

Stock code: 000016, 200016 Stock name: Konka A, Konka B Announcement No.: 2016-33

Konka Group Co., Ltd.

Abstract of the Report for the First Quarter of 2016

Section I Important Statements

The Board of Directors, the Supervisory Committee, directors, supervisors and senior management staff of Konka Group Co., Ltd. (hereinafter referred to as “the Company”) warrant that the information carried in this report is factual, accurate and complete, without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.

All directors have attended the board session for reviewing this report.

Liu Fengxi, Company Principal, Xiao Qing, Chief of the Accounting Work, and Xu Youshan, Chief of the Accounting Organ (Chief of Accounting), hereby confirm that the financial statements enclosed in this report are factual, accurate and complete.

This Report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Section II Financial Results and Changes in Shareholders

I Financial results

Whether the Company performed any retroactive adjustments to or restatement of its accounting data due to changes of accounting policies or correction of accounting errors

Yes No

	January-March 2016	January-March 2015	+/-%
Operating revenues (RMB)	4,072,311,262.92	4,569,152,230.30	-10.87%
Net profit attributable to shareholders of the Company (RMB)	8,429,549.66	7,752,441.61	8.73%
Net profit attributable to shareholders of the Company after excluding exceptional profit and loss (RMB)	27,524,586.04	-214,058.24	12,958.46%
Net operating cash flow (RMB)	295,245,741.81	277,361,649.37	6.45%
Basic earnings per share (RMB/share)	0.0035	0.0032	9.38%
Diluted earnings per share (RMB/share)	0.0035	0.0032	9.38%
Weighted average return on equity	0.30%	0.19%	0.11%
	31 March 2016	31 December 2015	+/-%
Total assets (RMB)	13,610,186,488.31	14,250,367,548.28	-4.49%
Net assets attributable to shareholders of the Company (RMB)	2,823,436,379.20	2,814,382,870.81	0.32%

Exceptional profit and loss

Applicable Not applicable

Unit: RMB

Item	January-March 2016	Note
Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions)	-435,798.87	
Government grants charged to the profit/loss for the Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State's uniform standards)	23,139,244.03	
Profit/loss on entrusting others with investments or asset management	1,502,980.16	
Profit/loss on fair value changes of transactional financial assets and liabilities & investment profit on disposal of transactional financial assets and liabilities as well as financial	-46,971,128.14	

assets available for sale, except for effectively hedging business related to normal business operations of the Company		
Non-operating income and expense other than the above	8,893,359.79	
Less: Income tax effects	1,873,314.30	
Minority interests effects (after tax)	3,350,379.05	
Total	-19,095,036.38	--

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss
 Applicable Not applicable

Item	Amount (RMB)	Reason
Tax rebates on software	62,402,069.25	Government grants closely related to the Company's normal operation and constantly given at certain quotas or amounts according to the government's policies and standards

II Total number of shareholders at the period-end and shareholdings of top ten shareholders

1. Numbers of common shareholders and preference shareholders with resumed voting rights as well as shareholdings of top ten shareholders

Unit: share

Total number of common shareholders at the period-end	162,563	Total number of preference shareholders with resumed voting rights at the period-end (if any)	0			
Shareholdings of top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
OCT ENTERPRISES CO.	State-owned corporation	21.75%	523,746,932	0	Pledged	0
					Frozen	0
CITIC SECURITIES BROKERAGE (HK) CO., LIMITED	Foreign corporation	7.48%	180,001,110	0	Pledged	0
					Frozen	0
HOLY TIME GROUP LIMITED	Foreign corporation	2.32%	55,841,024	0	Pledged	0
					Frozen	0
GUOYUAN	Foreign	2.32%	55,745,009	0	Pledged	0

SECURITIES BROKERAG (HK) CO., LIMITED	corporation				Frozen	0
GAOLING FUND, L.P.	Foreign corporation	2.19%	52,801,250	0	Pledged	0
					Frozen	0
CMS (HK) CO., LIMITED	State-owne d corporation	1.05%	25,233,816	0	Pledged	0
					Frozen	0
NAM NGAI	Foreign individual	0.97%	23,335,040	0	Pledged	0
					Frozen	0
CSI CAPITAL MANAGEMENT LIMITED	Foreign corporation	0.83%	20,050,928	0	Pledged	0
					Frozen	0
BOCI SECURITIES LIMITED	Foreign individual	0.79%	18,983,092	0	Pledged	0
					Frozen	0
ZHONGRONG INTERNATIONAL TRUST CO., LTD. — ZHONGRONG — RONGHUI DIANJIN NO. 18 STRUCTURED SECURITIES INVESTMENT ASSEMBLED FUNDS TRUST PLAN	Other	0.69%	16,672,972	0	Pledged	0
					Frozen	0

Shareholdings of top ten non-restricted shareholders

Name of shareholder	Number of non-restricted shares held	Variety of shares	
		Variety	Number
OCT ENTERPRISES CO.	523,746,932	RMB common shares	523,746,932
CITIC SECURITIES BROKERAG (HK) CO., LIMITED	180,001,110	Domestically listed foreign shares	180,001,110
HOLY TIME GROUP LIMITED	55,841,024	Domestically listed foreign shares	55,841,024
GUOYUAN SECURITIES BROKERAG (HK) CO., LIMITED	55,745,009	Domestically listed foreign shares	55,745,009
GAOLING FUND,L.P.	52,801,250	Domestically	52,801,250

		listed foreign shares	
CMS (HK) CO., LIMITED	25,233,816	Domestically listed foreign shares	25,233,816
NAM NGAI	23,335,040	Domestically listed foreign shares	23,335,040
CSI CAPITAL MANAGEMENT LIMITED	20,050,928	Domestically listed foreign shares	20,050,928
BOCI SECURITIES LIMITED	18,983,092	Domestically listed foreign shares	18,983,092
ZHONGRONG INTERNATIONAL TRUST CO., LTD. – ZHONGRONG – RONGHUI DIANJIN NO. 18 STRUCTURED SECURITIES INVESTMENT ASSEMBLED FUNDS TRUST PLAN	16,672,972	RMB common shares	16,672,972
Related or acting-in-concert parties among the above shareholders	The wholly owned subsidiary Jialong Investment Co., Ltd. of the first majority shareholder OVERSEAS CHINESE TOWN ENTERPRISES CO. respectively hold the common share of the Company of 180,001,110 shares and 18,360,000 shares through CITIC SECURITIES BROKERAG (HK) CO., LIMITED and CMS (HK) CO., LIMITED, and Jialong Investment Co., Ltd. and OVERSEAS CHINESE TOWN ENTERPRISES CO. were persons acting in concert; the Company does not know whether the other shareholders are related parties and whether they are acting-in-concert parties.		
Top ten common shareholders conducting securities margin trading (if any)	N/A		

Notes: on 2 Mar. 2016, the 396,763,880 shares which subjected to trading moratorium held by the major shareholder-OCT Enterprises Co. of the Company was formally relieved the restriction with the details please refer to <http://www.cninfo.com.cn/finalpage/2016-02-27/1202003527.PDF>.

Did any of the top ten common shareholders or the top ten non-restricted common shareholders of the Company conduct any promissory repo during the Reporting Period?

Yea No

No such cases in the Reporting Period.

2. Total number of preference shareholders and shareholdings of the top ten of them

Applicable Not applicable

Section III Significant Events

I Changes in major accounting statement items and financial indicators for the Reporting Period, as well as reasons for such changes

√ Applicable □ Not applicable

(I) In the Reporting Period, we accelerated our transformation by pushing forward our mechanism reform and focusing on improvement of our basic capabilities through the whole chain (planning, manufacturing, R&D, supply, promotion, marketing, after-sales service, etc.). When compared with the same period of last year, through improving our product structure and operating efficiency, we managed to considerably increase the gross profit margin of our color TVs sold to the domestic market, but our operating revenues decreased due to the lower selling prices of our color TVs.

In the Reporting Period, we launched a new high-end series—the V91 OLED Organic TVs, featuring our whole-new product concept of “Thin, Vivid and Quick” and demonstrating our ambition to, by technical innovation and resource integration, explore new fields as a color TV leader as well as create a better audio and visual experience and a new experience with smart TVs for our color TV consumers. Meanwhile, we continued to improve our user operation, enhanced our cooperation with leading video service providers such as Tencent and iQIYI, and carried out a project for our Internet operation system.

(II) Changes in financial results

Unit: RMB'0,000

Item	31 March 2016/ January-March 2016	31 December 2015/ January-March 2015	+/-	+/-%	Main reason for change
Other current assets	12,160.87	64,731.19	-52,570.33	-81.21	Financial products became due.
Long-term equity investments	27,069.61	19,057.35	8,012.26	42.04	Shenzhen Konka Precision Mold Manufacturing Co., Ltd. and its subsidiaries were excluded from the scope of our consolidated financial statements and recognized as a long-term equity investment measured at the equity method.
Financial costs	4,990.89	7,655.13	-2,664.24	-34.80	Exchange loss decreased.
Profit on fair value changes	-4,832.58	0.00	-4,832.58	N/A	The current period saw fair value changes in our DF business while there was no such business in the same period of last year.

II Progress of significant events and analysis & explanations on their influence and solutions

Applicable Not applicable

1. Progress on the project of city renewal in the plant area of our Headquarters

So far, the planning and advisory agency for the project has been found through bidding invitation. Land leveling and other preparations are now proceeding.

2. Progress on our Kunshan Zhouzhuang project

The Phase I and II (residential) of our Kunshan Zhouzhuang project have been completed and largely sold. The Phase III is currently under construction.

3. Progress on our private issue

On 17 March 2016, trading of our stock was halted due to our planning of a private issue. On 12 April 2016, the 14th Meeting of the 8th Board of Directors and the Ninth Meeting of the Eighth Supervisory Committee were convened, at which the Proposal on Preliminary Plan for Private Issue of A-shares and other relevant proposal were considered and approved. Upon our application to the Shenzhen Stock Exchange, trading of our stock started again from 13 April 2016.

Our plan for this private issue still awaits the approval of the State-owned Assets Supervision and Administration Commission of the State Council, the General Meeting of the Company and the China Securities Regulatory Commission before implementation. Investors are kindly reminded to pay attention to possible investment risks.

For more details about this private issue, please refer to our announcements disclosed on <http://www.cninfo.com.cn>.

III Commitments of the Company, its shareholders, actual controller, acquirer, directors, supervisors, senior management or other related parties fulfilled in the Reporting Period or ongoing at the period-end

Applicable Not applicable

No such cases in the Reporting Period.

IV Operating result forecast for January-June 2016

Forecast of a possible deficit or considerable YoY change in the accumulative net profit made during the period from the beginning of the year to the end of the next reporting period, as well as explanation of why:

Applicable Not applicable

V Securities investments

Applicable Not applicable

Variety	Code of	Name	Initial investm	Numbe	Shareh	Numbe	Shareh	Closing	Gain/lo	Accoun	Source
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of securities	securities	of securities	ent cost (RMB)	r of shares held at period-begin	olding percent age at period-begin	r of shares held at period-end	olding percent age at period-end	book value (RMB)	ss for reporting period (RMB)	ting title	of securities
Stock	000002	Vanke A	2,311,748.07	117,310	0%	117,310	0%	2,865,883.3	0	Availab le-for-sale financial assets	Additio nally issued shares subscri bed
Stock	002787	Huayuan Packaging	5,685.00	500	0%	0	0%	0	15,380.40	Availab le-for-sale financial assets	New shares subscri bed
Stock	300500	CSIAD	10,455.00	500	0%	0	0%	0	29,323.22	Availab le-for-sale financial assets	New shares subscri bed
Other security investment held at period-end			0	0	--	0	--	0	0	--	--
Total			2,327,888.07	118,310	--	117,310	--	2,865,883.3	44,703.62	--	--
Disclosure date of the board announcement on securities investment approval			N/A								
Disclosure date of the general meeting announcement on securities investment approval (if any)			N/A								

VI Investments in derivative financial instruments

Applicable Not applicable

No such cases in the Reporting Period.

VII Visits paid to the Company in the Reporting Period for purposes of research, communication, interview, etc.

Applicable Not applicable

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No such cases in the Reporting Period.

VIII Illegal provision of guarantees for external parties

Applicable Not applicable

No such cases in the Reporting Period.

IX Occupation of the Company's funds by the controlling shareholder or its related parties for non-operating purposes

Applicable Not applicable

No such cases in the Reporting Period.

The Board of Directors

Konka Group Co., Ltd.

28 April 2016