology Co., Ltd.		5,158,909.06				
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.		214,559,469.35				
Wuhan Tianyuan Environmental Protection Co., Ltd.	512,729,351.11				45,219,787.67	
Chuzhou Konka Technology Industry Development Co., Ltd.						

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The investee	Beginning balance (book value)	Beginning balance of provision for impairment	Changes in the current year			
			Increase in the investment	Decrease Investment	Profit or loss of investment recognized by the equity method	Changes in other comprehensive income
Chuzhou Kangjin Health Industrial Development Co., Ltd.	136,166,304.62				-43,880,778.79	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.	5,625,680.96				-623,472.05	
Chuzhou Kangxin Health Industry Development Co., Ltd.	8,277,052.29				-2,073,946.32	
Dongguan Guankang Yuhong Investment Co., Ltd.						
Econ Technology	928,660,408.13	81,806,510.02			-17,225,679.93	
Dongguan Kangjia New Materials Technology Co., Ltd..	3,856,971.32				-625,775.53	
Chongqing E2info Technology Co., Ltd.	185,922,140.28				8,322,706.15	
Yantai Kangyun Industrial Development Co., Ltd.						

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(Amounts are expressed in RMB unless otherwise stated)

The investee	Beginning balance (book value)	Beginning balance of provision for impairment	Changes in the current year			
			Increase in the investment	Decrease Investment	Profit or loss of investment recognized by the equity method	Changes in other comprehensive income
E3info (Hainan) Technology Co., Ltd.	8,574,609.73					
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.	7,090,590.47				-1,194,072.40	
Shenzhen KONKA E-display Co., Ltd.	15,355,334.74				9,388,796.88	118,274.81
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						
Shenzhen Kangpeng Digital Technology Co., Ltd.	1,770,021.01				-459,254.09	
Wuhan Kangtang Information Technology Co., Ltd.	25,757,222.60				-9,903,560.82	
Sichuan Chengrui Real Estate Co., Ltd.						
Sichuan Hongxinchen Real Estate Development Co., Ltd.	2,459,686.45					
Shenzhen Kangyue Enterprise Co., Ltd.		230,011.61				
Konka Huanjia Environmental						

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
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The investee	Beginning balance (book value)	Beginning balance of provision for impairment	Changes in the current year			
			Increase in the investment	Decrease Investment	Profit or loss of investment recognized by the equity method	Changes in other comprehensive income
Technology Co., Ltd.						
Total	1,977,841,584.16	301,754,900.04		61,337,050.93	-29,330,307.37	118,274.81

(Continued)

The investee	Changes in the current year				Ending balance (book value)	Ending balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Anhui Kaikai Shijie E-commerce Co., Ltd.					6,274,799.50	
Kunshan Kangsheng Investment Development Co., Ltd.		7,350,000.00			40,891,367.28	
Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.					3,467,934.60	
Shenzhen Kanghongxing Intelligent						5,158,909.06

Notes to Financial Statements of Konka Group Co., Ltd.
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(Amounts are expressed in RMB unless otherwise stated)

The investee	Changes in the current year				Ending balance (book value)	Ending balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Technology Co., Ltd.						
Shenzhen Zhongkang Beidou Technology Co., Ltd.						
Shenzhen Yaode Technology Co., Ltd.						214,559,469.35
Wuhan Tianyuan Environmental Protection Co., Ltd.	-1,641,801.68	10,465,181.53			545,842,155.57	
Chuzhou Konka Technology Industry Development Co., Ltd.						
Chuzhou Kangjin Health Industrial Development Co., Ltd.					92,285,525.83	
Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.					5,002,208.91	
Chuzhou Kangxin Health Industry Development Co., Ltd.					6,203,105.97	
Dongguan Guankang Yuhong Investment Co., Ltd.						

Notes to Financial Statements of Konka Group Co., Ltd.
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(Amounts are expressed in RMB unless otherwise stated)

The investee	Changes in the current year				Ending balance (book value)	Ending balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Econ Technology			197,081,045.23		714,353,682.97	278,887,555.25
Dongguan Kangjia New Materials Technology Co., Ltd..					3,231,195.79	
Chongqing E2info Technology Co., Ltd.	301,193.49				194,546,039.92	
Yantai Kangyun Industrial Development Co., Ltd.						
E3info (Hainan) Technology Co., Ltd.		4,000,000.00			4,574,609.73	
Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.					5,896,518.07	
Shenzhen KONKA E-display Co., Ltd.		855,000.00			24,007,406.43	
Chongqing Yuanlv Benpao Real Estate Co., Ltd.						
Shenzhen Kangpeng Digital Technology Co., Ltd.					1,310,766.92	
Wuhan Kangtang Information					15,853,661.78	

Notes to Financial Statements of Konka Group Co., Ltd.
From January 1, 2024 to December 31, 2024
(Amounts are expressed in RMB unless otherwise stated)

The investee	Changes in the current year				Ending balance (book value)	Ending balance of the provision for impairment
	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others		
Technology Co., Ltd.						
Sichuan Chengrui Real Estate Co., Ltd.						
Sichuan Hongxincheng Real Estate Development Co., Ltd.					2,459,686.45	
Shenzhen Kangyue Enterprise Co., Ltd.						230,011.61
Konka Huanjia Environmental Technology Co., Ltd.						91,800,000.00
Total	-1,340,608.19	22,670,181.53	197,081,045.23		1,666,200,665.72	590,635,945.27

4. Operating revenue and cost of sales

(1) Operating revenue and cost of sales

Item	Amount incurred in the current year		Amount incurred last year	
	Income	Cost	Income	Cost
Principal activity	1,773,409,740.83	1,863,056,897.60	1,677,401,625.28	1,810,055,838.49
Other	134,714,183.27	66,145,019.39	170,593,467.51	71,483,083.62
Total	1,908,123,924.10	1,929,201,916.99	1,847,995,092.79	1,881,538,922.11

(2) Information in relation to the trade price apportioned to the residual contract performance obligation

The amount of revenue corresponding to the performance obligations that have been signed but have not been performed or fully performed at the end of the current year is RMB 4,201,968.00, of which RMB 4,201,968.00 is expected to be recognized as revenue in 2025.

5. Return on investment

Item	Amount incurred in the current year	Amount incurred last year
Long-term equity investment income calculated by the cost method		
Returns on long-term equity investments calculated by the equity method	-29,330,307.37	-87,914,423.54
Return on investment arising from the disposal of long-term equity investments	78,445,940.06	197,370,626.59
Investment income from financial assets held for trading during the holding period	4,240,444.62	9,383,976.00
Investment income from disposal of financial assets held for trading	-26,511,417.25	-55,975,275.41
Interest income from debt investments during the holding period	5,688,905.13	6,532,591.02
Income from the derecognition of financial assets at amortized cost (“-” for loss)	-1,332,512.07	
Conversion of long-term equity investments accounted for by the equity method to financial assets		574,780,174.75
Gains from debt restructuring		500,000.00
Total	31,201,053.12	644,677,669.41

XVIII Supplementary Materials to the Financial Statements

1. Items and amounts of non-recurring profit or loss in the current year

Item	Amount of the current year	Note
Profit or losses on disposal of non-current assets (including the portion offset for provisions for asset impairment)	100,956,248.61	
Government grants included in profit and loss of the current period (except for government subsidies that are closely related to the Company's normal business operation, comply with national policies and are enjoyed in accordance with defined criteria, and have a continuing impact on the Company's profit or loss)	105,918,680.20	
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 arise in the Company's ordinary course of business)	-366,040,020.57	
Dispossession surcharge to non-financial institutions included in the current profit and loss		
Gain/Loss on entrusting others with investments or asset management		
Gain or loss on loan entrustment	92,549,311.40	
Losses on assets resulted from force majeure factors such as natural disasters		
Reversed portions of impairment allowances for receivables which are tested individually for impairment	38,227,600.55	
Gains arising from business combination when the investment cost is less than the recognized fair value of net assets of the investee		
Current net profit or loss of subsidiaries acquired in business combination under the same control from period-beginning to combination date		
Profit/Loss on non-monetary asset swap		
Gain or loss on debt restructuring	-459,737.22	
One-time costs incurred by an enterprise as a result of the discontinuation of a related operating activity, such as expenses for relocating employees		
One-time impact on profit or loss for the current period due to adjustments in tax, accounting and other laws and regulations		
One-time recognition of share-based payment expense due to		

Item	Amount of the current year	Note
cancellation and modification of equity incentive plans		
Cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date of exercisability		
Gain/loss on change in fair value of investment property subject to follow-up measurement at fair value method		
Income from transactions at significantly unfair prices		
Profits or losses arising from contingencies unrelated to the normal operation of the Company's business		
Custodian fees earned from entrusted operation		
Non-operating revenue and expense other than the above	-114,510,494.06	
Other gains and losses that meet the definition of non-recurring gain/loss		
Subtotal	-143,358,411.09	
Less: Income tax effects	-23,300,674.38	
Non-controlling interests effects (net of tax)	-29,973,121.57	
Total	-90,084,615.14	—

The items that are not listed in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public - Non-recurring Profit or Loss (Revised in 2023) but recognized by the Company as non-recurring profit or loss items and involving significant amounts, and listed non-recurring profit or loss items recognized as recurring profit or loss items

Item	Amount	Reason
Tax rebates on software	4,681,629.92	Government grants which are closely related to the normal business of the company and which are in accordance with national policies and certain standard quota or quantitative amount

2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average rate of return on net assets (%)	EPS (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary	-82.56	-1.3686	-1.3686

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Profit for the reporting period	Weighted average rate of return on net assets (%)	EPS (RMB/share)	
		Basic earnings per share	Diluted earnings per share
shareholders of the parent company			
Net profit attributable to ordinary shareholders of the parent company before non-recurring gains and losses	-80.30	-1.3312	-1.3312

Konka Group Co., Ltd.
Board of Directors
April 15, 2025