

**Konka Group Co., Ltd.**

# **FINANCIAL REPORT**

For the Six Months Ended 30 June 2025

(Un-audited)

---

Legal representative: Wu Jianjun  
Head of the accounting work: Yu Huiliang  
Head of the accounting department: Ping Heng

*English Translation for Reference Only. Should there be any discrepancy between the two versions, the Chinese version shall prevail.*

## 1. Consolidated Balance Sheet

Prepared by: Konka Group Co., Ltd. June 30, 2025

Unit: RMB

| Item   | Ending balance        | Beginning balance     |
|--|-----------------------|-----------------------|
| Current assets:                                    |                       |                       |
| Monetary assets                                    | 3, 825, 784, 922. 81  | 4, 115, 767, 247. 73  |
| Settlement reserve                                 |                       |                       |
| Interbank loans granted                            |                       |                       |
| Trading financial assets                           | 1, 270, 907, 253. 85  | 286, 648, 129. 34     |
| Derivative financial assets                        |                       |                       |
| Notes receivable                                   | 70, 665, 804. 66      | 169, 675, 176. 16     |
| Accounts receivable                                | 1, 384, 377, 310. 43  | 1, 458, 923, 066. 70  |
| Receivables financing                              | 115, 550, 888. 61     | 63, 943, 324. 53      |
| Prepayments  | 93, 386, 614. 43      | 124, 748, 412. 59     |
| Premiums receivable                                |                       |                       |
| Reinsurance receivables                            |                       |                       |
| Receivable reinsurance contract reserve            |                       |                       |
| Other receivables                                  | 958, 976, 091. 29     | 989, 245, 120. 86     |
| Including: Interest receivable                     |                       |                       |
| Dividends receivable                               |                       |                       |
| Financial assets purchased under resale agreements |                       |                       |
| Inventories  | 2, 481, 187, 731. 50  | 2, 694, 648, 186. 93  |
| Including: data resources                          |                       |                       |
| Contract assets                                    | 2, 290, 923. 90       | 2, 630, 508. 60       |
| Assets held for sale                               |                       |                       |
| Current portion of non-current assets              |                       |                       |
| Other current assets                               | 2, 274, 758, 265. 56  | 2, 168, 400, 012. 47  |
| Total current assets                               | 12, 477, 885, 807. 04 | 12, 074, 629, 185. 91 |
| Non-current assets:                                |                       |                       |
| Loans and advances to customers                    |                       |                       |
| Investments in debt obligations                    |                       |                       |
| Investments in other debt obligations              |                       |                       |
| Long-term Receivables                              |                       |                       |
| Long-term equity investments                       | 4,128,207,439.61      | 4,728,360,853.49      |
| Investments in other equity instruments            | 16,114,932.00         | 16,114,932.00         |
| Other non-current financial assets                 | 1,792,688,478.25      | 1,802,409,887.89      |
| Investment property                                | 1,598,604,378.45      | 1,650,843,239.51      |
| Fixed Assets                                       | 4,857,130,116.51      | 5,005,836,928.31      |
| Construction in progress                           | 914,367,645.71        | 873,042,499.04        |
| Productive living assets                           |                       |                       |
| Oil and gas assets                                 |                       |                       |
| Right-of-use assets                                | 140,748,193.84        | 178,185,679.35        |
| Intangible Assets                                  | 964,782,626.98        | 988,045,525.76        |
| Including: data resources                          |                       |                       |

|   |                   |                   |
|---|-------------------|-------------------|
| Development costs   |                   |                   |
| Including: data resources                                 |                   |                   |
| Goodwill  | 22,196,735.11     | 22,196,735.11     |
| Long-term prepaid expense                                 | 503,837,553.14    | 532,181,161.63    |
| Deferred tax assets                                       | 1,385,931,523.65  | 1,392,239,301.87  |
| Other non-current assets                                  | 1,130,991,730.91  | 1,148,677,970.47  |
| Total non-current assets                                  | 17,455,601,354.16 | 18,338,134,714.43 |
| Total assets  | 29,933,487,161.20 | 30,412,763,900.34 |
| Current liabilities:                                      |                   |                   |
| Short-term borrowings                                     | 6,262,249,010.16  | 5,741,171,468.26  |
| Borrowings from the central bank                          |                   |                   |
| Interbank loans obtained                                  |                   |                   |
| Trading financial assets                                  |                   |                   |
| Derivative financial liabilities                          |                   |                   |
| Notes payable   | 1,100,044,296.01  | 1,150,310,856.70  |
| Accounts payable  | 2,614,629,890.34  | 2,774,615,788.24  |
| Advances from customers                                   | 2,429,184.01      | 3,481,262.87      |
| Contract liabilities                                      | 490,890,933.64    | 623,555,669.97    |
| 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                                 | 178,142,522.24    | 243,731,849.78    |
| Taxes payable   | 46,991,015.46     | 94,612,710.58     |
| Other payables  | 1,546,369,612.19  | 1,676,154,887.59  |
| 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                | 8,724,499,596.91  | 6,655,534,395.19  |
| Other current liabilities                                 | 46,198,945.50     | 69,876,531.91     |
| Total current liabilities                                 | 21,012,445,006.46 | 19,033,045,421.09 |
| Non-current liabilities:                                  |                   |                   |
| Insurance contract reserve                                |                   |                   |
| Long-term borrowings                                      | 3,106,775,649.91  | 5,530,649,801.93  |
| Bonds payable   | 2,705,431,886.81  | 2,295,193,501.05  |
| Including: Preferred shares                               |                   |                   |
| Perpetual bonds   |                   |                   |
| Lease Liabilities   | 118,228,602.85    | 146,561,588.52    |
| Long-term payables  | 4,350,687.61      | 5,504,548.24      |
| Long-term employee benefits payable                       | 4,562,989.27      | 4,608,659.47      |
| Provisions  | 442,681,401.21    | 428,433,732.19    |
| Deferred income   | 387,987,588.75    | 393,437,007.37    |
| Deferred income tax liabilities                           | 336,495,090.31    | 133,299,175.48    |

|   |                   |                   |
|---|-------------------|-------------------|
| Other non-current liabilities                             | 196,983,826.75    | 207,378,781.21    |
| Total non-current liabilities                             | 7,303,497,723.47  | 9,145,066,795.46  |
| Total liabilities   | 28,315,942,729.93 | 28,178,112,216.55 |
| Owners' equity:   |                   |                   |
| Share capital   | 2,407,945,408.00  | 2,407,945,408.00  |
| Other equity instruments                                  |                   |                   |
| Including: Preferred shares                               |                   |                   |
| Perpetual bonds   |                   |                   |
| Capital reserves  | 388,319,626.07    | 512,840,575.73    |
| Less: Treasury stock                                      |                   |                   |
| Other comprehensive income                                | -12,357,555.00    | -9,040,290.32     |
| Specific reserve  | 14,512,553.87     | 11,249,678.53     |
| Surplus reserves  | 1,244,180,364.24  | 1,244,180,364.24  |
| General risk reserves                                     |                   |                   |
| Retained earnings   | -2,180,695,576.26 | -1,797,506,898.08 |
| Total equity attributable to owners of the parent company | 1,861,904,820.92  | 2,369,668,838.10  |
| Non-controlling interests                                 | -244,360,389.65   | -135,017,154.31   |
| Total owners' equity                                      | 1,617,544,431.27  | 2,234,651,683.79  |
| Total liabilities and owners' equity                      | 29,933,487,161.20 | 30,412,763,900.34 |

Legal representative: WU Jianjun CFO: YU Huiliang 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                       | 2,167,559,598.23  | 2,310,021,016.85  |
| Trading financial assets              | 1,270,907,253.85  | 286,648,129.34    |
| Derivative financial assets           |                   |                   |
| Notes receivable                      | 2,555,739.09      | 18,077,864.64     |
| Accounts receivable                   | 2,791,326,592.06  | 2,783,399,610.31  |
| Receivables financing                 |                   |                   |
| Prepayments                           | 4,329,649,063.58  | 5,060,895,887.42  |
| Other receivables                     | 7,837,705,246.73  | 8,210,096,432.41  |
| Including: Interest receivable        |                   |                   |
| Dividends receivable                  | 395,938,176.42    | 397,729,468.60    |
| Inventories                           | 130,345,724.19    | 143,981,116.62    |
| Including: data resources             |                   |                   |
| Contract assets                       |                   |                   |
| Assets held for sale                  |                   |                   |
| Current portion of non-current assets |                   |                   |
| Other current assets                  | 1,699,832,615.43  | 1,621,740,187.04  |
| Total current assets                  | 20,229,881,833.16 | 20,434,860,244.63 |
| Non-current assets:                   |                   |                   |
| Investments in debt obligations       |                   |                   |
| Investments in other debt obligations |                   |                   |

|   |                   |                   |
|---|-------------------|-------------------|
| Long-term Receivables                                     |                   |                   |
| Long-term equity investments                              | 8,236,263,800.79  | 8,801,915,477.55  |
| Investments in other equity instruments                   | 10,213,810.20     | 10,213,810.20     |
| Other non-current financial assets                        | 396,043,071.29    | 396,353,137.96    |
| Investment property                                       | 854,921,619.62    | 873,925,486.40    |
| Fixed Assets  | 396,697,122.99    | 413,605,136.94    |
| Construction in progress                                  | 11,023,604.87     | 12,762,103.76     |
| Productive living assets                                  |                   |                   |
| Oil and gas assets  |                   |                   |
| Right-of-use assets                                       |                   |                   |
| Intangible Assets   | 27,136,950.93     | 36,845,184.32     |
| Including: data resources                                 |                   |                   |
| Development costs   |                   |                   |
| Including: data resources                                 |                   |                   |
| Goodwill  |                   |                   |
| Long-term prepaid expense                                 | 28,262,680.47     | 32,966,195.77     |
| Deferred tax assets                                       | 667,646,526.22    | 667,646,526.22    |
| Other non-current assets                                  | 1,464,222.30      | 969,222.30        |
| Total non-current assets                                  | 10,629,673,409.68 | 11,247,202,281.42 |
| Total assets  | 30,859,555,242.84 | 31,682,062,526.05 |
| Current liabilities:                                      |                   |                   |
| Short-term borrowings                                     | 2,658,522,305.58  | 2,312,074,875.00  |
| Trading financial assets                                  |                   |                   |
| Derivative financial liabilities                          |                   |                   |
| Notes payable   | 20,614,019.24     | 94,034,764.53     |
| Accounts payable  | 3,686,344,602.04  | 6,342,200,859.52  |
| Advances from customers                                   |                   |                   |
| Contract liabilities                                      | 3,517,796,292.80  | 2,503,838,527.97  |
| Employee benefits payable                                 | 22,540,300.83     | 27,648,867.42     |
| Taxes payable   | 10,483,803.76     | 5,299,228.44      |
| Other payables  | 4,182,757,539.95  | 4,002,505,102.69  |
| Including: Interest payable                               |                   |                   |
| Dividends payable   |                   |                   |
| Liabilities directly associated with assets held for sale |                   |                   |
| Current portion of non-current liabilities                | 8,502,915,561.63  | 6,441,534,654.07  |
| Other current liabilities                                 | 5,896,843.40      | 11,512,394.96     |
| Total current liabilities                                 | 22,607,871,269.23 | 21,740,649,274.60 |
| Non-current liabilities:                                  |                   |                   |
| Long-term borrowings                                      | 2,016,000,000.00  | 4,371,231,706.59  |
| Bonds payable   | 2,705,431,886.81  | 2,295,193,501.05  |
| Including: Preferred shares                               |                   |                   |
| Perpetual bonds   |                   |                   |
| Lease Liabilities   |                   |                   |
| Long-term payables  |                   |                   |
| Long-term employee benefits payable                       |                   |                   |

|                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Provisions                           | 346,428,842.60    | 346,376,800.41    |
| Deferred income                      | 18,543,821.55     | 42,829,889.81     |
| Deferred income tax liabilities      | 245,451,293.94    | 34,882,051.56     |
| Other non-current liabilities        | 46,397,627.49     | 44,189,363.15     |
| Total non-current liabilities        | 5,378,253,472.39  | 7,134,703,312.57  |
| Total liabilities                    | 27,986,124,741.62 | 28,875,352,587.17 |
| Owners' equity:                      |                   |                   |
| Share capital                        | 2,407,945,408.00  | 2,407,945,408.00  |
| Other equity instruments             |                   |                   |
| Including: Preferred shares          |                   |                   |
| Perpetual bonds                      |                   |                   |
| Capital reserves                     | 213,859,721.31    | 339,889,142.56    |
| Less: Treasury stock                 |                   |                   |
| Other comprehensive income           | -1,281,096.83     | -1,281,096.83     |
| Specific reserve                     |                   |                   |
| Surplus reserves                     | 1,260,024,039.76  | 1,260,024,039.76  |
| Retained earnings                    | -1,007,117,571.02 | -1,199,867,554.61 |
| Total owners' equity                 | 2,873,430,501.22  | 2,806,709,938.88  |
| Total liabilities and owners' equity | 30,859,555,242.84 | 31,682,062,526.05 |

### 3. Consolidated Income Statement

Unit: RMB

| Item  | 1H25             | 1H24             |
|---|------------------|------------------|
| I. Revenue  | 5,247,507,849.27 | 5,412,530,372.47 |
| Including: operating revenue                        | 5,247,507,849.27 | 5,412,530,372.47 |
| Interest revenue                                    |                  |                  |
| Insurance premium income                            |                  |                  |
| Handling charge and commission income               |                  |                  |
| II. Costs and expenses                              | 6,113,653,586.34 | 6,381,475,426.88 |
| Including: cost of sales                            | 4,982,943,214.69 | 5,115,359,512.44 |
| Interest costs                                      |                  |                  |
| Handling charge and commission expense              |                  |                  |
| Surrenders  |                  |                  |
| Net insurance claims paid                           |                  |                  |
| Net amount of insurance liability reserve withdrawn |                  |                  |
| Expenditure on policy dividends                     |                  |                  |
| Reinsurance premium expense                         |                  |                  |
| Taxes and surcharges                                | 52,857,828.76    | 64,692,935.11    |
| Selling expense                                     | 305,525,414.66   | 389,986,556.84   |
| Administrative expense                              | 273,646,470.76   | 315,946,020.02   |
| R&D expense   | 187,951,295.68   | 214,578,026.81   |
| Finance costs                                       | 310,729,361.79   | 280,912,375.66   |
| Including: Interest expense                         | 350,360,105.59   | 407,018,728.71   |
| Interest revenue                                    | 72,105,599.49    | 116,244,724.79   |
| Plus: Other income                                  | 40,970,737.77    | 56,768,387.57    |

|   |                 |                   |
|---|-----------------|-------------------|
| Investment income ("-" for losses)  | 540,347,018.43  | 5,047,444.22      |
| Including: Share of profit or loss of joint ventures and associates                                   | -42,498,270.14  | -41,296,057.12    |
| Income from the derecognition of financial assets at amortized cost ("-" for loss)                    | -2,541,005.90   | -1,728,018.83     |
| Exchange gains ("-" for losses)   |                 |                   |
| Net exposure hedging gains ("-" for losses)   |                 |                   |
| Gains from fair value changes ("-" for losses)  | 173,409,194.85  | -179,800,523.76   |
| Losses from credit impairment ("-" for losses)  | -117,092,417.76 | -163,079,433.18   |
| Losses from assets impairment ("-" for losses)  | -85,403,855.86  | -92,012,866.95    |
| Gains from disposal of assets ("-" for losses)  | 31,513,481.94   | 590,329.38        |
| III. Operating profit ("-" for losses)  | -282,401,577.70 | -1,341,431,717.13 |
| Plus: Non-operating revenue   | 9,302,209.51    | 15,773,523.89     |
| Less: Non-operating expense   | 3,650,200.98    | 6,155,804.84      |
| IV. Total profit ("-" for total losses)   | -276,749,569.17 | -1,331,813,998.08 |
| Less: Income tax expense  | 220,369,507.92  | -51,275,843.13    |
| V. Net profit ("-" for net losses)  | -497,119,077.09 | -1,280,538,154.95 |
| (I) By operating continuity   |                 |                   |
| 1. Net profit from continued operation ("-" for net loss)   | -497,119,077.09 | -1,280,538,154.95 |
| 2. Net profit from discontinued operations ("-" for net loss)   |                 |                   |
| (II) By ownership   |                 |                   |
| 1. Net profit attributable to shareholders of the parent company ("-" for net loss)                   | -383,328,019.43 | -1,087,581,842.55 |
| 2. Minority interest income ("-" for net loss)  | -113,791,057.66 | -192,956,312.40   |
| VI. Other comprehensive income, net of tax  | -3,731,546.01   | -2,253,474.92     |
| Attributable to owners of the parent company  | -3,317,264.68   | -681,509.64       |
| (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  | -3,317,264.68   | -681,509.64       |
| 1. Other comprehensive income that will be reclassified to profit or loss under the                   | 35,170.29       | -83,919.23        |

|  |                 |                   |
|--|-----------------|-------------------|
| equity method  |                 |                   |
| 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 | -3,352,434.97   | -597,590.41       |
| 7. Others  |                 |                   |
| Attributable to non-controlling interests  | -414,281.33     | -1,571,965.28     |
| VII. Total comprehensive income  | -500,850,623.10 | -1,282,791,629.87 |
| Attributable to owners of the parent company   | -386,645,284.11 | -1,088,263,352.19 |
| Attributable to non-controlling interests  | -114,205,338.99 | -194,528,277.68   |
| VIII. Earnings per share:  |                 |                   |
| (I) Basic earnings per share   | -0.1592         | -0.4517           |
| (II) Diluted earnings per share  | -0.1592         | -0.4517           |

Legal representative: WU Jianjun CFO: YU Huiliang Head of the financial department: PING Heng

#### 4. Income Statement of the parent company

Unit: RMB

| Item  | 1H25           | 1H24            |
|---|----------------|-----------------|
| I. Operating revenue  | 568,971,528.57 | 915,335,790.52  |
| Less: cost of sales   | 543,252,254.22 | 911,097,113.96  |
| Taxes and surcharges  | 8,147,414.25   | 8,494,960.13    |
| Selling expense   | 40,412,184.01  | 49,651,116.89   |
| Administrative expense  | 75,195,768.11  | 93,947,054.64   |
| R&D expense   | 10,354,660.50  | 13,571,658.64   |
| Finance costs   | 265,906,735.02 | 216,389,535.25  |
| Including: Interest expense   | 346,218,969.22 | 378,248,970.66  |
| Interest revenue  | 106,403,950.57 | 153,071,010.77  |
| Plus: Other income  | 6,411,326.39   | 7,605,313.33    |
| Investment income ("-" for losses)  | 581,639,183.08 | 32,020,268.53   |
| Including: Share of profit or loss of joint ventures and associates                                   | -11,151,203.25 | 9,290,355.87    |
| Income on termination of recognition of financial assets measured at amortized costs ("-" for losses) | -226,103.98    | -152,875.26     |
| Net exposure hedging gains ("-" for losses)   |                |                 |
| Gains from fair value changes ("-" for losses)  | 177,700,537.82 | -174,699,491.47 |
| Losses from credit impairment ("-" for losses)  | -2,794,258.52  | -12,086,636.46  |
| Losses from assets impairment ("-" for losses)  | 3,124,627.22   | -5,180,066.67   |



|   |                |                 |
|---|----------------|-----------------|
| Gains from disposal of assets ("-" for losses)  | 11,624,645.93  | -110.13         |
| II. Operating profits ("-" for losses)  | 403,408,574.38 | -530,156,371.86 |
| Plus: Non-operating revenue   | 536,714.33     | 2,512,547.44    |
| Less: Non-operating expense   | 642,354.53     | 593,962.79      |
| III. Total profits ("-" for total losses)   | 403,302,934.18 | -528,237,787.21 |
| Less: Income tax expense  | 210,569,242.38 | -43,674,872.87  |
| IV. Net profit ("-" for net loss)   | 192,733,691.80 | -484,562,914.34 |
| (I) Net profit from continued operations ("-" for net loss)   | 192,733,691.80 | -484,562,914.34 |
| (II) Net profit from discontinued operations ("-" for net loss)                                       |                |                 |
| V. Other comprehensive income, net of tax   |                |                 |
| (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  |                |                 |
| 1. Other comprehensive income that will be reclassified to profit or loss under the equity method     |                |                 |
| 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  | 192,733,691.80 | -484,562,914.34 |
| VII. Earnings per share:  |                |                 |
| (I) Basic earnings per share  |                |                 |
| (II) Diluted earnings per share   |                |                 |

## 5. Consolidated Statement of Cash Flows

Unit: RMB

| Item                                     | 1H25             | 1H24             |
|--|------------------|------------------|
| I. Cash flows from operating activities: |                  |                  |
| Proceeds from sale of commodities and    | 4,368,084,284.49 | 4,267,852,047.59 |

|   |                  |                  |
|---|------------------|------------------|
| rendering of services   |                  |                  |
| 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   | 56,567,647.38    | 139,455,404.70   |
| Cash generated from other operating activities  | 215,519,884.28   | 210,684,546.43   |
| Subtotal of cash generated from operating activities  | 4,640,171,816.15 | 4,617,991,998.72 |
| Payments for commodities and services   | 4,056,223,786.07 | 3,502,746,057.91 |
| 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  | 735,398,262.13   | 862,103,567.56   |
| Taxes paid  | 172,911,436.91   | 226,961,849.89   |
| Cash used in other operating activities   | 351,261,761.97   | 465,518,888.49   |
| Subtotal of cash used in operating activities   | 5,315,795,247.08 | 5,057,330,363.85 |
| Net cash generated from/used in operating activities  | -675,623,430.93  | -439,338,365.13  |
| II. Cash flows from investing activities:   |                  |                  |
| Proceeds from disinvestment   | 210,644,253.53   | 28,078,887.19    |
| Return on investment  | 12,662,010.65    | 17,454,288.86    |
| Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets | 73,915,123.88    | 1,648,546.24     |
| Net proceeds from the disposal of subsidiaries and other business units                       | 4,221,401.00     |                  |
| Cash generated from other investing activities  | 858,150.68       | 23,144,979.61    |

|   |                  |                   |
|---|------------------|-------------------|
| Subtotal of cash generated from investing activities  | 302,300,939.74   | 70,326,701.90     |
| Payments for the acquisition of fixed assets, intangible assets and other long-lived assets | 230,479,770.06   | 383,427,125.49    |
| Payments for investments  |                  |                   |
| Net increase in pledged loans granted   |                  |                   |
| Net payments for the acquisition of subsidiaries and other business units                   |                  |                   |
| Cash used in other investing activities   | 21,122,140.00    | 2,127,401.00      |
| Subtotal of cash used in investing activities   | 251,601,910.06   | 385,554,526.49    |
| Net cash generated from/used in investing activities  | 50,699,029.68    | -315,227,824.59   |
| III. Cash flows from financing activities:  |                  |                   |
| Capital contributions received  | 3,000,000.00     | 391,891.90        |
| Including: Capital contributions by non-controlling interests to subsidiaries               | 3,000,000.00     | 391,891.90        |
| Borrowings raised   | 5,540,288,536.51 | 9,415,119,545.51  |
| Cash generated from other financing activities  | 1,386,679,814.26 | 354,016,478.39    |
| Subtotal of cash generated from financing activities  | 6,929,968,350.77 | 9,769,527,915.80  |
| Repayment of borrowings   | 5,026,999,842.01 | 9,327,233,269.01  |
| Interest and dividends paid   | 268,919,859.68   | 270,910,689.62    |
| Including: Dividends paid by subsidiaries to non-controlling interests                      | 926,283.41       | 126,628.99        |
| Cash used in other financing activities   | 1,296,921,506.67 | 720,237,854.70    |
| Subtotal of cash used in financing activities   | 6,592,841,208.36 | 10,318,381,813.33 |
| Net cash generated from/used in financing activities  | 337,127,142.41   | -548,853,897.53   |
| IV. Effect of foreign exchange rates changes on cash and cash equivalents                   | 7,018,961.86     | 7,010,247.78      |
| V. Net increase in cash and cash equivalents  | -280,778,296.98  | -1,296,409,839.47 |
| Plus: beginning balance of cash and cash equivalents  | 2,783,177,476.45 | 5,674,784,349.55  |
| VI. Ending balance of cash and cash equivalents   | 2,502,399,179.47 | 4,378,374,510.08  |

## 6. Cash Flow Statement of the Parent Company

Unit: RMB

| Item  | 1H25             | 1H24              |
|---|------------------|-------------------|
| <b>I. Cash flows from operating activities:</b>   |                  |                   |
| Proceeds from sale of commodities and rendering of services                                   | 1,982,717,488.59 | 1,602,584,444.18  |
| Tax rebates   | 0.00             | 34,492,177.78     |
| Cash generated from other operating activities  | 52,168,761.02    | 71,344,066.52     |
| Subtotal of cash generated from operating activities  | 2,034,886,249.61 | 1,708,420,688.48  |
| Payments for commodities and services   | 2,346,004,439.65 | 2,021,282,615.27  |
| Cash paid to and for employees  | 70,698,995.67    | 113,835,388.28    |
| Taxes paid  | 8,574,471.84     | 22,683,808.32     |
| Cash used in other operating activities   | 199,281,847.85   | 161,079,943.22    |
| Subtotal of cash used in operating activities   | 2,624,559,755.01 | 2,318,881,755.09  |
| Net cash generated from/used in operating activities  | -589,673,505.40  | -610,461,066.61   |
| <b>II. Cash flows from investing activities:</b>  |                  |                   |
| Proceeds from disinvestment   | 209,745,654.53   | 7,873,623.97      |
| Return on investment  | 11,248,820.28    | 13,490,000.00     |
| Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets | 27,269,795.73    | 20,138.36         |
| Net proceeds from the disposal of subsidiaries and other business units                       |                  |                   |
| Cash generated from other investing activities  | 939,791,023.76   | 3,388,426,673.22  |
| Subtotal of cash generated from investing activities  | 1,188,055,294.30 | 3,409,810,435.55  |
| Payments for the acquisition of fixed assets, intangible assets and other long-lived assets   | 3,253,950.15     | 17,759,814.73     |
| Payments for investments  |                  | 13,000,000.00     |
| Net payments for the acquisition of subsidiaries and other business units                     |                  |                   |
| Cash used in other investing activities   | 767,252,140.00   | 3,417,504,221.91  |
| Subtotal of cash used in investing activities   | 770,506,090.15   | 3,448,264,036.64  |
| Net cash generated from/used in investing activities  | 417,549,204.15   | -38,453,601.09    |
| <b>III. Cash flows from financing activities:</b>   |                  |                   |
| Capital contributions received  |                  |                   |
| Borrowings raised   | 4,003,609,738.88 | 7,632,107,916.66  |
| Cash generated from other financing activities  | 4,122,175,002.73 | 5,179,636,847.74  |
| Subtotal of cash generated from financing activities  | 8,125,784,741.61 | 12,811,744,764.40 |
| Repayment of borrowings   | 3,579,806,940.27 | 8,221,706,940.23  |

|   |                  |                   |
|---|------------------|-------------------|
| Interest and dividends paid   | 296,315,030.56   | 289,317,772.25    |
| Cash used in other financing activities                                   | 4,068,154,539.15 | 4,969,550,553.21  |
| Subtotal of cash used in financing activities                             | 7,944,276,509.98 | 13,480,575,265.69 |
| Net cash generated from/used in financing activities                      | 181,508,231.63   | -668,830,501.29   |
| IV. Effect of foreign exchange rates changes on cash and cash equivalents | 2,283,185.17     | 3,479,996.51      |
| V. Net increase in cash and cash equivalents                              | 11,667,115.55    | -1,314,265,172.48 |
| Plus: beginning balance of cash and cash equivalents                      | 1,581,749,278.38 | 4,263,319,288.76  |
| VI. Ending balance of cash and cash equivalents                           | 1,593,416,393.93 | 2,949,054,116.28  |

## 7. Consolidated Statements of Changes in Owners' Equity

Current amount

Unit: RMB

| Item  | 1H25  |                  |                 |        |                  |                      |                            |                  |                  |                       |                   |        |                  |                           |                      |
|---|---|------------------|-----------------|--------|------------------|----------------------|----------------------------|------------------|------------------|-----------------------|-------------------|--------|------------------|---------------------------|----------------------|
|   | Equity attributable to owners of the parent company |                  |                 |        |                  |                      |                            |                  |                  |                       |                   |        |                  | Non-controlling interests | Total owners' equity |
|   | Share capital                                       | Preferred shares | Perpetual bonds | Others | 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                                    |                  |                 |        | 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     |
| Plus: 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                                    |                  |                 |        | 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     |
| III. Increase/ decrease in the period ("-" for decrease)        |   |                  |                 |        | -124,520,949.66  |                      | -3,317,264.68              | 3,262,875.34     |                  |                       | -383,188,678.18   |        | -507,764,017.18  | -109,343,235.34           | -617,107,252.52      |
| (I) Total comprehensive income                                  |   |                  |                 |        |                  |                      | -3,317,264.68              |                  |                  |                       | -383,328,019.43   |        | -386,645,284.11  | -114,205,338.99           | -500,850,623.10      |
| (II) Capital increased and reduced by owners                    |   |                  |                 |        | -124,520,949.66  |                      |                            |                  |                  |                       | 139,341.25        |        | -124,381,608.41  | 2,798,342.84              | -121,583,265.57      |
| 1. Ordinary shares increased by owners                          |   |                  |                 |        |                  |                      |                            |                  |                  |                       |                   |        |                  | 2,987,476.54              | 2,987,476.54         |
| 2. Capital increased by holders of other equity instruments     |   |                  |                 |        |                  |                      |                            |                  |                  |                       |                   |        |                  |                           |                      |
| 3. Share-based payments included in owners' equity              |   |                  |                 |        |                  |                      |                            |                  |                  |                       |                   |        |                  |                           |                      |
| 4. Others   |   |                  |                 |        | -124,520,949.66  |                      |                            |                  |                  |                       | 139341.25         |        | -124,381,608.41  | -189,133.70               | -124,570,742.11      |
| (III) Profit distribution                                       |   |                  |                 |        |                  |                      |                            |                  |                  |                       |                   |        |                  | 926,283.41                | 926,283.41           |
| 1. Appropriation to surplus reserves                            |   |                  |                 |        |                  |                      |                            |                  |                  |                       |                   |        |                  |                           |                      |
| 2. Appropriation to general risk reserves                       |   |                  |                 |        |                  |                      |                            |                  |                  |                       |                   |        |                  |                           |                      |
| 3. Appropriation to owners (or shareholders)                    |   |                  |                 |        |                  |                      |                            |                  |                  |                       |                   |        |                  | 926,283.41                | 926,283.41           |
| 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   |                  |  |  |  |                |  | 3,262,875.34   |               |                  |  |                   | 3,262,875.34 | 1,137,477.40     | 4,400,352.74    |                  |
| 1. Increase in the period  |                  |  |  |  |                |  | 4,266,750.42   |               |                  |  |                   | 4,266,750.42 | 1,637,242.18     | 5,903,992.60    |                  |
| 2. Used in the period  |                  |  |  |  |                |  | 1,003,875.08   |               |                  |  |                   | 1,003,875.08 | 499,764.78       | 1,503,639.86    |                  |
| (VI) Others  |                  |  |  |  |                |  |                |               |                  |  |                   |              |                  |                 |                  |
| IV. Balance as at the end of the period                                | 2,407,945,408.00 |  |  |  | 388,319,626.07 |  | -12,357,555.00 | 14,512,553.87 | 1,244,180,364.24 |  | -2,180,695,576.26 |              | 1,861,904,820.92 | -244,360,389.65 | 1,617,544,431.27 |

Amount of last year

Unit: RMB

| Item  | 1H24  |                          |                 |        |                   |                      |                            |                  |                      |                       |                       |        |                       |                           |                       |
|---|---|--------------------------|-----------------|--------|-------------------|----------------------|----------------------------|------------------|----------------------|-----------------------|-----------------------|--------|-----------------------|---------------------------|-----------------------|
|   | 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              |                           |                       |
|   |   | 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  |
| Plus: 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)    |   |                          |                 |        | -4, 789, 206. 64  |                      | -681, 509. 64              | 1, 958, 049. 12  |                      |                       | -1, 087, 581, 842. 55 |        | -1, 091, 094, 509. 71 | -164, 890, 039. 08        | -1, 255, 984, 548. 79 |
| (I) Total comprehensive income                              |   |                          |                 |        |                   |                      | -681, 509. 64              |                  |                      |                       | -1, 087, 581, 842. 55 |        | -1, 088, 263, 352. 19 | -194, 528, 277. 68        | -1, 282, 791, 629. 87 |
| (II) Capital increased and reduced by owners                |   |                          |                 |        | -4, 789, 206. 64  |                      |                            |                  |                      |                       |                       |        | -4, 789, 206. 64      | 29, 083, 500. 46          | 24, 294, 293. 82      |
| 1. Ordinary shares increased by owners                      |   |                          |                 |        |                   |                      |                            |                  |                      |                       |                       |        |                       | 391, 891. 90              | 391, 891. 90          |
| 2. Capital increased by holders of other equity instruments |   |                          |                 |        |                   |                      |                            |                  |                      |                       |                       |        |                       |                           |                       |

|  |                  |  |  |  |                |  |                |              |                  |  |                |  |                  |               |                  |
|--|------------------|--|--|--|----------------|--|----------------|--------------|------------------|--|----------------|--|------------------|---------------|------------------|
| 3. Share-based payments included in owners' equity                     |                  |  |  |  |                |  |                |              |                  |  |                |  |                  |               |                  |
| 4. Others  |                  |  |  |  | -4,789,206.64  |  |                |              |                  |  |                |  | -4,789,206.64    | 28,691,608.56 | 23,902,401.92    |
| (III) Profit distribution  |                  |  |  |  |                |  |                |              |                  |  |                |  |                  |               |                  |
| 1. Appropriation to surplus reserves                                   |                  |  |  |  |                |  |                |              |                  |  |                |  |                  |               |                  |
| 2. Appropriation to general risk reserves                              |                  |  |  |  |                |  |                |              |                  |  |                |  |                  |               |                  |
| 3. Appropriation to owners (or shareholders)                           |                  |  |  |  |                |  |                |              |                  |  |                |  |                  |               |                  |
| 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   |                  |  |  |  |                |  |                | 1,958,049.12 |                  |  |                |  | 1,958,049.12     | 554,738.14    | 2,512,787.26     |
| 1. Increase in the period  |                  |  |  |  |                |  |                | 2,537,402.71 |                  |  |                |  | 2,537,402.71     | 589,725.35    | 3,127,128.06     |
| 2. Used in the period  |                  |  |  |  |                |  |                | 579,353.59   |                  |  |                |  | 579,353.59       | 34,987.21     | 614,340.80       |
| (VI) Others  |                  |  |  |  |                |  |                |              |                  |  |                |  |                  |               |                  |
| IV. Balance as at the end of the period                                | 2,407,945,408.00 |  |  |  | 521,710,300.12 |  | -14,125,068.08 | 6,615,537.36 | 1,244,180,364.24 |  | 386,980,133.30 |  | 4,553,306,674.94 | 97,331,640.41 | 4,650,638,315.35 |



## 8. Statements of Changes in Owners' Equity of the parent company

Current amount

Unit: RMB

| Item   | 1H25             |                          |                 |        |                  |                      |                            |                  |                  |                   |        |                      |
|--|------------------|--------------------------|-----------------|--------|------------------|----------------------|----------------------------|------------------|------------------|-------------------|--------|----------------------|
|  | 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 |                          |                 |        | 339,889,142.56   |                      | -1,281,096.83              |                  | 1,260,024,039.76 | -1,199,867,554.61 |        | 2,806,709,938.88     |
| Plus: 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 |                          |                 |        | 339,889,142.56   |                      | -1,281,096.83              |                  | 1,260,024,039.76 | -1,199,867,554.61 |        | 2,806,709,938.88     |
| III. Increase/ decrease in the period (“-” for decrease)               |                  |                          |                 |        | -126,029,421.25  |                      |                            |                  |                  | 192,749,983.59    |        | 66,720,562.34        |
| (I) Total comprehensive income   |                  |                          |                 |        |                  |                      |                            |                  |                  | 192,733,691.80    |        | 192,733,691.80       |
| (II) Capital increased and reduced by owners                           |                  |                          |                 |        | -126,029,421.25  |                      |                            |                  |                  |                   |        | -126,029,421.25      |
| 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  |                  |                          |                 |        | -126,029,421.25  |                      |                            |                  |                  |                   |        | -126,029,421.25      |
| (III) Profit distribution  |                  |                          |                 |        |                  |                      |                            |                  |                  | 16,291.79         |        | 16,291.79            |
| 1. Appropriation to surplus reserves                                   |                  |                          |                 |        |                  |                      |                            |                  |                  |                   |        |                      |
| 2. Appropriation to owners (or shareholders)                           |                  |                          |                 |        |                  |                      |                            |                  |                  |                   |        |                      |
| 3. Others  |                  |                          |                 |        |                  |                      |                            |                  |                  | 16,291.79         |        | 16,291.79            |
| (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 |  |  |  | 213,859,721.31 | -1,281,096.83 |  | 1,260,024,039.76 | -1,007,117,571.02 |  | 2,873,430,501.22 |

Amount of last year

Unit: RMB

| Item  | 1H24                 |                          |                 |        |                   |                      |                            |                  |                      |                    |        |                      |
|---|----------------------|--------------------------|-----------------|--------|-------------------|----------------------|----------------------------|------------------|----------------------|--------------------|--------|----------------------|
|   | 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 |
| Plus: 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)        |                      |                          |                 |        | -11, 288, 034. 03 |                      |                            |                  |                      | -484, 562, 914. 34 |        | -495, 850, 948. 37   |
| (I) Total comprehensive income                                  |                      |                          |                 |        |                   |                      |                            |                  |                      | -484, 562, 914. 34 |        | -484, 562, 914. 34   |
| (II) Capital increased and reduced by owners                    |                      |                          |                 |        | -11, 288, 034. 03 |                      |                            |                  |                      |                    |        | -11, 288, 034. 03    |
| 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   |                      |                          |                 |        | -11, 288, 034. 03 |                      |                            |                  |                      |                    |        | -11, 288, 034. 03    |
| (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 |  |  |  | 329,941,716.72 |  | -1,399,371.64 |  | 1,260,024,039.76 | 66,225,932.10 |  | 4,062,737,724.94 |

### III. Basic information of the Company

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 June 30, 2025, the Company issued a total of 2,407,945,408.00 shares (denomination of RMB 1 per share) with a registered capital of RMB 2,407,945,408.00.

#### 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 for disclosure by the Board of Directors of the Company on August 29, 2025.

### IV. Scope of consolidated financial statements

The consolidated financial statements of the Group cover 104 subsidiaries such as Shenzhen Konka Electronic Technology Co., Ltd., Anhui Konka Electronics Co., Ltd. and Dongguan Konka Electronics Co., Ltd. Compared with last year, 1 subsidiary, namely, Kangrong Jiayuan Technology (Zhejiang) Co., Ltd., is excluded due to equity transfer in the current period.

For details, please refer to Note X "Changes in the Consolidation Scope" and Note XI "Equity in Other Entities".

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

| No. | Name   | Abbreviation                |
|-----|--|-----------------------------|
| 1   | Shenzhen Konka Electronics Technology Co., Ltd.                        | Electronics Technology      |
| 2   | Nantong Haimen Konka Smart Technology Co., Ltd.                        | Haimen Konka                |
| 3   | Chengdu Konka Electronics Co., Ltd.                                    | Chengdu Konka Electronics   |
| 4   | Nantong Hongdin Smart Technology Co., Ltd.                             | Nantong Hongdin             |
| 5   | Shenzhen Kangcheng Technology Innovation and Development Co., Ltd.     | Shenzhen Kangcheng          |
| 6   | Xiaojia Technology Co., Ltd.   | Xiaojia Technology          |
| 7   | Liaoyang Kangshun Smart Technology Co., Ltd.                           | Liaoyang Kangshun           |
| 8   | Liaoyang Kangshun Renewable Resources Co., Ltd.                        | Liaoyang Kangshun Renewable |
| 9   | Nanjing Konka Electronics Co., Ltd.                                    | Nanjing Konka               |
| 10  | Chuzhou Konka Precision Intelligent Manufacturing Technology Co., Ltd. | Chuzhou Konka               |
| 11  | Guangdong Xingda Hongye Electronics Co., Ltd.                          | Xingda Hongye               |
| 12  | Shenzhen Konka Circuit Co., Ltd.                                       | Konka Circuit               |
| 13  | Suining Konka Flexible Electronic Technology Co., Ltd.                 | Konka Flexible Electronics  |
| 14  | Suining Konka Hongye Electronics Co., Ltd.                             | Konka Hongye Electronics    |
| 15  | Boluo Konka Precision Technology Co., Ltd.                             | Boluo Precision             |
| 16  | Anhui Konka Tongchuang Electrical Appliances Co., Ltd.                 | Anhui Tongchuang            |

| <b>No.</b> | <b>Name</b>   | <b>Abbreviation</b>                            |
|------------|---|--|
| 17         | Jiangsu Konka Smart Appliance Co., Ltd.                       | Jiangsu Konka Smart                            |
| 18         | Anhui Konka Electrical Appliance Technology Co., Ltd.         | Anhui Electrical Appliance                     |
| 19         | Henan Frestec Refrigeration Appliance Co., Ltd.               | Frestec Refrigeration                          |
| 20         | Henan Frestec Electrical Appliances Co., Ltd.                 | Frestec Electrical Appliances                  |
| 21         | Henan Frestec Household Appliances Co., Ltd.                  | Frestec Household Appliances                   |
| 22         | Henan Frestec Smart Home Technology Co., Ltd.                 | Frestec Smart Home                             |
| 23         | Shenzhen Konka Investment Holding Co., Ltd.                   | Konka Investment                               |
| 24         | Yibin Konka Technology Park Operation Co., Ltd.               | Yibin Konka Technology Park                    |
| 25         | Shenzhen Konka Capital Equity Investment Management Co., Ltd. | Konka Capital                                  |
| 26         | Konka Suiyong Investment (Shenzhen) Co., Ltd.                 | Konka Suiyong                                  |
| 27         | Shenzhen Konka Shengxing Industrial Co., Ltd.                 | Shengxing Industrial                           |
| 28         | Shenzhen Konka Zhitong Technology Co., Ltd.                   | Zhitong Technology                             |
| 29         | Konka Electronic Material Technology (Shenzhen) Co., Ltd.     | Konka Electronic Material                      |
| 30         | Beijing Konka Electronic Co., Ltd.                            | Beijing Konka Electronic                       |
| 31         | Tianjin Konka Technology Co., Ltd.                            | Tianjin Konka                                  |
| 32         | Suining Konka Industrial Park Development Co., Ltd.           | Suining Konka Industrial Park                  |
| 33         | Suining Konka Electronic Technological Innovation Co., Ltd.   | Suining Electronic Technological Innovation    |
| 34         | Shanghai Konka Industrial Co., Ltd.                           | Shanghai Konka                                 |
| 35         | Yantai Kangjin Technology Development Co., Ltd.               | Yantai Kangjin                                 |
| 36         | Shenzhen Konka Technology Industry Development Co., Ltd.      | Development of science and technology industry |
| 37         | Sichuan Konka Smart Terminal Technology Co., Ltd.             | Sichuan Konka                                  |
| 38         | Yibin Konka Smart Technology Co., Ltd.                        | Yibin Konka Intelligent                        |
| 39         | Shenzhen Konka Semiconductor Technology Co., Ltd.             | Shenzhen Konka Semiconductor                   |
| 40         | Chongqing Konka Technology Development Co., Ltd.              | Chongqing Konka                                |
| 41         | Kowin Memory Technology (Shenzhen) Co., Limited               | Kowin Memory (Shenzhen)                        |
| 42         | Kowin Memory Technology (Hong Kong) Co., Limited              | Kowin Memory (Hong Kong)                       |
| 43         | Konka ChipCloud Semiconductor Technology (Yancheng) Co., Ltd. | Konka Xinyun Semiconductor                     |
| 44         | Konka Cross-border (Hebei) Technology Development Co., Ltd.   | Konka Cross-border (Hebei)                     |
| 45         | Shenzhen Nianhua Enterprise Management Co., Ltd.              | Shenzhen Nianhua                               |
| 46         | Konka Huazhong (Hunan) Technology Co., Ltd.                   | Konka Central China                            |
| 47         | Shenzhen Konka Chuangzhi Electrical Appliances Co., Ltd.      | Shenzhen Chuangzhi Electrical Appliances       |
| 48         | Suining Jiarun Property Co., Ltd.                             | Suining Jiarun Property                        |
| 49         | Anhui Konka Electronics Co., Ltd.                             | Anhui Konka                                    |
| 50         | Anhui Kangzhi Trade Co., Ltd.                                 | Kangzhi Trade                                  |
| 51         | Shenzhen Konka Telecommunications Technology Co., Ltd.        | Telecommunication Technology                   |
| 52         | Konka Mobility Co., Limited                                   | Konka Mobility                                 |

| <b>No.</b> | <b>Name</b>  | <b>Abbreviation</b>                    |
|------------|--|--|
| 53         | Dongguan Konka Electronics Co., Ltd.                             | Dongguan Konka                         |
| 54         | Suining Konka Smart Technology Co., Ltd.                         | Suining Konka Smart                    |
| 55         | Chongqing Konka Optoelectronic Technology Co., Ltd.              | Chongqing Optoelectronic Technology    |
| 56         | Yibin Kangrun Environmental Technology Co., Ltd.                 | Yibin Kangrun                          |
| 57         | Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.      | Yibin Kangrun Medical                  |
| 58         | Ningbo Kanghanrui Electric Appliances Co., Ltd.                  | Ningbo Kanghanrui Electric Appliances  |
| 59         | Jiangxi Konka New Material Technology Co., Ltd.                  | Jiangxi Konka                          |
| 60         | Jiangxi High Transparent Substrate Material Technology Co., Ltd. | Jiangxi High Transparent Substrate     |
| 61         | Jiangxi Xinfeng Microcrystalline Jade Co., Ltd.                  | Xinfeng Microcrystalline               |
| 62         | Shaanxi Konka Smart Home Appliance Co., Ltd.                     | Shanxi Konka Intelligent               |
| 63         | Shenzhen Konka Pengrun Technology & Industry Co., Ltd.           | Pengrun Technology                     |
| 64         | Jiaxin Technology Co., Ltd.                                      | Jiaxin Technology                      |
| 65         | Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.                 | Kangrong Jiayuan                       |
| 66         | Shenzhen Konka Unifortune Technology Co., Ltd.                   | Konka Unifortune                       |
| 67         | Jiali International (Hong Kong) Limited                          | Jiali International                    |
| 68         | Sichuan Kangjiatong Technology Co., Ltd.                         | Kangjiatong                            |
| 69         | Nanjing Konka Smart Appliance Co., Ltd.                          | Nanjing Konka Smart                    |
| 70         | Hainan Konka Technology Co., Ltd.                                | Hainan Konka Technology                |
| 71         | Konka Ventures Development (Shenzhen) Co., Ltd.                  | Konka Ventures                         |
| 72         | Yibin Konka Incubator Management Co., Ltd.                       | Yibin Konka Incubator                  |
| 73         | Yantai Konka Healthcare Enterprise Service Co., Ltd.             | Yantai Konka                           |
| 74         | Guiyang Konka Enterprise Service Co., Ltd.                       | Konka Enterprise Service               |
| 75         | Ji'an Konka Technology Industry Development Co., Ltd.            | Ji'an Konka                            |
| 76         | Konka (Europe) Co., Ltd.   | Konka Europe                           |
| 77         | Hong Kong Konka Co., Ltd.  | Hong Kong Konka                        |
| 78         | Hongdin International Trading Limited                            | Hongdin Trading                        |
| 79         | Konka NorthAmerica LLC   | Konka North America                    |
| 80         | Kanghao Technology Co., Ltd.                                     | Kanghao Technology                     |
| 81         | Hongdin Invest Development Limited                               | Hongdin Investment                     |
| 82         | Chain Kingdom Memory Technologies Co., Limited                   | Chain Kingdom Memory Technologies      |
| 83         | Chain Kingdom Semiconductor (Shaoxing) Co., Ltd.                 | Chain Kingdom Semiconductor (Shaoxing) |
| 84         | Hongjet (Hong Kong) Company Limited                              | Hongjet                                |
| 85         | Chongqing Xinyuan Semiconductor Co., Ltd.                        | Chongqing Xinyuan Semiconductor        |
| 86         | Anlu Konka Industry Operation Service Co. Ltd.                   | Anlu Konka                             |

| No. | Name   | Abbreviation                                    |
|-----|--|---|
| 87  | Shenzhen Kanghong Dongsheng Investment Partnership (Limited Partnership) | Kanghong Dongsheng                              |
| 88  | Guizhou Konka New Material Technology Co., Ltd.                          | Guizhou Konka New Material Technology           |
| 89  | Konka Smart Home Appliance (Shanxi) Industry Development Co., Ltd.       | Shanxi Smart Home Appliance                     |
| 90  | Guizhou Kanggui Material Technology Co., Ltd.                            | Guizhou Kanggui Material Technology             |
| 91  | Nantong Kanghai Technology Industry Development Co., Ltd.                | Nantong Kanghai                                 |
| 92  | Chongqing Kangyiyun Business Operation Management Co., Ltd.              | Chongqing Kangyiyun                             |
| 93  | Jiangxi Konka High-tech Park Operation and Management Co., Ltd.          | Jiangxi Konka High-tech Park                    |
| 94  | Shangrao Konka Electronic Technology Innovation Co., Ltd.                | Shangrao Konka Electronic Technology Innovation |
| 95  | Zhejiang Konka Electronics Co., Ltd.                                     | Zhejiang Konka Electronic                       |
| 96  | Zhejiang Konka Technology Industry Development Co., Ltd.                 | Zhejiang Konka Technology Industry              |
| 97  | Xi'an Konka Intelligent Appliance Co., Ltd.                              | Xi'an Konka Intelligent                         |
| 98  | Xi'an Konka Network Technology Co., Ltd.                                 | Xi'an Konka Network                             |
| 99  | Xi'an Kanghong Technology Industry Development Co., Ltd.                 | Xi'an Kanghong Technology Industry              |
| 100 | Xi'an Konka Intelligent Technology Development Co., Ltd.                 | Xi'an Konka Intelligent Technology              |
| 101 | Songyang Konka Smart Industry Operation Management Co., Ltd.             | Songyang Industry Operation                     |
| 102 | Shenzhen Kangyan Technology Co., Ltd.                                    | Kangyan Technology                              |
| 103 | Songyang Konka Intelligent Technology Development Co., Ltd.              | Songyang Konka Intelligent                      |
| 104 | Konka North China (Tianjin) Technology Co., Ltd.                         | Konka North China                               |
| 105 | Shenzhen Konka Digital Technology Development Co., Ltd.                  | Digital Technology                              |

## V. 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 Group evaluated the going-concern capacity for the 12 months from the end of the reporting period, and found no matters or circumstances that raised significant doubts about the going-concern capacity. Therefore, the financial statements are prepared on a going concern basis.

## VI. Significant accounting policies and accounting estimates

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 Company are in compliance with the Accounting Standards for Business Enterprises, which factually, accurately and completely present the Company's and the Group's financial positions on June 30, 2025, business results and cash flows, and other relevant information for the first Half of 2025.

### 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 VI. 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 judgments   | standard | 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 VIII.4. Accounts receivable (2)   | Individual amount exceeding RMB50,000,000  |
| Receivables with significant amount of bad debt provision recovered or reversed during the current period         |          | Note VIII.4. Accounts receivable (3)   | Individual amount exceeding RMB10 million  |
| Write-off of significant receivables in the current period  |          | Note VIII.4. Accounts receivable (4)   | Individual amount exceeding RMB10 million  |
| Significant accounts payable aged over 1 year   |          | Note VIII.26. Accounts payable   | Individual amount exceeding RMB10 million  |
| Significant receipts in advance and contractual liabilities/projected liabilities/other payables aged over 1 year |          | Note VIII.27; Note VIII.28; Note VIII.29; Note VIII.39                                 | Individual amount exceeding RMB10 million  |
| Significant construction in progress project  |          | Note VIII.16. Construction in progress (2)   | Increase or decrease in a single asset during the current period 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 in the consolidated financial statements shall be made in the reporting period in which control is obtained. For example, if the equity of an investee under the same control is acquired in stages through multiple transactions to eventually result in a business combination, the consolidated financial statements shall be adjusted as if the current state of existence had been in place since the time when the ultimate controller initially obtained control. When preparing comparative financial statements, the relevant assets and liabilities of the combined entity shall be incorporated into the comparative financial statements of the Group's consolidated financial statements no earlier than the date when both the Group and the combined entity first came under the control of the same ultimate controller. The resulting increase in net assets from the combination shall be adjusted under the relevant items within owners' equity in the comparative financial statements. To avoid double counting of the net asset value of the combined party, for long-term equity investments held by the Group prior to the combination, the relevant profit or loss,

other comprehensive income and other changes in net assets that have been recognized between the later of the acquisition date of the original equity and the date on which the Company and the combined party were under common control and the combination date shall be offset against the beginning retained earnings and current profit or loss of comparative statements period.

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 in the consolidated financial statements shall be made in the reporting period in which control is obtained. For example, if the equity of an investee not under the same control is acquired in stages through multiple transactions to eventually result in a business combination, when preparing the consolidated financial statements, the Company shall remeasure the acquiree's equity it held before the acquisition date at its fair value on the acquisition date, and the difference between its fair value and book value shall be recognized as investment income for the current period; if the equity in the acquiree held prior to the relevant acquisition date is related to other comprehensive income accounted for under the equity method and other changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution, the equity is transferred to investment income for the period in which the acquisition date falls, except for other comprehensive income due to the remeasurement of the investee's net liabilities under defined benefit plans or changes in net assets.

In the consolidated financial statements, the difference between the proceeds from partial disposal of long-term equity investments in the subsidiary and the share of net assets of the subsidiary attributable to the Group (calculated from the acquisition date or the combination date) corresponding to the disposal of long-term equity investments without losing control, shall be charged against capital premium or share premium; when capital reserve is insufficient to offset, the retained earnings shall be adjusted.

When the Group loses the control over the investee due to disposal of partial equity investments or other reasons, in the preparation of the consolidated financial statements, the remaining equity investments will be re-measured by the Group at fair value on the date of loss of the control. The difference of total amount of the consideration from disposal of equities plus the fair value of the remaining equities less the shares calculated at the original shareholding ratio in net assets of the original subsidiary which are continuously calculated as of the acquisition date or combination date is included in the investment gain or loss for the current period at the loss of control and at the same time offset the goodwill. Other comprehensive incomes associated with the equity investments of the original subsidiary are transferred into investment gain or loss for the current period when control is lost.

Where the equity investment in the subsidiary is disposed of by the Group step by step through multiple transactions until the loss of control, and the transactions in which the equity investment in the subsidiary is disposed of until the loss of control are a package of transactions, each transaction shall be accounted for as one transaction in which the subsidiary is disposed of and the control is lost; however, the difference between the disposal price and the net asset share of the subsidiary corresponding to the disposal of the investment in each case prior to the loss of control is recognized in the consolidated financial statements as other comprehensive income and transferred to investment profit or loss in the period in which the loss of control occurs.

## **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: ① The business mode of the Group to manage the financial assets targets at collecting the contractual cash flow. 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 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: ① Financial 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. ② Financial liabilities arising from the transfer of financial assets not meeting the derecognition conditions or continuous involvement in the transferred financial assets. ③ Financial 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 XIII.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 instruments, credit risk rating, and aging of receivables, etc.

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

If the credit risk characteristics of a customer differs significantly from those of other customers in the portfolio, or there has been significant change in the credit risk characteristics of the customer, for example, receivables from related parties; receivables that are in dispute with the other party or involved in litigation or arbitration; receivables and others that have obvious indications that the debtor is likely to be unable to fulfill the repayment obligation.

## **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:

| <b>Item</b>           | <b>Basis</b>   |
|-----------------------|--|
| 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:

| <b>Item</b>               | <b>Basis</b>   |
|---------------------------|--|
| 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. |
| Related party combination | Other receivables from the other entities within the consolidation scope   |

## 16. 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 asset.

### (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".

## 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 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. 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 |

## 19. 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 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.

## **20. 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 VI. 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.

## **21. 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 deprecation (%) |
|-----|------------------------|----------------------------|----------------------------|--------------------------------|------------------------|
| 1   | Housing and building   | Straight-line depreciation | 20-40                      | 5-10.00                        | 2.25-4.75              |
| 2   | Machinery equipment    | Straight-line depreciation | 5-10                       | 5-10.00                        | 9.00-19.00             |
| 3   | Electronic equipment   | Straight-line depreciation | 3-5                        | 5-10.00                        | 18.00-31.67            |
| 4   | Transportation vehicle | Straight-line depreciation | 3-5                        | 5-10.00                        | 18.00-31.67            |
| 5   | Other equipment        | Straight-line depreciation | 5                          | 5-10.00                        | 18.00-19.00            |

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

## 22. 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 and reaching the predetermined usable state following process approval, it is transferred to fixed assets.   |

## 23. 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.

## **24. 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.

## **25. 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.

### **26. 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.

#### **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.

### **27. 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 VIII.19.

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

## **28. Long-term prepaid expense**

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.

## **29. Contract liabilities**

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

## **30. Employee compensation**

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

Short-term salary mainly includes wages, bonuses, allowances and subsidies, as well as employee benefits, medical insurance, maternity insurance, employment injury insurance, housing provident fund, labour 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 record the salary and the social security insurance fees paid and so on from the employee's service termination date to normal retirement date into current profits and losses (dismissal welfare) under the condition that they meet the recognition conditions of estimated liabilities.

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

## **31. Lease liabilities**

### **(1) Initial measurement**

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 case, the revised discount rate is adopted).

## 32. Estimated liabilities

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 a 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.

### **33. Revenue**

#### **(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 shall be deemed as a performance obligation fulfilled at a certain time point:

- ① The customer obtains and consumes the economic benefits brought by the performance of the Group while the Group is performing the obligation;
- 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. The Group will consider the following signs when judging whether the customer has acquired the right of control over relevant goods:

- ① The customer has the current payment obligation for such goods, i.e. the Group enjoys the current right to collect the payment for such 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;
- ⑥ Other signs indicating that the customer has gained control of the goods.

The right of the Group to receive consideration for the transfer of goods or services to the customer is presented as a contract asset, and impairment of contract assets is accrued on the basis of expected credit losses. The unconditional right to the charge of consideration from the customer, possessed by the Group, is presented as receivables. The Group's obligation to transfer goods or services to customers for consideration received or receivable from customers is presented as a contract liability.

#### **(2) Measurement principle for revenue**

1) If the contract contains two or more performance obligations, at the commencement 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 price refers to the amount of consideration the Company is expected to have the right to take on account of the transfer of goods or services to the customer, excluding the payments charged on behalf of any third party and the payments expected to be refunded to the customer. The transaction price recognized by the Group 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 that the Company expects to refund to customers are accounted for as liabilities and are not included in the transaction price.

3) If there is a variable consideration in the contract (for example, some of the contracts between the Group and its customers involve cash discounts and price protection, etc.), 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 accumulated and recognized income without possible significant reversal when the relevant uncertainty is eliminated.

4) For consideration payable to customers, the Group will offset the consideration payable to customers against the transaction price, and offset the current revenue at the time point when recognizing the relevant revenue or paying (promising to pay) the customer consideration, whichever is later, unless the consideration payable is for the purpose of obtaining other goods which can be clearly distinguished 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 the significant financing component is covered in the contract, the transaction price will be determined by the Group based on the amount payable in cash the customer may pay at once when the customer acquires the right of control over goods or services, as assumed. This financing component is discounted into the cash selling price of the goods with the discount rate that discounts the nominal amount of the contract consideration. Then, the difference between the determined transaction price and the amount of the consideration promised in the contract over the contract period is amortized by using the effective interest method. 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 construction contract between the Group and a customer is modified: ① If the modification adds both a distinct construction service and additional contract consideration, and the additional consideration reflects the standalone selling price of the additional service, the Group accounts for the modification as a separate contract; ② If the contract modification does not fall under the scenario described in ① above, and the construction services transferred before the modification date are distinct from those yet to be transferred, the Group accounts for the modification as the termination of the original contract and the creation of a new contract combining the remaining unsatisfied obligations under the original contract and the modified contract terms; ③ If the contract

modification does not fall under scenario ① above, and the construction services transferred as of the contract modification date are not distinct from those yet to be transferred, the Group accounts for the modification as part of the original contract. The resulting effect on previously recognized revenue is adjusted in current revenue at the date of the contract modification.

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

## **34. 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.

### **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 grants are monetary assets, they shall be measured at the amount actually received. For a grant 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 grant 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 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. Lease**

### **(1) Identification of leases**

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

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

### **(2) The Group as lessee**

#### **1) Lease recognition**

On the 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 lessor**

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

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

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. Fair value measurement

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 in accounting policies

There were no changes in accounting policies for the Group during the current period

### (2) Changes in accounting estimates

There were no changes in accounting estimates for the Group during the current period

## VII. Taxation

### 1. Main taxes and tax rates

| Category of taxes | Basis | Specific situation of the taxes rate |
|-------------------|-------|--------------------------------------|
|-------------------|-------|--------------------------------------|

|  |   |  |
|--|---|--|
| VAT                                    | Calculated the output tax at the tax rate and paid the VAT by the amount after deducting the deductible withholding VAT at current period, of which the VAT applicable to easy collection won't belong to the deductible withholding VAT. | 1%、3%、5%、6%、9%、13%                         |
| Urban maintenance and construction tax | The circulating tax actually paid   | 5%, 7% / See 2. Tax Preference for details |
| Education surcharge                    | The circulating tax actually paid   | 3% / See 2. Tax Preference for details     |
| Local education surcharge              | The circulating tax actually paid   | 2% / See 2. Tax Preference for details     |
| Enterprise income tax                  | Taxable income  | 25%/ See 2. Tax Preference for details     |

Explanation of main taxpayers of different corporate income tax rates

| Name of entity   | Income tax rate |
|--|-----------------|
| Shanxi Konka, Xingda Hongye, 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), 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

(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 December 31, 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. The Company's subsidiaries, Chengdu Anren, Konka Enterprise Service, Yibin Konka Incubator, Anhui Konka Low Carbon, Yibin Konka Intelligent, Anlu Konka, Konka Flexible Electronics, Shengxing Industrial, Zhitong Technology, Nantong Hongdin, Digital Technology, Shanghai Konka, Guizhou Konka New Material Technology, Shenzhen Nianhua, Guizhou Konka New Energy, Shanxi Smart Home Appliance, Ji'an Konka, Kangrong Jiayuan, Jiangkang (Shanghai) Technology, Konka Intelligent Manufacturing, Xi'an Konka Intelligent, Chongqing Kangyiyun, Zhejiang Konka Electronic, Zhejiang Konka Technology Industry, Konka Unifortune, and Konka North China, were subject to the aforementioned preferential tax policies during the reporting period.



(2) 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%.

(3) On November 29, 2023, Shaanxi Konka, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by Department of Science and Technology of Shanxi Province, Department of Finance of Shanxi Province and 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%.

(4) On November 6, 2023, Jiangsu Konka Smart, a subsidiary of the Company, obtained the Certificate of High-Tech Enterprise jointly issued by Department of Science and Technology of Jiangsu Province, Department of Finance of Jiangsu Province and 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%.

(5) 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.

(6) 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.

## VIII. Notes to the items of consolidated financial statements

### 1. Cash and cash equivalents

| Item                                      | Ending balance          | Beginning balance       |
|---|-------------------------|-------------------------|
| Cash on hand                              | 35.44                   | 208.19                  |
| Bank deposits                             | 2,578,397,494.88        | 2,942,927,002.53        |
| Other monetary assets                     | 1,247,387,392.49        | 1,172,840,037.01        |
| <b>Total</b>                              | <b>3,825,784,922.81</b> | <b>4,115,767,247.73</b> |
| Of which: Total amount deposited overseas | 32,389,141.10           | 16,326,669.23           |

### 2. Financial assets held for trading

| Item   | Ending balance          | Beginning balance     |
|--|-------------------------|-----------------------|
| Financial assets measured at fair value through current profit or loss | 1,270,907,253.85        | 286,648,129.34        |
| Including: Investment in equity instruments                            | 1,270,907,253.85        | 286,648,129.34        |
| <b>Total</b>   | <b>1,270,907,253.85</b> | <b>286,648,129.34</b> |

### 3. Notes receivable

#### (1) Presentation of notes receivable by classification

| Item                  | Ending balance | Beginning balance |
|-----------------------|----------------|-------------------|
| Bank acceptance bills | 50,167,914.08  | 148,019,004.66    |

| Item             | Ending balance       | Beginning balance     |
|------------------|----------------------|-----------------------|
| Trade Acceptance | 20,497,890.58        | 21,656,171.50         |
| <b>Total</b>     | <b>70,665,804.66</b> | <b>169,675,176.16</b> |

**(2) Classified presentation by the method of 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       | 71,092,669.65  | 100.00         | 426,864.99              | 0.60                     | 70,665,804.66 |
| Including: Bank acceptance bills                     | 50,167,914.08  | 70.57          | -                       | -                        | 50,167,914.08 |
| Trade Acceptance                                     | 20,924,755.57  | 29.43          | 426,864.99              | 2.04                     | 20,497,890.58 |
| Total  | 71,092,669.65  | 100.00         | 426,864.99              | 0.60                     | 70,665,804.66 |

(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       | 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 |
| 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 |

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

| Name          | Ending balance       |                         |                          |
|---------------|----------------------|-------------------------|--------------------------|
|               | Book balance         | Provision for bad debts | Provision percentage (%) |
| Within 1 year | 20,924,755.57        | 426,864.99              | 2.04                     |
| <b>Total</b>  | <b>20,924,755.57</b> | <b>426,864.99</b>       | <b>2.04</b>              |

**(3) Provision, reversal or recovery of provision for bad debts in the current period**

| Type             | Beginning balance | Change in the current period |                       |                         |        | Ending balance    |
|------------------|-------------------|------------------------------|-----------------------|-------------------------|--------|-------------------|
|                  |                   | Provision                    | Recovered or reversed | Charge-off or write-off | Others |                   |
| Trade Acceptance | 450,986.02        | 369,146.90                   | 393,267.93            |                         |        | 426,864.99        |
| <b>Total</b>     | <b>450,986.02</b> | <b>369,146.90</b>            | <b>393,267.93</b>     |                         |        | <b>426,864.99</b> |

**(4) Pledged notes receivable of the Company as at the end of the period**

The Company had no pledged notes receivable as at the end of the current period.

**(5) Notes receivable endorsed or discounted by the Company as at the end of the period but not expired on the balance sheet date**

| Item                  | Amount derecognized at the end of the period | Amount not derecognized at the end of the period |
|-----------------------|--|--|
| Bank acceptance bills | 1,083,544,741.52                             |  |
| Trade Acceptance      |  | 15,897,557.29                                    |
| <b>Total</b>          | <b>1,083,544,741.52</b>                      | <b>15,897,557.29</b>                             |

**(6) Notes receivable actually written off in the current period**

No notes receivable actually written off in the current period

**4. Accounts receivable**

**(1) Accounts receivable listed by aging**

| Aging                       | Ending book balance     | Beginning book balance  |
|-----------------------------|-------------------------|-------------------------|
| Within one year (inclusive) | 992,210,414.84          | 985,155,712.60          |
| 1-2 years                   | 222,818,754.26          | 467,086,582.23          |
| 2-3 years                   | 253,005,251.21          | 112,149,892.90          |
| 3-4 years                   | 152,073,259.46          | 117,756,261.01          |
| 4-5 years                   | 106,068,375.18          | 255,011,480.57          |
| Over 5 years                | 1,389,056,441.66        | 1,217,501,924.55        |
| <b>Total</b>                | <b>3,115,232,496.61</b> | <b>3,154,661,853.86</b> |

**(2) Classified presentation by the method of 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 | 1,381,094,478.87 | 44.33          | 1,340,039,805.00        | 97.03                    | 41,054,673.87    |
| Provision set aside for bad debts by portfolio       |                  |                |                         |                          |                  |
| Of which: Aging portfolio                            | 1,734,138,017.74 | 55.67          | 390,815,381.18          | 22.54                    | 1,343,322,636.56 |
| Subtotal of portfolio                                | 1,734,138,017.74 | 55.67          | 390,815,381.18          | 22.54                    | 1,343,322,636.56 |
| Total  | 3,115,232,496.61 | 100.00         | 1,730,855,186.18        | 55.56                    | 1,384,377,310.43 |

(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 | 1,452,875,517.73  | 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 |

| Type                  | Beginning balance       |                |                         |                          |                         |
|-----------------------|-------------------------|----------------|-------------------------|--------------------------|-------------------------|
|                       | Book balance            |                | Provision for bad debts |                          | Book value              |
|                       | Amount                  | Percentage (%) | Amount                  | Provision percentage (%) |                         |
| Subtotal of portfolio | 1,701,786,336.13        | 53.95          | 324,488,350.48          | 19.07                    | 1,377,297,985.65        |
| <b>Total</b>          | <b>3,154,661,853.86</b> | <b>100.00</b>  | <b>1,695,738,787.16</b> | <b>53.75</b>             | <b>1,458,923,066.70</b> |

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

| Name   | 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 Limited              | 298,855,950.30    | 298,855,950.30          | 298,855,950.30 | 298,855,950.30          | 100.00                   | Not expected to be recoverable      |
| Hongtu Sanpower Technology Co., Ltd.                   | 200,000,000.00    | 200,000,000.00          | 200,000,000.00 | 200,000,000.00          | 100.00                   | Not expected to be recoverable      |
| Shenzhen Yaode Technology Co., Ltd.                    | 147,734,652.40    | 147,734,652.40          | 147,122,079.87 | 147,122,079.87          | 100.00                   | Not expected to be recoverable      |
| Guangan Ouqishi Electronic Technology Co., Ltd.        | 113,139,940.86    | 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.          | 71,289,096.65     | 71,289,096.65           | 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. | 57,021,975.73     | 57,021,975.73           | 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           | 50,699,037.70  | 32,893,535.66           | 64.88                    | Expected to be difficult to recover |
| China Energy (Shanghai) Industrial Co., Ltd.           | 49,993,564.16     | 49,993,564.16           | 49,993,564.16  | 49,993,564.16           | 100.00                   | Not expected to be recoverable      |
| Others   | 347,017,697.98    | 285,372,117.37          | 275,849,231.65 | 254,774,058.22          | 92.36                    | Expected to be difficult to         |

| Name         | Beginning balance       |                         | Ending balance          |                         |                          |                           |
|--------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|---------------------------|
|              | Book balance            | Provision for bad debts | Book balance            | Provision for bad debts | Provision percentage (%) | Reasons for the provision |
|              |                         |                         |                         |                         |                          | recover                   |
| <b>Total</b> | <b>1,452,875,517.73</b> | <b>1,371,250,436.68</b> | <b>1,381,094,478.87</b> | <b>1,340,039,805.00</b> | <b>—</b>                 | <b>—</b>                  |

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

| Aging         | Ending balance          |                         |                          |
|---------------|-------------------------|-------------------------|--------------------------|
|               | Book balance            | Provision for bad debts | Provision percentage (%) |
| Within 1 year | 978,840,271.43          | 19,968,341.58           | 2.04                     |
| 1-2 years     | 196,954,968.24          | 19,734,887.88           | 10.02                    |
| 2-3 years     | 230,954,982.28          | 52,403,685.49           | 22.69                    |
| 3-4 years     | 81,660,961.17           | 52,981,631.61           | 64.88                    |
| 4-5 years     | 87,829,668.42           | 87,829,668.42           | 100.00                   |
| Over 5 years  | 157,897,166.20          | 157,897,166.20          | 100.00                   |
| <b>Total</b>  | <b>1,734,138,017.74</b> | <b>390,815,381.18</b>   | <b>22.54</b>             |

## (3) Provision, reversal or recovery of provision for bad debts in the current period

| Type   | Beginning balance       | Amount of changes for the current period |                       |
|--|-------------------------|--|-----------------------|
|  |                         | Provision                                | Recovered or reversed |
| Provision for bad debts of accounts receivable | 1,695,738,787.16        | 50,194,697.68                            | 9,349,959.24          |
| <b>Total</b>                                   | <b>1,695,738,787.16</b> | <b>50,194,697.68</b>                     | <b>9,349,959.24</b>   |

(Continued)

| Type   | Amount of changes for the current period |                      | Ending balance          |
|--|--|----------------------|-------------------------|
|  | Charge-off or write-off                  | Others               |                         |
| Provision for bad debts of accounts receivable |  | -5,728,339.42        | 1,730,855,186.18        |
| <b>Total</b>                                   |  | <b>-5,728,339.42</b> | <b>1,730,855,186.18</b> |

Remarks: Others in the amount of changes in the current period were a decrease of RMB 4,381,709.42 due to changes in exchange rate and a decrease of RMB 1,346,630.00 due to loss of control.

## (4) Accounts receivable actually written off in the current period

There were no accounts receivable actually written off in the current period.

## (5) Top five accounts receivable and contract assets in ending balances collected by debtors

The total amount of accounts receivable with top five Ending balance categorized by debtors in the current period was RMB 1,268,108,184.69, accounting for 40.71% of the total Ending balance of accounts receivable. The total Ending balance of provision for bad debts correspondingly set aside was RMB 711,714,785.43.

## 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     | 2,463,577.34        | 172,653.44              | 2,290,923.90        | 2,867,437.14        | 236,928.54              | 2,630,508.60        |
| <b>Total</b> | <b>2,463,577.34</b> | <b>172,653.44</b>       | <b>2,290,923.90</b> | <b>2,867,437.14</b> | <b>236,928.54</b>       | <b>2,630,508.60</b> |

**(2) Classified presentation by the method of 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       |                |                |                         |                          |              |
| Of which: Aging portfolio                            | 2,463,577.34   | 100.00         | 172,653.44              | 7.01                     | 2,290,923.90 |
| Subtotal of portfolio                                | 2,463,577.34   | 100.00         | 172,653.44              | 7.01                     | 2,290,923.90 |
| Total  | 2,463,577.34   | 100.00         | 172,653.44              | 7.01                     | 2,290,923.90 |

(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       |                   |                |                         |                          |              |
| 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 |

**Provision set aside for bad debts of contract assets by portfolio**

| Name          | Ending balance      |                         |                          |
|---------------|---------------------|-------------------------|--------------------------|
|               | Book balance        | Provision for bad debts | Provision percentage (%) |
| Within 1 year | 929,787.16          | 18,967.66               | 2.04                     |
| 1-2 years     | 1,533,790.18        | 153,685.78              | 10.02                    |
| <b>Total</b>  | <b>2,463,577.34</b> | <b>172,653.44</b>       | <b>7.01</b>              |

(Continued)

| Name          | Beginning 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                    |
| <b>Total</b>  | <b>2,867,437.14</b> | <b>236,928.54</b>       | <b>8.26</b>              |

**(3) Provision, reversal or recovery of provision for bad debts in the current period**

| Item | Beginning balance | Amount of changes for the current period |  |  |               | Ending balance | Reason |
|------|-------------------|--|--|--|---------------|----------------|--------|
|      |                   | Provision in the current period          | Recovered or transferred back in the current | Write-off/Charge-off in the current period | Others change |                |        |
|      |                   |  |  |  |               |                |        |

| Item         | Beginning balance | Amount of changes for the current period |                   |  |  | Ending balance    | Reason           |
|--------------|-------------------|--|-------------------|--|--|-------------------|------------------|
|              |                   |  | period            |  |  |                   |                  |
| Warranty     | 236,928.54        | 49,025.52                                | 113,300.62        |  |  | 172,653.44        | Normal provision |
| <b>Total</b> | <b>236,928.54</b> | <b>49,025.52</b>                         | <b>113,300.62</b> |  |  | <b>172,653.44</b> | —                |

#### (4) Contract assets actually written off in the current period

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

### 6. Receivables financing

| Item             | Ending balance        | Beginning balance    |
|------------------|-----------------------|----------------------|
| Notes receivable | 115,550,888.61        | 63,943,324.53        |
| <b>Total</b>     | <b>115,550,888.61</b> | <b>63,943,324.53</b> |

### 7. Other receivables

| Item                 | Ending balance        | Beginning balance     |
|----------------------|-----------------------|-----------------------|
| Interest receivable  |                       |                       |
| Dividends receivable |                       |                       |
| Other receivables    | 958,976,091.29        | 989,245,120.86        |
| <b>Total</b>         | <b>958,976,091.29</b> | <b>989,245,120.86</b> |

#### (1) Classified by account nature

| Nature of fund   | Ending book balance     | Beginning book balance  |
|--|-------------------------|-------------------------|
| Deposit and margin   | 320,822,663.02          | 344,822,666.77          |
| Intercourse funds among minority shareholders in the business consolidation not under the same control and related parties | 184,297,521.47          | 182,764,171.72          |
| Energy-saving subsidies receivable   | 152,399,342.00          | 152,399,342.00          |
| Intercourse funds with related parties   | 2,254,165,476.10        | 2,253,362,393.92        |
| Others   | 1,096,507,161.81        | 1,035,865,828.21        |
| <b>Total</b>   | <b>4,008,192,164.40</b> | <b>3,969,214,402.62</b> |

#### (2) Other receivables listed by aging

| Aging                       | Ending book balance     | Beginning book balance  |
|-----------------------------|-------------------------|-------------------------|
| Within one year (inclusive) | 433,908,798.03          | 394,812,584.95          |
| 1-2 years                   | 194,267,930.05          | 206,901,565.92          |
| 2-3 years                   | 88,743,308.34           | 110,433,169.22          |
| 3-4 years                   | 395,291,931.74          | 683,019,991.91          |
| 4-5 years                   | 967,717,302.41          | 771,766,144.27          |
| Over 5 years                | 1,928,262,893.83        | 1,802,280,946.35        |
| <b>Total</b>                | <b>4,008,192,164.40</b> | <b>3,969,214,402.62</b> |

#### (3) Classified presentation of other receivables by the method of provision for bad debts

| Type | Ending balance |                |                         |                          |            |
|------|----------------|----------------|-------------------------|--------------------------|------------|
|      | Book balance   |                | Provision for bad debts |                          | Book value |
|      | Amount         | Percentage (%) | Amount                  | Provision percentage (%) |            |

| 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 | 3,522,933,722.32        | 87.89          | 2,831,555,040.66        | 80.37                    | 691,378,681.66        |
| Provision set aside for bad debts by portfolio       |                         |                |                         |                          |                       |
| Of which: Aging portfolio                            | 251,077,508.49          | 6.26           | 171,977,326.54          | 68.50                    | 79,100,181.95         |
| Low Risk Combination                                 | 234,180,933.59          | 5.85           | 45,683,705.91           | 19.51                    | 188,497,227.68        |
| Subtotal of portfolio                                | 485,258,442.08          | 12.11          | 217,661,032.45          | 44.85                    | 267,597,409.63        |
| <b>Total</b>   | <b>4,008,192,164.40</b> | <b>100.00</b>  | <b>3,049,216,073.11</b> | <b>76.07</b>             | <b>958,976,091.29</b> |

(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 | 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        |
| Subtotal of portfolio                                | 444,879,036.26          | 11.21          | 206,472,541.45          | 46.41                    | 238,406,494.81        |
| <b>Total</b>   | <b>3,969,214,402.62</b> | <b>100.00</b>  | <b>2,979,969,281.76</b> | <b>75.08</b>             | <b>989,245,120.86</b> |

#### 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 | 193,214,047.81        | 2,585,150.81            | 1.34                     |
| 1-2 years     | 10,769,456.92         | 781,213.04              | 7.25                     |
| 2-3 years     | 45,762,682.82         | 6,403,743.56            | 13.99                    |
| 3-4 years     | 37,394,775.07         | 11,800,570.06           | 31.56                    |
| 4-5 years     | 6,740,050.90          | 4,712,926.42            | 69.92                    |
| Over 5 years  | 191,377,428.56        | 191,377,428.56          | 100.00                   |
| <b>Total</b>  | <b>485,258,442.08</b> | <b>217,661,032.45</b>   | <b>44.85</b>             |

#### 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, 2025                       | 1,712,968.68                                | 204,759,572.77   | 2,773,496,740.31  | <b>2,979,969,281.76</b> |
| Balance as of January 1, 2025 in the current period | -175,565.58                                 | 175,565.58   | -   | -                       |
| -- Transferred to Phase II                          | -175,565.58                                 | 175,565.58   |   | -                       |
| -- Transferred to Phase III                         |   | -  | -   | -                       |
| -- Reclassified under Phase II                      |   |  |   | -                       |
| -- Reclassified under Phase I                       |   |  |   | -                       |
| Provision in the current period                     | 1,226,535.02                                | 10,760,714.71  | 64,904,522.03   | <b>76,891,771.76</b>    |
| Recovery in the current period                      | -   | 619,971.40   | -   | <b>619,971.40</b>       |
| Charge-off in the current period                    |   |  |   | -                       |
| Write-off in the current period                     |   | -  |   | -                       |
| Other changes                                       | -178,787.32                                 |  | -6,846,221.69   | <b>-7,025,009.01</b>    |
| Balance as of June 30, 2025                         | <b>2,585,150.80</b>                         | <b>215,075,881.64</b>  | <b>2,831,555,040.66</b>   | <b>3,049,216,073.11</b> |

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, reversal or recovery of provision for bad debts in the current period

| Type   | Beginning balance       | Amount of changes for the current period |                       |
|--|-------------------------|--|-----------------------|
|  |                         | Provision                                | Recovered or reversed |
| Provision for bad debts of other receivables | 2,979,969,281.76        | 76,891,771.76                            | 619,971.40            |
| <b>Total</b>                                 | <b>2,979,969,281.76</b> | <b>76,891,771.76</b>                     | <b>619,971.40</b>     |

(Continued)

| Type   | Amount of changes for the current period |                     | Ending balance          |
|--|--|---------------------|-------------------------|
|  | Charge-off or write-off                  | Others              |                         |
| Provision for bad debts of other receivables |  | 7,025,009.01        | 3,049,216,073.11        |
| <b>Total</b>                                 |  | <b>7,025,009.01</b> | <b>3,049,216,073.11</b> |

Remarks: Others in the amount of changes in the current period were an increase of RMB 7,025,009.01 due to changes in exchange rate.

#### (5) Other receivables actually write off in the current period

There were no other receivables actually written off in the current period.

#### (6) Top five other receivables in ending balances collected by debtors

The total amount of other receivables with top five ending balance categorized by debtors in the current period was RMB 3,068,111,239.44, accounting for 76.55% of the total Ending balance of other receivables. The total ending balance of provision for bad debts correspondingly set aside was RMB 2,458,036,956.45.

### 8. Advances to suppliers

#### (1) Presentation of advances to suppliers by aging

| Item          | Ending balance       |                | Beginning balance     |                |
|---------------|----------------------|----------------|-----------------------|----------------|
|               | Amount               | Percentage (%) | Amount                | Percentage (%) |
| Within 1 year | 88,793,606.83        | 95.08          | 101,180,248.89        | 81.11          |
| 1-2 years     | 1,022,208.03         | 1.09           | 2,820,065.05          | 2.26           |
| 2-3 years     | 2,220,646.30         | 2.38           | 565,293.20            | 0.45           |
| Over 3 years  | 1,350,153.27         | 1.45           | 20,182,805.45         | 16.18          |
| <b>Total</b>  | <b>93,386,614.43</b> | <b>100.00</b>  | <b>124,748,412.59</b> | <b>100.00</b>  |

Remarks: The amount of advances to suppliers aged over one year at the end of the period was RMB 4,593,007.60, accounting for 4.92% of the total balance of advances to suppliers of the Group, and consists mainly of payments for undelivered goods or unsettled payments.

#### (2) Top five advances to suppliers in terms of the ending balance collected by the suppliers

The sum of the top five ending balances categorized by suppliers in the current period was RMB 78,995,170.26, accounting for 84.59% of the total ending balance.

### 9. Inventories

#### (1) Classification

| Item                   | Ending balance          |                            |                         |
|------------------------|-------------------------|----------------------------|-------------------------|
|                        | Book balance            | Provision for depreciation | Book value              |
| Raw materials          | 580,191,145.43          | 104,675,268.70             | 475,515,876.73          |
| Semi-finished products | 137,887,987.16          | 47,005,194.76              | 90,882,792.40           |
| Commodities in stock   | 2,095,083,690.80        | 514,819,789.76             | 1,580,263,901.04        |
| Commissioned products  | 1,573,221.67            |                            | 1,573,221.67            |
| Development costs      | 28,263,713.02           |                            | 28,263,713.02           |
| Developing products    | 305,144,099.05          | 455,872.41                 | 304,688,226.64          |
| <b>Total</b>           | <b>3,148,143,857.13</b> | <b>666,956,125.63</b>      | <b>2,481,187,731.50</b> |

(Continued)

| Item                   | Beginning 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          |
| <b>Total</b>           | <b>3,340,800,497.85</b> | <b>646,152,310.92</b>      | <b>2,694,648,186.93</b> |

#### (2) Provision for inventory depreciation

| Item | Beginning balance | Increased amount in the current period |        |
|------|-------------------|--|--------|
|      |                   | Provision                              | Others |

| Item                   | Beginning balance     | Increased amount in the current period |        |
|------------------------|-----------------------|--|--------|
|                        |                       | Provision                              | Others |
| Raw materials          | 108,024,878.82        | 6,755,486.75                           |        |
| Semi-finished products | 42,305,974.41         | 6,693,692.57                           |        |
| Commodities in stock   | 491,936,445.95        | 72,281,073.08                          |        |
| Commissioned products  | 262,121.44            |  |        |
| Developing products    | 3,622,890.30          |  |        |
| <b>Total</b>           | <b>646,152,310.92</b> | <b>85,730,252.40</b>                   |        |

(Continued)

| Item                   | Decreased amount in the current period |                     | Ending balance        |
|------------------------|--|---------------------|-----------------------|
|                        | Reversal or write-off                  | Others              |                       |
| Raw materials          | 9,443,907.19                           | 661,189.68          | 104,675,268.70        |
| Semi-finished products | 1,988,579.21                           | 5,893.01            | 47,005,194.76         |
| Commodities in stock   | 44,357,776.40                          | 5,039,952.87        | 514,819,789.76        |
| Commissioned products  | 262,121.44                             |                     |                       |
| Developing products    | 3,167,017.89                           |                     | 455,872.41            |
| <b>Total</b>           | <b>59,219,402.13</b>                   | <b>5,707,035.56</b> | <b>666,956,125.63</b> |

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 period:

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

## 10. Other current assets

| Item  | Ending balance          | Beginning balance       |
|---|-------------------------|-------------------------|
| Principal and interests of entrusted loans to associated enterprises      | 1,639,023,198.51        | 1,590,781,482.74        |
| Prepayments and deductible taxes, and refund of tax for export receivable | 603,105,939.06          | 525,546,353.28          |
| Deferred expenses   | 21,411,617.51           | 18,606,081.90           |
| Costs receivable for returning goods                                      | 7,194,329.48            | 14,460,748.65           |
| Others  | 4,023,181.00            | 19,005,345.90           |
| <b>Total</b>  | <b>2,274,758,265.56</b> | <b>2,168,400,012.47</b> |

## 11. Investments in other equity instruments

### (1) Investment in other equity instruments

| Item  | Beginning balance    | Increase and decrease in the current period |                            |  |   |        | Ending balance       | Dividend income recognized in the current period | Accumulated gains included in other comprehensive income at the end of the current period | Accumulated losses included in other comprehensive income at the end of the current period | 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 Electronics Co., Ltd.   |                      |   |                            |  |   |        |                      |  |   |  | Long-term holding based on strategic purpose   |
| ZAEFI   |                      |   |                            |  |   |        |                      |  |   |  | Long-term holding based on strategic purpose   |
| Shenzhen Chuangce Investment Development Co., Ltd.                    |                      |   |                            |  |   |        |                      |  |   |  | Long-term holding based on strategic purpose   |
| Shanlian Information Technology Engineering Centre                    | 1,860,809.20         |   |                            |  |   |        | 1,860,809.20         |  |   |  | Long-term holding based on strategic purpose   |
| Shenzhen CIU Science & Technology Co., Ltd.                           | 953,000.00           |   |                            |  |   |        | 953,000.00           |  |   |  | Long-term holding based on strategic purpose   |
| Shenzhen Digital TV National Engineering Laboratory Co., Ltd.         |                      |   |                            |  |   |        |                      |  |   |  | Long-term holding based on strategic purpose   |
| Shanghai National Engineering Research Centre of Digital TV Co., Ltd. | 2,400,000.00         |   |                            |  |   |        | 2,400,000.00         |  |   |  | Long-term holding based on strategic purpose   |
| BOHUA UHD   | 5,000,001.00         |   |                            |  |   |        | 5,000,001.00         |  |   |  | Long-term holding based on strategic purpose   |
| <b>Total</b>  | <b>16,114,932.00</b> |   |                            |  |   |        | <b>16,114,932.00</b> |  |   |  | —  |

### (2) Derecognition at the end of the current period

During the reporting period, no circumstances of derecognition of investments in other equity instruments occurred in the Group.

## 12. Long-term equity investments

| Investee   | Beginning balance<br>(Book value) | Provision for<br>impairment<br>Beginning balance | Increase and decrease in the current period |                               |   |   |
|--|-----------------------------------|--|---|-------------------------------|---|---|
|  |                                   |  | Increase in the<br>investment               | Decrease in the<br>investment | Profit or loss of<br>investment<br>recognized by the<br>equity method | Changes in other<br>comprehensive<br>income |
| Associates:  |                                   |  |   |                               |   |   |
| Kangkong Venture Capital (Shenzhen) Co., Ltd.  | 5,128,914.49                      |  |   |                               | 28,030.28   |   |
| Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.              | 2,004,044.10                      |  |   |                               | -31,774.46  |   |
| Feidi Technology (Shenzhen) Co., Ltd.  | 15,120,554.12                     |  |   |                               | 3,948,380.95  |   |
| 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.                                       | 87,650.74                         |  |   |                               | -3,000.00   |   |
| Puchuang Jiakang Technology Co, Ltd.   | 3,560,497.42                      |  |   |                               | 1,300,958.87  |   |
| Shenzhen Jielunte Technology Co., Ltd.   | 89,059,544.64                     |  |   |                               | -3,125,755.32   |   |
| Panxu Intelligence Co., Ltd.   |                                   |  |   |                               |   |   |
| Orient Excellent (Zhuhai) Asset Management Co., Ltd.                                 | 8,608,429.66                      |  |   |                               | 758,469.68  |   |
| Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership) | 334,610,872.32                    |  |   |                               | -116,504.78   |   |
| Tongxiang Wuzhen Kunyu Venture Capital Co., Ltd.                                     | 3,527,959.96                      |  |   |                               | 4,035.31  |   |
| Shenzhen RF-Llink Technology Co., Ltd.   |                                   | 85,656,027.35                                    |   |                               |   |   |
| Anhui Kaikai Shijie E-commerce Co., Ltd.   | 332,606,053.56                    | 68,817,908.06                                    |   |                               | -3,085,702.70   |   |
| Kunshan Kangsheng Investment Development Co., Ltd.                                   | 78,658,851.02                     |  |   |                               | -2,626,199.05   |   |
| Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.                                    | 3,467,934.60                      |  |   |                               | -466,357.26   |   |
| 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                                   |   |                               |   |   |

| Investee  | Beginning balance<br>(Book value) | Provision for<br>impairment<br>Beginning balance | Increase and decrease in the current period |                               |   |   |
|---|-----------------------------------|--|---|-------------------------------|---|---|
|   |                                   |  | Increase in the<br>investment               | Decrease in the<br>investment | Profit or loss of<br>investment<br>recognized by the<br>equity method | Changes in other<br>comprehensive<br>income |
| Wuhan Tianyuan Group Co., Ltd.  | 545,842,155.57                    |  |   |                               |   |   |
| Chuzhou Konka Technology Industry Development Co., Ltd.                         | 31,309,842.61                     |  |   |                               | -3,472,297.34   |   |
| Chuzhou Kangjin Health Industrial Development Co., Ltd.                         | 195,156,840.19                    |  |   |                               | -2,655,737.66   |   |
| Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd. | 106,686,557.81                    |  |   |                               | -2,835,611.92   |   |
| Chuzhou Kangxin Health Industry Development Co., Ltd.                           | 178,678,863.47                    |  |   |                               | -949,568.43   |   |
| Dongguan Guankang Yuhong Investment Co., Ltd.                                   | 482,685,139.04                    |  |   |                               | -15,175,294.03  |   |
| Shenzhen Morsemi Semiconductor Technology Co., Ltd.                             |                                   |  |   |                               |   |   |
| Econ Technology   | 847,418,693.43                    | 347,737,910.02                                   |   |                               | -682,702.96   |   |
| Dongguan Kangjia New Materials Technology Co., Ltd.                             | 6,231,919.24                      |  |   |                               | -818,871.96   |   |
| Chongqing E2info Technology Co., Ltd.   | 988,384,342.28                    | 68,390,441.43                                    | -   | -                             | -1,293,383.56   | -   |
| Yantai Kangyun Industrial Development Co., Ltd.                                 | 60,639,840.23                     |  |   |                               | -2,729,355.75   |   |
| E3info (Hainan) Technology Co., Ltd.  | 11,378,307.99                     | 14,000,000.00                                    |   | 8,000,000.00                  |   |   |
| Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.   | 5,896,518.07                      |  |   |                               | -2,926,157.83   |   |
| Shenzhen KONKA E-display Co., Ltd.  | 93,484,210.07                     |  |   |                               | 4,073,801.48  |   |
| Chongqing Yuanlv Benpao Real Estate Co., Ltd.                                   |                                   | 25,740,000.00                                    |   |                               |   |   |
| Shenzhen Kangpeng Digital Technology Co., Ltd.                                  | 1,310,766.92                      |  |   |                               | -328,558.61   |   |
| Yantai Kangtang Construction Development Co., Ltd.                              | 1,268,280.88                      |  |   |                               | -36,804.96  |   |
| Dongguan Konka Smart Electronic Technology Co., Ltd.                            | 18,648,646.28                     |  |   |                               | -2,154,842.13   |   |
| Beijing Konka Jingyuan Technology Co., Ltd.                                     | 687,957.04                        |  |   |                               |   |   |
| Chongqing Liangshan Enterprise Management Co., Ltd.                             | 229,695.25                        |  |   |                               | -4,362.93   |   |

| Investee   | Beginning balance<br>(Book value) | Provision for<br>impairment<br>Beginning balance | Increase and decrease in the current period |                               |   |   |
|--|-----------------------------------|--|---|-------------------------------|---|---|
|  |                                   |  | Increase in the<br>investment               | Decrease in the<br>investment | Profit or loss of<br>investment<br>recognized by the<br>equity method | Changes in other<br>comprehensive<br>income |
| Shenzhen Kangxi Technology Innovation Development Co., Ltd.  | 1,041,325.74                      |  |   |                               | -13,322.17  |   |
| Shandong Kangfei Intelligent Electrical Appliances Co., Ltd. |                                   | 245,911.63                                       |   |                               |   |   |
| Henan Kangfei Intelligent Electric Appliance Co., Ltd.       |                                   |  |   |                               |   |   |
| Guangdong Kangyuan Semiconductor Co., Ltd.                   | 7,360,542.07                      |  |   |                               | -589,376.37   |   |
| Chongqing Kangyiqing Technology Co., Ltd.                    | 635,826.26                        |  |   |                               | -100,000.00   |   |
| Zhejiang Kangying Semiconductor Technology Co., Ltd.         | 16,838,151.45                     |  |   |                               | 7,519,550.75  | 35,170.29                                   |
| KK Smartech Limited  | 1,594,091.44                      |  |   |                               | -928,701.40   |   |
| Chongqing Kangjian Photoelectric Technology Co., Ltd.        | 3,277,417.20                      |  |   |                               | -1,600,000.00   |   |
| Anhui Kangta Supply Chain Management Co., Ltd.               | 16,781,006.43                     |  |   |                               | -53,491.15  |   |
| Wuhan Kangtang Information Technology Co., Ltd.              | 15,853,661.78                     |  |   |                               | -897,317.07   |   |
| Sichuan Chengrui Real Estate Co., Ltd.                       | 23,989,768.27                     |  |   |                               | -827,877.94   |   |
| Jiakang Industrial Development (Wuhan) Co., Ltd.             | 38,684,412.72                     |  |   |                               | 554,780.06  |   |
| Hefei KONSEMI Storage Technology Co., Ltd.                   | 90,223,618.55                     |  |   |                               | -10,036,981.30  |   |
| Xi'an Kang'an Intelligent Storage Technology Co., Ltd.       | 5,766,552.98                      |  |   |                               | -82,444.41  |   |
| Sichuan Hongxinchen Real Estate Development Co., Ltd.        | 53,934,595.60                     |  |   |                               |   |   |
| Konka Huanjia Environmental Technology Co., Ltd.             |                                   | 91,800,000.00                                    |   |                               |   |   |
| Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.             |                                   |  |   |                               | -37,921.98  |   |
| <b>Total</b>   | <b>4,728,360,853.49</b>           | <b>954,585,219.45</b>                            | <b>0.00</b>                                 | <b>8,000,000.00</b>           | <b>-42,498,270.05</b>   | <b>35,170.29</b>                            |

(Continued)

| Investee   | Increase and decrease in the current period |  |                                       |                 | Ending balance<br>(Book value) | Provision for<br>impairment<br>Ending balance |
|--|---|--|---------------------------------------|-----------------|--------------------------------|---|
|  | Changes in other<br>equities                | Cash dividends or<br>profits declared to<br>be distributed | Provision set aside<br>for impairment | Others          |                                |   |
| Associates:  |   |  |                                       |                 |                                |   |
| Kangkong Venture Capital (Shenzhen) Co., Ltd.  |   |  |                                       |                 | 5,156,944.77                   |   |
| Nanjing Zhihuiguang Information Technology Research Institute Co., Ltd.              |   |  |                                       |                 | 1,972,269.64                   |   |
| Feidi Technology (Shenzhen) Co., Ltd.  |   | 913,190.37   |                                       |                 | 18,155,744.70                  |   |
| 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.                                       |   |  |                                       |                 | 84,650.74                      |   |
| Puchuang Jiakang Technology Co, Ltd.   |   |  |                                       |                 | 4,861,456.29                   |   |
| Shenzhen Jielunte Technology Co., Ltd.   |   |  |                                       |                 | 85,933,789.32                  |   |
| Panxu Intelligence Co., Ltd.   |   |  |                                       |                 |                                |   |
| Orient Excellent (Zhuhai) Asset Management Co., Ltd.                                 |   |  |                                       |                 | 9,366,899.34                   |   |
| Oriental Jiakang No. 1 (Zhuhai) Private Equity Investment Fund (Limited Partnership) |   |  |                                       |                 | 334,494,367.54                 |   |
| Tongxiang Wuzhen Kunyu Venture Capital Co., Ltd.                                     |   |  |                                       |                 | 3,531,995.27                   |   |
| Shenzhen RF-Llink Technology Co., Ltd.   |   |  |                                       |                 |                                | 85,656,027.35                                 |
| Anhui Kaikai Shijie E-commerce Co., Ltd.   |   |  |                                       |                 | 329,520,350.86                 | 68,817,908.06                                 |
| Kunshan Kangsheng Investment Development Co., Ltd.                                   |   |  |                                       |                 | 76,032,651.97                  |   |
| Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.                                    |   |  |                                       |                 | 3,001,577.34                   |   |
| 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 Group Co., Ltd.   |   | 8,618,395.70   |                                       | -537,223,759.87 |                                |   |



| Investee  | Increase and decrease in the current period |  |                                       |               | Ending balance<br>(Book value) | Provision for<br>impairment<br>Ending balance |
|---|---|--|---------------------------------------|---------------|--------------------------------|---|
|   | Changes in other<br>equities                | Cash dividends or<br>profits declared to<br>be distributed | Provision set aside<br>for impairment | Others        |                                |   |
| Chuzhou Konka Technology Industry Development Co., Ltd.                         |   |  |                                       |               | 27,837,545.27                  |   |
| Chuzhou Kangjin Health Industrial Development Co., Ltd.                         |   |  |                                       |               | 192,501,102.53                 |   |
| Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd. |   |  |                                       |               | 103,850,945.89                 |   |
| Chuzhou Kangxin Health Industry Development Co., Ltd.                           |   |  |                                       |               | 177,729,295.04                 |   |
| Dongguan Guankang Yuhong Investment Co., Ltd.                                   |   |  |                                       |               | 467,509,845.01                 |   |
| Shenzhen Morsemi Semiconductor Technology Co., Ltd.                             |   |  |                                       |               |                                |   |
| Econ Technology   |   |  |                                       |               | 846,735,990.47                 | 347,737,910.02                                |
| Dongguan Kangjia New Materials Technology Co., Ltd..                            |   |  |                                       |               | 5,413,047.28                   |   |
| Chongqing E2info Technology Co., Ltd.   |   |  |                                       | -586,270.19   | 986,504,688.53                 | 68,390,441.43                                 |
| Yantai Kangyun Industrial Development Co., Ltd.                                 |   |  |                                       |               | 57,910,484.48                  |   |
| E3info (Hainan) Technology Co., Ltd.  |   |  |                                       | -3,378,307.99 |                                | 14,000,000.00                                 |
| Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.   |   |  |                                       |               | 2,970,360.24                   |   |
| Shenzhen KONKA E-display Co., Ltd.  |   |  |                                       |               | 97,558,011.55                  |   |
| Chongqing Yuanlv Benpao Real Estate Co., Ltd.                                   |   |  |                                       |               |                                | 25,740,000.00                                 |
| Shenzhen Kangpeng Digital Technology Co., Ltd.                                  |   |  |                                       |               | 982,208.31                     |   |
| Yantai Kangtang Construction Development Co., Ltd.                              |   |  |                                       |               | 1,231,475.92                   |   |
| Dongguan Konka Smart Electronic Technology Co., Ltd.                            |   |  |                                       |               | 16,493,804.15                  |   |
| Beijing Konka Jingyuan Technology Co., Ltd.                                     |   |  |                                       |               | 687,957.04                     |   |
| Chongqing Liangshan Enterprise Management Co., Ltd.                             |   |  |                                       |               | 225,332.32                     |   |
| Shenzhen Kangxi Technology Innovation Development Co., Ltd.                     |   |  |                                       |               | 1,028,003.57                   |   |

| Investee   | Increase and decrease in the current period |  |                                       |                        | Ending balance<br>(Book value) | Provision for<br>impairment<br>Ending balance |
|--|---|--|---------------------------------------|------------------------|--------------------------------|---|
|  | Changes in other<br>equities                | Cash dividends or<br>profits declared to<br>be distributed | Provision set aside<br>for impairment | Others                 |                                |   |
| Shandong Kangfei Intelligent Electrical Appliances Co., Ltd. |   |  |                                       |                        |                                | 245,911.63                                    |
| Henan Kangfei Intelligent Electric Appliance Co., Ltd.       |   |  |                                       |                        |                                |   |
| Guangdong Kangyuan Semiconductor Co., Ltd.                   |   |  |                                       |                        | 6,771,165.70                   |   |
| Chongqing Kangyiqing Technology Co., Ltd.                    |   |  |                                       |                        | 535,826.26                     |   |
| Zhejiang Kangying Semiconductor Technology Co., Ltd.         |   |  |                                       |                        | 24,392,872.49                  |   |
| KK Smartech Limited  |   |  |                                       |                        | 665,390.04                     |   |
| Chongqing Kangjian Photoelectric Technology Co., Ltd.        |   |  |                                       |                        | 1,677,417.20                   |   |
| Anhui Kangta Supply Chain Management Co., Ltd.               |   |  |                                       |                        | 16,727,515.28                  |   |
| Wuhan Kangtang Information Technology Co., Ltd.              |   |  |                                       |                        | 14,956,344.71                  |   |
| Sichuan Chengrui Real Estate Co., Ltd.                       |   |  |                                       |                        | 23,161,890.33                  |   |
| Jiakang Industrial Development (Wuhan) Co., Ltd.             |   |  |                                       |                        | 39,239,192.78                  |   |
| Hefei KONSEMI Storage Technology Co., Ltd.                   |   |  |                                       |                        | 80,186,637.25                  |   |
| Xi'an Kang'an Intelligent Storage Technology Co., Ltd.       |   |  |                                       |                        | 5,684,108.57                   |   |
| Sichuan Hongxincheng Real Estate Development Co., Ltd.       |   |  |                                       |                        | 53,934,595.60                  |   |
| Konka Huanjia Environmental Technology Co., Ltd.             |   |  |                                       |                        |                                | 91,800,000.00                                 |
| Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.             |   |  |                                       | 1,029,610.00           | 991,688.02                     |   |
| <b>Total</b>   |   | <b>9,531,586.07</b>  |                                       | <b>-540,158,728.05</b> | <b>4,128,207,439.61</b>        | <b>954,585,219.45</b>                         |

### 13. Other non-current financial assets

| Item  | Ending balance          | Beginning balance       |
|---|-------------------------|-------------------------|
| Kunshan Xinjia Emerging Industry Equity Investment Fund Partnership (Limited Partnership)           | 227,987,130.83          | 230,264,035.04          |
| 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          | 197,621,072.79          |
| Yibin OCT Sanjiang Properties Co., Ltd.   | 172,584,874.79          | 174,599,313.55          |
| Chongqing Kangxin Equity Investment Fund Limited Partnership (Limited Partnership)                  | 144,028,481.56          | 144,028,481.56          |
| Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)                  | 134,046,271.83          | 139,166,271.83          |
| Daye Trust - Hui Libao No. 19   | 100,000,000.00          | 100,000,000.00          |
| CCB Trust-Cai Die No. 6 Property Rights Trust Scheme  | 65,840,745.07           | 66,080,293.70           |
| Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)   | 59,264,288.31           | 59,264,288.31           |
| Chuzhou Jiachen Information Technology Consulting Service Partnership (Limited Partnership)         | 58,296,141.16           | 58,296,141.16           |
| Tianjin Property No. 8 Enterprise Management Partnership (Limited Partnership)                      | 28,470,259.22           | 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                | 1,033.45                |
| <b>Subtotal of equity investments</b>   | <b>1,389,872,366.01</b> | <b>1,399,593,775.65</b> |
| Shenzhen Gaohong Enterprise Consulting Management Partnership (Limited Partnership)                 | 120,874,956.69          | 120,874,956.69          |
| 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           |
| Xi'an Bihuijia Enterprise Management Consulting Partnership (Limited Partnership)                   | 14,685,194.12           | 14,685,194.12           |
| Shanxi Kangmengrong Enterprise Management Consulting Partnership (Limited Partnership)              | 8,520,728.55            | 8,520,728.55            |
| Ningbo Yuanqing No.9 Investment Partnership (Limited Partnership)                                   |                         |                         |
| <b>Subtotal of debt investments</b>   | <b>402,816,112.24</b>   | <b>402,816,112.24</b>   |
| <b>Total</b>  | <b>1,792,688,478.25</b> | <b>1,802,409,887.89</b> |

### 14. Investment property

#### (1) Investment properties measured at cost

| Item   | Properties and buildings | Land use right | Total            |
|--|--------------------------|----------------|------------------|
| I. Original book value   |                          |                |                  |
| 1. Beginning balance   | 1,715,988,662.48         | 172,115,175.84 | 1,888,103,838.32 |
| 2. Increased amount in the current period  | 3,456,622.25             | 249,409.16     | 3,706,031.41     |
| (1) External purchase  |                          |                |                  |
| (2) Transfer-in of inventories\fixed assets\construction in progress\intangible assets | 3,456,622.25             | 249,409.16     | 3,706,031.41     |
| 3. Decreased amount in the current period  | 31,312,418.03            | 179,223.65     | 31,491,641.68    |
| (1) Disposal   | 31,312,418.03            | 179,223.65     | 31,491,641.68    |

| Item  | Properties and buildings | Land use right | Total            |
|---|--------------------------|----------------|------------------|
| (2) Other transfer out  |                          |                |                  |
| 4. Ending balance   | 1,688,132,866.70         | 172,185,361.35 | 1,860,318,228.05 |
| II. The accumulative depreciation and accumulative amortization |                          |                |                  |
| 1. Beginning balance  | 212,582,498.12           | 24,678,100.69  | 237,260,598.81   |
| 2. Increased amount in the current period                       | 25,311,246.43            | 1,886,772.94   | 27,198,019.37    |
| (1) Provision or amortization                                   | 25,311,246.43            | 1,886,772.94   | 27,198,019.37    |
| 3. Decreased amount in the current period                       | 2,686,543.09             | 58,225.49      | 2,744,768.58     |
| (1) Disposal  | 2,686,543.09             | 58,225.49      | 2,744,768.58     |
| (2) Other transfer out  |                          |                |                  |
| 4. Ending balance   | 235,207,201.46           | 26,506,648.14  | 261,713,849.60   |
| III. Provision for impairment                                   |                          |                |                  |
| 1. Beginning balance  |                          |                |                  |
| 2. Increase in the current period                               |                          |                |                  |
| (1) Provision   |                          |                |                  |
| 3. Decrease in the current period                               |                          |                |                  |
| (1) Disposal  |                          |                |                  |
| (2) Other transfer out  |                          |                |                  |
| 4. Ending balance   |                          |                |                  |
| IV. Book value  |                          |                |                  |
| 1. Ending book value  | 1,452,925,665.24         | 145,678,713.21 | 1,598,604,378.45 |
| 2. Beginning book value   | 1,503,406,164.36         | 147,437,075.15 | 1,650,843,239.51 |

**(2) Impairment test of investment properties measured at cost**

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

**(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 period**

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

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

| Item   | Book value     | Reason that the certificate of title was not completed  |
|--|----------------|---|
| Standard electronic product plant project of Suining Konka | 367,725,879.04 | The completion filing has not been done for the project |
| Houses and buildings of Xi'an Kanghong                     | 101,368,468.34 | Being handled   |
| Houses and buildings of Yantai Kangjin                     | 13,975,123.90  | Being handled   |

**(6) Investment property with restricted ownership or use right**

| Item   | Book value            | Reason for restriction |
|--|-----------------------|------------------------|
| Guangming Technology Center                          | 548,064,456.53        | As collateral for loan |
| Houses and buildings of Xi'an Kanghong               | 101,368,468.34        | As collateral for loan |
| Properties and buildings of Shanxi Konka Intelligent | 36,321,306.25         | As collateral for loan |
| Houses and buildings of Yantai Kangjin               | 13,975,123.90         | As collateral for loan |
| Houses and buildings of Nantong Kanghai              | 72,330,819.84         | As collateral for loan |
| <b>Total</b>   | <b>772,060,174.86</b> |                        |

## 15. Fixed assets

| Item                        | Ending balance          | Beginning balance       |
|-----------------------------|-------------------------|-------------------------|
| Fixed Assets                | 4,857,130,116.51        | 5,005,836,928.31        |
| Liquidation of fixed assets |                         |                         |
| <b>Total</b>                | <b>4,857,130,116.51</b> | <b>5,005,836,928.31</b> |

**(1) Fixed assets**

| Item  | Properties and buildings | Machinery equipment | Electronic equipment | Transportation vehicle | Other equipment | Total            |
|---|--------------------------|---------------------|----------------------|------------------------|-----------------|------------------|
| I. Original book value                      |                          |                     |                      |                        |                 |                  |
| 1. Beginning 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 |
| 2. Increased amount in the current period   | 2,052,073.17             | 52,380,308.16       | 4,479,517.75         | 394,444.99             | 1,027,618.32    | 60,333,962.39    |
| (1) Purchase                                | 711,584.78               | 9,032,020.81        | 4,362,761.94         | 394,444.99             | 1,008,795.30    | 15,509,607.82    |
| (2) Transfer-in of construction in progress |                          | 39,462,009.35       | 115,445.13           |                        | 18,823.02       | 39,596,277.50    |
| (3) Other increase                          | 1,340,488.39             | 3,886,278.00        | 1,310.68             |                        |                 | 5,228,077.07     |
| 3. Decreased amount in the current period   | 20,422,958.26            | 132,326,619.91      | 1,796,058.35         | 1,752,688.32           | 2,180,896.98    | 158,479,221.82   |
| (1) Disposal or write-off                   | 20,018,497.00            | 127,340,779.21      | 1,796,058.35         | 1,752,688.32           | 640,501.84      | 151,548,524.72   |
| (2) Decrease for loss of controlling right  |                          |                     |                      |                        | 1,537,858.92    | 1,537,858.92     |
| (3) Other decreases                         | 404,461.26               | 4,985,840.70        |                      |                        | 2,536.22        | 5,392,838.18     |
| 4. Ending balance                           | 3,942,830,068.04         | 3,403,123,690.57    | 296,142,618.30       | 51,391,316.26          | 190,137,242.30  | 7,883,624,935.47 |
| II. Accumulated depreciation                |                          |                     |                      |                        |                 |                  |
| 1. Beginning 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 |
| 2. Increased amount in the current period   | 53,246,293.61            | 119,402,276.16      | 12,702,611.27        | 1,328,717.28           | 6,524,138.13    | 193,204,036.45   |
| (1) Provision                               | 53,246,293.61            | 119,402,276.16      | 12,702,611.27        | 1,279,672.86           | 6,524,138.13    | 193,154,992.03   |
| (2) Other increases                         |                          |                     |                      | 49,044.42              |                 | 49,044.42        |
| 3. Decreased amount in the current period   | 11,467,342.01            | 116,290,291.41      | 1,588,022.97         | 1,345,598.25           | 956,574.64      | 131,647,829.28   |
| (1) Disposal or write-off                   | 11,462,791.85            | 115,680,999.37      | 1,588,022.97         | 1,345,598.25           | 516,753.27      | 130,594,165.71   |
| (2) Decrease for loss of controlling right  |                          |                     |                      |                        | 390,776.95      | 390,776.95       |
| (3) Other decreases                         | 4,550.16                 | 609,292.04          | -                    | -                      | 49,044.42       | 662,886.62       |
| 4. Ending balance                           | 839,948,822.79           | 1,641,929,000.22    | 222,732,477.65       | 41,505,025.32          | 139,364,786.43  | 2,885,480,112.41 |
| III. Provision for impairment               |                          |                     |                      |                        |                 |                  |

| Item                                       | Properties and buildings | Machinery equipment | Electronic equipment | Transportation vehicle | Other equipment | Total            |
|--|--------------------------|---------------------|----------------------|------------------------|-----------------|------------------|
| 1. Beginning balance                       | 24,030,941.23            | 121,076,848.24      | 847,936.84           | 832,646.14             | 5,220,988.90    | 152,009,361.35   |
| 2. Increased amount in the current period  |                          |                     |                      |                        |                 |                  |
| (1) Provision                              |                          |                     |                      |                        |                 |                  |
| (2) Other increases                        |                          |                     |                      |                        |                 |                  |
| 3. Decreased amount in the current period  |                          | 10,994,654.80       |                      |                        |                 | 10,994,654.80    |
| (1) Disposal or write-off                  |                          | 10,994,654.80       |                      |                        |                 | 10,994,654.80    |
| (2) Decrease for loss of controlling right |                          |                     |                      |                        |                 |                  |
| (3) Other decreases                        |                          |                     |                      |                        |                 |                  |
| 4. Ending balance                          | 24,030,941.23            | 110,082,193.44      | 847,936.84           | 832,646.14             | 5,220,988.90    | 141,014,706.55   |
| IV. Book value                             |                          |                     |                      |                        |                 |                  |
| 1. Ending book value                       | 3,078,850,304.02         | 1,651,112,496.91    | 72,562,203.81        | 9,053,644.80           | 45,551,466.97   | 4,857,130,116.51 |
| 2. Beginning 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) Temporarily idle fixed assets**

| Item                   | Original book value     | Accumulated depreciation | Provision for impairment | Book value            |
|------------------------|-------------------------|--------------------------|--------------------------|-----------------------|
| Housing and building   | 263,606,918.96          | 156,976,184.84           | 7,943,313.79             | 98,687,420.33         |
| Machinery equipment    | 883,982,056.76          | 545,732,526.62           | 92,270,656.08            | 245,978,874.06        |
| Electronic equipment   | 8,758,436.73            | 7,519,569.68             | 91,675.05                | 1,147,192.00          |
| Transportation vehicle | 3,830,739.81            | 3,626,918.66             | 0.00                     | 203,821.15            |
| Other equipment        | 1,248,617.01            | 1,089,247.58             | 20,212.81                | 139,156.62            |
| <b>Total</b>           | <b>1,161,426,769.27</b> | <b>714,944,447.38</b>    | <b>100,325,857.73</b>    | <b>346,156,464.16</b> |

**(3) Fixed assets leased out through operating leases**

| Item                   | Ending book value    |
|------------------------|----------------------|
| Machinery equipment    | 15,459,990.54        |
| Electronic equipment   | 211,392.70           |
| Transportation vehicle | 13,854.83            |
| Other equipment        | 210,975.77           |
| <b>Total</b>           | <b>15,896,213.84</b> |

**(4) Fixed assets without the certificate of title**

| Item  | Original book value | Accumulated depreciation | Provision for impairment | Net book value | Reason that the certificate of title was not completed  |
|---|---------------------|--------------------------|--------------------------|----------------|---|
| Smart colour TV project of Fenggang Konka     | 425,352,133.21      | 18,335,915.21            |                          | 407,016,218.00 | Being handled   |
| Anhui Konka's buildings                       | 185,473,896.50      | 16,661,292.16            |                          | 168,812,604.34 | Being handled   |
| Frestec Smart Home properties and buildings   | 20,130,613.64       | 819,012.00               |                          | 19,311,601.64  | Being handled   |
| Standard electronic product plants in Sunning | 1,544,085.19        | 116,007.80               |                          | 1,428,077.39   | The completion filing has not been done for the project |
| Yikang Building property                      | 76,610,752.33       | 44,661,589.41            | -                        | 31,949,162.92  | Being handled   |

**(5) Impairment test of fixed assets**

There was no impairment of the Group's fixed assets during the reporting period.

**(6) Fixed assets with restricted ownership or use right**

| Item   | Ending book value | Reason for restriction |
|--|-------------------|------------------------|
| Anhui Konka's buildings                              | 582,986,046.00    | As collateral for loan |
| Housing and buildings of Chongqing Konka             | 327,223,961.72    | As collateral for loan |
| Properties and buildings of Shanxi Konka Intelligent | 282,088,038.52    | As collateral for loan |
| Housing and buildings of Anhui Tongchuang            | 132,850,593.68    | As collateral for loan |
| Housing and buildings of Frestec Refrigeration       | 75,216,522.74     | As collateral for loan |



| <b>Item</b>                                     | <b>Ending book value</b> | <b>Reason for restriction</b>           |
|---|--------------------------|---|
| Buildings of Konka Group                        | 56,203,268.61            | As collateral for loan                  |
| Housing and buildings of Jiangsu Konka Smart    | 31,486,938.88            | As collateral for loan                  |
| Housing and buildings of XingDa HongYe          | 25,821,100.08            | As collateral for loan                  |
| Machinery equipment of Xinfeng Microcrystalline | 6,759,500.50             | As collateral for finance lease         |
| Housing and buildings of Jiangxi Konka          | 1,840,773.06             | Original shareholder guarantee mortgage |
| <b>Total</b>                                    | <b>1,522,476,743.79</b>  |   |

## 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          | 56,212,948.57            | 190,363,800.00        | 246,576,748.57        | 56,387,538.57            | 190,189,210.00        |
| Construction of Suining Electronic Industrial Park Workshops  | 159,320,030.73          |                          | 159,320,030.73        | 177,739,108.43        |                          | 177,739,108.43        |
| Production Line Renovation Project of Jiangxi Konka   | 84,109,378.06           | 17,407,295.14            | 66,702,082.92         | 85,354,578.78         | 17,688,178.78            | 67,666,400.00         |
| Suining Konka Hongye Plant Decoration Project   | 91,726,325.18           |                          | 91,726,325.18         | 84,574,481.80         |                          | 84,574,481.80         |
| Construction and Decoration Project of Phase I of Dongguan Konka Science and Technology Industrial Park | 54,897,004.54           |                          | 54,897,004.54         | 53,096,645.21         |                          | 53,096,645.21         |
| Other projects  | 385,287,973.59          | 33,929,571.25            | 351,358,402.34        | 333,576,197.93        | 33,799,544.33            | 299,776,653.60        |
| <b>Total</b>  | <b>1,021,917,460.67</b> | <b>107,549,814.96</b>    | <b>914,367,645.71</b> | <b>980,917,760.72</b> | <b>107,875,261.68</b>    | <b>873,042,499.04</b> |

### (2) Changes in major projects under construction in the current period

| Name of item   | Beginning balance | Increased amount in the current period | Decreased amount in the current period |                 | Ending balance |
|--|-------------------|--|--|-----------------|----------------|
|  |                   |  | Transfer to fixed assets               | Other decreases |                |
| Construction of Suining Electronic Industrial Park Workshops | 177,739,108.43    | 239,201.01                             |  | 18,658,278.71   | 159,320,030.73 |

(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 | Including: the amount of the capitalized interests in the current period | Capitalization rate of the interests in the current period (%) | 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 period

| Type | Beginning balance | Increased amount in the current period | Decreased amount in the current period | Ending balance | Reason for withdrawal |
|------|-------------------|--|--|----------------|-----------------------|
|------|-------------------|--|--|----------------|-----------------------|

| Type  | Beginning balance     | Increased amount in the current period | Decreased amount in the current period | Ending balance        | Reason for withdrawal                     |
|---|-----------------------|--|--|-----------------------|---|
| Production Line Renovation Project of Jiangxi Konka           | 17,688,178.78         |  |  | 17,688,178.78         | Failure to achieve serviceable conditions |
| Production Line Project of Jiangxi High Transparent Substrate | 90,183,005.23         |  | 325,446.72                             | 89,857,558.51         | Failure to achieve serviceable conditions |
| Other projects  | 4,077.67              |  |  | 4,077.67              | Failure to achieve serviceable conditions |
| <b>Total</b>  | <b>107,875,261.68</b> |  | <b>325,446.72</b>                      | <b>107,549,814.96</b> | —   |

#### (4) Impairment test of construction in progress

There was no impairment of the Group's construction in progress during the reporting period

#### 17. Right-of-use assets

| Item                                       | Properties and buildings | Machinery equipment | Electronic equipment | Total          |
|--|--------------------------|---------------------|----------------------|----------------|
| I. Original book value                     |                          |                     |                      |                |
| 1. Beginning balance                       | 283,992,075.23           | 428,197.71          | 329,550.15           | 284,749,823.09 |
| 2. Increased amount in the current period  |                          | 1,030,529.41        |                      | 1,030,529.41   |
| (1) Rent                                   |                          | 1,030,529.41        |                      | 1,030,529.41   |
| (2) Others                                 |                          |                     |                      |                |
| 3. Decreased amount in the current period  | 21,972,662.71            |                     |                      | 21,972,662.71  |
| (1) Decrease for loss of controlling right |                          |                     |                      |                |
| (2) Others                                 | 21,972,662.71            |                     |                      | 21,972,662.71  |
| 4. Ending balance                          | 262,019,412.52           | 1,458,727.12        | 329,550.15           | 263,807,689.79 |
| II. Accumulated depreciation               |                          |                     |                      |                |
| 1. Beginning balance                       | 106,211,054.04           | 171,279.11          | 181,810.59           | 106,564,143.74 |
| 2. Increased amount in the current period  | 24,667,768.24            | 185,948.85          | 36,824.71            | 24,890,541.80  |
| (1) Provision                              | 24,667,768.24            | 185,948.85          | 36,824.71            | 24,890,541.80  |
| (2) Others                                 |                          |                     |                      |                |

| Item                                       | Properties and buildings | Machinery equipment | Electronic equipment | Total          |
|--|--------------------------|---------------------|----------------------|----------------|
| 3. Decreased amount in the current period  | 8,395,189.59             |                     |                      | 8,395,189.59   |
| (1) Decrease for loss of controlling right |                          |                     |                      |                |
| (2) Others                                 | 8,395,189.59             |                     |                      | 8,395,189.59   |
| 4. Ending balance                          | 122,483,632.69           | 357,227.96          | 218,635.30           | 123,059,495.95 |
| III. Provision for impairment              |                          |                     |                      |                |
| 1. Beginning balance                       |                          |                     |                      |                |
| 2. Increased amount in the current period  |                          |                     |                      |                |
| (1) Provision                              |                          |                     |                      |                |
| 3. Decreased amount in the current period  |                          |                     |                      |                |
| (1) Disposal                               |                          |                     |                      |                |
| 4. Ending balance                          |                          |                     |                      |                |
| IV. Book value                             |                          |                     |                      |                |
| 1. Ending book value                       | 139,535,779.83           | 1,101,499.16        | 110,914.85           | 140,748,193.84 |
| 2. Beginning book value                    | 177,781,021.19           | 256,918.60          | 147,739.56           | 178,185,679.35 |

Remarks: other decreases in original value and accumulated depreciation are mainly due to lease termination.

## 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                        | 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 |
| 2. Increased amount in the current period   | 101,705.75     |                 | 97,309.37           |                  | 6,262,251.31                     | 6,461,266.43     |
| (1) Purchase                                |                |                 | 97,309.37           |                  | 1,174,611.78                     | 1,271,921.15     |
| (2) Transfer-in of construction in progress |                |                 |                     |                  | 5,062,167.83                     | 5,062,167.83     |

| Item                                      | Land use right | Trademark right | Patent and know-how | Franchise rights | Right to use software and others | Total            |
|---|----------------|-----------------|---------------------|------------------|----------------------------------|------------------|
| (3) Other reasons                         | 101,705.75     |                 |                     |                  | 25,471.70                        | 127,177.45       |
| 3. Decreased amount in the current period | 6,976,554.62   |                 | 4,144,403.75        | 25,471.70        | 771,835.35                       | 11,918,265.42    |
| (1) Disposal or write-off                 | 6,976,554.62   |                 | 4,144,403.75        |                  | 771,835.35                       | 11,892,793.72    |
| (2) Other reasons                         |                |                 |                     | 25,471.70        |                                  | 25,471.70        |
| 4. Ending balance                         | 810,323,695.48 | 72,197,456.33   | 108,377,875.41      | 192,973,407.81   | 167,260,022.31                   | 1,351,132,457.34 |
| II. Accumulated amortization              |                |                 |                     |                  |                                  |                  |
| 1. Beginning 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   |
| 2. Increased amount in the current period | 8,721,504.98   | 2,081,757.98    | 29,709.11           | 5,360,372.46     | 7,723,852.33                     | 23,917,196.86    |
| (1) Provision                             | 8,721,504.98   | 2,081,757.98    | 29,709.11           | 5,360,372.46     | 7,723,852.33                     | 23,917,196.86    |
| (2) Others                                |                |                 |                     |                  | 0.00                             |                  |
| 3. Decreased amount in the current period | 1,195,057.97   |                 | 1,243,321.14        |                  | 771,835.35                       | 3,210,214.46     |
| (1) Disposal or write-off                 | 1,195,057.97   |                 | 1,243,321.14        |                  | 771,835.35                       | 3,210,214.46     |
| 4. Ending balance                         | 115,607,368.58 | 25,500,900.43   | 66,089,036.14       | 27,625,529.96    | 108,684,556.24                   | 343,507,391.35   |
| III. Provision for impairment             |                |                 |                     |                  |                                  |                  |
| 1. Beginning balance                      |                | 564,705.88      | 44,943,521.62       |                  | 235,294.12                       | 45,743,521.62    |
| 2. Increased amount in the current period |                |                 |                     |                  |                                  |                  |
| (1) Provision                             |                |                 |                     |                  |                                  |                  |
| 3. Decreased amount in the current period |                |                 | 2,901,082.61        |                  |                                  | 2,901,082.61     |
| (1) Disposal                              |                |                 | 2,901,082.61        |                  |                                  | 2,901,082.61     |
| 4. Ending balance                         |                | 564,705.88      | 42,042,439.01       |                  | 235,294.12                       | 42,842,439.01    |
| IV. Book value                            |                |                 |                     |                  |                                  |                  |
| 1. Ending book value                      | 694,716,326.90 | 46,131,850.02   | 246,400.26          | 165,347,877.85   | 58,340,171.95                    | 964,782,626.98   |
| 2. Beginning 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) Land use right without the certificate of title**

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                | 179,728,476.67        | 44.17                                |
| Concessions of Yibin Konka                      | 165,749,051.94        | 15.33                                |
| Land use right of Shanxi Konka Intelligent      | 110,871,416.53        | 46.08                                |
| Land use right of Frestec Smart Home Technology | 87,371,656.18         | 45.25                                |
| <b>Total</b>                                    | <b>543,720,601.32</b> | —                                    |

**(4) Intangible assets with restricted ownership or using right**

| Item  | Ending book value     | Reason for restriction |
|---|-----------------------|------------------------|
| Land use right of Dongguan Konka                | 179,728,476.67        | As collateral for loan |
| Land use right of Shanxi Konka Intelligent      | 110,871,416.53        | As collateral for loan |
| Land use right of Frestec Smart Home Technology | 87,371,656.18         | As collateral for loan |
| Land usage right of Frestec Refrigeration       | 60,916,416.54         | As collateral for loan |
| Land use right of Anhui Konka                   | 52,073,476.00         | As collateral for loan |
| Land use right of Chongqing Konka               | 43,121,034.57         | As collateral for loan |
| Land use right of Anhui Tongchuang              | 16,721,699.63         | As collateral for loan |
| Land use right of Jiangsu Konka Smart           | 13,040,564.35         | As collateral for loan |
| Land use right of XingDa HongYe                 | 12,410,217.91         | As collateral for loan |
| Land use right of Konka Guangming               | 4,006,974.33          | As collateral for loan |
| <b>Total</b>                                    | <b>580,261,932.71</b> |                        |

**19. Goodwill****(1) Original book value of goodwill**

| Investee      | Beginning balance     | Increased amount in the current period |        | Decreased amount in the current period |        | 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         |
| <b>Total</b>  | <b>384,268,615.26</b> |  |        |  |        | <b>384,268,615.26</b> |

**(2) Provision for goodwill impairment**

| Investee      | Beginning balance     | Increased amount in the current period |        | Decreased amount in the current period |        | 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         |
| <b>Total</b>  | <b>362,071,880.15</b> |  |        |  |        | <b>362,071,880.15</b> |

## 20. Long-term deferred expenses

| Item                | Beginning balance     | Increased amount in the current period | Amortization in the current period | Other decreases in the current period | Ending balance        |
|---------------------|-----------------------|--|------------------------------------|---------------------------------------|-----------------------|
| Decoration expenses | 296,854,146.58        | 1,672,395.97                           | 31,630,724.69                      | 1,998,074.76                          | 264,897,743.10        |
| Shoppe expense      | 30,536,411.17         | 14,090,026.02                          | 12,822,548.81                      |                                       | 31,803,888.38         |
| Others              | 204,790,603.88        | 35,159,067.72                          | 25,688,760.43                      | 7,124,989.51                          | 207,135,921.66        |
| <b>Total</b>        | <b>532,181,161.63</b> | <b>50,921,489.71</b>                   | <b>70,142,033.93</b>               | <b>9,123,064.27</b>                   | <b>503,837,553.14</b> |

## 21. Deferred income tax assets/deferred income tax liabilities

### (1) Deferred income tax assets that have not been offset

| Item                              | Ending balance                   |                            | Beginning balance                |                            |
|-----------------------------------|----------------------------------|----------------------------|----------------------------------|----------------------------|
|                                   | Deductible temporary differences | Deferred income tax assets | Deductible temporary differences | Deferred income tax assets |
| Deductible losses                 | 3,935,722,061.18                 | 818,391,879.38             | 4,072,599,866.74                 | 821,192,030.16             |
| Provision for asset impairment    | 49,309,414.79                    | 392,844,105.98             | 1,711,958,350.44                 | 383,396,704.79             |
| Deferred income                   | 173,574,909.80                   | 38,954,053.32              | 165,698,149.55                   | 36,951,815.16              |
| Accrued expenses                  | 178,989,400.62                   | 84,718,430.49              | 154,175,886.01                   | 30,405,673.44              |
| Unrealized internal sales profits | 30,741,499.00                    | 6,437,267.93               | 21,418,121.43                    | 5,354,530.36               |
| Lease Liabilities                 | 165,741,273.56                   | 37,094,425.18              | 190,036,774.82                   | 46,680,049.35              |
| Others                            | 236,027,306.91                   | 7,491,361.37               | 303,824,133.13                   | 68,258,498.61              |
| <b>Total</b>                      | <b>4,770,105,865.86</b>          | <b>1,385,931,523.65</b>    | <b>6,619,711,282.12</b>          | <b>1,392,239,301.87</b>    |

### (2) Deferred income 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             | 142,762,435.39                | 31,308,982.04                   | 148,603,098.25                | 32,684,086.93                   |
| Accelerated depreciation of fixed assets                               | 45,343,272.84                 | 6,799,980.27                    | 2,198,376.27                  | 443,840.17                      |
| Financial assets measured at fair value through current profit or loss | 1,004,553,791.54              | 251,138,447.89                  | 164,553,726.22                | 41,138,431.56                   |
| Right-of-use assets  | 142,574,517.27                | 34,885,726.78                   | 177,009,862.45                | 43,672,811.85                   |
| Others   | 49,447,813.30                 | 12,361,953.33                   | 79,608,274.18                 | 15,360,004.97                   |
| <b>Total</b>   | <b>1,384,681,830.34</b>       | <b>336,495,090.31</b>           | <b>571,973,337.37</b>         | <b>133,299,175.48</b>           |

### (3) Breakdown of unrecognized deferred tax assets

| Item                             | Ending balance          | Beginning balance       |
|----------------------------------|-------------------------|-------------------------|
| Deductible losses                | 5,511,658,855.03        | 5,076,924,357.43        |
| Deductible temporary differences | 3,350,422,530.55        | 4,057,061,699.25        |
| <b>Total</b>                     | <b>8,862,081,385.58</b> | <b>9,133,986,056.68</b> |

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

| Year                     | Ending amount           | Beginning amount        |
|--------------------------|-------------------------|-------------------------|
| 2025                     | 242,482,746.46          | 252,950,466.34          |
| 2026                     | 292,117,232.05          | 313,956,730.12          |
| 2027                     | 320,981,781.84          | 307,074,252.94          |
| 2028                     | 724,791,406.34          | 710,259,863.04          |
| 2029                     | 1,685,938,233.65        | 3,492,683,044.99        |
| 2030 and following years | 2,245,347,454.69        |                         |
| <b>Total</b>             | <b>5,511,658,855.03</b> | <b>5,076,924,357.43</b> |

**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 | 101,534,227.99          |                          | 101,534,227.99          |
| <b>Total</b>  | <b>1,130,991,730.91</b> |                          | <b>1,130,991,730.91</b> |

(Continued)

| Item  | Beginning 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          |
| <b>Total</b>  | <b>1,148,677,970.47</b> |                          | <b>1,148,677,970.47</b> |

**23. Assets with restricted ownership or use right**

| Item                | Ending                  |                         |                             |   |
|---------------------|-------------------------|-------------------------|-----------------------------|---|
|                     | Book balance            | Book value              | Type of restriction         | Restriction details   |
| Monetary assets     | 1,323,385,743.34        | 1,323,385,743.34        | Time deposit, margins, etc. | Among them, RMB 699,851,445.35 is the margin deposit, which is pledged for borrowing or issuing bank acceptance bills; RMB 540,851,836.28 is a time deposit that cannot be withdrawn in advance; RMB 82,682,461.71 was restricted due to other reasons. |
| Accounts receivable | 1,397,381.21            | 1,368,874.62            | Pledge                      | In pledge for loan  |
| Inventories         | 303,594,015.63          | 303,138,143.22          | Mortgage                    | As collateral for loan  |
| Investment property | 869,826,552.89          | 772,060,174.86          | Mortgage                    | As collateral for loan  |
| Fixed Assets        | 1,817,480,139.76        | 1,522,476,743.79        | Mortgage                    | As collateral for finance lease, loan, and former shareholder guarantee   |
| Intangible Assets   | 664,320,249.24          | 580,261,932.71          | Mortgage                    | As collateral for loan  |
| <b>Total</b>        | <b>4,980,004,082.07</b> | <b>4,502,691,612.54</b> | —                           | —   |



(Continued)

| Item                | Beginning               |                         |                             |   |
|---------------------|-------------------------|-------------------------|-----------------------------|---|
|                     | 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 was the margin deposit, which is pledged for borrowing or issuing bank acceptance bills; RMB 567,478,893.23 was the fixed deposit that cannot be withdrawn in advance, which is pledged for borrowing; RMB 208,501,996.18 was restricted due to other reasons. |
| Accounts receivable | 1,837,337.71            | 1,798,852.71            | Pledge                      | In pledge for loan  |
| 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  |
| <b>Total</b>        | <b>5,021,485,527.11</b> | <b>4,581,773,533.18</b> | —                           | —   |

## 24. Short-term borrowings

### (1) Classification of short-term borrowings

| Type of borrowings     | Ending balance          | Beginning balance       |
|------------------------|-------------------------|-------------------------|
| Unsecured loan         | 5,229,925,838.52        | 4,709,049,751.78        |
| Guaranteed loan        | 627,434,847.20          | 629,950,527.05          |
| As collateral for loan | 404,888,324.44          | 402,171,189.43          |
| <b>Total</b>           | <b>6,262,249,010.16</b> | <b>5,741,171,468.26</b> |

### (2) Outstanding short-term borrowings overdue

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

## 25. Notes payable

| Type of note          | Ending balance          | Beginning balance       |
|-----------------------|-------------------------|-------------------------|
| Bank acceptance bills | 861,834,837.74          | 850,916,858.18          |
| Trade Acceptance      | 238,209,458.27          | 299,393,998.52          |
| <b>Total</b>          | <b>1,100,044,296.01</b> | <b>1,150,310,856.70</b> |

## 26. Accounts payable

### (1) List of accounts payable

| Item          | Ending balance   | Beginning balance |
|---------------|------------------|-------------------|
| Within 1 year | 2,245,445,485.44 | 2,295,798,887.75  |
| 1 to 2 years  | 76,595,607.37    | 194,600,008.24    |
| 2 to 3 years  | 70,550,448.52    | 101,677,548.46    |
| Over 3 years  | 222,038,349.01   | 182,539,343.79    |

| Item         | Ending balance          | Beginning balance       |
|--------------|-------------------------|-------------------------|
| <b>Total</b> | <b>2,614,629,890.34</b> | <b>2,774,615,788.24</b> |

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

| Unit         | Ending balance        | Reason for non-repayment or carry-over |
|--------------|-----------------------|--|
| Company A    | 51,419,595.21         | Not settled yet                        |
| Company B    | 34,189,624.82         | Not settled yet                        |
| Company C    | 30,327,400.00         | In litigation                          |
| Company D    | 10,600,000.00         | Not settled yet                        |
| <b>Total</b> | <b>126,536,620.03</b> | —                                      |

**27. Other payables**

| Item              | Ending balance          | Beginning balance       |
|-------------------|-------------------------|-------------------------|
| Interest payable  |                         |                         |
| Dividends payable |                         |                         |
| Other payables    | 1,500,748,130.42        | 1,676,154,887.59        |
| <b>Total</b>      | <b>1,500,748,130.42</b> | <b>1,676,154,887.59</b> |

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

| Nature of fund          | Ending balance          | Beginning balance       |
|-------------------------|-------------------------|-------------------------|
| Trading funds           | 529,891,735.77          | 489,457,474.93          |
| Expenses payable        | 369,646,077.60          | 539,342,363.22          |
| Related party borrowing | 200,234,627.95          | 221,405,227.76          |
| Cash deposit and front  | 298,890,394.76          | 283,501,144.00          |
| Advance payment         | 4,592,810.04            | 7,758,315.35            |
| Equity payable          | 24,302,796.96           | 24,302,796.96           |
| Others                  | 73,189,687.34           | 110,387,565.37          |
| <b>Total</b>            | <b>1,500,748,130.42</b> | <b>1,676,154,887.59</b> |

**(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      |
|--------------|-----------------------|---|
| Company E    | 195,755,182.15        | Principal and interest of outstanding loans |
| Company F    | 30,000,000.00         | Performance bond                            |
| <b>Total</b> | <b>225,755,182.15</b> | —   |

**28. Advances from customers**

| Type         | Ending balance      | Beginning balance   |
|--------------|---------------------|---------------------|
| Rents        | 2,429,184.01        | 3,481,262.87        |
| <b>Total</b> | <b>2,429,184.01</b> | <b>3,481,262.87</b> |

**29. Contract liabilities**

**(1) Contract liabilities**

| Item                    | Ending balance        | Beginning balance     |
|-------------------------|-----------------------|-----------------------|
| Sales advances received | 490,890,933.64        | 623,555,669.97        |
| <b>Total</b>            | <b>490,890,933.64</b> | <b>623,555,669.97</b> |

Remarks: Contract liabilities over one year are detailed in Note "VII.41. Other non-current liabilities".

**(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 period.

**(3) Significant changes in book value in the current period**

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

**30. Employee compensation payable****(1) List of employee compensation payable**

| Item  | Beginning balance     | Increased amount in the current period | Decreased amount in the current period | Ending balance        |
|---|-----------------------|--|--|-----------------------|
| Short-term remuneration                             | 237,237,008.22        | 592,281,720.25                         | 653,932,041.70                         | 175,586,686.77        |
| Post-employment benefits-defined contribution plans | 1,032,772.61          | 60,528,785.51                          | 59,714,142.82                          | 1,847,415.30          |
| Dismissal benefits                                  | 5,462,068.95          | 8,297,029.00                           | 13,050,677.78                          | 708,420.17            |
| <b>Total</b>  | <b>243,731,849.78</b> | <b>661,107,534.76</b>                  | <b>726,696,862.30</b>                  | <b>178,142,522.24</b> |

**(2) Short-term compensation**

| Item  | Beginning balance     | Increased amount in the current period | Decreased amount in the current period | Ending balance        |
|---|-----------------------|--|--|-----------------------|
| Salaries, bonuses, allowances and subsidies | 230,731,246.88        | 517,030,852.54                         | 579,039,963.02                         | 168,722,136.40        |
| Employee benefits                           | 3,334,946.15          | 22,128,455.05                          | 22,248,822.21                          | 3,214,578.99          |
| Social insurance premiums                   | 533,555.71            | 25,104,684.39                          | 24,802,965.99                          | 835,274.11            |
| Including: Medical insurance premiums       | 387,627.84            | 22,080,804.93                          | 21,856,168.54                          | 612,264.23            |
| Work injury insurance premiums              | 77,640.15             | 2,193,263.09                           | 2,136,508.52                           | 134,394.72            |
| Maternity insurance premiums                | 68,287.72             | 830,616.37                             | 810,288.93                             | 88,615.16             |
| Housing fund                                | 507,627.65            | 22,970,479.45                          | 22,402,120.15                          | 1,075,986.95          |
| Labour union funds and education funds      | 1,563,130.18          | 5,047,248.82                           | 4,871,668.68                           | 1,738,710.32          |
| Others                                      | 566,501.65            |  | 566,501.65                             |                       |
| <b>Total</b>                                | <b>237,237,008.22</b> | <b>592,281,720.25</b>                  | <b>653,932,041.70</b>                  | <b>175,586,686.77</b> |

**(3) Defined contribution plans**

| Item                                 | Beginning balance   | Increased amount in the current period | Decreased amount in the current period | Ending balance      |
|--------------------------------------|---------------------|--|--|---------------------|
| Basic endowment management insurance | 904,488.43          | 58,298,966.66                          | 57,449,236.77                          | 1,754,218.32        |
| Unemployment insurance premiums      | 128,284.18          | 2,229,818.85                           | 2,264,906.05                           | 93,196.98           |
| <b>Total</b>                         | <b>1,032,772.61</b> | <b>60,528,785.51</b>                   | <b>59,714,142.82</b>                   | <b>1,847,415.30</b> |

**31. Taxes and surcharges payable**

| Item                  | Ending balance | Beginning balance |
|-----------------------|----------------|-------------------|
| Enterprise income tax | 4,374,253.83   | 46,039,928.61     |
| VAT                   | 15,056,926.04  | 18,304,436.27     |
| Property tax          | 13,059,493.38  | 11,724,042.19     |
| Stamp duty            | 5,194,558.62   | 8,598,131.85      |
| Land use tax          | 3,520,940.06   | 3,640,999.21      |

| Item   | Ending balance       | Beginning balance    |
|--|----------------------|----------------------|
| Personal income tax                          | 2,234,283.00         | 2,590,216.18         |
| Tariff                                       | 1,522,792.71         | 1,584,862.54         |
| City construction and maintenance tax        | 142,486.10           | 455,815.56           |
| Education fees and local education Surcharge | 148,000.55           | 384,461.10           |
| Others                                       | 1,737,281.17         | 1,289,817.07         |
| <b>Total</b>                                 | <b>46,991,015.46</b> | <b>94,612,710.58</b> |

### 32. Non-current liabilities maturing within one year

| Item                                     | Ending balance          | Beginning balance       |
|--|-------------------------|-------------------------|
| Long-term borrowings due within one year | 6,184,831,365.98        | 4,099,941,220.89        |
| Bonds payable due within one year        | 2,505,565,526.35        | 2,510,473,199.20        |
| Long-term payables due within one year   | 446,979.26              | 452,824.05              |
| Lease liabilities due within one year    | 33,655,725.32           | 44,667,151.05           |
| <b>Total</b>                             | <b>8,724,499,596.91</b> | <b>6,655,534,395.19</b> |

### 33. Other current liabilities

| Item   | Ending balance       | Beginning balance    |
|--|----------------------|----------------------|
| Tax to be charged off  | 22,580,136.40        | 39,793,570.78        |
| Accounts payable paid by endorsement of outstanding notes at the end of the Reporting Period | 15,897,557.29        | 12,820,620.61        |
| Refunds payable  | 7,721,251.81         | 17,262,340.52        |
| <b>Total</b>   | <b>46,198,945.50</b> | <b>69,876,531.91</b> |

### 34. Long-term borrowings

| Type of borrowings  | Ending balance          | Beginning balance       |
|---|-------------------------|-------------------------|
| Guaranteed loan   | 3,678,601,282.97        | 3,426,786,189.06        |
| Unsecured loan  | 2,201,640,850.03        | 2,407,276,815.65        |
| Entrusted borrowings  | 2,157,440,824.34        | 2,125,382,964.61        |
| As collateral for loan  | 862,916,389.58          | 1,271,960,335.66        |
| In pledge for loan  | 391,007,668.97          | 399,184,717.84          |
| Less: Amount due within one year (see Note VIII.32 for details) | 6,184,831,365.98        | 4,099,941,220.89        |
| <b>Total</b>  | <b>3,106,775,649.91</b> | <b>5,530,649,801.93</b> |

### 35. Bonds payable

#### (1) Classification

| Item   | Ending balance          | Beginning balance       |
|--|-------------------------|-------------------------|
| Corporate bonds  | 5,210,997,413.16        | 4,805,666,700.25        |
| Less: Bonds payable due within one year (see Note VIII.32 for details) | 2,505,565,526.35        | 2,510,473,199.20        |
| <b>Total</b>   | <b>2,705,431,886.81</b> | <b>2,295,193,501.05</b> |

## (2) Changes in bonds payable

| Name                 | Total par value         | Coupon rate | Issue date | Bond maturity | Issue amount            | Beginning balance       | Issuance in the current period | Accrue interest by par value | Amortization of premium/discount | Repayment in the current period | Ending balance          | Default status |
|----------------------|-------------------------|-------------|------------|---------------|-------------------------|-------------------------|--------------------------------|------------------------------|----------------------------------|---------------------------------|-------------------------|----------------|
| 22 Konka 01 (note ①) | 1,200,000,000.00        | 3.23%       | 2022/7/14  | 3 years       | 1,195,800,000.00        | 1,218,719,622.62        |                                | 19,380,000.00                | 660,377.38                       |                                 | 1,238,760,000.00        | No             |
| 22 Konka 03 (note ②) | 600,000,000.00          | 3.30%       | 2022/9/8   | 3 years       | 597,900,000.00          | 606,159,748.49          |                                | 9,900,000.00                 | 330,188.74                       |                                 | 616,389,937.23          | No             |
| 22 Konka 05 (note ③) | 600,000,000.00          | 3.50%       | 2022/10/18 | 3 years       | 597,900,000.00          | 604,754,717.04          |                                | 10,500,000.00                | 330,188.74                       |                                 | 615,584,905.78          | No             |
| 24 Konka 01 (note ④) | 1,500,000,000.00        | 4.00%       | 2024/1/29  | 3 years       | 1,495,200,000.00        | 1,552,452,830.14        |                                | 30,000,000.00                | 754,716.96                       |                                 | 1,583,207,547.10        | No             |
| 24 Konka 02 (note ⑤) | 400,000,000.00          | 4.00%       | 2024/3/18  | 3 years       | 398,720,000.00          | 411,742,557.65          |                                | 8,000,000.00                 | 201,257.86                       | 60,000,000.00                   | 359,943,815.51          | No             |
| 24 Konka 03 (note ⑥) | 400,000,000.00          | 4.03%       | 2024/3/18  | 3 years       | 398,720,000.00          | 411,837,224.31          |                                | 8,060,000.00                 | 201,257.86                       | 16,000,000.00                   | 404,098,482.17          | No             |
| 25 Konka 01 (Note ⑦) | 410,000,000.00          | 3.50%       | 2025/6/23  | 3 years       | 408,688,000.00          |                         | 408,688,000.00                 | 318,888.89                   | 125,836.48                       | 16,120,000.00                   | 393,012,725.37          | No             |
| <b>Total</b>         | <b>5,110,000,000.00</b> | <b>—</b>    | <b>—</b>   | <b>—</b>      | <b>5,092,928,000.00</b> | <b>4,805,666,700.25</b> | <b>408,688,000.00</b>          | <b>86,158,888.89</b>         | <b>2,603,824.02</b>              | <b>92,120,000.00</b>            | <b>5,210,997,413.16</b> | <b>—</b>       |

Note ①: On July 14, 2022, the Company issued RMB 1.2 billion of publicly placed corporate bonds with the duration of three years, the annual interest rate of 3.23% and the due date of July 14, 2025.

Note ②: On September 8, 2022, the Company issued RMB 600 million of privately placed corporate bonds with the duration of three years, the annual interest rate of 3.30% and the due date of September 8, 2025.

Note ③: On October 18, 2022, the Company issued RMB 600 million of privately placed corporate bonds with the duration of three years, the annual interest rate of 3.50% and the due date of October 18, 2025.

Note ④: On January 29, 2024, the Company issued RMB 1.5 billion of privately placed corporate bonds with the duration of three years (with the issuer's option to adjust the coupon rate and the investors' put option attached at the end of Year 2), the annual interest rate of 4.00% and the due date of January 29, 2027.

Note ⑤: On March 18, 2024, the Company issued RMB 400 million of privately placed corporate bonds with the duration of three years (with the issuer's option to adjust the coupon rate and the investors' put option attached at the end of Year 2), the annual interest rate of 4.00% and the due date of March 18, 2027.

Note ⑥: On March 18, 2024, the Company issued RMB 400 million of privately placed corporate bonds with the duration of three years, the annual interest rate of 4.03% and the due date of March 18, 2027.

Note ⑦: On June 23, 2025, the Company issued RMB 410 million of privately placed corporate bonds with the duration of three years (with the issuer's option to adjust the coupon rate and the investors' put option attached at the end of Year 2), the annual interest rate of 3.50% and the due date of June 23, 2028.

### 36. Lease liabilities

| Item   | Ending balance        | Beginning balance     |
|--|-----------------------|-----------------------|
| Lease Liabilities  | 151,884,328.17        | 191,228,739.57        |
| Less: Lease liabilities due within one year (see Note VIII.32 for details) | 33,655,725.32         | 44,667,151.05         |
| <b>Total</b>   | <b>118,228,602.85</b> | <b>146,561,588.52</b> |

### 37. Long-term payables

| Item  | Ending balance      | Beginning balance   |
|---|---------------------|---------------------|
| Accrued finance lease outlay                                    | 5,028,984.87        | 6,314,362.65        |
| Less: Unrecognized financing expenses                           | 231,318.00          | 356,990.36          |
| Amount above due within one year (see Note VIII.32 for details) | 446,979.26          | 452,824.05          |
| <b>Total</b>  | <b>4,350,687.61</b> | <b>5,504,548.24</b> |

### 38. Long-term employee compensations payable

| Item   | Ending balance      | Beginning balance   |
|--|---------------------|---------------------|
| Termination benefits-net liabilities of defined contribution plans | 4,562,989.27        | 4,608,659.47        |
| <b>Total</b>   | <b>4,562,989.27</b> | <b>4,608,659.47</b> |

### 39. Estimated liabilities

| Item   | Ending balance        | Beginning balance     | Forming reason                      |
|--|-----------------------|-----------------------|-------------------------------------|
| Performance compensation, contingent consideration | 346,222,251.09        | 346,222,251.09        |                                     |
| Product quality assurance                          | 94,816,463.20         | 80,603,137.10         | After-sales of household appliances |
| Pending litigation                                 | 206,591.51            | 206,591.51            |                                     |
| Discard expenses                                   | 1,436,095.41          | 1,401,752.49          |                                     |
| <b>Total</b>                                       | <b>442,681,401.21</b> | <b>428,433,732.19</b> | —                                   |

### 40. Deferred income

#### (1) Classification of deferred income

| Item              | Beginning balance     | Increased amount in the current period | Decreased amount in the current period | Ending balance        | Forming reason           |
|-------------------|-----------------------|--|--|-----------------------|--------------------------|
| Government grants | 393,437,007.37        | 31,610,810.87                          | 37,060,229.49                          | 387,987,588.75        | Related to assets/income |
| <b>Total</b>      | <b>393,437,007.37</b> | <b>31,610,810.87</b>                   | <b>37,060,229.49</b>                   | <b>387,987,588.75</b> | —                        |

## (2) Government grant items

| Government grant items   | Beginning balance     | New grant amount in the current period | Amount included in non-operating revenue in the current period | Amount recognized as other income in the current period | Other changes        | Ending balance        | Related to assets/income |
|--|-----------------------|--|--|---|----------------------|-----------------------|--------------------------|
| Plant construction subsidy for Yibin Konka Industrial Park   | 101,225,904.13        | -                                      | -  | 1,159,766.16  | -                    | 100,066,137.97        | 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 | 31,510,328.22         | -                                      | -  | 850,835.25  | -                    | 30,659,492.97         | Related to assets        |
| Medical waste centralized treatment project in Gaoxian County, Yibin City  | 27,430,784.61         | -                                      | -  | 865,869.78  | -                    | 26,564,914.83         | Related to assets        |
| Industrial support funds for Suining Konka Industrial Park   | 19,776,548.54         | -                                      | -  | 119,968.44  | -                    | 19,656,580.10         | Related to assets        |
| Industry rewards and subsidies of Henan Frestec Smart Home   | 19,734,932.95         | -                                      | -  | 211,226.75  | -                    | 19,523,706.20         | Related to assets        |
| Returned payments for land by Chongqing Konka  | 17,541,818.31         | -                                      | -  | 196,363.62  | -                    | 17,345,454.69         | Related to assets        |
| Plant decoration subsidy for Yibin Konka Industrial Park   | 8,635,292.92          | 3,000,000.00                           | -  | 886,274.40  | -                    | 10,749,018.52         | Related to assets        |
| Equipment subsidy for Konka Xinyun Semiconductor (Yancheng)  | 8,797,331.45          | -                                      | -  | 942,534.96  | -                    | 7,854,796.49          | Related to assets        |
| Other government grants related to assets/income   | 158,784,066.24        | 28,610,810.87                          | -  | 11,755,961.50   | 20,071,428.63        | 155,567,486.98        | Related to assets/income |
| <b>Total</b>   | <b>393,437,007.37</b> | <b>31,610,810.87</b>                   |  | <b>16,988,800.86</b>                                    | <b>20,071,428.63</b> | <b>387,987,588.75</b> |                          |



#### 41. Other non-current liabilities

| Item                               | Ending balance        | Beginning balance     |
|------------------------------------|-----------------------|-----------------------|
| Contract liabilities over one year | 196,983,826.75        | 207,378,781.21        |
| <b>Total</b>                       | <b>196,983,826.75</b> | <b>207,378,781.21</b> |

#### 42. Share capital

| Item         | Beginning balance | Increase/decrease (+/-) in the current period |  |  |        |          | 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     | Increased amount in the current period | Decreased amount in the current period | Ending balance        |
|------------------------|-----------------------|--|--|-----------------------|
| Other capital reserves | 512,840,575.73        | 1,508,471.59                           | 126,029,421.25                         | 388,319,626.07        |
| <b>Total</b>           | <b>512,840,575.73</b> | <b>1,508,471.59</b>                    | <b>126,029,421.25</b>                  | <b>388,319,626.07</b> |

Remarks: Capital reserves for the current period - other capital reserves increased and decreased due to the following reasons:

- ① Changes in accounting method of the associate Wuhan Tianyuan Group Co., Ltd. led to a decrease in other capital reserves of RMB 126,029,421.25;
- ② The deregistration of the associate E3info (Hainan) Technology Co., Ltd. resulted in an increase in other capital reserves of RMB 1,508,471.59.

#### 44. Other comprehensive income

| Item   | Beginning balance    | Amount before income tax for the current period | Amount incurred in the current period  |   |                          |  |   | 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 and losses  | -2,641,412.12        | -3,731,546.01                                   |  |   |                          | -3,317,264.68                                | -414,281.33                                     | -5,958,676.80         |
| Including: Other comprehensive income that can be transferred to profits or losses under the equity method | -2,192,546.02        | 35,170.29                                       |  |   |                          | 35,170.29                                    |   | -2,157,375.73         |
| Exchange difference on translating foreign operations  | -448,866.10          | -3,766,716.30                                   |  |   |                          | -3,352,434.97                                | -414,281.33                                     | -3,801,301.07         |
| <b>Total of other comprehensive income</b>   | <b>-9,040,290.32</b> | <b>-3,731,546.01</b>                            |  |   |                          | <b>-3,317,264.68</b>                         | <b>-414,281.33</b>                              | <b>-12,357,555.00</b> |

#### 45. Special reserve

| Item                   | Beginning balance    | Increased amount in the current period | Decreased amount in the current period | Ending balance       |
|------------------------|----------------------|--|--|----------------------|
| Safety production fund | 11,249,678.53        | 4,266,750.43                           | 1,003,875.09                           | 14,512,553.87        |
| <b>Total</b>           | <b>11,249,678.53</b> | <b>4,266,750.43</b>                    | <b>1,003,875.09</b>                    | <b>14,512,553.87</b> |

#### 46. Surplus reserves

| Item                           | Beginning balance       | Increased amount in the current period | Decreased amount in the current period | 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          |
| <b>Total</b>                   | <b>1,244,180,364.24</b> |  |  | <b>1,244,180,364.24</b> |

#### 47. Retained earnings

| Item  | The current period       | The previous period      |
|---|--------------------------|--------------------------|
| <b>Balance at the end of the previous period</b>                                    | <b>-1,797,506,898.08</b> | <b>1,474,561,975.85</b>  |
| Plus: adjustments for retained earnings as at the beginning of the year             |                          |                          |
| Including: changes in accounting policies   |                          |                          |
| <b>Balance at the beginning of the current period</b>                               | <b>-1,797,506,898.08</b> | <b>1,474,561,975.85</b>  |
| Plus: Net profit attributable to owners of the parent company in the current period | -383,328,019.43          | -3,295,588,668.77        |
| Others  | 139,341.25               | 23,519,794.84            |
| Less: Appropriation of statutory surplus reserves                                   |                          |                          |
| Ordinary share dividends payable  |                          |                          |
| <b>Balance at the end of the current period</b>                                     | <b>-2,180,695,576.26</b> | <b>-1,797,506,898.08</b> |

#### 48. Operating income and operating costs

##### (1) Operating revenue and cost of sales

| Item               | Amount incurred in the current period |                         | Amount incurred in the previous period |                         |
|--------------------|---------------------------------------|-------------------------|--|-------------------------|
|                    | Income                                | Cost                    | Income                                 | Cost                    |
| Principal activity | 4,918,681,643.02                      | 4,759,316,001.26        | 5,085,252,685.02                       | 4,880,137,907.16        |
| Other              | 328,826,206.25                        | 223,627,213.43          | 327,277,687.45                         | 235,221,605.28          |
| <b>Total</b>       | <b>5,247,507,849.27</b>               | <b>4,982,943,214.69</b> | <b>5,412,530,372.47</b>                | <b>5,115,359,512.44</b> |

##### (2) Information on the breakdown of operating revenue and cost of sales

| Category of contracts                  | Amount incurred in the current period |                  | Amount incurred in the previous period |                  |
|--|---------------------------------------|------------------|--|------------------|
|  | Operating revenue                     | Cost of sales    | Operating revenue                      | Cost of sales    |
| Business type                          |                                       |                  |  |                  |
| Including: white goods business        | 2,095,189,645.55                      | 1,973,305,089.16 | 2,247,070,655.48                       | 2,096,309,318.45 |
| Color TVs                              | 2,244,724,045.65                      | 2,235,973,005.98 | 2,115,790,827.61                       | 2,091,869,699.95 |
| PCB business                           | 263,122,283.88                        | 237,844,625.04   | 231,558,538.52                         | 201,913,961.50   |
| Semiconductor and memory chip business | 97,383,684.29                         | 102,190,984.23   | 82,962,696.19                          | 104,195,917.13   |
| Other                                  | 547,088,189.90                        | 433,629,510.28   | 735,147,654.67                         | 621,070,615.41   |

| Category of contracts          | Amount incurred in the current period |                         | Amount incurred in the previous period |                         |
|--------------------------------|---------------------------------------|-------------------------|--|-------------------------|
|                                | Operating revenue                     | Cost of sales           | Operating revenue                      | Cost of sales           |
| <b>Total</b>                   | <b>5,247,507,849.27</b>               | <b>4,982,943,214.69</b> | <b>5,412,530,372.47</b>                | <b>5,115,359,512.44</b> |
| Classified by operating region |                                       |                         |  |                         |
| Of which: Domestic             | 3,538,077,644.56                      | 3,338,376,377.57        | 4,046,161,239.69                       | 3,792,115,677.96        |
| Overseas                       | 1,709,430,204.71                      | 1,644,566,837.12        | 1,366,369,132.78                       | 1,323,243,834.48        |
| <b>Total</b>                   | <b>5,247,507,849.27</b>               | <b>4,982,943,214.69</b> | <b>5,412,530,372.47</b>                | <b>5,115,359,512.44</b> |

### (3) Information in relation to the trade price apportioned to the residual contract performance obligation

At the end of the reporting period, the revenue corresponding to the performance obligations that have been signed but not yet performed or not yet fully performed was RMB 1,216,514,325.21, of which RMB 1,056,038,262.32 is expected to be recognized as revenue in 2025, RMB 141,232,885.21 is expected to be recognized as revenue in 2026, and RMB 19,243,177.68 is expected to be recognized as revenue by 2027 and later years.

## 49. Taxes and surcharges

| Item                                   | Amount incurred in the current period | Amount incurred in the previous period |
|--|---------------------------------------|--|
| Stamp duty                             | 14,065,831.49                         | 20,423,713.44                          |
| Land use tax                           | 9,424,136.83                          | 10,267,616.69                          |
| Property tax                           | 24,311,180.40                         | 22,000,493.47                          |
| Urban maintenance and construction tax | 2,012,107.89                          | 3,736,313.54                           |
| Education surcharge                    | 955,454.58                            | 1,783,117.24                           |
| Local education surcharge              | 636,968.01                            | 1,124,579.62                           |
| Water resources fund                   | 393,355.44                            | 466,801.02                             |
| Others                                 | 1,058,794.12                          | 4,890,300.09                           |
| <b>Total</b>                           | <b>52,857,828.76</b>                  | <b>64,692,935.11</b>                   |

## 50. Administrative expense

| Item                            | Amount incurred in the current period | Amount incurred in the previous period |
|---------------------------------|---------------------------------------|--|
| Employee Compensation           | 133,183,343.18                        | 154,300,923.47                         |
| Depreciation charges            | 104,104,411.98                        | 112,987,437.91                         |
| Intermediary fees               | 10,436,533.14                         | 10,762,242.10                          |
| Travel expenses                 | 2,127,820.45                          | 3,069,025.63                           |
| Water and electricity expenses  | 6,399,979.25                          | 6,470,775.15                           |
| Loss on scraping of inventories | 949,468.49                            | 544,223.62                             |
| Others                          | 16,444,914.27                         | 27,811,392.14                          |
| <b>Total</b>                    | <b>273,646,470.76</b>                 | <b>315,946,020.02</b>                  |

## 51. Selling expense

| Item                   | Amount incurred in the current period | Amount incurred in the previous period |
|------------------------|---------------------------------------|--|
| Employee Compensation  | 148,789,207.61                        | 171,203,002.74                         |
| Advertising expense    | 42,199,803.07                         | 58,845,808.44                          |
| Promotional activities | 52,144,952.78                         | 81,663,424.07                          |
| Logistic Fee           | 26,982,858.70                         | 36,655,832.05                          |
| Travel expenses        | 8,395,457.65                          | 10,194,979.57                          |
| Lease expense          | 3,584,938.17                          | 4,546,683.71                           |
| Entertainment fees     | 4,397,168.37                          | 5,162,838.90                           |

| Item                            | Amount incurred in the current period | Amount incurred in the previous period |
|---------------------------------|---------------------------------------|--|
| Display and exhibition expenses | 794,856.72                            | 3,678,606.92                           |
| Others                          | 18,236,171.59                         | 18,035,380.44                          |
| <b>Total</b>                    | <b>305,525,414.66</b>                 | <b>389,986,556.84</b>                  |

Remarks: Pursuant to the Interpretation of Accounting Standards for Business Enterprises No.18, the Group reclassified assurance-type warranty expenses previously presented under "Selling Expenses" to "Operating Cost", with corresponding retrospective adjustments made to the comparative figures in the financial statements.

## 52. R&D expense

| Item                                 | Amount incurred in the current period | Amount incurred in the previous period |
|--------------------------------------|---------------------------------------|--|
| Salary                               | 96,735,140.30                         | 112,601,611.50                         |
| Depreciation and amortization charge | 59,670,273.81                         | 55,043,697.25                          |
| New product trial production expense | 900,602.57                            | 13,867,547.29                          |
| Material expense                     | 9,793,459.90                          | 9,254,000.43                           |
| Commission service fee               | 134,759.46                            | 222,156.14                             |
| Testing expense                      | 1,604,963.68                          | 2,797,313.59                           |
| Information use fee                  | 308,099.64                            | 369,876.67                             |
| Others                               | 18,803,996.32                         | 20,421,823.94                          |
| <b>Total</b>                         | <b>187,951,295.68</b>                 | <b>214,578,026.81</b>                  |

## 53. Financial expenses

| Item                  | Amount incurred in the current period | Amount incurred in the previous period |
|-----------------------|---------------------------------------|--|
| Interest expense      | 350,360,105.59                        | 407,018,728.71                         |
| Less: Interest income | 72,105,599.49                         | 116,244,724.79                         |
| Plus: Exchange loss   | 12,128,908.22                         | -25,405,623.27                         |
| Other expenses        | 20,345,947.47                         | 15,543,995.01                          |
| <b>Total</b>          | <b>310,729,361.79</b>                 | <b>280,912,375.66</b>                  |

## 54. Other income

| Resources                   | Amount incurred in the current period | Amount incurred in the previous period |
|-----------------------------|---------------------------------------|--|
| Support funds               | 14,558,900.00                         | 13,782,260.00                          |
| Rewards and subsidies       | 8,415,646.07                          | 22,036,812.48                          |
| Transfer of deferred income | 16,988,800.86                         | 18,082,830.68                          |
| Tax rebates on software     | 252,760.60                            | 1,596,783.94                           |
| Post subsidies              | 304,630.24                            | 110,985.80                             |
| Subsidies for L/C exports   | 450,000.00                            | 1,158,714.67                           |
| <b>Total</b>                | <b>40,970,737.77</b>                  | <b>56,768,387.57</b>                   |

## 55. Income from changes in the fair value

| Sources of income from changes in the fair value                       | Amount incurred in the current period | Amount incurred in the previous period |
|--|---------------------------------------|--|
| Financial assets measured at fair value through current profit or loss | 173,409,194.85                        | -179,800,523.76                        |
| <b>Total</b>   | <b>173,409,194.85</b>                 | <b>-179,800,523.76</b>                 |

## 56. Investment income

| Item  | Amount incurred in the current period | Amount incurred in the previous period |
|---|---------------------------------------|--|
| Returns on long-term equity investments calculated by the equity method                                   | -42,498,270.14                        | -41,296,057.12                         |
| Return on investment arising from the disposal of long-term equity investments                            | -211,552.65                           | 2,450,000.00                           |
| Conversion of long-term equity investments accounted for by the equity method to financial assets         | 655,666,680.89                        |  |
| Gains from remeasurement of residual stock rights at fair value after losing control power                | 51,916.92                             |  |
| Interest income from debt investments during the holding period   | 2,470,451.36                          | 9,640,886.02                           |
| Investment income from financial assets held for trading during the holding period                        | 420,553.86                            | 4,240,444.62                           |
| Income from the derecognition of financial assets at amortized cost ("-" for loss)                        | -2,541,005.90                         | -1,970,677.82                          |
| Investment income from disposal of financial assets measured at fair value through current profit or loss | -73,011,755.91                        | 11,456.91                              |
| Others  |                                       | 31,971,391.61                          |
| <b>Total</b>  | <b>540,347,018.43</b>                 | <b>5,047,444.22</b>                    |

## 57. Losses from credit impairment

| Item                                       | Amount incurred in the current period | Amount incurred in the previous period |
|--|---------------------------------------|--|
| Bad debt loss of notes receivable          | 24,121.03                             | -16,435.60                             |
| Bad debt loss of accounts receivable       | -40,844,738.44                        | -25,990,993.24                         |
| Bad debt loss of other accounts receivable | -76,271,800.35                        | -137,072,004.34                        |
| <b>Total</b>                               | <b>-117,092,417.76</b>                | <b>-163,079,433.18</b>                 |

## 58. Losses from asset impairment

| Item  | Amount incurred in the current period | Amount incurred in the previous period |
|---|---------------------------------------|--|
| Inventory depreciation loss and contract performance cost impairment loss | -85,468,130.96                        | -81,109,796.34                         |
| Impairment loss of long-term equity investments                           |                                       | -245,911.63                            |
| Impairment loss on fixed assets   |                                       | -10,646,284.08                         |
| Contractual asset impairment loss   | 64,275.10                             | -10,874.90                             |
| <b>Total</b>  | <b>-85,403,855.86</b>                 | <b>-92,012,866.95</b>                  |

## 59. Gains from disposal of assets

| Item  | Amount incurred in the current period | Amount incurred in the previous period | Amount recorded into the non-recurring profit or loss of the current period |
|---|---------------------------------------|--|---|
| Gains on disposal of held-for-sale disposal groups  |                                       |  |   |
| Gains on disposal of non-current assets   | 31,513,481.94                         | 590,329.38                             | 31,513,481.94   |
| Including: gains on disposal of non-current assets not classified as held-for-sale assets | 31,513,481.94                         | 590,329.38                             | 31,513,481.94   |
| Including: gains on disposal of fixed assets  | 30,906,667.28                         | 54,072.55                              | 30,906,667.28   |

| Item  | Amount incurred in the current period | Amount incurred in the previous period | Amount recorded into the non-recurring profit or loss of the current period |
|---|---------------------------------------|--|---|
| Gains on Intangible assets disposal                             |                                       |  |   |
| Gains on disposal of construction in progress                   |                                       |  |   |
| Gains on disposal of right-of-use assets                        | 606,814.66                            | 536,256.83                             | 606,814.66  |
| Gains from exchange of non-monetary assets                      |                                       |  |   |
| Gains from disposal of non-current assets in debt restructuring |                                       |  |   |
| <b>Total</b>  | <b>31,513,481.94</b>                  | <b>590,329.38</b>                      | <b>31,513,481.94</b>  |

## 60. Non-operating revenue

### (1) Details of non-operating revenue

| Item  | Amount incurred in the current period | Amount incurred in the previous period | Amount recorded into the non-recurring profit or loss of the current period |
|---|---------------------------------------|--|---|
| Compensation and penalty income                                     | 2,742,411.30                          | 3,092,879.89                           | 2,742,411.30  |
| Government grants irrelevant to the daily activities of the Company |                                       |  |   |
| Non-current assets damage and retirement gains                      | 268,150.12                            | 7,433.54                               | 268,150.12  |
| Others  | 6,291,648.09                          | 12,673,210.46                          | 6,291,648.09  |
| <b>Total</b>  | <b>9,302,209.51</b>                   | <b>15,773,523.89</b>                   | <b>9,302,209.51</b>   |

### (2) Government grants recognized as profit or loss of the reporting period

In the current period, the Company had no government grants recognized as profit or loss of the current period.

## 61. Non-operating expense

| Item  | Current amount      | Previous amount     | Amount recorded into the non-recurring profit or loss of the current period |
|---|---------------------|---------------------|---|
| Losses on damage and scraping of non-current assets | 1,223,752.24        | 2,221,846.15        | 1,223,752.24  |
| Compensation expense                                | 119,454.41          | 294,044.54          | 119,454.41  |
| Others  | 2,306,994.33        | 3,639,914.15        | 2,306,994.33  |
| <b>Total</b>  | <b>3,650,200.98</b> | <b>6,155,804.84</b> | <b>3,650,200.98</b>   |

## 62. Income tax expenses

### (1) Income tax expense

| Item                                     | Amount incurred in the current period | Amount incurred in the previous period |
|--|---------------------------------------|--|
| Income tax expense in the current period | 14,766,007.62                         | 7,537,422.29                           |
| Deferred income tax expense              | 205,603,500.30                        | -58,813,265.42                         |
| <b>Total</b>                             | <b>220,369,507.92</b>                 | <b>-51,275,843.13</b>                  |

### (2) Adjustment process of accounting profits and income tax expenses

| Item | Amount incurred in the current period |
|------|---------------------------------------|
|------|---------------------------------------|

| Item  | Amount incurred in the current period |
|---|---------------------------------------|
| Total consolidated profit in the current period   | -276,749,569.17                       |
| Income tax expense calculated at legal/applicable tax rate  | -69,187,392.29                        |
| Impact of different tax rates applied by subsidiaries   | 36,845,548.47                         |
| Impact of income tax in the periods before adjustment   | 8,125,597.62                          |
| Impact of non-taxable income  | 2,651,430.00                          |
| Impacts of non-deductible costs, expenses, and losses   | 1,557,386.77                          |
| Impact of using deductible losses on the deferred tax assets not recognized previously  | 3,247,175.84                          |
| Impact of deductible temporary differences or deductible losses for which no deferred tax assets have been recognized in the current period | 238,690,543.56                        |
| Changes in the balance of deferred tax assets/liabilities in previous period due to adjustment of tax rate                                  |                                       |
| Others  | -1,560,782.05                         |
| Income tax expense  | 220,369,507.92                        |

### 63. Other comprehensive income

For details, please refer to "Note VIII.44 Other comprehensive income".

### 64. Items of the statement of cash flows

#### (1) Cash related to operating activities

##### 1) Cash generated from other operating activities

| Item                               | Amount incurred in the current period | Amount incurred in the previous period |
|------------------------------------|---------------------------------------|--|
| Income from government grants      | 48,738,644.95                         | 48,053,764.37                          |
| Front money and guarantee deposit  | 41,698,070.33                         | 46,360,237.95                          |
| Interest income from bank deposits | 12,715,233.74                         | 42,714,837.97                          |
| Trading funds                      | 84,787,383.62                         | 30,412,346.71                          |
| Compensation and penalty income    | 3,109,325.19                          | 7,630,486.32                           |
| Others                             | 24,471,226.45                         | 35,512,873.11                          |
| <b>Total</b>                       | <b>215,519,884.28</b>                 | <b>210,684,546.43</b>                  |

##### 2) Cash used in other operating activities

| Item                              | Amount incurred in the current period | Amount incurred in the previous period |
|-----------------------------------|---------------------------------------|--|
| Cash payment fee                  | 253,883,805.96                        | 402,018,344.95                         |
| Deposit and margin                | 53,249,245.94                         | 44,313,952.61                          |
| Payment made on behalf            | 28,616.88                             | 124,940.56                             |
| Expense for bank handling charges | 1,726,391.23                          | 2,373,726.27                           |
| Others                            | 42,373,701.96                         | 16,687,924.10                          |
| <b>Total</b>                      | <b>351,261,761.97</b>                 | <b>465,518,888.49</b>                  |

#### (2) Cash related to investing activities

##### 1) Cash generated from other investing activities

| Item   | Amount incurred in the current period | Amount incurred in the previous period |
|--|---------------------------------------|--|
| Recovery of loan at call                       |                                       | 10,535,206.45                          |
| Cash received from acquisition of subsidiaries |                                       |  |



| Item         | Amount incurred in the current period | Amount incurred in the previous period |
|--------------|---------------------------------------|--|
| Others       | 858,150.68                            | 12,609,773.16                          |
| <b>Total</b> | <b>858,150.68</b>                     | <b>23,144,979.61</b>                   |

## 2) Cash used in other investing activities

| Item                                   | Amount incurred in the current period | Amount incurred in the previous period |
|--|---------------------------------------|--|
| Payment of loan at call                |                                       |  |
| Cash paid for disposal of subsidiaries |                                       |  |
| Others                                 | 21,122,140.00                         | 2,127,401.00                           |
| <b>Total</b>                           | <b>21,122,140.00</b>                  | <b>2,127,401.00</b>                    |

## (3) Cash related to financing activities

### 1) Cash generated from other financing activities

| Item                               | Amount incurred in the current period | Amount incurred in the previous period |
|------------------------------------|---------------------------------------|--|
| Recovery of margin deposit pledged | 1,385,979,814.26                      | 354,016,478.39                         |
| Receiving loan at call             | 700,000.00                            |  |
| Others                             |                                       |  |
| <b>Total</b>                       | <b>1,386,679,814.26</b>               | <b>354,016,478.39</b>                  |

### 2) Cash used in other financing activities

| Item                         | Amount incurred in the current period | Amount incurred in the previous period |
|------------------------------|---------------------------------------|--|
| Deposit as margin for pledge | 1,220,117,802.84                      | 663,728,905.41                         |
| Cash paid for leases         | 27,571,130.91                         | 21,561,318.50                          |
| Retuning loan at call        | 20,800,521.46                         | 17,268,436.34                          |
| Financing cost               | 18,690,332.38                         | 13,578,122.88                          |
| Others                       | 9,741,719.08                          | 4,101,071.57                           |
| <b>Total</b>                 | <b>1,296,921,506.67</b>               | <b>720,237,854.70</b>                  |

### 3) Changes in liabilities arising from financing activities

| Item                                       | Beginning balance        | Increased amount in the current period |                          | Decreased amount in the current period |                          | Ending balance           |
|--|--------------------------|--|--------------------------|--|--------------------------|--------------------------|
|  |                          | Cash changes                           | Non-cash changes         | Cash changes                           | Non-cash changes         |                          |
| Current portion of non-current liabilities | 6,655,534,395.19         |  | 8,644,453,977.64         | 457,252,301.90                         | 6,118,236,474.02         | 8,724,499,596.91         |
| Short-term borrowings                      | 5,741,171,468.26         | 5,026,379,210.42                       | 93,312,540.15            | 4,598,614,208.67                       |                          | 6,262,249,010.16         |
| Long-term borrowings                       | 5,530,649,801.93         | 105,221,326.09                         | 3,832,536,102.98         | 246,093,895.79                         | 6,115,537,685.30         | 3,106,775,649.91         |
| Bonds payable                              | 2,295,193,501.05         | 408,688,000.00                         | 2,518,396,801.06         | 11,280,888.95                          | 2,505,565,526.35         | 2,705,431,886.81         |
| Lease Liabilities                          | 146,561,588.52           |  | 29,657,559.57            | 3,498,292.40                           | 54,492,252.84            | 118,228,602.85           |
| Long-term payables                         | 5,504,548.24             |  | 130,119.60               | 1,270,229.28                           | 13,750.95                | 4,350,687.61             |
| <b>Total</b>                               | <b>20,374,615,303.19</b> | <b>5,540,288,536.51</b>                | <b>15,118,487,101.00</b> | <b>5,318,009,816.99</b>                | <b>14,793,845,689.46</b> | <b>20,921,535,434.25</b> |

**(4) Notes to the presentation of cash flows on a net basis**

No cash flows were presented on a net basis in the current period.

**(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 period |
|--|---------------------------------------|
| Payment for materials made by endorsement of notes receivable      | 791,153,868.45                        |
| Acquisition of long-term assets by endorsement of notes receivable | 23,538,270.59                         |
| Other payments made by endorsement of notes receivable             | 71,142,955.45                         |

**65. Supplementary information to the statement of cash flows****(1) Supplementary information to the statement of cash flows**

| Item   | Current amount         | Previous amount          |
|--|------------------------|--------------------------|
| <b>1. Reconciliation of net profit to cash flows from operating activities:</b>                          |                        |                          |
| Net profit   | -497,119,077.09        | -1,280,538,154.95        |
| Plus: Provision for asset impairment   | 85,403,855.86          | 92,012,866.95            |
| Credit impairment loss   | 117,092,417.76         | 163,079,433.18           |
| Depreciation of fixed assets, depletion of oil and gas assets and productive biological assets           | 220,353,011.40         | 229,778,679.61           |
| Depreciation of right-of-use assets  | 24,890,541.80          | 28,010,441.12            |
| Amortization of intangible assets  | 23,917,196.86          | 25,884,982.90            |
| Amortization of long-term prepaid expense  | 70,142,033.93          | 68,829,106.66            |
| Losses on disposal of fixed assets, intangible assets and other long-lived assets (" " indicates income) | -31,513,481.94         | -590,329.38              |
| Losses on scrap of fixed assets (" " indicates income)   | 955,602.12             | 2,214,412.61             |
| Losses on changes in fair value (" " indicates income)   | -173,409,194.85        | 179,800,523.76           |
| Finance costs (" " indicates income)   | 320,688,430.62         | 354,429,278.33           |
| Investment loss (" " indicates income)   | -540,347,018.43        | -5,047,444.22            |
| Decrease in deferred tax assets ("- " for increase)  | 6,266,494.74           | -13,013,812.53           |
| Increase in deferred income tax liabilities (" " indicates decrease)                                     | 203,196,489.95         | -45,799,452.88           |
| Decrease in inventories (" " indicates increase)   | 133,699,360.03         | -286,354,098.48          |
| Decrease in accounts receivable generated from operating activities (" " indicates increase)             | -142,879,274.45        | 106,159,668.41           |
| Increase in accounts payable used in operating activities (" " indicates decrease)                       | -479,972,018.38        | -40,111,635.54           |
| Others   | -16,988,800.86         | -18,082,830.68           |
| Net cash generated from/used in operating activities   | -675,623,430.93        | -439,338,365.13          |
| <b>2. Significant investment and financing activities not involving cash</b>                             |                        |                          |
| Conversion of liabilities into capital   |                        |                          |
| Convertible corporate bonds due within one year  |                        |                          |
| Fixed assets acquired under finance leases   |                        |                          |
| <b>3. Net changes in cash and cash equivalents:</b>  |                        |                          |
| Ending balance of cash   | 2,502,399,179.47       | 4,378,374,510.08         |
| Less: beginning balance of cash  | 2,783,177,476.45       | 5,674,784,349.55         |
| Plus: ending balance of cash equivalents   |                        |                          |
| Less: beginning balance of cash equivalents  |                        |                          |
| Net increase in cash and cash equivalents  | <b>-280,778,296.98</b> | <b>-1,296,409,839.47</b> |

## (2) Supplier finance arrangements

### ① Terms and conditions of supplier finance arrangements

The Group entered into agreements with banks and financial institutions whereby qualified suppliers recognized by the Group may assign their eligible accounts receivable from the Group to these institutions. Upon maturity of the accounts payable, the Group fulfills its unconditional payment obligations.

### ② Items reported in the balance sheet and related information (Unit: RMB'0,000)

| Reported item                             | Ending balance | Beginning balance |
|---|----------------|-------------------|
| Accounts payable                          | 109.13         | 219.31            |
| Including: accounts received by suppliers | 109.13         | 219.31            |
| <b>Total</b>                              | <b>109.13</b>  | <b>219.31</b>     |

### ③ Payment due date range

|   | Ending                              | Beginning                           |
|---|-------------------------------------|-------------------------------------|
| Liabilities under the arrangement                     | 360-365 days from the date of issue | 360-365 days from the date of issue |
| Comparable accounts payable not under the arrangement | -                                   | -                                   |

### ④ Changes in the current period not involving cash receipts and payments

The above changes in the Company's financial liabilities did not include the impact of business combination and exchange rate changes.

## (3) Net cash paid for the acquisition of subsidiaries in the current period

There was no net cash paid for the acquisition of subsidiaries in the current period

## (4) Net cash received from the disposal of subsidiaries in the current period

| Item  | Amount       |
|---|--------------|
| Cash or cash equivalents received the current period from the disposal of subsidiaries the current period           | 4,221,401.00 |
| Of which:   |              |
| Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.  | 4,221,401.00 |
| Less: cash and cash equivalents held by subsidiaries on the date control is lost                                    |              |
| Of which:   |              |
| Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.  |              |
| Plus: cash or cash equivalents received in the current period from the disposal of subsidiaries in previous periods |              |
| Net cash received for disposal of subsidiaries  | 4,221,401.00 |

## (5) Composition of cash and cash equivalents

| Item   | Ending balance          | Beginning balance       |
|--|-------------------------|-------------------------|
| Cash   | 2,502,399,179.47        | 2,783,177,476.45        |
| Including: Cash on hand                                | 35.44                   | 208.19                  |
| Bank deposits available for payment at any time        | 2,498,989,776.00        | 2,779,974,224.23        |
| Other monetary funds available for payment at any time | 3,409,368.03            | 3,203,044.03            |
| Ending balance of cash and cash equivalents            | <b>2,502,399,179.47</b> | <b>2,783,177,476.45</b> |

## (6) Presentation of cash and cash equivalents with restricted use

| Item | Current amount | Previous amount | Reasons for classifying the funds as cash and cash equivalents |
|------|----------------|-----------------|--|
|------|----------------|-----------------|--|

| Item                   | Current amount       | Previous amount      | Reasons for classifying the funds as cash and cash equivalents   |
|------------------------|----------------------|----------------------|--|
| Project loan proceeds  | 21,235,919.44        | 22,487,519.50        | The proceeds can be used at any time to make payments, and such payments can only be made for projects |
| Project pre-sale funds | 14,945,902.26        | 18,266,154.30        | The proceeds can be used at any time to make payments, and such payments can only be made for projects |
| <b>Total</b>           | <b>36,181,821.70</b> | <b>40,753,673.80</b> | —  |

**(7) Monetary funds not classified as cash and cash equivalents**

| Item          | Current amount          | Previous amount         | Reasons for not classifying the funds as cash and cash equivalents       |
|---------------|-------------------------|-------------------------|--|
| Cash deposit  | 699,851,445.35          | 441,866,862.11          | It is pledged for borrowing or deposit for issuance of banker acceptance |
| Time deposits | 540,851,836.28          | 469,680,000.00          | The management intends to hold the deposits to maturity                  |
| Frozen funds  | 82,682,461.71           | 224,449,207.24          | Not readily available for payment  |
| <b>Total</b>  | <b>1,323,385,743.34</b> | <b>1,135,996,069.35</b> | —  |

**66. Notes to the items of the statement of changes in owners' equity**

There was no "other" amount in the ending amount of the previous period adjusted in the current period.

**67. Monetary items in foreign currency**

**(1) Foreign currency monetary items**

| Item                  | Ending foreign currency balance | Exchange rate | Year-end balance denominated in RMB |
|-----------------------|---------------------------------|---------------|-------------------------------------|
| Monetary assets       |                                 |               |                                     |
| Including: USD        | 38,822,318.15                   | 7.1586        | 277,913,446.71                      |
| EUR                   | 108,167.92                      | 8.4024        | 908,870.13                          |
| EGP                   | 12,892,847.56                   | 0.1441        | 1,857,410.72                        |
| GBP                   | 1.32                            | 9.8300        | 12.98                               |
| HKD                   | 1,493,112.79                    | 0.9120        | 1,361,644.21                        |
| CAD                   | 6.96                            | 5.2358        | 36.44                               |
| PLN                   | 3,107,503.02                    | 1.9826        | 6,161,035.37                        |
| Accounts receivable   |                                 |               |                                     |
| Including: USD        | 87,358,556.38                   | 7.1586        | 625,364,961.70                      |
| EUR                   | 693,326.59                      | 8.4024        | 5,825,607.34                        |
| HKD                   | 995,112.70                      | 0.9120        | 907,493.03                          |
| AUD                   | 49,764.00                       | 4.6817        | 232,980.12                          |
| Advances to suppliers |                                 |               |                                     |
| Including: USD        | 220,852.41                      | 7.1586        | 1,580,994.06                        |
| Other receivables     |                                 |               |                                     |
| Including: USD        | 108,529,719.36                  | 7.1586        | 776,920,849.01                      |
| EGP                   | 108,000.00                      | 0.1441        | 15,559.04                           |
| HKD                   | 1,036,567.85                    | 0.9120        | 945,298.05                          |
| JPY                   | 21,400,000.00                   | 0.0496        | 1,061,311.60                        |
| Accounts payable      |                                 |               |                                     |

| Item           | Ending foreign currency balance | Exchange rate | Year-end balance denominated in RMB |
|----------------|---------------------------------|---------------|-------------------------------------|
| Including: USD | 30,646,429.85                   | 7.1586        | 219,385,532.72                      |
| EUR            | 22,880.21                       | 8.4024        | 192,248.68                          |
| EGP            | 35,620,358.59                   | 0.1441        | 5,131,654.24                        |
| HKD            | 14,719.88                       | 0.9120        | 13,423.79                           |
| Other payables |                                 |               |                                     |
| Including: USD | 3,766,920.19                    | 7.1586        | 26,965,874.87                       |
| EUR            | 56,811.80                       | 8.4024        | 477,355.47                          |
| EGP            | 498,014.80                      | 0.1441        | 71,746.60                           |
| HKD            | 370,315.69                      | 0.9120        | 337,709.39                          |

## (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.

## IX. R&D expenditures

| Item                                 | Amount incurred in the current period | Amount incurred in the previous period |
|--------------------------------------|---------------------------------------|--|
| Salary                               | 96,735,140.30                         | 112,601,611.50                         |
| Depreciation and amortization charge | 59,670,273.81                         | 55,043,697.25                          |
| New product trial production expense | 900,602.57                            | 13,867,547.29                          |
| Material expense                     | 9,793,459.90                          | 9,254,000.43                           |
| Commission service fee               | 134,759.46                            | 222,156.14                             |
| Testing expense                      | 1,604,963.68                          | 2,797,313.59                           |
| Information use fee                  | 308,099.64                            | 369,876.67                             |
| Others                               | 18,803,996.32                         | 20,421,823.94                          |
| <b>Total</b>                         | <b>187,951,295.68</b>                 | <b>214,578,026.81</b>                  |
| Including: Expensed R&D expenditure  | 187,951,295.68                        | 214,578,026.81                         |
| Capitalized R&D expenditure          |                                       |  |

## X. Changes in the scope of consolidation

### 1. Business combination not under common control

There was no business combination not under common control in the current period.

### 2. Business combination under common control

There was no business combination under common control in the current period.

### 3. Disposal of subsidiaries

Unit: RMB'0,000

| Name of subsidiary | Disposal price at the time of control loss | Disposal percentage at the time of control loss (%) | Disposal method at the time of control loss | Time of control loss | Basis for determining the time of control loss                    | Difference between the disposal price and the share in net assets of the subsidiary in consolidated financial statements corresponding to the investment disposed | Proportion of remaining equity on the date of loss of control | Book value of residual equity in consolidated financial statements on the date of loss of control | Fair value of residual equity in consolidated financial statements on the date of loss of control | Gains or losses arising from the re-measurement of residual equity at fair value | Measures for determination of fair value of residual equity in consolidated financial statements on the date on which the control right is lost and major assumptions | Amount of other comprehensive income relating to the investment in the equity of original subsidiaries transferred in the profit and loss on investment or retained earnings |
|--------------------|--|---|---|----------------------|---|---|---|---|---|--|---|--|
| Kangrong Jiayuan   | 422.14                                     | 41.00   | Transfer                                    | 2025/5/9             | All rights and obligations related to the target equity have been | 21.29   | 10  | 97.77   | 102.96  | 5.19   | Evaluated price   |  |

| Name of subsidiary | Disposal price at the time of control loss | Disposal percentage at the time of control loss (%) | Disposal method at the time of control loss | Time of control loss | Basis for determining the time of control loss | Difference between the disposal price and the share in net assets of the subsidiary in consolidated financial statements corresponding to the investment disposed | Proportion of remaining equity on the date of loss of control | Book value of residual equity in consolidated financial statements on the date of loss of control | Fair value of residual equity in consolidated financial statements on the date of loss of control | Gains or losses arising from the re-measurement of residual equity at fair value | Measures for determination of fair value of residual equity in consolidated financial statements on the date on which the control right is lost and major assumptions | Amount of other comprehensive income relating to the investment in the equity of original subsidiaries transferred in the profit and loss on investment or retained earnings |
|--------------------|--|---|---|----------------------|--|---|---|---|---|--|---|--|
|                    |  |   |   |                      | transferred                                    |   |   |   |   |  |   |  |

#### 4. Changes in the scope of consolidation due to other reasons

No subsidiaries were established or deregistered in the current period

## X. Equity in other entities

### 1. Equity in subsidiaries

#### (1) Structure of the enterprise 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                          |          | Establishment or investment |
| 2   | Yantai Konka                 | Yantai, Shandong       | Yantai, Shandong      | Other professional consultation and investigation                              |                             | 51       | Establishment or investment |
| 3   | Konka Enterprise Service     | Guiyang, Guizhou       | Guiyang, Guizhou      | Enterprise management consulting   |                             | 51       | Establishment or investment |
| 4   | Yibin Konka Incubator        | Yibin, Sichuan         | Yibin, Sichuan        | Commercial services  |                             | 51       | Establishment or investment |
| 5   | Anhui Konka                  | Chuzhou, Anhui         | Chuzhou, Anhui        | Manufacturing  | 78                          |          | Establishment or investment |
| 6   | Kangzhi Trade                | Chuzhou, Anhui         | Chuzhou, Anhui        | Wholesale  |                             | 78       | Establishment or investment |
| 7   | Konka Electronic Material    | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Other science and technology promotion services                                | 100                         |          | Establishment or investment |
| 8   | Konka Unifortune             | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Trade and services   | 51                          |          | Establishment or investment |
| 9   | Jiali International          | Hong Kong, China       | Hong Kong, China      | Trade and services   |                             | 51       | Establishment or investment |
| 10  | Dongguan Konka               | Dongguan, Guangdong    | Dongguan, Guangdong   | Manufacturing  | 75                          | 25       | Establishment or investment |
| 11  | Suining Konka Smart          | Suining, Sichuan       | Suining, Sichuan      | Wholesale  |                             | 100      | Establishment or investment |
| 12  | Konka Europe                 | Germany, Frankfurt     | Germany, Frankfurt    | International trade  | 100                         |          | Establishment or investment |
| 13  | Telecommunication Technology | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Manufacturing  | 75                          | 25       | Establishment or investment |
| 14  | Konka Mobility               | Hong Kong, China       | Hong Kong, China      | Commercial   |                             | 100      | Establishment or investment |



| No. | Name of subsidiary                             | Main place of business        | Place of registration         | Business nature        | Shareholding percentage (%) |          | Acquisition method                             |
|-----|--|-------------------------------|-------------------------------|------------------------|-----------------------------|----------|--|
|     |  |                               |                               |                        | Direct                      | Indirect |  |
| 15  | Development of science and technology industry | Shenzhen, Guangdong           | Shenzhen, Guangdong           | Commercial             | 100                         |          | Establishment or investment                    |
| 16  | Sichuan Konka                                  | Yibin, Sichuan                | Yibin, Sichuan                | Manufacturing          |                             | 100      | Establishment or investment                    |
| 17  | Yibin Konka Intelligent                        | Yibin, Sichuan                | Yibin, Sichuan                | Manufacturing          |                             | 100      | Establishment or investment                    |
| 18  | Anhui Tongchuang                               | Chuzhou, Anhui                | Chuzhou, Anhui                | Manufacturing          | 100                         |          | Establishment or investment                    |
| 19  | Anhui Electrical Appliance                     | Chuzhou, Anhui                | Chuzhou, Anhui                | Manufacturing          |                             | 51       | Establishment or investment                    |
| 20  | Frestec Refrigeration                          | Xinxiang, Henan               | Xinxiang, Henan               | Manufacturing          |                             | 51       | Business combinations not under common control |
| 21  | Frestec Smart Home                             | Xinxiang, Henan               | Xinxiang, Henan               | Manufacturing          |                             | 51       | Establishment or investment                    |
| 22  | Frestec Electrical Appliances                  | Xinxiang, Henan               | Xinxiang, Henan               | Manufacturing          |                             | 51       | Business combinations not under common control |
| 23  | Frestec Household Appliances                   | Xinxiang, Henan               | Xinxiang, Henan               | Manufacturing          |                             | 51       | Business combinations not under common control |
| 24  | Jiangsu Konka Smart                            | Changzhou, Jiangsu            | Changzhou, Jiangsu            | Manufacturing          |                             | 51       | Establishment or investment                    |
| 25  | Kangjiatong                                    | Yibin, Sichuan                | Yibin, Sichuan                | Trade and services     | 100                         |          | Establishment or investment                    |
| 26  | Pengrun Technology                             | Shenzhen, Guangdong           | Shenzhen, Guangdong           | Trade and services     | 51                          |          | Establishment or investment                    |
| 27  | Jiaxin Technology                              | Hong Kong, China              | Hong Kong, China              | Trade and services     |                             | 51       | Establishment or investment                    |
| 28  | Beijing Konka Electronic                       | Beijing                       | Beijing                       | Sale of home appliance | 100                         |          | Establishment or investment                    |
| 29  | Tianjin Konka                                  | Tianjin Pilot Free Trade Zone | Tianjin Pilot Free Trade Zone | Service Industry       |                             | 100      | Establishment or investment                    |

| No. | Name of subsidiary                     | Main place of business | Place of registration | Business nature                                      | Shareholding percentage (%) |          | Acquisition method          |
|-----|--|------------------------|-----------------------|--|-----------------------------|----------|-----------------------------|
|     |  |                        |                       |  | Direct                      | Indirect |                             |
| 30  | Konka Circuit                          | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Manufacturing  | 100                         |          | Establishment or investment |
| 31  | Boluo Precision                        | Boluo, Guangdong       | Boluo, Guangdong      | Manufacturing  |                             | 100      | Establishment or investment |
| 32  | Hong Kong Konka                        | Hong Kong, China       | Hong Kong, China      | International trade                                  | 100                         |          | Establishment or investment |
| 33  | Hongdin Investment                     | Hong Kong, China       | Hong Kong, China      | Investment holding                                   |                             | 100      | Establishment or investment |
| 34  | Chain Kingdom Memory Technologies      | Hong Kong, China       | Hong Kong, China      | International trade                                  |                             | 51       | Establishment or investment |
| 35  | Chain Kingdom Semiconductor (Shaoxing) | Zhejiang, Shaoxing     | Zhejiang, Shaoxing    | Trade and services                                   |                             | 51       | Establishment or investment |
| 36  | Hongjet                                | Hong Kong, China       | Hong Kong, China      | Trade and services                                   |                             | 51       | Establishment or investment |
| 37  | Hongdin Trading                        | Hong Kong, China       | Hong Kong, China      | International trade                                  |                             | 100      | Establishment or investment |
| 38  | Kanghao Technology                     | Egypt, Cairo           | Egypt, Cairo          | International trade                                  |                             | 67       | Establishment or investment |
| 39  | Konka North America                    | America, California    | America, California   | International trade                                  |                             | 100      | Establishment or investment |
| 40  | Konka Investment                       | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Capital market services                              | 100                         |          | Establishment or investment |
| 41  | Yibin Konka Technology Park            | Yibin, Sichuan         | Yibin, Sichuan        | Industrial park development and operation management |                             | 100      | Establishment or investment |
| 42  | Konka Capital                          | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Capital market services                              |                             | 100      | Establishment or investment |
| 43  | Konka Suiyong                          | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Commercial services                                  |                             | 51       | Establishment or investment |
| 44  | Shengxing Industrial                   | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Commercial services                                  |                             | 51       | Establishment or investment |
| 45  | Zhitong Technology                     | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Software and information technology services         |                             | 51       | Establishment or investment |
| 46  | Electronics Technology                 | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Manufacturing  | 100                         |          | Establishment or            |

| No. | Name of subsidiary           | Main place of business | Place of registration | Business nature                                  | Shareholding percentage (%) |          | Acquisition method                             |
|-----|------------------------------|------------------------|-----------------------|--|-----------------------------|----------|--|
|     |                              |                        |                       |  | Direct                      | Indirect |  |
|     |                              |                        |                       |  |                             |          | investment                                     |
| 47  | Shenzhen Kangcheng           | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Software and information technology services     |                             | 100      | Establishment or investment                    |
| 48  | Xiaojia Technology           | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Retail trade                                     |                             | 100      | Establishment or investment                    |
| 49  | Haimen Konka                 | Nantong, Jiangsu       | Nantong, Jiangsu      | Trade and services                               |                             | 100      | Establishment or investment                    |
| 50  | Chengdu Konka Electronics    | Chengdu, Sichuan       | Chengdu, Sichuan      | Manufacturing                                    |                             | 100      | Establishment or investment                    |
| 51  | Xingda Hongye                | Zhongshan, Guangdong   | Zhongshan, Guangdong  | Manufacturing                                    |                             | 51       | Business combinations not under common control |
| 52  | Liaoyang Kangshun            | Liaoyang, Liaoning     | Liaoyang, Liaoning    | Wholesale  |                             | 100      | Establishment or investment                    |
| 53  | Liaoyang Kangshun Renewable  | Liaoyang, Liaoning     | Liaoyang, Liaoning    | Comprehensive utilization of renewable resources |                             | 100      | Establishment or investment                    |
| 54  | Nanjing Konka                | Nanjing, Jiangsu       | Nanjing, Jiangsu      | Wholesale  |                             | 100      | Establishment or investment                    |
| 55  | Shanghai Konka               | Shanghai               | Shanghai              | Real estate                                      | 100                         |          | Establishment or investment                    |
| 56  | Yantai Kangjin               | Yantai, Shandong       | Yantai, Shandong      | Real estate                                      |                             | 62.8     | Establishment or investment                    |
| 57  | Jiangxi Konka                | Jiujiang, Jiangxi      | Jiujiang, Jiangxi     | Manufacturing and processing                     | 51                          |          | Business combinations not under common control |
| 58  | Xinfeng Microcrystalline     | Nanchang, Jiangxi      | Nanchang, Jiangxi     | Manufacturing and processing                     |                             | 51       | Business combinations not under common control |
| 59  | Shenzhen Nianhua             | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Commercial services                              | 100                         |          | Establishment or investment                    |
| 60  | Shenzhen Konka Semiconductor | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Semiconductors                                   | 100                         |          | Establishment or investment                    |
| 61  | Chongqing Konka              | Chongqing              | Chongqing             | Software and information technology              |                             | 100      | Establishment or                               |

| No. | Name of subsidiary                          | Main place of business | Place of registration | Business nature   | Shareholding percentage (%) |          | Acquisition method                             |
|-----|---|------------------------|-----------------------|---|-----------------------------|----------|--|
|     |   |                        |                       |   | Direct                      | Indirect |  |
|     |   |                        |                       | services  |                             |          | investment                                     |
| 62  | Ji'an Konka                                 | Ji'an, Jiangxi         | Ji'an, Jiangxi        | Commercial services   | 51                          |          | Establishment or investment                    |
| 63  | Suining Konka Industrial Park               | Suining, Sichuan       | Suining, Sichuan      | Industrial park development and operation management                      | 100                         |          | Establishment or investment                    |
| 64  | Suining Electronic Technological Innovation | Suining, Sichuan       | Suining, Sichuan      | Commercial services   | 100                         |          | Establishment or investment                    |
| 65  | Shenzhen Chuangzhi Electrical Appliances    | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Wholesale   | 100                         |          | Establishment or investment                    |
| 66  | Chongqing Optoelectronic Technology         | Chongqing              | Chongqing             | Research & experiment development   | 70                          | 5        | Establishment or investment                    |
| 67  | Kowin Memory (Shenzhen)                     | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Computer, telecommunications and other electronic equipment manufacturing | 100                         |          | Establishment or investment                    |
| 68  | Konka Xinyun Semiconductor                  | Yancheng, Jiangsu      | Yancheng, Jiangsu     | Computer, telecommunications and other electronic equipment manufacturing |                             | 100      | Establishment or investment                    |
| 69  | Nanjing Konka Smart                         | Nanjing, Jiangsu       | Nanjing, Jiangsu      | Manufacturing   | 51                          |          | Establishment or investment                    |
| 70  | Ningbo Kanghanrui Electric Appliances       | Ningbo, Zhejiang       | Ningbo, Zhejiang      | Electrical machinery and equipment manufacturing                          | 60                          |          | Establishment or investment                    |
| 71  | Suining Jiarun Property                     | Suining, Sichuan       | Suining, Sichuan      | Real estate   | 100                         |          | Establishment or investment                    |
| 72  | Yibin Kangrun                               | Yibin, Sichuan         | Yibin, Sichuan        | Ecological protection and environmental governance services               | 67                          |          | Establishment or investment                    |
| 73  | Hainan Konka Technology                     | Haikou, Hainan         | Haikou, Hainan        | Commercial services   | 100                         |          | Establishment or investment                    |
| 74  | Jiangxi High Transparent Substrate          | Jiujiang, Jiangxi      | Jiujiang, Jiangxi     | Manufacturing and processing  |                             | 51       | Business combinations not under common control |
| 75  | Nantong Hongdin                             | Nantong, Jiangsu       | Nantong, Jiangsu      | Computer, telecommunications and other electronic equipment manufacturing |                             | 100      | Establishment or investment                    |

| No. | Name of subsidiary                    | Main place of business                               | Place of registration                                | Business nature   | Shareholding percentage (%) |          | Acquisition method          |
|-----|---------------------------------------|--|--|---|-----------------------------|----------|-----------------------------|
|     |                                       |  |  |   | Direct                      | Indirect |                             |
| 76  | Chuzhou Konka                         | Chuzhou, Anhui                                       | Chuzhou, Anhui                                       | Manufacturing   |                             | 94.9     | Establishment or investment |
| 77  | Konka Flexible Electronics            | Suining, Sichuan                                     | Suining, Sichuan                                     | Manufacturing   |                             | 97.5     | Establishment or investment |
| 78  | Konka Hongye Electronics              | Suining, Sichuan                                     | Suining, Sichuan                                     | Manufacturing   |                             | 95.05    | Establishment or investment |
| 79  | Kowin Memory (Hong Kong)              | Hong Kong, China                                     | Hong Kong, China                                     | Wholesale of computers, software and auxiliary equipment                  |                             | 100      | Establishment or investment |
| 80  | Konka Cross-border (Hebei)            | Handan, Hebei  | Handan, Hebei  | Wholesale   | 100                         |          | Establishment or investment |
| 81  | Konka Central China                   | Changsha, Hunan                                      | Changsha, Hunan                                      | Commercial services   | 100                         |          | Establishment or investment |
| 82  | Yibin Kangrun Medical                 | Yibin, Sichuan                                       | Yibin, Sichuan                                       | Ecological protection and environmental governance services               |                             | 63.65    | Establishment or investment |
| 83  | Shanxi Konka Intelligent              | Xi'an, Shanxi  | Xi'an, Shanxi  | Manufacture of household cleaning and sanitary electrical appliances      |                             | 51       | Establishment or investment |
| 84  | Chongqing Xinyuan Semiconductor       | Chongqing  | Chongqing  | Science and technology promotion and application services                 |                             | 75       | Establishment or investment |
| 85  | Anlu Konka                            | Anlu, Hubei  | Anlu, Hubei  | Software and information technology services                              |                             | 100      | Establishment or investment |
| 86  | Kanghong Dongsheng                    | Shenzhen, Guangdong                                  | Shenzhen, Guangdong                                  | Commercial services   |                             | 95.09    | Establishment or investment |
| 87  | Guizhou Konka New Material Technology | Qiannan Buyi and Miao Autonomous Prefecture, Guizhou | Qiannan Buyi and Miao Autonomous Prefecture, Guizhou | Manufacturing and processing  |                             | 51       | Establishment or investment |
| 88  | Shanxi Smart Home Appliance           | Jincheng, Shanxi                                     | Jincheng, Shanxi                                     | Computer, telecommunications and other electronic equipment manufacturing |                             | 100      | Establishment or investment |
| 89  | Guizhou Kanggui Material Technology   | Qiannan Buyi and Miao Autonomous Prefecture, Guizhou | Qiannan Buyi and Miao Autonomous Prefecture, Guizhou | Manufacturing and processing  | 70                          |          | Establishment or investment |
| 90  | Nantong Kanghai                       | Nantong, Jiangsu                                     | Nantong, Jiangsu                                     | Real estate   | 51                          |          | Establishment or investment |

| No. | Name of subsidiary                              | Main place of business | Place of registration | Business nature   | Shareholding percentage (%) |          | Acquisition method          |
|-----|---|------------------------|-----------------------|---|-----------------------------|----------|-----------------------------|
|     |   |                        |                       |   | Direct                      | Indirect |                             |
| 91  | Chongqing Kangyiyun                             | Chongqing              | Chongqing             | Real estate   | 80                          |          | Establishment or investment |
| 92  | Jiangxi Konka High-tech Park                    | Shangrao, Jiangxi      | Shangrao, Jiangxi     | Commercial services   | 100                         |          | Establishment or investment |
| 93  | Shangrao Konka Electronic Technology Innovation | Shangrao, Jiangxi      | Shangrao, Jiangxi     | Research & experiment development   | 100                         |          | Establishment or investment |
| 94  | Zhejiang Konka Electronic                       | Zhejiang, Shaoxing     | Zhejiang, Shaoxing    | Research & experiment development   | 100                         |          | Establishment or investment |
| 95  | Zhejiang Konka Technology Industry              | Zhejiang, Shaoxing     | Zhejiang, Shaoxing    | Commercial services   | 51                          | 49       | Establishment or investment |
| 96  | Xi'an Konka Intelligent                         | Xi'an, Shanxi          | Xi'an, Shanxi         | Wholesale   |                             | 51       | Establishment or investment |
| 97  | Xi'an Konka Network                             | Xi'an, Shanxi          | Xi'an, Shanxi         | Computer, telecommunications and other electronic equipment manufacturing |                             | 100      | Establishment or investment |
| 98  | Xi'an Kanghong Technology Industry              | Xi'an, Shanxi          | Xi'an, Shanxi         | Commercial services   | 40                          | 60       | Establishment or investment |
| 99  | Xi'an Konka Intelligent Technology              | Xi'an, Shanxi          | Xi'an, Shanxi         | Retail trade  | 100                         |          | Establishment or investment |
| 100 | Songyang Industry Operation                     | Lishui, Zhejiang       | Lishui, Zhejiang      | Software and information technology services                              |                             | 51       | Establishment or investment |
| 101 | Kangyan Technology                              | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Computer, telecommunications and other electronic equipment manufacturing |                             | 100      | Establishment or investment |
| 102 | Songyang Konka Intelligent                      | Lishui, Zhejiang       | Lishui, Zhejiang      | Wholesale   | 100                         |          | Establishment or investment |
| 103 | Konka North China                               | Tianjin                | Tianjin               | Electrical machinery and equipment manufacturing                          | 100                         |          | Establishment or investment |
| 104 | Digital Technology                              | Shenzhen, Guangdong    | Shenzhen, Guangdong   | Software and information technology services                              |                             | 100      | Establishment or investment |

**(2) Significant non-wholly owned subsidiaries**

| Name                     | Shareholding of minority shareholders | Profit or loss attributable to minority shareholders in the current period | Dividends declared to be distributed to minority shareholders in the current period | Ending balance of minority shareholders' equities |
|--------------------------|---------------------------------------|--|---|---|
| Shanxi Konka Intelligent | 49.00%                                | -7,132,640.96  |   | 175,047,533.11                                    |

**(3) Key financial information of significant 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 | 612,413,898.71 | 554,792,216.64     | 1,167,206,115.35 | 525,642,424.43      | 284,046,927.15          | 809,689,351.58    |

| Name of subsidiary       | Beginning 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    |

| Name of subsidiary       | Amount incurred in the current period |                |                            |                                      |
|--------------------------|---------------------------------------|----------------|----------------------------|--------------------------------------|
|                          | Operating revenue                     | Net profit     | Total comprehensive income | Cash flows from operating activities |
| Shanxi Konka Intelligent | 106,057,798.34                        | -14,556,410.13 | -14,556,410.13             | -4,779,480.52                        |

| Name of subsidiary       | Amount incurred in the previous period |                |                            |                                      |
|--------------------------|--|----------------|----------------------------|--------------------------------------|
|                          | Operating revenue                      | Net profit     | Total comprehensive income | Cash flows from operating activities |
| Shanxi Konka Intelligent | 120,795,509.29                         | -19,911,527.33 | -19,911,527.33             | 17,674,200.55                        |

### 3. 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 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) Key financial information of significant associates

| Item  | Ending balance/amount incurred in the current period                                 |  | Beginning balance/amount incurred in the previous period                             |  |
|---|--|--|--|--|
|   | 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  | 679,676,868.16   | 255,200,941.59                         | 679,918,421.73   | 299,214,528.27                         |
| Including: cash and cash equivalents                        | 8,778,623.32   | 23,230,581.69                          | 9,020,859.89   | 16,394,140.52                          |
| Non-current assets  |  | 382,786,204.39                         |  | 385,578,306.45                         |
| Total assets  | 679,676,868.16   | 637,987,145.98                         | 679,918,421.73   | 684,792,834.72                         |
| Current liabilities   | 10,026,785.45  | 287,338,612.82                         | 10,026,785.45  | 310,050,065.52                         |
| Non-current liabilities                                     |  | 160,031,560.06                         |  | 172,196,132.11                         |
| Total liabilities   | 10,026,785.45  | 447,370,172.88                         | 10,026,785.45  | 482,246,197.63                         |
| Total net assets  | 669,650,082.71   | 190,616,973.10                         | 669,891,636.28   | 202,546,637.09                         |
| Including: minority equity                                  |  | 6,231,022.63                           |  | 6,414,476.36                           |
| Equities attributable to shareholders of the parent company | 669,650,082.71   | 184,385,950.47                         | 669,891,636.28   | 196,132,160.73                         |
| Share of net assets calculated based on the shareholding    | 334,490,216.31   | 78,898,748.21                          | 334,610,872.32   | 83,924,951.58                          |
| Adjustments   |  |  |  |  |
| - Goodwill  |  |  |  |  |
| - Unrealized profit of internal transactions                |  |  |  |  |
| - Others  |  |  |  |  |



| Item   | Ending balance/amount incurred in the current period                                       |   | Beginning balance/amount incurred in the previous period                                   |   |
|--|--|---|--|---|
|  | Oriental Jiakang No. 1 (Zhuhai)<br>Private Equity Investment Fund<br>(Limited Partnership) | Shenzhen Jielunte<br>Technology Co., Ltd. | Oriental Jiakang No. 1 (Zhuhai)<br>Private Equity Investment Fund<br>(Limited Partnership) | Shenzhen Jielunte Technology<br>Co., Ltd. |
| Book value of equity investments in associated enterprises                 | 334,490,216.31   | 78,898,748.21                             | 334,610,872.32   | 89,059,544.64                             |
| Fair value of equity investments in associates with publicly quoted prices |  |   |  |   |
| Operating revenue  |  | 173,767,758.81                            |  | 165,625,501.64                            |
| Finance costs  | -41,957.20   | 4,931,999.28                              | -72,566.70   | 1,873,337.25                              |
| Income tax expense   |  | 4,045,925.04                              |  | 4,233,127.86                              |
| Net profit   | -233,242.80  | -11,900,755.32                            | 1,815,352.24   | -18,219,902.67                            |
| Net profit from discontinued operations                                    |  |   |  |   |
| Other comprehensive income   |  |   |  |   |
| Total comprehensive income   | -233,242.80  | -11,900,755.32                            | 1,815,352.24   | -18,219,902.67                            |
| Dividend received from joint venture in the current year                   |  |   |  |   |

### (3) Summarized financial information of insignificant associates

| Item   | Ending balance/amount incurred in the current period | Beginning balance/amount incurred in the previous period |
|--|--|--|
| Associates   |  |  |
| Total book value of investment   | 3,713,808,128.79                                     | 4,304,690,436.53   |
| The total of following items according to the shareholding proportions |  |  |
| - Net profit   | -33,813,434.11                                       | -31,243,007.66   |
| Other comprehensive income   | 35,170.29  | -83,919.23   |
| Total comprehensive income   | -33,778,263.82                                       | -31,326,926.89   |

## XII. Government grants

### 1. Liability items involving government grants

| Account title   | Beginning balance | Subsidies increased in the current period | Amount recognized as non-operating revenue in the current period | Amount transferred to other incomes in the current period |
|-----------------|-------------------|---|--|---|
| Deferred income | 393,437,007.37    | 31,610,810.87                             |  | 16,988,800.86   |

(Continued)

| Account title   | Other changes in the current period | Ending balance | Related to assets/ income |
|-----------------|-------------------------------------|----------------|---------------------------|
| Deferred income | 20,071,428.63                       | 387,987,588.75 | Related to assets/ income |

### 2. Government grants recognized as current profit or loss

| Account title | Amount incurred in the current period | Amount incurred in the previous period |
|---------------|---------------------------------------|--|
| Other income  | 40,970,737.77                         | 56,768,387.57                          |

## XIII. 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 VII 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 June 30, 2025, 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                | Ending amount  | Beginning amount |
|---------------------|----------------|------------------|
| Monetary assets     | 38,822,318.15  | 47,765,558.32    |
| Accounts receivable | 87,358,556.38  | 86,994,147.59    |
| Other receivables   | 108,529,719.36 | 108,431,901.40   |
| Other payables      | 3,766,920.19   | 3,708,173.01     |
| Accounts payable    | 30,646,429.85  | 5,367,446.58     |

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 June 30, 2025, the balance of such short-term borrowings was RMB 6,262,249,010.16.

## (2) Credit risk

As of June 30, 2025, 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 Note VII.4. Accounts receivable and Note VII.7. Other receivables.

## (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:**

Amount as of June 30, 2025:

| Item                                       | Within 1 year    | 1 to 2 years     | 2 to 5 years   | Over 5 years     | Total                   |
|--|------------------|------------------|----------------|------------------|-------------------------|
| <b>Financial assets</b>                    |                  |                  |                |                  |                         |
| Monetary assets                            | 3,825,784,922.81 |                  |                |                  | <b>3,825,784,922.81</b> |
| Trading financial assets                   | 1,270,907,253.85 |                  |                |                  | <b>1,270,907,253.85</b> |
| Notes receivable                           | 70,665,804.66    |                  |                |                  | <b>70,665,804.66</b>    |
| Accounts receivable                        | 1,384,377,310.43 |                  |                |                  | <b>1,384,377,310.43</b> |
| Other receivables                          | 958,976,091.29   |                  |                |                  | <b>958,976,091.29</b>   |
| Other current assets                       | 2,274,758,265.56 |                  |                |                  | <b>2,274,758,265.56</b> |
| <b>Financial liabilities</b>               |                  |                  |                |                  |                         |
| Short-term borrowings                      | 6,262,249,010.16 |                  |                |                  | <b>6,262,249,010.16</b> |
| Notes payable                              | 1,100,044,296.01 |                  |                |                  | <b>1,100,044,296.01</b> |
| Accounts payable                           | 2,614,629,890.34 |                  |                |                  | <b>2,614,629,890.34</b> |
| Other payables                             | 1,500,748,130.42 |                  |                |                  | <b>1,500,748,130.42</b> |
| Employee benefits payable                  | 178,142,522.24   |                  |                |                  | <b>178,142,522.24</b>   |
| Current portion of non-current liabilities | 8,724,499,596.91 |                  |                |                  | <b>8,724,499,596.91</b> |
| Long-term borrowings                       |                  | 403,846,337.22   | 611,751,708.43 | 2,091,177,604.26 | <b>3,106,775,649.91</b> |
| Bonds payable                              |                  | 2,296,350,733.77 | 409,081,153.04 |                  | <b>2,705,431,886.81</b> |
| Long-term payables                         |                  | 2,030,296.89     | 2,320,390.72   |                  | <b>4,350,687.61</b>     |

## 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     | 1H25                 |                                | 1H24                 |                                |
|------|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|
|      |                                | Impact on net profit | Impact on shareholders' equity | Impact on net profit | Impact on shareholders' equity |
| USD  | Appreciation of 1% against RMB | 11,847,729.74        | 7,429,981.30                   | 13,258,840.79        | 8,898,925.74                   |
| USD  | Depreciation of 1% against RMB | -11,847,729.74       | -7,429,981.30                  | -13,258,840.79       | -8,898,925.74                  |

### (2) Sensitivity analysis of interest rate risk

Sensitivity analysis of interest rate risk is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of financial instruments with variable interest rates;

For financial instruments with fixed interest rates measured at fair value, market interest rate changes affect only their interest income or expense;

Changes in the fair values of derivative financial instruments and other financial assets and liabilities are calculated at the market interest rate on the balance sheet date by discounted cash flow.

On the basis of the above assumptions and under the condition that other variables remain unchanged, the impact of reasonable changes in the interest rate on current profits/losses and equity after tax is as follows:

| Item                                  | Interest rate fluctuations | 1H25                 |                                | 1H24                 |                                |
|---------------------------------------|----------------------------|----------------------|--------------------------------|----------------------|--------------------------------|
|                                       |                            | Impact on net profit | Impact on shareholders' equity | Impact on net profit | Impact on shareholders' equity |
| Borrowings at floating interest rates | Up 0.5%                    | -23,723,112.64       | -23,151,242.01                 | -24,626,858.36       | -23,932,778.41                 |
| Borrowings at floating interest rates | Down 0.5%                  | 23,723,112.64        | 23,151,242.01                  | 24,626,858.36        | 23,932,778.41                  |

## XIII. Disclosure of fair value

### 1. Ending fair value of assets and liabilities measured at fair value

| Item   | Ending fair value              |                                |                                |                  |
|--|--------------------------------|--------------------------------|--------------------------------|------------------|
|  | Level-1 fair value measurement | Level-2 fair value measurement | Level-3 fair value measurement | Total            |
| <b>I. Continuous fair value measurement</b>                | —                              | —                              | —                              | —                |
| (I) Trading financial assets                               | 1,270,907,253.85               |                                |                                | 1,270,907,253.85 |
| 1. Financial assets measured at fair value through current | 1,270,907,253.85               |                                |                                | 1,270,907,253.85 |

| Item   | Ending fair value              |                                |                                |                         |
|--|--------------------------------|--------------------------------|--------------------------------|-------------------------|
|  | Level-1 fair value measurement | Level-2 fair value measurement | Level-3 fair value measurement | Total                   |
| profit or loss   |                                |                                |                                |                         |
| (II) Accounts receivable financing                               |                                | 115,550,888.61                 |                                | 115,550,888.61          |
| (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                          |                                |                                | 1,792,688,478.25               | 1,792,688,478.25        |
| <b>Total assets continuously measured at fair value</b>          | <b>1,270,907,253.85</b>        | <b>115,550,888.61</b>          | <b>1,808,803,410.25</b>        | <b>3,195,261,552.71</b> |
| <b>Total liabilities continuously measured at fair value</b>     |                                |                                |                                |                         |
| <b>II. Non-continuous fair value measurement</b>                 | —                              | —                              | —                              | —                       |
| <b>Total assets not continuously measured at fair value</b>      |                                |                                |                                |                         |
| <b>Total liabilities not continuously measured at fair value</b> |                                |                                |                                |                         |

## 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

Level 2 inputs are directly or indirectly observable inputs of relevant assets or liabilities other than Level 1 inputs.

## 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 period, 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 period.

## 6. Changes in valuation techniques in the current period 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 period.

## XV. Related parties and related-party transactions

### 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 XI.1.(1) Structure of the enterprise group for the information of subsidiaries of the Company.

### 3. Associates of the Company

For details of the Company's important associates, please refer to Note XI.2.(1) Important associates.

Information on other associated enterprises having connected transactions with the Company in the current period, or forming balance due to connected transactions made in previous period:

| Name of associates  | Relationship with the Company |
|---|-------------------------------|
| Anhui Kaikai Shijie E-commerce Co., Ltd.  | Associates                    |
| Chuzhou Kangxin Health Industry Development Co., Ltd.   | Associates                    |
| Dongguan Kangjia New Materials Technology Co., Ltd..  | Associates                    |
| Dongguan Konka Smart Electronic Technology Co., Ltd.  | Associates                    |
| Dongguan Guankang Yuhong Investment Co., Ltd.   | Associates                    |
| Kangkong Venture Capital (Shenzhen) Co., Ltd.   | Associates                    |
| Panxu Intelligence Co., Ltd.  | Associates                    |
| Puchuang Jiakang Technology Co, Ltd.  | Associates                    |
| Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.  | Associates                    |
| Shenzhen Aimijiakang Technology Co., Ltd.   | Associates                    |
| Shenzhen Jielunte Technology Co., Ltd.  | Associates                    |
| Shenzhen Kanghongxing Intelligent Technology Co., Ltd.  | Associates                    |
| Shenzhen KONKA E-display Co., Ltd.  | Associates                    |
| Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.                               | Associates                    |
| Shenzhen Yaode Technology Co., Ltd.   | Associates                    |
| Sichuan Chengrui Real Estate Co., Ltd.  | Associates                    |
| Sichuan Hongxinchen Real Estate Development Co., Ltd.   | Associates                    |
| Yantai Kangyue Investment Co., Ltd.   | Associates                    |
| Yantai Kangyun Industrial Development Co., Ltd.   | Associates                    |
| Econ Technology   | Associates                    |
| Zhejiang Kangying Semiconductor Technology Co., Ltd. (formerly: Shenzhen Kangying Semiconductor Technology) | Associates                    |
| Chongqing Lanlv Moma Real Estate Development Co., Ltd.  | Associates                    |
| Anhui Kangta Supply Chain Management Co., Ltd.  | Associates                    |
| Orient Excellent (Zhuhai) Asset Management Co., Ltd.  | Associates                    |
| Feidi Technology (Shenzhen) Co., Ltd.   | Associates                    |
| Guangdong Kangyuan Semiconductor Co., Ltd.  | Associates                    |
| Hefei KONSEMI Storage Technology Co., Ltd.  | Associates                    |

| <b>Name of associates</b>   | <b>Relationship with the Company</b> |
|---|--------------------------------------|
| Kangkai Technology Service (Chengdu) Co., Ltd.  | Associates                           |
| Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.  | Associates                           |
| Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd.                   | Associates                           |
| Shenzhen Kangpeng Digital Technology Co., Ltd.  | Associates                           |
| Shenzhen Morsemi Semiconductor Technology Co., Ltd.   | Associates                           |
| Shenzhen Kangxi Technology Innovation Development Co., Ltd.                                       | Associates                           |
| Shenzhen RF-Llink Technology Co., Ltd.  | Associates                           |
| Shenzhen Zhongkang Beidou Technology Co., Ltd.  | Associates                           |
| E3info (Hainan) Technology Co., Ltd.  | Associates                           |
| Chongqing Kangjian Photoelectric Technology Co., Ltd.   | Associates                           |
| Chongqing Kangxin Equity Investment Fund Limited Partnership (Limited Partnership)                | Associates                           |
| Yancheng Kangyan Information Industry Investment Partnership (Limited Partnership)                | Associates                           |
| Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership) | Associates                           |
| Konka Huanjia Environmental Technology Co., Ltd.  | Associates                           |
| Kangshengjia Smart Energy (Zhejiang) Co., Ltd.  | Associates                           |
| Chongqing Qingjia Electronics Co., Ltd.   | Associates                           |

#### **4. Other related parties**

| <b>Names of other related parties</b>   | <b>Relationship with the Company</b>                          |
|---|---|
| HOHO ELECTRICAL & FURNITURE CO., LIMITED  | Minority shareholder of subsidiary                            |
| AUJET INDUSTRY LIMITED  | Minority shareholder of subsidiary                            |
| Beijing Xuri Shengxing Technology Co., Ltd.   | Minority shareholder of subsidiary                            |
| Chuzhou Hanshang Electric Appliance Co., Ltd.   | Minority shareholder of subsidiary                            |
| Korea Electric Group Co., Ltd.  | Minority shareholder of subsidiary                            |
| Hu Zehong   | Minority shareholder of subsidiary                            |
| Central SOEs Industrial Investment Fund for Poverty-stricken Area (Jiangxi) Industrial Investment Fund Partnership (L.P.) | Minority shareholder of subsidiary                            |
| Chongqing Liangshan Industrial Investment Co., Ltd.   | Minority shareholder of subsidiary                            |
| Zhu Xinming   | Minority shareholder of subsidiary                            |
| Guizhou Jiading Mining Management Investment Co., Ltd.  | Minority shareholder of subsidiary                            |
| Zhejiang Donghong Asset Management Co., Ltd.  | Minority shareholder of subsidiary                            |
| Jiangsu Korea Electric Group Co., Ltd.  | Companies controlled by minority shareholders of subsidiaries |
| Jiangxi Meiji Enterprise Co., Ltd.  | Companies controlled by minority shareholders of subsidiaries |
| Dai Rongxing  | Close family member of minority shareholders                  |
| AMobile Intelligent Corp. Ltd.  | Subsidiary of associated enterprise                           |
| BOHUA UHD   | Joint stock company   |
| Chongqing Kangyiqing Technology Co., Ltd.   | Companies invested by subsidiaries                            |

#### **5. Related-party transactions**

##### **(1) Related-party transaction on purchase and sales of goods, rendering and receipt of services**

##### **1) Purchasing goods/receiving services**



| Related party  | Content of related-party transactions | Amount incurred in the current period | Amount incurred in the previous period |
|--|---------------------------------------|---------------------------------------|--|
| Chuzhou Hanshang Electric Appliance Co., Ltd.  | Purchase of goods and services        | 42,258,702.76                         | 114,880,089.88                         |
| OCT Enterprises Co., Ltd. and its subsidiaries and associates  | Purchase of goods and services        | 12,268,638.11                         | 26,734,696.17                          |
| Shenzhen KONKA E-display Co., Ltd. and its subsidiaries  | Purchase of goods                     | 6,969,990.68                          | 4,407,128.66                           |
| Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates   | Purchase of goods                     | 6,745,228.28                          | 20,726,583.10                          |
| Korea Electric Group Co., Ltd. and its subsidiaries  | Purchase of goods                     | 8,689,818.74                          | 12,003,676.60                          |
| Dongguan Kangjia New Materials Technology Co., Ltd. (formerly known as Dongguan Kangjia Packaging Materials Co., Ltd.) | Purchase of goods and services        | 789,129.04                            | 3,423,338.73                           |
| Dongguan Konka Smart Electronic Technology Co., Ltd.   | Purchase of goods                     | 415,774.72                            | 37,713,014.15                          |
| Puchuang Jiakang Technology Co, Ltd.   | Purchase of goods                     |                                       | 37,713,014.15                          |
| HOHOELECTRICAL&FURNITURECO.,LIMITED  | Purchase of goods                     |                                       | 26,341.27                              |
| Subtotal of other related parties  | Purchase of goods and services        | 1,698,466.84                          | 23,017,795.17                          |

## (2) Sales of goods and rendering of services

| Related party   | Content of related-party transactions          | Amount incurred in the current period | Amount incurred in the previous period |
|---|--|---------------------------------------|--|
| Chuzhou Hanshang Electric Appliance Co., Ltd.                                   | Sales of goods and provision of labour service | 188,343,769.31                        | 182,689,651.25                         |
| Korea Electric Group Co., Ltd. and its subsidiaries                             | Sales of goods and provision of labour service | 36,632,643.64                         | 34,500,419.06                          |
| OCT Enterprises Co., Ltd. and its subsidiaries and associates                   | Sales of goods and provision of labour service | 21,189,371.31                         | 37,055,797.37                          |
| Shenzhen KONKA E-display Co., Ltd. and its subsidiaries                         | Sales of goods and provision of labour service | 10,189,054.91                         | 32,568,363.60                          |
| Zhejiang Kangying Semiconductor Technology Co., Ltd. and its subsidiaries       | Sales of goods and provision of labour service | 9,699,069.13                          | 2,427,251.90                           |
| Dongguan Konka Smart Electronic Technology Co., Ltd.                            | Sales of goods and provision of labour service | 2,379,882.99                          | 3,647,313.53                           |
| Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates      | Sales of goods and provision of labour service | 1,678,163.41                          | 10,781,688.86                          |
| Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd. | Sales of goods and provision of labour service | 566,037.74                            |  |
| Hefei KONSEMI Storage Technology Co., Ltd.                                      | Sales of goods and provision of labour service | 59,736.00                             | 19,420.70                              |
| E3info (Hainan) Technology Co., Ltd. and its subsidiaries                       | Sales of goods and provision of labour service |                                       | 1,714.00                               |

| Related party   | Content of related-party transactions          | Amount incurred in the current period | Amount incurred in the previous period |
|---|--|---------------------------------------|--|
| Shenzhen Aimijiakang Technology Co., Ltd.<br>(formerly known as Sichuan Aimijiakang Technology Co., Ltd.) | Sales of goods                                 |                                       | 633,048.19                             |
| Subtotal of other related parties   | Sales of goods and provision of labour service | 7,125,673.74                          | 5,085,298.73                           |

### (3) Related-party leases

#### 1) Lease situation

| Lessee  | Type of leased assets                      | Lease income recognized in the current period | Lease income recognized in the previous period |
|---|--|---|--|
| OCT Enterprises Co., Ltd. and its subsidiaries and associates | Commercial residences and office buildings | 7,465,175.99                                  | 7,880,827.48                                   |
| Shenzhen KONKA E-display Co., Ltd. and its subsidiaries       | Commercial residences and office buildings | 1,853,770.60                                  | 264,102.06                                     |
| Other related parties   | Commercial residences and office buildings | 4,906,003.52                                  | 13,857,462.72                                  |
| <b>Total</b>  |  | <b>14,224,950.11</b>                          | <b>22,002,392.26</b>                           |

#### 2) Lease situation

| Lessor  | Type of leased assets                      | Lease expense recognized in the current period | Lease expense recognized in the previous period |
|---|--|--|---|
| Overseas Chinese Town Holdings Company and its subsidiaries | Commercial residences and office buildings | 15,249,291.43                                  | 16,202,959.98                                   |
| Dongguan Guankang Yuhong Investment Co., Ltd.               | Industrial plant                           | 3,182,580.32                                   | 6,841,431.94                                    |
| <b>Total</b>  |  | <b>18,431,871.75</b>                           | <b>23,044,391.92</b>                            |

### (4) Related-party guarantees

#### 1) The Company was guarantor

| Guaranteed party | 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 Precision  | 4,500.00                                |                                     | CNY      | 2023/8/25               | 2026/8/25                | No                                 |
| Boluo Precision  | 1,800.00                                | 1,800.00                            | CNY      | 2024/12/19              | 2025/12/18               | No                                 |
| Boluo Precision  | 1,000.00                                | 1,000.00                            | CNY      | 2025/4/29               | 2026/4/17                | No                                 |
| Konka Circuit    | 10,000.00                               |                                     | CNY      | 2023/7/19               | 2027/1/31                | No                                 |
| Konka Circuit    | 5,000.00                                | 900.00                              | CNY      | 2023/12/22              | 2024/12/22               | No                                 |
| Anhui Tongchuang | 10,000.00                               | 4,900.00                            | CNY      | 2025/1/1                | 2025/12/31               | No                                 |
| Anhui Tongchuang | 5,000.00                                | 4,980.00                            | CNY      | 2024/6/20               | 2025/5/29                | No                                 |
| Anhui Tongchuang | 1,000.00                                | 1,000.00                            | CNY      | 2024/8/14               | 2025/8/13                | No                                 |
| Anhui Tongchuang | 3,000.00                                | 3,000.00                            | CNY      | 2024/7/12               | 2025/7/11                | No                                 |
| Anhui Tongchuang | 2,000.00                                | 2,000.00                            | CNY      | 2025/2/25               | 2026/2/24                | No                                 |
| Anhui Tongchuang | 5,000.00                                | 980.00                              | CNY      | 2025/2/24               | 2026/2/23                | No                                 |
| Anhui Tongchuang | 4,000.00                                | 3,500.00                            | CNY      | 2025/4/21               | 2026/4/21                | No                                 |

| Guaranteed party                       | 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 |
|--|---|-------------------------------------|----------|-------------------------|--------------------------|------------------------------------|
| Konka Xinyun Semiconductor             | 12,100.00                               | 8,745.13                            | CNY      | 2024/11/26              | 2025/8/1                 | No                                 |
| Konka Xinyun Semiconductor             | 8,277.66                                | 2,568.75                            | CNY      | 2021/7/12               | 2022/7/11                | No                                 |
| Chongqing Konka                        | 38,000.00                               | 12,535.63                           | CNY      | 2022/12/13              | 2037/12/13               | No                                 |
| Electronics Technology                 | 50,000.00                               | 50,000.00                           | CNY      | 2024/12/3               | 2025/7/25                | No                                 |
| Dongguan Konka                         | 80,000.00                               | 32,924.76                           | CNY      | 2021/6/23               | 2031/5/7                 | No                                 |
| Sichuan Konka                          | 4,000.00                                | 3,400.00                            | CNY      | 2023/5/23               | 2026/4/26                | No                                 |
| Yibin Konka Intelligent                | 980.00                                  | 980.00                              | CNY      | 2025/5/19               | 2028/5/18                | No                                 |
| Xi'an Kanghong Technology Industry     | 30,000.00                               | 6,074.88                            | CNY      | 2023/5/26               | 2032/12/31               | No                                 |
| Konka Hongye Electronics               | 19,010.00                               | 14,672.14                           | CNY      | 2024/1/24               | 2038/11/7                | No                                 |
| Konka Flexible Electronics             | 975.00                                  | 117.48                              | CNY      | 2022/12/19              | 2023/12/19               | No                                 |
| Ningbo Kanghanrui Electric Appliances  | 6,000.00                                | 871.75                              | CNY      | 2024/3/14               | 2025/8/9                 | No                                 |
| Ningbo Kanghanrui Electric Appliances  | 6,000.00                                | 3,000.00                            | CNY      | 2024/7/13               | 2025/7/12                | No                                 |
| Frestec Smart Home                     | 10,200.00                               | -                                   | CNY      | 2024/1/30               | 2027/1/30                | No                                 |
| Anhui Konka                            | 5,500.00                                | 2,682.47                            | CNY      | 2024/9/11               | 2025/3/29                | No                                 |
| Anhui Konka                            | 10,215.95                               | 6,881.19                            | CNY      | 2021/8/10               | 2031/7/15                | No                                 |
| Anhui Konka                            | 7,000.00                                | 2,000.00                            | CNY      | 2021/10/29              | 2026/10/26               | No                                 |
| Anhui Konka                            | 7,000.00                                | 2,000.00                            | CNY      | 2022/10/24              | 2026/10/26               | No                                 |
| Anhui Konka                            | 2,000.00                                | 2,000.00                            | CNY      | 2024/9/20               | 2025/3/29                | No                                 |
| Anhui Konka                            | 5,000.00                                | 4,206.97                            | CNY      | 2023/6/25               | 2028/6/24                | No                                 |
| Anhui Konka                            | 4,000.00                                | 4,000.00                            | CNY      | 2025/3/6                | 2026/3/6                 | No                                 |
| Econ Technology                        | 1,498.97                                | 1,236.65                            | CNY      | 2023/5/22               | 2024/5/21                | No                                 |
| Econ Technology                        | 4,388.00                                | 3,779.32                            | CNY      | 2024/10/24              | 2025/8/6                 | No                                 |
| Econ Technology                        | 1,374.06                                | 1,374.06                            | CNY      | 2024/12/25              | 2025/12/24               | 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                        | 2,248.46                                | 2,248.22                            | CNY      | 2024/9/24               | 2025/9/23                | No                                 |
| Econ Technology                        | 1,498.97                                | 1,129.23                            | CNY      | 2025/1/14               | 2026/1/13                | No                                 |
| Econ Technology                        | 749.49                                  | 749.49                              | CNY      | 2025/1/17               | 2026/1/17                | No                                 |
| Overseas Chinese Town Holdings Company | 60,000.00                               | 60,000.00                           | CNY      | 2022/9/8                | 2025/9/8                 | No                                 |
| Overseas Chinese Town Holdings Company | 60,000.00                               | 60,000.00                           | CNY      | 2022/10/18              | 2025/10/18               | No                                 |
| Overseas Chinese Town Holdings Company | 150,000.00                              | 150,000.00                          | CNY      | 2024/1/29               | 2027/1/29                | No                                 |
| Overseas Chinese Town Holdings Company | 80,000.00                               | 80,000.00                           | CNY      | 2024/3/18               | 2027/3/18                | No                                 |
| Overseas Chinese Town Holdings Company | 50,000.00                               | 38,500.00                           | CNY      | 2023/9/22               | 2026/9/22                | No                                 |
| Overseas Chinese Town Holdings Company | 50,000.00                               | 45,500.00                           | CNY      | 2023/12/13              | 2026/12/13               | No                                 |
| Overseas Chinese Town                  | 50,000.00                               | 50,000.00                           | CNY      | 2024/3/26               | 2027/3/26                | No                                 |

| Guaranteed party                       | 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 |
|--|---|-------------------------------------|----------|-------------------------|--------------------------|------------------------------------|
| Holdings Company                       |   |                                     |          |                         |                          |                                    |
| Overseas Chinese Town Holdings Company | 60,000.00                               | 59,250.00                           | CNY      | 2024/6/25               | 2026/6/25                | No                                 |
| Overseas Chinese Town Holdings Company | 240,000.00                              | 41,000.00                           | CNY      | 2024/9/26               | 2029/9/26                | No                                 |

## 2) As the secured party

| 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                                 |
| Zhejiang Kangying Semiconductor Technology Co., Ltd. | 40,000.00                    | 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               | 48,750.00                    | CNY      | 2022/8/23               | 2025/8/22                | No                                 |
| Overseas Chinese Town Holdings Company               | 11,000.00                    | CNY      | 2022/12/22              | 2025/12/22               | No                                 |
| Overseas Chinese Town Holdings Company               | 52,000.00                    | CNY      | 2023/1/18               | 2026/1/18                | No                                 |
| Overseas Chinese Town Holdings Company               | 38,500.00                    | CNY      | 2023/9/22               | 2026/9/22                | No                                 |
| Overseas Chinese Town Holdings Company               | 45,500.00                    | 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 Company               | 59,250.00                    | CNY      | 2024/6/25               | 2026/6/25                | No                                 |
| 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                                 |
| Overseas Chinese Town Holdings Company               | 41,000.00                    | CNY      | 2025/6/23               | 2028/6/23                | No                                 |
| Chuzhou State-owned Assets Management Co., Ltd.      | 590.14                       | CNY      | 2024/9/11               | 2025/3/29                | No                                 |
| Chuzhou State-owned Assets Management Co., Ltd.      | 1,513.86                     | CNY      | 2021/8/10               | 2031/7/15                | No                                 |
| Chuzhou State-owned Assets Management Co., Ltd.      | 440.00                       | CNY      | 2021/10/29              | 2026/10/26               | No                                 |
| Chuzhou State-owned Assets Management Co., Ltd.      | 440.00                       | 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.      | 925.53                       | CNY      | 2023/6/25               | 2028/6/24                | No                                 |
| Chuzhou State-owned Assets Management Co., Ltd.      | 880.00                       | CNY      | 2025/3/6                | 2026/3/6                 | No                                 |
| Wu Guoren  | 875.00                       | USD      | 2019/12/31              | 2024/12/31               | No                                 |
| Wu Guoren  | 2,210.00                     | USD      | 2019/12/31              | 2024/12/31               | No                                 |
| Xiao Yongsong  | 840.00                       | USD      | 2019/12/31              | 2024/12/31               | No                                 |
| Xiao Yongsong  | 2,121.60                     | USD      | 2019/12/31              | 2024/12/31               | No                                 |

| Guarantor   | Guarantee amount (RMB'0,000) | Currency | Start date of guarantee | Expiry date of guarantee | Whether the guarantee is completed |
|---|------------------------------|----------|-------------------------|--------------------------|------------------------------------|
| 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. | 651.70                       | 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                                 |
| 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                                 |
| 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                                 |
| 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                                 |

| Guarantor   | Guarantee amount<br>(RMB'0,000) | Currency | Start date of<br>guarantee | Expiry date of<br>guarantee | Whether<br>the<br>guarantee<br>is<br>completed |
|---|---------------------------------|----------|----------------------------|-----------------------------|--|
| Jiangxi Konka   | 56.53                           | CNY      | 2024/3/7                   | 2027/3/6                    | No   |
| Jiangxi High Transparent Substrate  | 234.44                          | CNY      | 2024/3/7                   | 2027/3/6                    | No   |
| Xinfeng Microcrystalline  | 1,379.77                        | CNY      | 2024/3/4                   | 2027/3/3                    |  |
| Hu Zehong   | 6,614.02                        | CNY      | 2024/7/15                  | 2029/7/14                   | No   |
| Liang Ruiling, Dai Yaojin   |                                 |          | 2024/7/15                  | 2025/12/31                  | No   |
| Xingda Hongye   | 15,083.08                       | CNY      | 2024/7/15                  | 2029/7/14                   | 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                   | 2025/12/31                  |  |
| 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 Technology Co., Ltd. and Huaying Gaokelong Electronic Technology Co.,Ltd. | 552.72                          | CNY      | 2022/1/1                   | 2025/12/31                  | No   |
| 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   |
| Konka Ventures  | 1,322.54                        | CNY      | 2021/12/15                 | 2022/11/5                   | No   |

#### (5) Loans from and to related parties

| Related party                                 | Amount<br>(RMB'0,000) | Currency | Start date | Due date   |
|---|-----------------------|----------|------------|------------|
| <b>Loans from related parties:</b>            |                       |          |            |            |
| Overseas Chinese Town Holdings Company        | 81,091.00             | CNY      | 2022/1/10  | 2025/12/31 |
| Overseas Chinese Town Holdings Company        | 50,000.00             | CNY      | 2022/5/19  | 2025/12/31 |
| Overseas Chinese Town Holdings Company        | 70,000.00             | CNY      | 2022/5/26  | 2025/12/31 |
| Overseas Chinese Town Holdings Company        | 11,447.30             | CNY      | 2025/1/1   | 2025/12/31 |
| Chuzhou Hanshang Electric Appliance Co., Ltd. | 12,862.50             | CNY      | 2025/1/1   | 2025/12/31 |
| 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      | 2025/2/14  | 2026/2/13  |
| Kangkong Venture Capital (Shenzhen) Co.,      | 245.00                | CNY      | 2022/7/21  | 2025/7/18  |

| Related party   | Amount<br>(RMB'0,000) | Currency | Start date | Due date   |
|---|-----------------------|----------|------------|------------|
| Ltd.  |                       |          |            |            |
| Beijing Xuri Shengxing Technology Co., Ltd.           | 228.67                | CNY      | 2024/12/1  | 2025/11/30 |
| <b>Total</b>  | <b>229,304.46</b>     |          |            |            |
| <b>Loans to related parties:</b>                      |                       |          |            |            |
| 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  | 2026/4/15  |
| 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 | 2026/3/31  |
| Yantai Kangyun Industrial Development Co., Ltd.       | 949.00                | CNY      | 2022/8/25  | 2026/3/31  |
| Yantai Kangyun Industrial Development Co., Ltd.       | 1,394.00              | CNY      | 2022/8/25  | 2026/3/31  |
| Yantai Kangyun Industrial Development Co., Ltd.       | 323.00                | CNY      | 2022/8/25  | 2026/3/31  |
| Yantai Kangyun Industrial Development Co., Ltd.       | 564.00                | CNY      | 2022/8/25  | 2026/3/31  |
| Yantai Kangyun Industrial Development Co., Ltd.       | 1,020.00              | CNY      | 2022/3/17  | 2026/3/31  |
| Yantai Kangyun Industrial Development Co., Ltd.       | 3,400.00              | CNY      | 2022/5/23  | 2026/3/31  |
| Yantai Kangyun Industrial Development Co., Ltd.       | 2,500.00              | CNY      | 2022/6/1   | 2026/3/31  |
| Yantai Kangyun Industrial Development Co., Ltd.       | 2,430.00              | CNY      | 2022/11/15 | 2026/3/31  |
| Chongqing Lanlv Moma Real Estate                      | 18,843.00             | CNY      | 2020/11/25 | 2023/11/24 |

| Related party   | Amount<br>(RMB'0,000) | Currency | Start date | Due date   |
|---|-----------------------|----------|------------|------------|
| Development Co., Ltd.                                 |                       |          |            |            |
| Sichuan Hongxinchen Real Estate Development Co., Ltd. | 19,879.55             | CNY      | 2022/9/15  | 2026/2/27  |
| 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  | 2025/9/27  |
| Chongqing Liangshan Industrial Investment Co., Ltd.   | 5,000.00              | CNY      | 2024/9/30  | 2025/9/27  |
| <b>Total</b>  | <b>181,349.18</b>     |          |            |            |

#### (6) Remuneration for key management personnel

| Item               | The current period<br>(RMB'0,000) | The previous period<br>(RMB'0,000) |
|--------------------|-----------------------------------|------------------------------------|
| Total remuneration | 280.89                            | 316.25                             |

## 6. Receivables from and payables to related parties

### (1) Receivables

| Related party  | Ending balance        |                         | Beginning balance     |                         |
|--|-----------------------|-------------------------|-----------------------|-------------------------|
|  | Book balance          | Provision for bad debts | Book balance          | Provision for bad debts |
| <b>Accounts receivable:</b>  |                       |                         |                       |                         |
| Shenzhen Yaode Technology Co., Ltd. and its subsidiaries                   | 147,122,079.87        | 147,122,079.87          | 147,734,652.41        | 147,734,652.41          |
| HOHOELECTRICAL&FURNITURECO.,LIMITED  | 122,417,607.12        | 107,158,433.04          | 124,609,404.13        | 93,990,064.79           |
| Chuzhou Hanshang Electric Appliance Co., Ltd.                              | 71,942,749.32         | 1,467,632.10            | 47,717,928.47         | 973,445.73              |
| OCT Enterprises Co., Ltd. and its subsidiaries and associates              | 60,630,816.91         | 30,894,893.34           | 72,276,979.60         | 31,123,407.93           |
| Shenzhen Kanghongxing Intelligent Technology Co., Ltd.                     | 38,341,323.98         | 38,341,323.98           | 38,344,115.39         | 38,344,115.39           |
| Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries              | 26,421,344.36         | 3,926,295.34            | 26,677,417.75         | 2,692,954.15            |
| Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates | 13,453,439.23         | 406,976.11              | 13,210,046.28         | 269,484.95              |
| Shenzhen KONKA E-display Co., Ltd. and its subsidiaries                    | 1,249,815.00          | 171,248.23              | 1,367,734.51          | 143,334.28              |
| Subtotal of other related parties  | 23,335,422.79         | 4,835,445.00            | 14,486,876.29         | 4,766,671.12            |
| <b>Total</b>   | <b>504,914,598.57</b> | <b>334,324,327.00</b>   | <b>486,425,154.83</b> | <b>320,038,130.75</b>   |
| <b>Financing accounts receivable/Notes receivable:</b>                     |                       |                         |                       |                         |
| <b>Korea Electric Group Co., Ltd. and its subsidiaries</b>                 | 9,105,294.82          |                         |                       |                         |
| Chuzhou Hanshang Electric Appliance Co., Ltd.                              |                       |                         | 320,000.00            |                         |
| <b>Total</b>   | <b>9,105,294.82</b>   |                         | <b>320,000.00</b>     |                         |
| <b>Other receivables:</b>  |                       |                         |                       |                         |
| Konka Huanjia Environmental Technology Co., Ltd.                           | 1,744,736,434.49      | 1,744,736,434.49        | 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           | 236,698,102.31        | 17,677,972.27           |
| Yantai Kangyue Investment Co., Ltd.  | 171,069,706.45        | 73,609,697.70           | 171,069,706.45        | 73,609,697.70           |



| Related party  | Ending balance          |                         | Beginning balance       |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Book balance            | Provision for bad debts | Book balance            | Provision for bad debts |
| Chongqing Liangshan Industrial Investment Co., Ltd.                | 101,661,232.85          | 1,016,612.33            | 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   | 90,784,881.16           | 90,784,881.16           | 89,251,531.41           | 89,251,531.41           |
| Shenzhen Kanghongxing Intelligent Technology Co., Ltd.             | 39,130,497.17           | 39,130,497.17           | 39,130,497.17           | 39,044,321.62           |
| OCT Enterprises Co., Ltd. and its subsidiaries and associates      | 30,899,262.14           | 21,406,588.27           | 31,319,550.72           | 21,246,621.58           |
| Dongguan Guankang Yuhong Investment Co., Ltd.                      | 22,000,000.00           | 2,200,000.00            | 22,000,000.00           | 2,200,000.00            |
| HOHOELECTRICAL&FURNITURECO.,LIMITE D                               | 2,511,845.36            | 2,511,845.36            | 2,522,359.24            | 2,522,359.24            |
| Zhu Xinming  | 1,844,316.15            | 184,800.48              | 1,844,316.15            | 184,800.48              |
| Hu Zehong  | 541,196.42              | 280,841.22              | 816,533.42              | 171,132.24              |
| Subtotal of other related parties                                  | 4,904,265.47            | 116,908.35              | 3,840,950.86            | 71,393.70               |
| <b>Total</b>   | <b>2,540,294,380.28</b> | <b>2,087,169,719.11</b> | <b>2,537,600,773.20</b> | <b>2,085,237,486.55</b> |
| <b>Prepayments:</b>  |                         |                         |                         |                         |
| Kangshengjia Smart Energy (Zhejiang) Co., Ltd.                     | 62,162,080.62           |                         | 48,239,426.19           |                         |
| Puchuang Jiakang Technology Co, Ltd.                               | 377,322.00              |                         | 377,322.00              |                         |
| OCT Enterprises Co., Ltd. and its subsidiaries and associates      | 31,330.94               |                         | 113,278.60              |                         |
| Subtotal of other related parties                                  | 78,415.52               |                         | 52,339.79               |                         |
| <b>Total</b>   | <b>62,649,149.08</b>    |                         | <b>48,782,366.58</b>    |                         |
| <b>Other current assets:</b>                                       |                         |                         |                         |                         |
| Chuzhou Kangxin Health Industry Development Co., Ltd.              | 444,316,341.09          |                         | 428,413,383.27          |                         |
| Yantai Kangyun Industry Development Co., Ltd. and its subsidiaries | 283,924,022.27          |                         | 274,833,800.04          |                         |
| Sichuan Hongxincheng Real Estate Development Co., Ltd.             | 252,316,940.51          |                         | 244,320,945.73          |                         |
| Shandong Econ Technology Co., Ltd. and its subsidiaries            | 238,452,298.30          |                         | 233,116,949.03          |                         |
| Dongguan Guankang Yuhong Investment Co., Ltd.                      | 234,570,711.43          |                         | 229,643,489.20          |                         |
| Sichuan Chengrui Real Estate Co., Ltd.                             | 185,442,884.91          |                         | 180,452,915.47          |                         |
| <b>Total</b>   | <b>1,639,023,198.51</b> |                         | <b>1,590,781,482.74</b> |                         |
| <b>Contract assets:</b>  |                         |                         |                         |                         |
| OCT Enterprises Co., Ltd. and its subsidiaries and associates      | 1,233,241.54            | 57,222.40               | 401,807.84              | 8,196.88                |
| <b>Total</b>   | <b>1,233,241.54</b>     | <b>57,222.40</b>        | <b>401,807.84</b>       | <b>8,196.88</b>         |

## (2) Payables

| Related party  | Ending book balance | Beginning book balance |
|--|---------------------|------------------------|
| <b>Accounts payable:</b>   |                     |                        |
| OCT Enterprises Co., Ltd. and its subsidiaries and associates              | 37,763,258.67       | 42,040,127.95          |
| Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries and associates | 32,989,142.10       | 65,368,676.00          |
| Chuzhou Hanshang Electric Appliance Co., Ltd.                              | 9,136,836.22        | 8,399,596.80           |
| HOHOELECTRICAL&FURNITURECO.,LIMITED  | 5,131,654.24        | 5,036,570.10           |

| Related party   | Ending book balance   | Beginning book balance |
|---|-----------------------|------------------------|
| Anhui Kaikai Shijie E-commerce Co., Ltd. and its subsidiaries   | 4,326,148.17          | 4,326,148.17           |
| Panxu Intelligence Co., Ltd. and its subsidiaries   | 2,784,534.35          | 6,343,887.78           |
| Shenzhen KONKA E-display Co., Ltd. and its subsidiaries   | 2,416,695.85          | 11,078,987.35          |
| Dongguan Konka Smart Electronic Technology Co., Ltd.  | 525,383.45            | 276,747.62             |
| Subtotal of other related parties   | 18,996,888.03         | 27,908,381.92          |
| <b>Total</b>  | <b>114,070,541.08</b> | <b>170,779,123.69</b>  |
| <b>Notes payable:</b>   |                       |                        |
| Shenzhen Jielunte Technology Co., Ltd. and its subsidiaries   | 16,153,645.44         | 10,327,556.31          |
| Korea Electric Group Co., Ltd. and its subsidiaries   | 8,955,172.99          | 1,565,908.77           |
| Dongguan Kangjia New Materials Technology Co., Ltd..  | 900,533.76            | 1,991,363.46           |
| Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.   | 550,000.00            |                        |
| <b>Total</b>  | <b>26,559,352.19</b>  | <b>13,884,828.54</b>   |
| <b>Contract liabilities/other current liabilities/other non-current liabilities:</b>                                      |                       |                        |
| OCT Enterprises Co., Ltd. and its subsidiaries and associates   | 60,881,365.58         | 65,821,382.94          |
| Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.   | 5,872,082.55          | 4,449,842.05           |
| AUJET INDUSTRY LIMITED  | 3,878,358.89          | 3,851,376.79           |
| Shandong Kangfei Intelligent Electrical Appliances Co., Ltd.  | 188,977.37            | 188,977.37             |
| Shenzhen KONKA E-display Co., Ltd. and its subsidiaries   | 52,420.13             | 915,488.73             |
| Subtotal of other related parties   | 1,933,762.39          | 312,452.61             |
| <b>Total</b>  | <b>72,806,966.91</b>  | <b>75,539,520.49</b>   |
| <b>Other payables:</b>  |                       |                        |
| Chuzhou Hanshang Electric Appliance Co., Ltd.   | 208,396,691.90        | 207,983,241.15         |
| OCT Enterprises Co., Ltd. and its subsidiaries and associates   | 24,863,814.83         | 22,391,131.89          |
| Guizhou Jiading Mining Management Investment Co., Ltd.  | 18,000,000.00         | 18,000,000.00          |
| Dongguan Guankang Yuhong Investment Co., Ltd.   | 15,283,474.26         | 12,100,893.94          |
| Central SOEs Industrial Investment Fund for Poverty-stricken Area (Jiangxi) Industrial Investment Fund Partnership (L.P.) | 9,600,000.00          | 14,400,000.00          |
| Beijing Xuri Shengxing Technology Co., Ltd.   | 2,744,514.38          | 2,675,533.68           |
| Kangkong Venture Capital (Shenzhen) Co., Ltd.   | 2,560,149.39          | 2,523,701.42           |
| Shandong Econ Technology Co., Ltd. and its subsidiaries   | 297,764.85            | 21,696,728.31          |
| Subtotal of other related parties   | 24,228,226.96         | 16,551,142.92          |
| <b>Total</b>  | <b>305,974,636.57</b> | <b>318,322,373.31</b>  |

## XVI. Commitments and contingencies

### 1. Significant commitments

#### (1) Capital commitments

| Item                  | Ending balance        | Beginning balance     |
|-----------------------|-----------------------|-----------------------|
| Large amount contract | 147,051,765.98        | 173,593,973.84        |
| <b>Total</b>          | <b>147,051,765.98</b> | <b>173,593,973.84</b> |

#### (2) Other commitments

As of June 30, 2025, there were no other significant commitments required to be disclose by the Group.

## 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 all debts determined in the above judgment; each defendant refused to accept the judgment of first instance and has 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 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 of Jiangxi Konka, Xinfeng Microcrystalline and Nano Microcrystalline that all contingent debts incurred by Jiangxi Konka, Xinfeng Microcrystalline and Nano Microcrystalline for the above guarantees 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 RMB122.8346 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. (plaintiff) and the Company's subsidiary Chongqing Konka Optoelectronics (defendant) 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.

(5) The amount of the subject matter involved in the dispute between Alibaba (China) Network Technology Co., Ltd. (plaintiff) and the Company and Anhui Kaikai Shijie E-commerce Co., Ltd. over the equity transfer is RMB 124.8879 million. As of the date of issuance of this report, the case was under trial.

(6) The amount of the subject matter involved in the dispute between Shenzhen Shuwu Industrial Co., Ltd. (plaintiff) and the Company's subsidiaries Dongguan Konka Electronics Co., Ltd. and Shenzhen Qianhai Comprehensive Xinfeng Supply Chain Management Co., Ltd. over the tort liability is RMB 37.7997 million. As of the date of issuance of this report, the case was under trial.

## **XVII. Post balance sheet events**

### **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 post balance sheet events**

Except for the matters disclosed on post balance sheet events as mentioned above, the Group had no other post balance sheet events.

## **XVIII. Other significant events**

1. Change in the controlling shareholder: to advance the specialized integration between central enterprises and optimize resource allocation, on April 29, 2025, OCT Group and its persons acting in concert entered into a Share Transfer Agreement of Konka Group Co., Ltd. on Zero Consideration Basis with Panshi Runchuang and Hemao Co., Ltd., both wholly-owned subsidiaries of China Resources, pursuant to which they plan to transfer all their shares in the Company to Panshi Runchuang and Hemao Co., Ltd. on a zero consideration basis. In July 2025, the aforementioned share transfer on a zero consideration basis was completed with the transfer of ownership duly registered. Panshi Runchuang has become the controlling shareholder of the Company, and the actual controller has changed to China Resources Co., Ltd., while the ultimate actual controller remains the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).

2. Except for the above events, the Group had no other significant events.

## **XIX. Notes to the main items of the financial statements of the parent company**

### **1. Accounts receivable**

#### **(1) Accounts receivable listed by aging**

| <b>Aging</b>                | <b>Ending book balance</b> | <b>Beginning book balance</b> |
|-----------------------------|----------------------------|-------------------------------|
| Within one year (inclusive) | 2,658,742,884.20           | 2,478,867,657.14              |
| 1-2 years                   | 77,048,975.43              | 269,445,994.78                |
| 2-3 years                   | 28,618,813.60              | 25,878,752.19                 |
| 3-4 years                   | 42,717,060.14              | 42,081,276.61                 |
| 4-5 years                   | 19,006,060.15              | 10,744,497.16                 |
| Over 5 years                | 856,646,818.27             | 848,569,108.69                |
| <b>Total</b>                | <b>3,682,780,611.79</b>    | <b>3,675,587,286.57</b>       |

#### **(2) Classified presentation by the method of 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 | 751,434,642.02   | 20.40          | 751,374,354.01          | 99.99                    | 60,288.01        |
| Provision set aside for bad debts by portfolio       |                  |                |                         |                          |                  |
| Of which: Aging portfolio                            | 232,582,274.74   | 6.32           | 140,079,665.72          | 60.23                    | 92,502,609.02    |
| Related party  | 2,698,763,695.03 | 73.28          |                         |                          | 2,698,763,695.03 |

| Type                  | Ending balance          |                |                         |                          |                         |
|-----------------------|-------------------------|----------------|-------------------------|--------------------------|-------------------------|
|                       | Book balance            |                | Provision for bad debts |                          | Book value              |
|                       | Amount                  | Percentage (%) | Amount                  | Provision percentage (%) |                         |
| combination           |                         |                |                         |                          |                         |
| Subtotal of portfolio | 2,931,345,969.77        | 79.60          | 140,079,665.72          | 4.78                     | 2,791,266,304.05        |
| <b>Total</b>          | <b>3,682,780,611.79</b> | <b>100.00</b>  | <b>891,454,019.73</b>   | <b>24.21</b>             | <b>2,791,326,592.06</b> |

| 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 | 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        |
| <b>Total</b>   | <b>3,675,587,286.57</b> | <b>100.00</b>  | <b>892,187,676.26</b>   | <b>24.27</b>             | <b>2,783,399,610.31</b> |

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

| Name  | 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 Limited     | 298,855,950.30    | 298,855,950.30          | 298,855,950.30 | 298,855,950.30          | 100.00                   | Not expected to be recoverable |
| Hongtu Sanpower Technology Co., Ltd.          | 200,000,000.00    | 200,000,000.00          | 200,000,000.00 | 200,000,000.00          | 100.00                   | Not expected to be recoverable |
| Zhongfu Tiangong Construction Group Co., Ltd. | 71,289,096.65     | 71,289,096.65           | 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.          | 49,993,564.16     | 49,993,564.16           | 49,993,564.16  | 49,993,564.16           | 100.00                   | Not expected to be recoverable |
| Shenzhen Kanghongxing Intelligent             | 36,211,057.55     | 36,211,057.55           | 36,211,057.55  | 36,211,057.55           | 100.00                   | Not expected to be             |

| Name                 | Beginning balance     |                         | Ending balance        |                         |                          |                                     |
|----------------------|-----------------------|-------------------------|-----------------------|-------------------------|--------------------------|-------------------------------------|
|                      | Book balance          | Provision for bad debts | Book balance          | Provision for bad debts | Provision percentage (%) | Reasons for the provision           |
| Technology Co., Ltd. |                       |                         |                       |                         |                          | recoverable                         |
| Others               | 39,313,773.86         | 39,253,485.85           | 39,646,868.36         | 39,586,580.35           | 99.85                    | Expected to be difficult to recover |
| <b>Total</b>         | <b>751,101,547.52</b> | <b>751,041,259.51</b>   | <b>751,434,642.02</b> | <b>751,374,354.01</b>   | <b>99.99</b>             | —                                   |

## 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 (%) |
| Within 1 year | 78,875,435.94         | 1,609,058.87            | 2.04                     |
| 1-2 years     | 825,735.49            | 82,738.70               | 10.02                    |
| 2-3 years     | 2,508.00              | 569.07                  | 22.69                    |
| 3-4 years     | 41,262,233.00         | 26,770,936.77           | 64.88                    |
| 4-5 years     | 792,862.10            | 792,862.10              | 100.00                   |
| Over 5 years  | 110,823,500.21        | 110,823,500.21          | 100.00                   |
| <b>Total</b>  | <b>232,582,274.74</b> | <b>140,079,665.72</b>   | <b>60.23</b>             |

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 | 2,698,763,695.03        |                         |                          |
| <b>Total</b>              | <b>2,698,763,695.03</b> |                         |                          |

## (3) Provision, reversal or recovery of provision for bad debts in the current period

| Type   | Beginning balance     | Change in the current period |                       |
|--|-----------------------|------------------------------|-----------------------|
|  |                       | Provision                    | Recovered or reversed |
| Provision for bad debts of accounts receivable | 892,187,676.26        | 1,185.49                     | 734,842.02            |
| <b>Total</b>                                   | <b>892,187,676.26</b> | <b>1,185.49</b>              | <b>734,842.02</b>     |

(Continued)

| Type   | Change in the current period |        | Ending balance        |
|--|------------------------------|--------|-----------------------|
|  | Charge-off or write-off      | Others |                       |
| Provision for bad debts of accounts receivable |                              |        | 891,454,019.73        |
| <b>Total</b>                                   |                              |        | <b>891,454,019.73</b> |

## (4) Accounts receivable actually written off in the current period

There were no accounts receivable actually written off in the current period.

## (5) Top five accounts receivable and contract assets in ending balances collected by debtors

The total amount of accounts receivable with top five Ending balance categorized by debtors in the current period was RMB 2,564,016,546.63, accounting for 69.62% of the total Ending balance of accounts receivable. The total Ending balance of provision for bad debts correspondingly set aside was RMB 298,855,950.30.

### 5.5.2 Other receivables

| Item                 | Ending balance          | Beginning balance       |
|----------------------|-------------------------|-------------------------|
| Interest receivable  |                         |                         |
| Dividends receivable | 395,938,176.42          | 397,729,468.60          |
| Other receivables    | 7,441,767,070.31        | 7,812,366,963.81        |
| <b>Total</b>         | <b>7,837,705,246.73</b> | <b>8,210,096,432.41</b> |

### 2.1 Dividends receivable

#### (1) Classification

| Investee  | Ending balance        | Beginning balance     |
|---|-----------------------|-----------------------|
| Hong Kong Konka Co., Ltd.                           | 115,938,176.42        | 117,729,468.60        |
| Suining Konka Industrial Park Development Co., Ltd. | 280,000,000.00        | 280,000,000.00        |
| <b>Total</b>  | <b>395,938,176.42</b> | <b>397,729,468.60</b> |

### 2.2 Other receivables

#### (1) Classified by account nature

| Nature of fund                               | Ending book balance     | Beginning book balance  |
|--|-------------------------|-------------------------|
| Intercourse funds among subsidiaries         | 7,096,005,209.75        | 7,470,528,350.51        |
| Energy-saving subsidies receivable           | 141,549,150.00          | 141,549,150.00          |
| Intercourse funds with other related parties | 2,208,266,001.02        | 2,217,059,558.78        |
| Deposit and margin                           | 9,913,962.43            | 11,203,961.90           |
| Others                                       | 68,680,638.69           | 51,145,919.15           |
| <b>Total</b>                                 | <b>9,524,414,961.89</b> | <b>9,891,486,940.34</b> |

#### (2) Other receivables disclosed by aging

| Aging                       | Ending book balance     | Beginning book balance  |
|-----------------------------|-------------------------|-------------------------|
| Within one year (inclusive) | 2,410,603,083.46        | 2,833,825,882.55        |
| 1-2 years                   | 1,699,570,927.24        | 2,791,206,932.00        |
| 2-3 years                   | 2,364,637,266.19        | 2,093,828,942.23        |
| 3-4 years                   | 1,012,201,032.68        | 198,020,662.24          |
| 4-5 years                   | 429,200,428.29          | 438,628,738.59          |
| Over 5 years                | 1,608,202,224.03        | 1,535,975,782.73        |
| <b>Total</b>                | <b>9,524,414,961.89</b> | <b>9,891,486,940.34</b> |

#### (3) Classified disclosure of other receivables by the method of 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 | 2,346,639,698.77 | 24.64          | 2,030,143,279.98        | 86.51                    | 316,496,418.79 |
| Provision set aside for bad debts by portfolio       |                  |                |                         |                          |                |
| Of which: Aging portfolio                            | 67,136,179.50    | 0.70           | 43,716,766.91           | 65.12                    | 23,419,412.59  |

| Type                      | Ending balance          |                |                         |                          |                         |
|---------------------------|-------------------------|----------------|-------------------------|--------------------------|-------------------------|
|                           | Book balance            |                | Provision for bad debts |                          | Book value              |
|                           | Amount                  | Percentage (%) | Amount                  | Provision percentage (%) |                         |
| Low Risk Combination      | 14,633,873.87           | 0.15           | 8,787,844.69            | 60.05                    | 5,846,029.18            |
| Related party combination | 7,096,005,209.75        | 74.51          |                         |                          | 7,096,005,209.75        |
| Subtotal of portfolio     | 7,177,775,263.12        | 75.36          | 52,504,611.60           | 0.73                     | 7,125,270,651.52        |
| <b>Total</b>              | <b>9,524,414,961.89</b> | <b>100.00</b>  | <b>2,082,647,891.58</b> | <b>21.87</b>             | <b>7,441,767,070.31</b> |

| 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 | 2,346,639,698.77        | 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        |
| <b>Total</b>   | <b>9,891,486,940.34</b> | <b>100.00</b>  | <b>2,079,119,976.53</b> | <b>21.02</b>             | <b>7,812,366,963.81</b> |

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

| Aging         | Beginning balance       |                         |                          |
|---------------|-------------------------|-------------------------|--------------------------|
|               | Book balance            | Provision for bad debts | Provision percentage (%) |
| Within 1 year | 2,173,904,981.15        | 248,284.74              | 0.01                     |
| 1-2 years     | 1,520,311,016.85        | 112,170.82              | 0.01                     |
| 2-3 years     | 2,325,204,965.87        | 3,175,846.62            | 0.14                     |
| 3-4 years     | 886,560,279.84          | 1,598,233.59            | 0.18                     |
| 4-5 years     | 112,776,451.30          | 1,580,134.54            | 1.4                      |
| Over 5 years  | 159,017,568.11          | 45,789,941.29           | 28.8                     |
| <b>Total</b>  | <b>7,177,775,263.12</b> | <b>52,504,611.60</b>    | <b>0.73</b>              |

#### 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) |       |



| 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, 2025                       | 97,657.39                                   | 48,879,039.16  | 2,030,143,279.98  | <b>2,079,119,976.53</b> |
| Balance as of January 1, 2025 in the current period |   |  |   |                         |
| -- Transferred to Phase II                          | -23,099.54                                  | 23,099.54  |   |                         |
| -- Transferred to Phase III                         |   |  |   |                         |
| -- Reclassified under Phase II                      |   |  |   |                         |
| -- Reclassified under Phase I                       |   |  |   |                         |
| Provision in the current period                     | 173,726.88                                  | 3,408,335.60   |   | <b>3,582,062.48</b>     |
| Recovery in the current period                      |   | 54,147.43  |   | <b>54,147.43</b>        |
| Charge-off in the current period                    |   |  |   |                         |
| Write-off in the current period                     |   |  |   |                         |
| Other changes                                       |   |  |   |                         |
| Balance as of June 30, 2026                         | <b>248,284.73</b>                           | <b>52,256,326.87</b>   | <b>2,030,143,279.98</b>   | <b>2,082,647,891.58</b> |

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, reversal or recovery of provision for bad debts in the current period

| Type   | Beginning balance       | Change in the current period |                       |
|--|-------------------------|------------------------------|-----------------------|
|  |                         | Provision                    | Recovered or reversed |
| Provision for bad debts of other receivables | 2,079,119,976.53        | 3,582,062.48                 | 54,147.43             |
| <b>Total</b>                                 | <b>2,079,119,976.53</b> | <b>3,582,062.48</b>          | <b>54,147.43</b>      |

(Continued)

| Type   | Change in the current period |        | Ending balance          |
|--|------------------------------|--------|-------------------------|
|  | Charge-off or write-off      | Others |                         |
| Provision for bad debts of other receivables |                              |        | 2,082,647,891.58        |
| <b>Total</b>                                 |                              |        | <b>2,082,647,891.58</b> |

**(5) Other receivables actually write off in the current period**

There were no other receivables actually written off in the current period.

**(6) Top five other receivables in ending balances collected by debtors**

The total amount of other receivables with top five ending balance categorized by debtors in the current period was RMB 6,550,145,326.30, accounting for 68.77% 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.

### 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 | 7,820,294,811.83        | 689,680,000.00           | 7,130,614,811.83        | 7,825,394,811.83         | 689,680,000.00           | 7,135,714,811.83        |
| Investment in associates   | 1,696,284,934.23        | 590,635,945.27           | 1,105,648,988.96        | 2,256,836,610.99         | 590,635,945.27           | 1,666,200,665.72        |
| <b>Total</b>               | <b>9,516,579,746.06</b> | <b>1,280,315,945.27</b>  | <b>8,236,263,800.79</b> | <b>10,082,231,422.82</b> | <b>1,280,315,945.27</b>  | <b>8,801,915,477.55</b> |

#### (1) Investment in subsidiaries

| Investee  | Beginning balance<br>(Book value) | Provision for<br>impairment<br>Beginning<br>balance | Changes in the current period |                               |  |        | Ending balance<br>(Book value) | Provision for<br>impairment<br>Ending balance |
|---|-----------------------------------|---|-------------------------------|-------------------------------|--|--------|--------------------------------|---|
|   |                                   |   | Increase in the<br>investment | Decrease in the<br>investment | Provision set<br>aside for<br>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                  |   |
| Dongguan Konka                                    | 274,783,988.91                    |   |                               |                               |  |        | 274,783,988.91                 |   |
| Konka Europe                                      | 3,637,470.00                      |   |                               |                               |  |        | 3,637,470.00                   |   |
| Telecommunication<br>Technology                   | 360,000,000.00                    |   |                               |                               |  |        | 360,000,000.00                 |   |
| Development of science<br>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                                     | 740,752,721.18                    |   |                               |                               |  |        | 740,752,721.18                 |   |
| Hong Kong Konka                                   | 781,828.61                        |   |                               |                               |  |        | 781,828.61                     |   |
| Konka Investment                                  | 500,000,000.00                    |   |                               |                               |  |        | 500,000,000.00                 |   |
| Electronics Technology                            | 1,000,000,000.00                  |   |                               |                               |  |        | 1,000,000,000.00               |   |
| Shanghai Konka                                    | 40,000,000.00                     |   |                               |                               |  |        | 40,000,000.00                  |   |

| Investee                                    | Beginning balance<br>(Book value) | Provision for<br>impairment<br>Beginning<br>balance | Changes in the current period |                               |  |        | Ending balance<br>(Book value) | Provision for<br>impairment<br>Ending balance |
|---|-----------------------------------|---|-------------------------------|-------------------------------|--|--------|--------------------------------|---|
|   |                                   |   | Increase in the<br>investment | Decrease in the<br>investment | Provision set<br>aside for<br>impairment | Others |                                |   |
| 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                 |   |
| Kangrong Jiayuan                            | 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 Optoelectronic Technology         | 1,400,000,000.00                  |   |                               |                               |  |        | 1,400,000,000.00               |   |
| Kowin Memory (Shenzhen)                     | 192,520,000.00                    |   |                               |                               |  |        | 192,520,000.00                 |   |
| Ningbo Kanghanrui Electric Appliances       | 90,000,000.00                     |   |                               |                               |  |        | 90,000,000.00                  |   |
| 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 Material Technology         | 28,000,000.00                     |   |                               |                               |  |        | 28,000,000.00                  |   |
| 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                   | 30,000,000.00                     |   |                               |                               |  |        | 30,000,000.00                  |   |

| Investee                              | Beginning balance<br>(Book value) | Provision for<br>impairment<br>Beginning<br>balance | Changes in the current period |                               |  |        | Ending balance<br>(Book value) | Provision for<br>impairment<br>Ending balance |
|---------------------------------------|-----------------------------------|---|-------------------------------|-------------------------------|--|--------|--------------------------------|---|
|                                       |                                   |   | Increase in the<br>investment | Decrease in the<br>investment | Provision set<br>aside for<br>impairment | Others |                                |   |
| Technology Innovation                 |                                   |   |                               |                               |  |        |                                |   |
| Xi'an Kanghong<br>Technology Industry | 12,000,000.00                     |   |                               |                               |  |        | 12,000,000.00                  |   |
| Xi'an Konka Intelligent<br>Technology | 50,000,000.00                     |   |                               |                               |  |        | 50,000,000.00                  |   |
| Songyang Konka<br>Intelligent         | 30,000,000.00                     |   |                               |                               |  |        | 30,000,000.00                  |   |
| Konka North China                     | 30,000,000.00                     |   |                               |                               |  |        | 30,000,000.00                  |   |
| <b>Total</b>                          | <b>7,135,714,811.83</b>           | <b>689,680,000.00</b>                               |                               | <b>5,100,000.00</b>           |  |        | <b>7,130,614,811.83</b>        | <b>689,680,000.00</b>                         |

## (2) Investment in associates

| Investee   | Beginning balance<br>(Book value) | Beginning balance<br>of provision for<br>impairment | Changes in the current period |                        |  |   |
|--|-----------------------------------|---|-------------------------------|------------------------|--|---|
|  |                                   |   | Increase in the<br>investment | Decrease<br>Investment | Profit or loss of<br>investment recognized<br>by the equity method | Changes in other<br>comprehensive<br>income |
| Anhui Kaikai Shijie E-commerce Co., Ltd.   | 6,274,799.50                      |   |                               |                        |  |   |
| Kunshan Kangsheng Investment Development<br>Co., Ltd.                            | 40,891,367.28                     |   |                               |                        | -2,626,199.05  |   |
| Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.                                | 3,467,934.60                      |   |                               |                        | -466,357.26  |   |
| Shenzhen Kanghongxing Intelligent Technology<br>Co., Ltd.                        |                                   | 5,158,909.06  |                               |                        |  |   |
| Shenzhen Zhongkang Beidou Technology Co.,<br>Ltd.                                |                                   |   |                               |                        |  |   |
| Shenzhen Kangjia Jiapin Intelligent Electrical<br>Apparatus Technology Co., Ltd. | 5,896,518.07                      |   |                               |                        | -2,926,157.83  |   |
| Shenzhen Yaode Technology Co., Ltd.  |                                   | 214,559,469.35                                      |                               |                        |  |   |
| Wuhan Tianyuan Group Co., Ltd.   | 545,842,155.57                    |   |                               |                        |  |   |
| Shenzhen KONKA E-display Co., Ltd.   | 24,007,406.43                     |   |                               |                        | 4,073,801.48   |   |
| Chuzhou Konka Technology Industry<br>Development Co., Ltd.                       |                                   |   |                               |                        |  |   |

| Investee  | Beginning balance<br>(Book value) | Beginning balance<br>of provision for<br>impairment | Changes in the current period |                        |  |   |
|---|-----------------------------------|---|-------------------------------|------------------------|--|---|
|   |                                   |   | Increase in the<br>investment | Decrease<br>Investment | Profit or loss of<br>investment recognized<br>by the equity method | Changes in other<br>comprehensive<br>income |
| Chuzhou Kangjin Health Industrial Development Co., Ltd.                         | 92,285,525.83                     |   |                               |                        | -2,655,737.66  |   |
| Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd. | 5,002,208.91                      |   |                               |                        | -2,835,611.92  |   |
| Shenzhen Kangyue Enterprise Co., Ltd.   |                                   | 230,011.61  |                               |                        |  |   |
| Dongguan Guankang Yuhong Investment Co., Ltd.                                   |                                   |   |                               |                        |  |   |
| Chongqing Yuanlv Benpao Real Estate Co., Ltd.                                   |                                   |   |                               |                        |  |   |
| Chuzhou Kangxin Health Industry Development Co., Ltd.                           | 6,203,105.97                      |   |                               |                        | -949,568.43  |   |
| E3info (Hainan) Technology Co., Ltd.  | 4,574,609.73                      |   |                               | 8,000,000.00           |  |   |
| Shenzhen Kangpeng Digital Technology Co., Ltd.                                  | 1,310,766.92                      |   |                               |                        | -328,558.61  |   |
| Yantai Kangyun Industrial Development Co., Ltd.                                 |                                   |   |                               |                        |  |   |
| Econ Technology   | 714,353,682.97                    | 278,887,555.25                                      |                               |                        | -682,702.96  |   |
| Dongguan Kangjia New Materials Technology Co., Ltd..                            | 3,231,195.79                      |   |                               |                        | -818,871.96  |   |
| Chongqing E2info Technology Co., Ltd.   | 194,546,039.92                    |   |                               |                        |  |   |
| Sichuan Chengrui Real Estate Co., Ltd.  |                                   |   |                               |                        |  |   |
| Wuhan Kangtang Information Technology Co., Ltd.                                 | 15,853,661.78                     |   |                               |                        | -897,317.07  |   |
| Sichuan Hongxinchen Real Estate Development Co., Ltd.                           | 2,459,686.45                      |   |                               |                        |  |   |
| Konka Huanjia Environmental Technology Co., Ltd.                                |                                   | 91,800,000.00                                       |                               |                        |  |   |
| Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.                                |                                   |   | 1,000,000.00                  |                        | -37,921.98   |   |
| <b>Total</b>  | <b>1,666,200,665.72</b>           | <b>590,635,945.27</b>                               | <b>1,000,000.00</b>           | <b>8,000,000.00</b>    | <b>-11,151,203.25</b>  |   |

(Continued)

| Investee  | Changes in the current period |  |                                       |                 | Ending balance<br>(Book value) | Ending balance of<br>provision for<br>impairment |
|---|-------------------------------|--|---------------------------------------|-----------------|--------------------------------|--|
|   | Changes in other<br>equities  | Cash dividends or<br>profits declared to<br>be distributed | Provision set aside<br>for impairment | Others          |                                |  |
| Anhui Kaikai Shijie E-commerce Co., Ltd.  |                               |  |                                       |                 | 6,274,799.50                   |  |
| Kunshan Kangsheng Investment Development Co., Ltd.                              |                               |  |                                       |                 | 38,265,168.23                  |  |
| Shanxi Silk Road Cloud Intelligent Tech Co., Ltd.                               |                               |  |                                       |                 | 3,001,577.34                   |  |
| Shenzhen Kanghongxing Intelligent Technology Co., Ltd.                          |                               |  |                                       |                 |                                | 5,158,909.06                                     |
| Shenzhen Zhongkang Beidou Technology Co., Ltd.                                  |                               |  |                                       |                 |                                |  |
| Shenzhen Kangjia Jiapin Intelligent Electrical Apparatus Technology Co., Ltd.   |                               |  |                                       |                 | 2,970,360.24                   |  |
| Shenzhen Yaode Technology Co., Ltd.   |                               |  |                                       |                 |                                | 214,559,469.35                                   |
| Wuhan Tianyuan Group Co., Ltd.  |                               | 8,618,395.70   |                                       | -537,223,759.87 |                                |  |
| Shenzhen KONKA E-display Co., Ltd.  |                               |  |                                       |                 | 28,081,207.91                  |  |
| Chuzhou Konka Technology Industry Development Co., Ltd.                         |                               |  |                                       |                 |                                |  |
| Chuzhou Kangjin Health Industrial Development Co., Ltd.                         |                               |  |                                       |                 | 89,629,788.17                  |  |
| Nantong Kangjian Technology Industrial Park Operations and Management Co., Ltd. |                               |  |                                       |                 | 2,166,596.99                   |  |
| Shenzhen Kangyue Enterprise Co., Ltd.   |                               |  |                                       |                 |                                | 230,011.61                                       |
| Dongguan Guankang Yuhong Investment Co., Ltd.                                   |                               |  |                                       |                 |                                |  |
| Chongqing Yuanlv Benpao Real Estate Co., Ltd.                                   |                               |  |                                       |                 |                                |  |
| Chuzhou Kangxin Health Industry Development Co., Ltd.                           |                               |  |                                       |                 | 5,253,537.54                   |  |
| E3info (Hainan) Technology Co., Ltd.  |                               |  |                                       | 3,425,390.27    |                                |  |
| Shenzhen Kangpeng Digital Technology Co., Ltd.                                  |                               |  |                                       |                 | 982,208.31                     |  |
| Yantai Kangyun Industrial Development Co., Ltd.                                 |                               |  |                                       |                 |                                |  |
| Econ Technology   |                               |  |                                       |                 | 713,670,980.01                 | 278,887,555.25                                   |
| Dongguan Kangjia New Materials Technology                                       |                               |  |                                       |                 | 2,412,323.83                   |  |

| Investee  | Changes in the current period |  |                                       |                        | Ending balance<br>(Book value) | Ending balance of<br>provision for<br>impairment |
|---|-------------------------------|--|---------------------------------------|------------------------|--------------------------------|--|
|   | Changes in other<br>equities  | Cash dividends or<br>profits declared to<br>be distributed | Provision set aside<br>for impairment | Others                 |                                |  |
| Co., Ltd..  |                               |  |                                       |                        |                                |  |
| Chongqing E2info Technology Co., Ltd.                 |                               |  |                                       |                        | 194,546,039.92                 |  |
| Sichuan Chengrui Real Estate Co., Ltd.                |                               |  |                                       |                        |                                |  |
| Wuhan Kangtang Information Technology Co., Ltd.       |                               |  |                                       |                        | 14,956,344.71                  |  |
| Sichuan Hongxinchun Real Estate Development Co., Ltd. |                               |  |                                       |                        | 2,459,686.45                   |  |
| Konka Huanjia Environmental Technology Co., Ltd.      |                               |  |                                       |                        |                                | 91,800,000.00                                    |
| Kangrong Jiayuan Technology (Zhejiang) Co., Ltd.      |                               |  |                                       | 16,291.79              | 978,369.81                     |  |
| <b>Total</b>  |                               | <b>8,618,395.70</b>  |                                       | <b>-533,782,077.81</b> | <b>1,105,648,988.96</b>        | <b>590,635,945.27</b>                            |



## 4. Operating income and operating costs

### (1) Operating revenue and cost of sales

| Item               | Amount incurred in the current period |      | Amount incurred in the previous period |      |
|--------------------|---------------------------------------|------|--|------|
|                    | Income                                | Cost | Income                                 | Cost |
| Principal activity |                                       |      |  |      |
| Other              |                                       |      |  |      |
| <b>Total</b>       |                                       |      |  |      |

### (2) Information in relation to the trade price apportioned to the residual contract performance obligation

At the end of the current period, the revenue corresponding to the performance obligations that have been signed but not yet performed or not yet fully performed is RMB 7,895,779.45, of which RMB 7,895,779.45 is expected to be recognized as revenue in 2025.

## 5. Investment income

| Item  | Amount incurred in the current period | Amount incurred in the previous period |
|---|---------------------------------------|--|
| Long-term equity investment income calculated by the cost method                                |                                       |  |
| Returns on long-term equity investments calculated by the equity method                         | -11,151,203.25                        | 9,290,355.87                           |
| Return on investment arising from the disposal of long-term equity investments                  | 7,970,560.10                          | 16,490,883.27                          |
| Investment income from financial assets held for trading during the holding period              | 420,553.86                            | 4,240,444.62                           |
| Investment income from disposal of financial assets held for trading                            | -73,011,755.91                        | 11,456.91                              |
| Dividend income received from investments in other equity instruments during the holding period |                                       |  |
| Gains from remeasurement of residual stock rights at fair value after losing control power      |                                       |  |
| Interest income from debt investments during the holding period                                 | 1,970,451.37                          | 2,140,000.00                           |
| Interest income from other debt investments during the holding period                           |                                       |  |
| Investment income from disposal of other debt investments                                       |                                       |  |
| Income from the derecognition of financial assets at amortized cost ("-" for loss)              | -226,103.98                           | -152,872.14                            |
| Conversion of long-term equity investments accounted for by the                                 | 655,666,680.89                        |  |

| Item                              | Amount incurred in the current period | Amount incurred in the previous period |
|-----------------------------------|---------------------------------------|--|
| equity method to financial assets |                                       |  |
| <b>Total</b>                      | <b>581,639,183.08</b>                 | <b>32,020,268.53</b>                   |

## XX. Supplementary information

### 1. Statement of non-recurring profit or loss in the current period

| Item  | Current amount | Note |
|---|----------------|------|
| Profit or losses on disposal of non-current assets (including the portion offset for provisions for asset impairment)   | 30,398,244.09  |      |
| Government grants included in profit and loss of the current period (except for government grants 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) | 39,470,052.40  |      |
| 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)  | 103,288,444.17 |      |
| 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  | 48,726,483.93  |      |
| 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   |                |      |
| 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  |                |      |
| 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 cancellation and   |                |      |

| Item   | Current amount        | Note |
|--|-----------------------|------|
| 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   | 6,607,610.65          |      |
| Other gains and losses that meet the definition of non-recurring gain/loss   | 655,666,680.89        |      |
| Subtotal   | 884,157,516.13        |      |
| Less: Income tax effects   | 223,117,383.95        |      |
| Non-controlling interests effects (net of tax)   | 16,866,026.35         |      |
| <b>Total</b>   | <b>644,174,105.83</b> | —    |

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

| Item                     | Amount         | Reason   |
|--------------------------|----------------|--|
| Trading financial assets | 655,666,680.89 | During the reporting period, the Company changed its accounting treatment for the equity investment in Wuhan Tianyuan Group Co., Ltd., reclassifying it from long-term equity investment (under equity method) to trading financial assets, resulting in non-recurring gains or losses |

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   |
|--|--------------|--|
| Additional offset and deduction of software tax refund and VAT | 1,500,685.37 | 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<br>rate of return on net assets<br>(%) | EPS (RMB/share)          |                            |
|--|---|--------------------------|----------------------------|
|  |   | Basic earnings per share | Diluted earnings per share |
| Net profit attributable to ordinary shareholders of the parent company                                       | -18.13  | -0.1592                  | -0.1592                    |
| Net profit attributable to ordinary shareholders of the parent company before non-recurring gains and losses | -48.60  | -0.4267                  | -0.4267                    |

## 3. Differences in accounting data under domestic and foreign accounting standards

(1) Differences in net profit and net assets between financial reports disclosed in accordance with International Accounting Standards and Chinese Accounting Standards

☐ Applicable ☒ Not applicable

(2) Differences in net profit and net assets between financial reports disclosed in accordance with Overseas Accounting Standards and Chinese Accounting Standards

☐ Applicable ☒ Not Applicable

(3) Explanation of the causes for differences in accounting data under domestic and overseas accounting standards; if adjustments have been made to the data audited by an overseas auditing institution, the name of such overseas institution shall be specified

☐ Applicable ☒ Not Applicable