

KONKA GROUP CO., LTD.

THE FIRST QUARTERLY REPORT 2010

§ 1. Important Notice

1.1 The Board of Directors, the Supervisory Committee, directors, supervisors and senior executives of Konka Group Co., Ltd. (hereinafter referred to as “ the Company ”) hereby guarantee that this report carries no false information, misleading statements or major omissions, and will accept, individually and collectively, the responsibility for factuality, accuracy and completeness of the information set forth herein.

1.2 The Financial Report of this first quarterly report has not been audited by a CPA firm.

1.3 Mr. Hou Songrong (Chairman of the Board of the Company), Mr. Yang Rong (Chief Financial Officer of the Company) and Mr. Ruan Renzong (Person-in-charge of the accounting agency and the accounting project) hereby confirm that the Financial Report enclosed in this quarterly report is factual and complete.

§ 2. Company Profile

2.1 Main accounting data and financial indicators

Unit: (RMB) Yuan

	31 Mar. 2010	31 Dec. 2009	Increase/decrease (%)
Total assets (Yuan)	14,096,321,494.12	13,568,083,128.38	3.89
Owners' equity attributable to shareholders of listed company (Yuan)	3,915,376,179.19	3,875,367,861.56	1.03
Share capital (share)	1,203,972,704.00	1,203,972,704.00	0.00
Net assets per share attributable to shareholders of listed company (Yuan/share)	3.25	3.22	0.93
	Jan. -Mar. 2010	Jan. -Mar. 2009	Increase/decrease (%)
Total operation income (Yuan)	4,266,791,664.59	2,611,315,292.67	63.40
Net profit attributable to shareholders of listed company (Yuan)	35,625,229.27	40,231,160.32	-11.45
Net cash flows arising from operating activities (Yuan)	62,308,666.72	802,909,498.66	-92.24
Net cash flows per share arising from operating activities (Yuan/share)	0.052	0.667	-92.20
Basic earnings per share (Yuan/share)	0.0296	0.0334	-11.38
Diluted earnings per share (Yuan/share)	0.0296	0.0334	-11.38
Weighted average ROE (%)	0.91%	1.05%	-0.14

Weighted average ROE after deducting non-recurring gains and losses (%)	0.62%	1.00%	-0.38
---	-------	-------	-------

Items of non-recurring gains and losses	Amount from year-begin to period-end
Gains from disposal of non-current assets	11,426,375.45
Gains and losses from fair value changes in transactional financial assets and liabilities held by the Company, as well as investment gains from disposing transactional financial assets and liabilities and financial assets available for sale, except for the effective hedging business related to the Company's normal operation	995,859.35
Other non-business incomes and expenses except for items above	1,873,254.40
Effect on income tax	-2,964,813.24
Effect on minority interests	-40,432.66
Total	11,290,243.30

Explanation on important items of non-recurring gains and losses:

The gains from disposal of non-current assets listed under the items of non-recurring gains and losses came from the disposal of fixed assets.

2.2 Total number of shareholders at period-end and shareholding of top ten shareholders holding shares not subject to trading moratorium

Unit: Share

Total number of shareholders at period-end	93,054	
Tradable shares held by top ten shareholders holding shares not subject to trading moratorium		
Name of shareholder (full name)	Number of tradable shares not subject to trading moratorium held at period-end	Type of share
HOLY TIME GROUP LIMITED	43,597,200	Domestically listed foreign shares
China Construction Bank—China Advantage Growth Stock Fund	38,084,907	RMB ordinary shares
Overseas Chinese Town Group Corporation	30,372,843	RMB ordinary shares
GAOLING FUND, L.P.	26,400,625	Domestically listed foreign shares
Agricultural Bank of China—Penghua Motivity Growth Mixed Fund	25,276,532	RMB ordinary shares
BOCI SECURITIES LIMITED	20,334,459	Domestically listed foreign shares
China Everbright Bank—First-Trust Leading Strategy Open-ended Fund	15,692,693	RMB ordinary shares
Bank of China—Invesco Great Wall Dingyi Stock Open-ended Fund	13,810,081	RMB ordinary shares

NOMURA SECURITIES CO. LTD	13,500,000	Domestically listed foreign shares
Industrial and Commercial Bank of China—Hua An Mid-cap and Small-cap Growth Stock Fund	12,113,097	RMB ordinary shares

§ 3. Significant Events

3.1 Major changes in main accounting statement items and financial indicators, as well as reasons for such changes

Applicable Inapplicable

I. Sales income for the first quarter registered a year-on-year growth 63.40%, which was mainly due to the Company's efforts in developing distinct fine products and increasing product competitiveness.

In the report period, the Company continued and deepened the value operation strategy, strengthened attack consciousness, an open mind and consciousness of reform and innovation, and accelerated the reform of the marketing organization. Meanwhile, it persisted in product innovation, strengthened quality control and developed distinct fine products. As a result, a rapid development took place in main businesses such as the color TV business, the cell phone business and the white electricity business. In terms of the color TV business, the Company seized opportunities brought by the high-speed development of LED TVs and the rapid popularization of Web TV, promoting the Wangrui LED TV brand. It took the lead to popularize LED and Web TV and tried to take up a larger share in the LCD market, which ensured the Company's leading position in the domestic color TV market.

In terms of the cell phone business, the Company made itself a distinct cell phone maker in terms of speed, constantly improved the product structure, expanded channels at home and abroad, and strictly controlled risks so as to further solidify Konka's position in the domestic cell phone market.

In terms of the white electricity business, the Company studied market trends, developed fine products with power conservation as the main line, fashionable appearance, distinct preservation technologies and a high performance cost ratio, and increased the product coverage rate so as to achieve stable development of the white electricity business.

II. Due to reasons below, the net profit achieved by the Company in the report period decreased as compared with the same period of 2009.

1. In the report period, in order to fight for a larger share in the flat-panel TV market, most domestic and foreign color TV brands reduced their product prices, which led to an enormously fierce price competition in the flat-panel TV market. As a result, the gross profit rate of the

Company's flat-panel TVs decreased considerably from that at the same period of last year.

2. In order to promote the Company's brand influence in the flat-panel TV market and fight for a large market share, expenses on market expansion increased to some degree.

3. Progress of new product development slowed down, which had certain impact on the profitability of color TV products in the report period. Due to the aforesaid factors, the net profit attributable to owners of the parent company achieved by the Company in the first quarter of 2010 went down as 11.45% compared with the same period of last year.

III. Non-business income increased by 310.49% from that at the same period of last year, which was mainly due to incomes from fixed asset disposal and penalties.

IV. Selling expenses increased by 49.74% from that at the same period of last year, which was mainly because expenses on market expansion increased to some degree in order to fight for a larger share in the flat-panel TV market.

V. Cash flows from operating activities decreased by 92.24% from that at the same period of last year, which was mainly due to much fewer discounts of notes receivable this year.

3.2 Explanation and analysis on progress of significant events, as well as relevant influence and solutions

Applicable Inapplicable

3.3 Fulfillment of commitments made by the Company, shareholders and actual controller

Applicable Inapplicable

Commitment	Covenanter	Contents of commitments	Execution
Commitments concerning share merger reform	OCT Group Corporation	(1) To promise that all non-tradable shares of KONKA GROUP CO., LTD held by it will not be listed for trading or transferring within 24 months since the date when it acquires the right to list in A share market. (2) At the expiration of the aforesaid commitment period, the original non-tradable shares of KONKA GROUP CO., LTD sold through listing at Stock Exchange shall take up less than 5% of total shares of KONKA GROUP CO., LTD within 12 months, and less than 10% within 24 months.	Up to now, there was no share subject to moratorium listed for trading or transferring.
Commitments concerning share trading moratorium	Naught	Naught	Naught
Commitments made in the purchase report or the	Naught	Naught	Naught

report on equity changes			
Commitments made in major assets reorganization	Naught		Naught
Commitments made in stock issuance	Naught		Naught
Other commitments (including supplementary commitments)	Naught		Naught

3.4 Warnings of possible losses or significant changes of the accumulative net profit during the period from the year-begin to the end of the next reporting period compared with the same period of last year according to prediction, as well as explanations on the reasons

Applicable Inapplicable

3.5 Other significant events

3.5.1 Securities Investment

Applicable Inapplicable

3.5.2 Reception of research, communication and visits in the reporting period

Date	Place	Way of communication	Visitors	Topics discussed and materials provided
5 Jan. 2010	Meeting room of the Company	Field research	Guosen Securities, Yinhua Fund Management Co., Ltd and Caitong Securities Brokerage Co., Ltd	Core competitive power, complete status of LCD TV products and the Company's status in color TV industry
8 Jan. 2010	Meeting room of the Company	Field research	Donghai Securities and Sinosafe General Insurance Co. Ltd	Development strategy of the Company's color TV business new products of LCD TV and complete status of LCD TV products
13 Jan. 2010	Meeting room of the Company	Field research	Invesco Great Wall Fund Management Co., Ltd, Morgan Stanley Huaxin Funds	Status quo and development trend of color TV industry the Company's status in color TV industry and complete status of LCD TV products
20 Jan. 2010	Meeting room of the Company	Field research	Essence Securities	development trend of mobile phone of the Company, market prospect of new products of color TV and progress of relevant work
26 Jan. 2010	Meeting room of the Company	Field research	Xiangcai Securities Co., Ltd	Investment in LCD module projects, basic situation of color TV, mobile phone and white electricity
27 Jan. 2010	Meeting room of	Field	Central China Securities	Particulars about putting into production of LCD

	the Company	research		module, development trend of color TV industry
19 Mar. 2010	Meeting room of the Company	Field research	Guotai Junan Securities Co., Ltd, Bosera Fund, Lion Fund Management Co., Ltd, Penghua Funds and Changrun Asset Management	Core competitive power of the Company and sales of products for “Pushing home appliances to countryside”
22 Mar. 2010	Meeting room of the Company	Field research	Bank of China Investment Management	Particulars about putting into production of LCD module, competitive strategy of color TV
25 Mar. 2010	Meeting room of the Company	Field research	Bank of Communications Schroder Fund Management Co., Ltd	Particulars about color TV and mobile phone business of the Company, market competitive power of color TV of the Company
30 Mar. 2010	Meeting room of the Company	Field research	China Asset Management Co., Ltd	Development trend of color TV industry, market competitive power of color TV of the Company, market prospect of new products of color TV and progress of relevant work

3.5.3 Other significant events

Applicable Inapplicable

3.5.3 Other significant events

Applicable Inapplicable

Analysis on risks and control measures of derivative products held in the report period (including but not limited to market risk, liquidity risk, credit risk, operation risk, law risk, etc.)	<p>When the Company operated every NDF portfolio, yield to maturity is fixed and there is no risk.</p> <p>Main risks of NDF portfolio are as follows:</p> <ol style="list-style-type: none"> 1. Risk from closing of bank pledged deposit, in case the bank close downs, the pledged deposit is probably hard to call back in full. 2. Risk from foreign bank operated NDF portfolio being closed. In case the foreign bank closes down, it is not possible to receive income from NDF portfolio. <p>The Company always chooses large-sized bank similar as Bank of China to cooperate to start NDF portfolio. These banks chosen by the Company operated stably and healthily with good assets and credit, the probability of closing was small. It is basically out of consideration of loss from closing brought to the Company</p>
Changes of market prices or fair values in the report period of the invested derivatives. And the analysis on the fair value of the derivatives should include the specific use methods and the relevant assumptions and parameters.	Yield to maturity of NDF portfolio business operated by the Company is fixed and there is no change in fair value.
Whether significant changes occurred to the Company's accounting policy	Up to the public notice date, there is no special accounting method for NDF portfolio business and accounting principle was in accordance with Accounting

and specific accounting principles of derivatives in the report period compared to the previous report period	Standards for Business Enterprises.
Specific opinion from independent directors, sponsors or financial consultants on the Company's derivatives investment and risk control	Independent directors of the Company considered that NDF portfolio business is good for benefit from fluctuation of rate of RMB and get fixed income without risks, so it is necessary at some certain. The Company is gradually perfecting internal control for investment on derivative products, and it is feasible to adopted directed measures for risk control.

3.6.1 Holding of derivative products at the period-end

Applicable Inapplicable

Unit: RMB Yuan

Type	Beginning contract amount	Closing contract amount	Gains and losses in the report period	Proportion of closing contract amount in net assets at the period-end
NDF portfolio	2,584,356,800.00	3,011,823,650.00	746,924.62	76.92%
Total	2,584,356,800.00	3,011,823,650.00	746,924.62	76.92%

§ 4. Appendix

4.1 Balance sheet

Prepared by Konka Group Co., Ltd 31 Mar. 2010

Unit: RMB Yuan

Items	Balance at period-end		Balance at year-begin	
	Consolidation	Parent company	Consolidation	Parent company
Current assets:				
Monetary funds	3,838,408,501.63	3,127,207,462.43	3,624,480,380.25	2,920,787,369.99
Settlement fund reserve				
Dismantle fund				
Transaction financial asset	4,658,494.00	3,766,384.00	3,673,164.00	2,781,054.00
Notes receivable	2,787,764,593.03	2,555,446,445.15	2,807,539,700.27	2,679,933,632.86
Account receivable	1,180,276,713.82	1,067,220,743.61	1,302,066,597.13	1,105,121,784.81
Account paid in advance	164,399,256.07	337,239,333.81	275,850,813.27	259,306,577.60
Premium receivables				
Receivables from reinsurers				
Reinsurance contract reserve receivables				
Interest receivable	29,249,452.49	26,713,017.10	32,529,920.96	29,442,469.13
Dividend receivable				
Other account receivable	66,891,681.95	999,832,977.41	19,572,445.66	863,563,519.29
Financial assets purchased under agreements to resell				
Inventories	4,109,056,447.72	3,429,165,467.26	3,580,780,457.01	2,880,442,228.65
Non-current assets due within 1 year				

Other current assets				
Total current assets	12,180,705,140.71	11,546,591,830.77	11,646,493,478.55	10,741,378,636.33
Non-current assets:				
Loans and advance				
Available for sale financial assets	10,018,505.00	10,018,505.00	10,268,121.10	10,268,121.10
Held to maturity investments				
Long-term account receivable				
Long-term equity investment	57,800,445.23	1,288,602,169.87	57,800,445.23	1,278,602,169.87
Investing property				
Fixed asset	1,409,437,275.01	378,437,034.79	1,433,674,626.29	397,886,724.19
Project in construction	83,446,872.04	49,619,658.10	61,087,946.18	35,542,625.38
Engineering material				
Fixed asset disposal	21,042,047.41		20,851,110.89	
Bearer biological asset				
Oil assets				
Intangible assets	166,427,145.61	18,441,453.87	167,502,525.56	18,952,170.77
Development expense				
Goodwill	3,943,671.53		3,943,671.53	
Long-term expense to be apportioned	14,279,429.36	5,549,052.21	15,774,783.95	6,011,778.39
Deferred tax assets	149,220,962.22	137,945,439.24	150,686,419.10	139,410,896.12
Other non-current assets				
Total of non-current assets	1,915,616,353.41	1,888,613,313.08	1,921,589,649.83	1,886,674,485.82
Total assets	14,096,321,494.12	13,435,205,143.85	13,568,083,128.38	12,628,053,122.15
Current liabilities:				
Short-term loans	3,056,658,224.67	2,776,008,050.00	2,770,014,060.00	2,553,412,550.00
Loans from central bank				
Deposits received and hold for others				
Placements From Banks Other Financial Institutions				
Transaction financial liabilities				
Notes payable	2,506,742,833.77	2,159,660,615.29	2,884,697,072.42	2,546,131,169.12
Account payable	2,100,806,864.12	2,246,395,884.84	2,599,242,285.04	2,490,629,061.71
Account received in advance	279,382,654.45	95,148,340.36	279,331,464.38	162,177,552.53
Financial assets sold under agreements to repurchase				
Handling charges and commission payable				
Employee 's compensation payable	155,020,093.80	73,578,603.13	193,217,075.52	94,499,554.84
Tax payable	-221,591,278.82	-160,532,915.20	-132,897,711.14	-74,701,335.32
Interest payable	21,768,518.82	19,810,821.96	23,633,016.78	21,675,319.92
Dividend payable	804,527.20		804,527.20	
Other account payable	1,955,812,041.77	2,342,598,278.21	763,923,600.66	940,384,863.17
Due to reinsurers				
Insurance contract reserve				

Customer deposits				
Amount payables under security underwriting				
Non-current liabilities due within 1 year				
Other current liabilities				
Total current liabilities	9,855,404,479.78	9,552,667,678.59	9,381,965,390.86	8,734,208,735.97
Non-current liabilities:				
Long-term borrowings				
Bonds payable				
Long-term payables				
Specific purpose account payables				
Estimated liabilities				
Deferred tax liabilities	1,308,715.59	611,831.88	1,308,715.59	611,831.88
Other non-current liabilities	89,141,048.48	62,205,048.48	78,541,048.48	62,205,048.48
Total non-current liabilities	90,449,764.07	62,816,880.36	79,849,764.07	62,816,880.36
Total liabilities	9,945,854,243.85	9,615,484,558.95	9,461,815,154.93	8,797,025,616.33
Owner's equity (or shareholders' equity):				
Paid-in capital (or share capital)	1,203,972,704.00	1,203,972,704.00	1,203,972,704.00	1,203,972,704.00
Capital surplus	1,257,329,860.22	1,249,199,693.64	1,257,449,727.58	1,249,319,561.00
Less: Treasury stock				
Specific reserve				
Reserved fund	809,307,995.80	804,258,523.06	809,307,995.80	809,307,995.80
General risk provision				
Retained earnings	649,404,128.11	562,289,664.20	613,778,898.84	568,427,245.02
Foreign exchange difference	-4,638,508.94		-9,141,464.66	
Total owners' equity attributable to holding company	3,915,376,179.19	3,819,720,584.90	3,875,367,861.56	3,831,027,505.82
Minority interest	235,091,071.08		230,900,111.89	
Total owner's equity	4,150,467,250.27	3,819,720,584.90	4,106,267,973.45	3,831,027,505.82
Total liabilities and owner's equity	14,096,321,494.12	13,435,205,143.85	13,568,083,128.38	12,628,053,122.15

4.2 Income statement

Prepared by Konka Group Co., Ltd

Jan.-Mar. 2010

Unit: RMB Yuan

Items	Amount in this period		Amount in the previous period	
	Consolidation	Parent company	Consolidation	Parent company
I. Total sales	4,266,791,664.59	4,057,208,187.95	2,611,315,292.67	2,215,990,440.32
Including: Sales	4,266,791,664.59	4,057,208,187.95	2,611,315,292.67	2,215,990,440.32
Interests income				
Premium income				
Handling charges and commission income				
II. Total cost of sales	4,230,971,313.37	4,079,360,937.60	2,573,658,346.25	2,193,140,792.45
Including: Cost of sales	3,631,933,127.27	3,605,806,531.86	2,156,286,288.52	1,855,513,841.46
Interests expenses				
Service charge and commission income				

Cash surrender value				
Claim expenses-net				
Provision for insurance contract reserves-net				
Insurance policy dividend paid				
Reinsurance expense				
Business taxes and surcharges	930,892.10	224,064.47	335,691.09	32,243.60
Distribution expenses	460,555,582.14	387,981,203.70	307,567,109.71	267,162,582.20
Administrative expenses	121,238,958.23	72,609,369.19	100,666,366.22	65,200,389.93
Financial costs	22,162,244.21	19,554,612.11	12,951,059.59	9,783,944.26
Impairment loss	-5,849,490.58	-6,814,843.73	-4,148,168.88	-4,552,209.00
Add: gain/(loss) from change in fair value (" - " means loss)	985,330.00	985,330.00		
Gain/(loss) from investment (" - " means loss)	10,529.35	10,529.35		
Including: income from investment on affiliated enterprise and jointly enterprise				
Foreign exchange difference (" - " means loss)				
III. Business profit (" - " means loss)	36,816,210.57	-21,156,890.30	37,656,946.42	22,849,647.87
Add: non-business income	15,621,101.47	13,303,772.47	3,805,441.94	1,776,910.89
Less: non-business expense	2,321,471.62	339,448.58	817,792.05	475,236.05
Including: loss from non-current asset disposal	1,704,521.45	112,753.59	366,211.13	204,163.93
IV. Total profit (" - " means loss)	50,115,840.42	-8,192,566.41	40,644,596.31	24,151,322.71
Less: Tax expense	10,299,651.96	2,994,487.15	4,062,155.42	1,040,906.12
V. Net profit (" - " means loss)	39,816,188.46	-11,187,053.56	36,582,440.89	23,110,416.59
-Attributable to parent company	35,625,229.27	-11,187,053.56	40,231,160.32	23,110,416.59
-Minority interest	4,190,959.19		-3,648,719.43	
VI. Earnings per share				
(I) Basic earnings per share	0.0296	-0.0093	0.0334	0.1934
(II) Diluted earnings per share	0.0296	-0.0093	0.0334	0.1934
. Other comprehensive income	4,383,088.36	-119,867.36	325,965.11	0.00
. Total comprehensive income	44,199,276.82	-11,306,920.92	36,908,406.00	23,110,416.59
Attributable to owners of parent company	40,008,317.63	-11,306,920.92	40,557,125.43	23,110,416.59
Attributable to minority shareholders	4,190,959.19	0.00	-3,648,719.43	0.00

4.3 Cash flow statement

Prepared by Konka Group Co., Ltd

Jan.-Mar. 2010

Unit: RMB Yuan

Items	Amount in this period		Amount in the previous period	
	Consolidation	Parent company	Consolidation	Parent company
I. Cash flows from operating activities				
Cash received from sales of goods or rendering of services	4,720,978,879.59	3,968,062,175.85	3,776,653,886.48	3,235,207,703.10
Net increase of deposits received and held for others				
Net increase of loans from central bank				

Net increase of inter-bank loans from other financial assets				
Cash received against original insurance contract				
Net Cash received from reinsurance				
Net increase of client deposit and investment				
Net increase of disposal of tradable financial assets				
Cash received as Interests, fees and commissions received				
Net increase of inter-bank fund received				
Cash received under repurchasing, net				
Tax returned	65,799,521.84	9,037,696.26	18,717,923.13	8,178,612.00
Other cash received from operating activities	98,402,884.47	241,162,937.17	93,669,493.85	24,642,501.83
Sub-total of cash inflow from operating activities	4,885,181,285.90	4,218,262,809.28	3,889,041,303.46	3,268,028,816.93
Cash paid for goods and services	3,753,815,185.01	3,410,254,933.72	2,317,602,968.35	2,183,739,659.17
Net increase of loans and advances				
Net increase of deposit in central bank, banks and other financial institutions				
Cash paid for original contract claim				
Cash paid for interests, fees and commission				
Cash paid for policy dividend				
Cash paid to and for employees	303,976,986.43	171,755,451.45	250,408,626.70	152,092,114.26
Cash paid for all types of taxes	439,190,665.59	352,953,464.00	294,783,090.76	248,019,254.34
Other cash paid relating to operating activities	325,889,782.15	290,804,472.03	223,337,118.99	162,218,767.69
Sub-total of cash outflows	4,822,872,619.18	4,225,768,321.20	3,086,131,804.80	2,746,069,795.46
Net cash outflow in operating activities	62,308,666.72	-7,505,511.92	802,909,498.66	521,959,021.47
II. Cash Flows from Investing Activities				
Cash received from return of investments	95,940.00	95,940.00		
Cash received from investment income	10,529.35	10,529.35		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	22,271,191.54	20,731,311.54	1,908,031.60	1,115,630.21
Net cash received from disposal of subsidiaries and other operating units				
Other cash received relating to investing activities	13,640,000.00			
Sub-total of cash inflows of investing activities	36,017,660.89	20,837,780.89	1,908,031.60	1,115,630.21
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	53,138,753.62	16,682,803.38	61,725,365.97	624,304.48

Cash paid for acquisition of investments		10,000,000.00		
Net increase of pledge loans				
Net cash paid for acquisition of subsidiaries and other operating units				
Other cash paid relating to investing activities				
Sub-total of cash outflows of investing activities	53,138,753.62	26,682,803.38	61,725,365.97	624,304.48
Net cash inflow from investing activities	-17,121,092.73	-5,845,022.49	-59,817,334.37	491,325.73
III. Cash Flows from Financing Activities:				
Cash received from investment				
Including: Cash received from minority shareholders of subsidiaries				
Cash received from borrowings	453,343,192.74	376,230,000.00	3,000,000.00	
Cash received from bonds issuing				
Cash received relating to financing activities	50,710,818.47	50,680,356.17	938,373,800.28	901,296,005.42
Sub-total of cash inflows of financing activities	504,054,011.21	426,910,356.17	941,373,800.28	901,296,005.42
Cash paid for repayments of borrowings	76,033,174.10	34,206,000.00	211,509,922.39	199,775,772.34
Cash paid for dividends, profit distribution or interest	1,173,792.71	1,139,872.98	3,597,978.03	8,340.00
Including: dividends or profits paid to minority shareholders by subsidiaries				
Other cash paid relating to financing activities	396,763,432.50	376,230,000.00	709,534,561.56	709,533,838.65
Sub-total of cash outflows of financing activities	473,970,399.31	411,575,872.98	924,642,461.98	909,317,950.99
Net cash inflow from financing activities	30,083,611.90	15,334,483.19	16,731,338.30	-8,021,945.57
IV. Effect of foreign exchange rate changes	-2,546,700.56	-2,665,106.35	-171,373.86	
V. Net decrease in cash and cash equivalents	72,724,485.33	-681,157.57	759,652,128.73	514,428,401.63
Add : Opening amount of cash and cash equivalents	749,501,416.29	341,440,119.99	845,026,867.06	358,631,499.14
VI. Closing balance of cash and cash equivalents	822,225,901.62	340,758,962.42	1,604,678,995.79	873,059,900.77

4.4 Auditor ' s report
Audit opinion: Un-audited

Board of Directors of
Konka Group Co., Ltd
Apr. 30, 2010