



**SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.**

**INTERIM REPORT 2020**

(Announcement No. 2020-36)

**August 2020**

## **Part I Important Notes, Table of Contents and Definitions**

**The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of ShenZhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.**

**Liu Shengxiang, the Company’s legal representative, Cai Lili, the Company’s head of financial affairs, and Liu Qiang, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.**

**All the Company’s directors have attended the Board meeting for the review of this Report and its summary.**

**The Company is subject to the Guideline No. 3 of the Shenzhen Stock Exchange on Information Disclosure by Industry—for Listed Companies Engaging in Real Estate.**

**The Company has described in detail in this Report the possible risks facing it, along with countermeasures. Please refer to “X Risks Facing the Company and Countermeasures” in “Part IV Operating Performance Discussion and Analysis” of this Report.**

**The Company has no interim dividend plan, either in the form of cash or stock.**

**This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.**

## Table of Contents

<b>Part I Important Notes, Table of Contents and Definitions.....</b>	<b>2</b>
<b>Part II Corporate Information and Key Financial Information.....</b>	<b>6</b>
<b>Part III Business Summary.....</b>	<b>9</b>
<b>Part IV Operating Performance Discussion and Analysis.....</b>	<b>13</b>
<b>Part V Significant Events.....</b>	<b>29</b>
<b>Part VI Share Changes and Shareholder Information.....</b>	<b>39</b>
<b>Part VII Preferred Shares.....</b>	<b>45</b>
<b>Part VIII Convertible Corporate Bonds.....</b>	<b>46</b>
<b>Part IX Directors, Supervisors and Senior Management.....</b>	<b>47</b>
<b>Part X Corporate Bonds.....</b>	<b>48</b>
<b>Part XI Financial Statements.....</b>	<b>49</b>
<b>Part XII Documents Available for Reference.....</b>	<b>205</b>

## Definitions

Term	Definition
The “Company”, the “Group”, “SZPRD” or “we”	ShenZhen Properties & Resources Development (Group) Ltd. and its consolidated subsidiaries, except where the context otherwise requires
SIHC	Shenzhen Investment Holdings Co., Ltd.
SCIHC	Shenzhen Construction Investment Holdings Corporation
SIM	Shenzhen Investment Management Co., Ltd.
TK Property	Shenzhen Toukong Property Management Co., Ltd.
Huangcheng Real Estate	Shenzhen Huangcheng Real Estate Co., Ltd.
Dongguan Company	Dongguan ITC Changsheng Real Estate Development Co., Ltd.
Xuzhou Company	SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.
Yangzhou Company	SZPRD Yangzhou Real Estate Development Co., Ltd.
Taixinli	Shenzhen Taixinli Property Management Co., Ltd.
Rongyao Real Estate	Shenzhen Rongyao Real Estate Development Co., Ltd.
ITC Property Management	Shenzhen International Trade Center Property Management Co., Ltd.
Huangcheng Property Management	Shenzhen Huangcheng Property Management Co., Ltd.
Shandong Shengguomao Real Estate Management	Shandong Shengguomao Real Estate Management Co., Ltd.
Chongqing Shengguomao Real Estate Management	Chongqing Shengguomao Real Estate Management Co., Ltd.
Yangzhou Jingyue Property Development	Yangzhou Shouxihu Jingyue Property Development Co., Ltd.
Shenshan Guomao Property Development	Shenzhen Shenshan Special Cooperation Zone Guomao Property Development Co., Ltd.
Guomao Tongle Property Management	Shenzhen Guomao Tongle Property Management Co., Ltd.
Housing Assets Operation and Management Company	Shenzhen SZPRD Housing Assets Operation and Management Co., Ltd.
Guomao Catering	Shenzhen Guomao Catering Co., Ltd.
Jifa Warehousing	Shenzhen Real Estate Jifa Warehousing Co., Ltd.
Supervision Company	Shenzhen Property Engineering and Construction Supervision Co., Ltd.
Tian’an Company	Shenzhen Tian’an International Mansion Property Administration Co., Ltd.
Industrial park	A special park built by a government or an enterprise for the purpose of achieving industrial development, of which those built by an enterprise usually fall into the following categories: logistics parks, technology parks, cultural creation park, company headquarters and ecological agriculture parks

RMB, RMB'0,000, RMB'00,000,000	Expressed in the Chinese currency of Renminbi, expressed in tens of thousands of Renminbi, expressed in hundreds of millions of Renminbi
IFMA	International Facility Management Association
COVID-19	The novel coronavirus disease that started in 2019

## Part II Corporate Information and Key Financial Information

### I Corporate Information

Stock name	PRD, PRD-B	Stock code	000011, 200011
Changed stock name (if any)	N/A		
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	深圳市物业发展(集团)股份有限公司		
Abbr. (if any)	深物业集团		
Company name in English (if any)	ShenZhen Properties & Resources Development (Group) Ltd.		
Abbr. (if any)	SZPRD		
Legal representative	Liu Shengxiang		

### II Contact Information

	Board Secretary	Securities Representative
Name	Fan Weiping	Qian Zhong and Ding Minghua
Address	39/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China	39/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China
Tel.	0755-82211020	0755-82211020
Fax	0755-82210610 82212043	0755-82210610 82212043
Email address	000011touzizhe@szwuye.com.cn	000011touzizhe@szwuye.com.cn

### III Other Information

#### 1. Contact Information of the Company

Indicate by tick mark whether any change occurred to the registered address, office address and their zip codes, website address and email address of the Company in the Reporting Period.

Applicable  Not applicable

No change occurred to the said information in the Reporting Period, which can be found in the 2019 Annual Report.

## 2. Media for Information Disclosure and Place where this Report is Kept

Indicate by tick mark whether any change occurred to the information disclosure media and the place for keeping the Company's periodic reports in the Reporting Period.

Applicable  Not applicable

The newspapers designated by the Company for information disclosure, the website designated by the CSRC for disclosing the Company's periodic reports and the place for keeping such reports did not change in the Reporting Period. The said information can be found in the 2019 Annual Report.

## 3. Other Information

Indicate by tick mark whether any change occurred to other information in the Reporting Period.

Applicable  Not applicable

## IV Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes  No

Reason for retrospective restatement:

Business combination under common control

	H1 2020	H1 2019		Change (%)
		Before	Restated	Restated
Operating revenue (RMB)	1,421,077,767.83	755,390,079.96	1,065,480,882.30	33.37%
Net profit attributable to the listed company's shareholders (RMB)	211,967,734.76	103,749,398.16	155,922,425.40	35.94%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	210,621,623.38	103,686,185.29	103,686,185.29	103.13%
Net cash generated from/used in operating activities (RMB)	-1,623,182,138.90	-459,952,236.98	-396,688,011.70	309.18%
Basic earnings per share (RMB/share)	0.3557	0.1741	0.2616	35.97%
Diluted earnings per share (RMB/share)	0.3557	0.1741	0.2616	35.97%
Weighted average return on equity (%)	6.66%	3.09%	4.19%	2.47%
	30 June 2020	31 December 2019		Change (%)
		Before	Restated	Restated
Total assets (RMB)	10,948,847,072.58	10,772,491,740.53	10,772,491,740.53	1.64%

Equity attributable to the listed company's shareholders (RMB)	3,145,941,136.36	3,147,949,009.38	3,147,949,009.38	-0.06%
--	------------------	------------------	------------------	--------

## V Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

### 1. Net Profit and Equity Differences under CAS and IFRS

Applicable  Not applicable

No such differences for the Reporting Period.

### 2. Net Profit and Equity Differences under CAS and Foreign Accounting Standards

Applicable  Not applicable

No such differences for the Reporting Period.

## XI Exceptional Gains and Losses

Applicable  Not applicable

Unit: RMB

Item	H1 2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	1,901.04	Retirement and disposal of miscellaneous assets
Government grants through profit or loss (exclusive of government grants given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	3,647,311.17	Pandemic-related government grant
Non-operating income and expense other than the above	-1,905,036.49	
Less: Income tax effects	400,624.88	
Non-controlling interests effects (net of tax)	-2,560.54	
Total	1,346,111.38	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable  Not applicable

No such cases for the Reporting Period.



## Part III Business Summary

### I Principal Activity of the Company in the Reporting Period

Established in November 1982 during China's "Reform and Opening up" campaign, the Company was originally known as "Luohu Engineering and Construction Headquarters" and renamed "Shenzhen Municipal Property Development Corporation" in August 1985. The Company was determined as the second batch of pilot units for joint-stock reform of state-owned enterprises in 1988. Approved by the municipal government, the Company renamed to ShenZhen Properties & Resources Development (Group) Ltd. (SZPRD) in April 1990. The stock of the group company (stock name: PRD, PRD-B; stock code: 000011, 200011) was officially listed in Shenzhen Stock Exchange in March 1992. The Company is headquartered in the International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China.

At its inception, the Company contracted and built Shenzhen International Trade Centre Building as Party A, and created the world-famous "Shenzhen Speed" that "one floor was completed in three days". International Trade Centre Building ranked the first place in several places in China: It was the first super-high-rise building in China, which has occupied the position of "the tallest building in the country" for ten years; It was the first building project involving bidding in China. It is the landmark building in Luohu and even Shenzhen, a resounding historical and cultural symbol in Shenzhen and the "cultural card in Shenzhen". It was selected into the first batch of 45 historical buildings in Shenzhen and became "The Reflection of the Shenzhen Speed and the Symbol of the Reform and Opening-up" with a reputation for the whole country and even the world. The enterprise spirit of "going ahead and reforming" of Shenzhen Property Group has also become the spiritual totem of the numerous entrepreneurs in Shenzhen.

Since its establishment 38 years ago, the Company has developed into a large-scale comprehensive group company from a simple project company at that time by focusing on the traditional real estate business and implementing the pluralistic development strategy, taking Luohu as its base area and radiating all over the country. It has made substantial achievements in the model of transformation towards modern industry-city complexes. According to its strategic development planning, the Company will speed up the transformation and upgrading in the development of real estate, property management and house leasing in the future. With focus on the business segment that centers around city space development, property management service and industrial ecosystem operation, the Company will extend to the development of high-end value-added services, and strive to grow into a world-leading operator of intelligent technology park eco-systems.

The year 2020 marks the end of the "13<sup>th</sup> Five-Year" plan and is a key year for the Company to win critical battles in implementing its reforms on all fronts. Facing the abrupt COVID-19, the Company will continue to balance between the epidemic prevention and control and the resumption of work and production, promoting the high quality development of all businesses in a systematic way.

#### 1. City Space Development

Based on its present real estate development business, the Company will improve its existing portfolio and plan for new businesses. It will engage a number of subsidiaries in property development and urban renewals, including Shenzhen Huangcheng Real Estate Co., Ltd., Dongguan ITC Changsheng Real Estate Development Co., Ltd., SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd., SZPRD Yangzhou Real Estate Development Co., Ltd., Shenzhen Taixinli Property Management Co., Ltd., and Shenzhen Rongyao Real Estate Development Co., Ltd.. By doing this, the Company will promote the transformation and upgrading of its real estate business and make reasonable plans for the development of city space. First, it will steadily advance the existing project development inside and outside Shenzhen, accelerate the sales of projects in Xuzhou, Yangzhou and Dongguan, and speed up the recovery of investment. Second, it will grasp the mainstream trend of city renewals and upgrading in Shenzhen, dedicate to potential renovation works, partake in renovation projects in an organized and systematic manner, and activate the new growth driver from the renovation of properties in stock. Third, while ensuring the standardization of its business processes and the stable operations, the Company will actively invest in new land and build a root in Tier-1 and key cities of the Guangdong-Hong Kong-Macao Greater Bay

Area and the Pearl River Delta region through industrial development and urban renewals. It will gather advantaged forces and increase land reserve to address the shortage of land in expanding its business. On the basis of consolidating its real estate development, the Company will further focus on the development and construction of science parks in the future and strive towards a series of model innovative science park projects.

## **2. Property Management Service**

The Company uses Shenzhen International Trade Center Property Management, a wholly-owned subsidiary of the Company, as the core platform in the property management service segment. Over more than 30 years of development, Shenzhen ITC Property Management has developed into a domestic top branded property service provider of industrial parks. It has won the titles of “Top 100 National Property Management Enterprises” and “Excellent Enterprise of Property Management of Industrial Park In China” for several years successively, and has six subsidiaries, including Shenzhen Huangcheng Property Management Co., Ltd., Shandong ITC Property Management Co., Ltd., Chongqing ITC Property Management Co., Ltd., Yangzhou Jingyue Property Management Co., Ltd., and the joint ventures Shenshan Guomao Property Management and Tongle Property Management of Shenzhen ITC Property Management. It has built striking brand advantages and established property service projects all over the country, including Hulun Buir, Manzhouli, Baoding in Southwest China Market, Shandong, Shanghai, Zhejiang and Jiangsu in East China Market, Chongqing in Southwest China Market, Shenzhen and Dongguan in South China Market. The Company has provided service for the famous enterprise parks (Huawei, Alibaba, Jingdong, Hikvision) and a large batch of government property projects in Shandong and Chongqing. Since the successful acquisition of TK Property in 2019, the Company has witnessed substantial enhancement in its property management scale and comprehensive competitiveness. Currently the total property management area of the Company is more than 20 million square meters, including 8 million square meters of management area of high quality industrial parks. The Company has realized the national layout of high end industrial park operation management, having Baoding Shenzhen Industrial Park in the north, Hangzhou Alibaba in the east, Shenzhen Bay Industrial Park in the south, and Chongqing Jingdong Industrial Park in the west. The high end industrial operation and management scale of the Company will enter into the first echelon of its kind in China. On the basis of consolidating traditional property management, the Company will further accelerate the use of big data, Internet of Things, AI, and other new technologies, build smart operation service platforms, constantly promote platform upgrading and realize big profits.

## **3. Industrial Ecosystem Operation**

As an important part for building the Company into an operator of the whole ecological chain, house leasing was originally operated by the leasing center of the HQ, and now it is operated by the house leasing company independently, with the introduction of the self-owned brand of long-term leasing “Xi Apartments”. With the acquisition of TK Property, the Company now has an area of nearly 400,000 square meters available for leasing with a leasing rate of 95%, involving commercial properties, office buildings, factories and accommodation buildings. The Company is expediting the stock taking and assessment of its properties in stock and strengthening the management over them. In the future, it will gradually expand the scope of leasing and speed up the development of its market for long-term leasing of apartments. It will cultivate leasing brands, derive value-added services by centering around the leasing industry chain, build online and offline leasing ecosystems, and enhance its capacity for property leasing development. On this basis, the Company will fully wield its development advantages in its three essential businesses, namely, real estate development, property management and leasing, continue to optimize the space service and leasing ecosystems in its parks, and develop the system of its industrial ecosystem operation segment.

## **4. Other business**

The Company also provides catering service, warehousing service, supervision service, etc. The catering service is operated by Shenzhen Guomao Catering Co., Ltd, with the total operation area as 1,892 square meters. Guomao Catering Co., Ltd. was established in 1986, and the ITC Revolving Restaurant is the first air restaurant in China and was listed as “China’s highest revolving restaurant” by the State Council, is the only revolving restaurant specializing in Chinese foods and an important reception restaurants appointed by Shenzhen Municipal Government, and has received more than 600 domestic and overseas state heads, famous people and numerous domestic and overseas guests, with its reputation spreading all over the world. Talks given by President Deng

Xiaoping in ITC Revolving Restaurant during his inspection to the south in 1992 stirred up the second wave of China's opening up, and ITC Revolving Restaurant also becomes landmark scenic spot of Shenzhen with unique historical significance. Warehousing service is mainly operated by joint venture Jifa Warehousing Co., Ltd., with total warehouse area as 35,000 square meters. Subordinated supervision company of the Group, which was originally known as Shenzhen Property Engineering Management Department, has grade A supervision qualification of building works of MOHURD, and takes part in the construction and management work of Shenzhen World Trade Center Building. It is a witness of the whole process of "Shenzhen speed", and mainly serves for the development project of the Group.

## II Significant Changes in Major Assets

### 1. Significant Changes in Major Assets

Major assets	Main reason for significant changes
Equity assets	Up 0.35% from the beginning amount, primarily driven by return on investment in joint ventures recognized at the equity method
Fixed assets	Down 4.55% from the beginning amount, primarily driven by purchase of miscellaneous office facilities and depreciation
Intangible assets	Down 15.59% from the beginning amount, primarily driven by normal amortization
Construction in progress	N/A
Accounts receivable	Up 30.40% from the beginning amount, primarily driven by increase in property management fees and rents receivable
Other receivables	Down 12.83% from the beginning amount, primarily driven by the repayment of loan by Xinhai Holding
Other current assets	Down 61.18% from the beginning amount, primarily driven by decrease in the balance of prepaid VAT
Other non-current assets	Up 297.34% from the beginning amount, primarily driven by increase in prepayment for building long-lived assets

### 2. Major Assets Overseas

Applicable  Not applicable

## III Core Competitiveness Analysis

In recent years, while vigorously developing the traditional real estate business and deploying the core city cluster, the Company has gradually improved its pluralistic development strategy, and continuously enhanced its core competitiveness by means of effective strategic adjustment so as to accumulate strength for its future sustainable development. The Company's core competitiveness can be analyzed from the following aspects:

**The first is the enterprise spirit of "going ahead and reforming".** At the beginning of its establishment, The "Shenzhen Speed" that "one floor was completed in three days" reflected the good style of work of Shenzhen Property personnel, such as taking courage

to explore, and forged the enterprise spirit of "going ahead and reforming". In recent years, the Company has been planning for the future and carrying out transformation in a timely manner. Through bold reforms and proactive exploration in every business segments, the Company is forging ahead towards a "World-Leading Operator of Intelligent Technology Park Eco-Systems".

**The second is the constantly enriched, multi-channel resources.** As the main company and platform company of municipal state owned enterprise system of Shenzhen, SZPRD thoroughly utilizes listed company platform for capital operation, constantly enriches property resources under management, including land, housing property and high end scientific and technological park, and realizes endogenous and denotative growth. It actively introduces strategic investors and establishes strategic cooperation relationship with Infinova, Aramark and other companies, with its strategic resources obtaining and integration ability enhanced constantly. Meanwhile, relying on high quality service and good reputation over the more than three decades, it has accumulated a lot of stable customer resources, and expands project resources constantly, and the affiliated property management company won several bids of property management projects. Its property service format realizes diversification and professionalism.

**The third is a disciplined and stable management team that is more than ready to reform.** Guided by the philosophy of running by law, the Company constantly deepened system construction, improved its governance structure, consolidated enterprise operation foundation, and improved management level. The Company has a stable operation team, which persists in the corporate development strategy, continuously making the 13<sup>th</sup> Five-Year Strategic Plan and the 14<sup>th</sup> Five-Year Strategic Plan and pioneering with the strategic plans as the guideline and road map, thus ensuring the continuity of the Company's principal policy.

**The forth is strong and widely recognized brand value.** Over more than 30 years of development and accumulation, the Company is highly recognized in the market by virtue of its brand value of "SZPRD" and "ITC" brand value that carries the spirit of opening up. In July 2019, the Company won the honor of "Brand Value Enterprise of Shenzhen Real Estate Development Industry" and "30-Year Vice Present Unit Since Shenzhen's Establishment", as well as the honor of "Best 500 of China Real Estate Developers", "Guangdong Top 500 Enterprises", etc, with its social influence and brand reputation improved constantly.

## Part IV Operating Performance Discussion and Analysis

### I Overview

In the first half year of 2020, the epidemic caused by the novel coronavirus produced big impact on the country's overall economy and real estate market. As an effort to counter the impact, China substantially increased the effort in the counter-cyclical adjustment to its macro policy, leading to more flexible implementation of policies according to local conditions of different cities. During the Reporting Period, the overall development of the real estate industry in China took on the following characteristics:

In terms of policy, the industrial fund environment was quite relaxed in the context of "six stabilities and six guarantees". At the same time, greater efforts were made in driving new urbanization and promoting regional development strategies. Measures such as delegating the authority for land approval, improving the market-based allocation of factors of production, and accelerating the renovation of aged and dilapidated residences, were beneficial to the medium- and long-term development of the real estate industry.

In terms of real estate control, the central government persisted in the positioning of "Houses are for living in, not for speculating on", with continuously strict financial regulation over the real estate sector. Local governments in many places introduced real estate supporting policies from both supply and demand ends. They stuck to the bottom line of "housing purchase restriction and loan restriction", and promoted the stable operations of the real estate market by easing restrictions for household register policies, lowering the threshold for talent introduction, and increasing housing subsidies.

In terms of market volume and price, the real estate experienced from depression to continuous recovery. From the perspective of price, according to the data of China's real estate index system, the cumulative rise in the average price of newly built residences in 100 cities was the lowest for the same period in recent five years; the month-on-month rise had increased slightly since March; and the cumulative increase in the price for the first half year dropped by 0.18% to 1.27% compared to the same period of last year. In terms of transaction volume, the year-on-year drops in both new and secondhand houses reached the peak in recent years. Within a short period, the regular epidemic prevention and control and the economic development pressure will increase the instability of the real estate market.

In terms of transaction structure, affected by factors such as city fundamentals and the development stages of real estate market, the market differentiation trend was obvious in different cities, with some popular cities witnessing a strong momentum in the recovery of demands and faster release of improvement demands. As the epidemic impact weakens in the future, market transaction volume is expected to continuously recover, with great room for the release of improvement demands, and the proportion of mid- and high-end quality projects expected to rise.

In terms of land market, the market launch of land for houses increased by a small margin in the first half year, with a slight fall in transactions. The central bank continued to maintain reasonably sufficient liquidity through positive monetary measures, including cutting the reserve requirement ratio and interest rates. Some enterprises are facing less pressure for funds. The land market is expected to develop towards rationality, but remain popular in some favored cities.

#### (I) Characteristics of the Company's Main Business Operations

**First, the Company's city space development stood out from other segments and sustained the challenges of the epidemic.** In the first half year, the Company achieved operating revenue of RMB859 million from its real estate business, accounting for 60.43% of the total revenue, representing a growth rate of as much as 82.71% year-on-year; and the gross profit margin reached 82.55%, representing a growth of 12.58% year-on-year. During the Reporting Period, the revenue from real estate mainly comprised RMB807 million from SZPRD-Golden Collar's Resort, RMB18 million from SZPRD-Banshan Yujing, and RMB17 million from SZPRD-Songhu Langyuan, with SZPRD-Golden Collar's Resort contributing the majority of the substantial growth in revenue and gross profit. In addition, Fuchang Phase II, Yupinluanshan Garden and Fuyuan Industrial Park were advanced orderly; Shenzhen Rongyao Real Estate Development Co., Ltd., SZPRD Yangzhou Real Estate Development Co., Ltd. and SZPRD Xuzhou Dapeng

Real Estate Development Co., Ltd. maintained normal operations under the impact of COVID-19, and will drive the progress of all projects in the second half year.

**Second, the Company's property management saw growth in stability with continued faster market expansion.** In the first half year, under the impact of COVID-19, some subsidiaries experienced low collection rates of property management fees but higher costs in the epidemic prevention and control. In light of the situation, the Company proactively took countermeasures by taking the initiative to communicate with customers and steadily promoting the normal operations of projects under management. During the Reporting Period, the Company achieved operating revenue of RMB491 million from its property management business, accounting for 34.52% of the total revenue and remaining the second biggest source of operating revenue; and the gross profit margin was 14.73%, representing a slight increase year-on-year. The Company climbed to the 27<sup>th</sup> place in the ranking among China's top 100 property services for comprehensive competency, with continuously rising brand values and expanded market influence. In the second half year, the Company will proactively drive the market development of its property management business, improve service quality, enhance customer loyalty, and achieve the growth of projects in stock and the advancement of new projects.

**Third, the Company's industrial ecosystem operations and other segments were advanced orderly, with achievements made from the strategy of diversified operations.** Housing Assets Operation and Management Company grasped the development opportunity brought by the transformation and upgrading for the post-pandemic era, fully implemented the rental exemption policy, and took effective measures to maintain quality customers. Steady progress was made as scheduled in a number of projects, including the Six-Storey Building at Yingchun Road in Luohu, Food Court in the International Trade Center, and Fumin Complex. Supervision Company performed supervision over a group of key projects, including refined decorations of SZPRD-Golden Collar's Resort, and decoration works of Fuchang Phase II, Xuzhou Phase II and International Trade Building, continued to step up efforts in expansion, and acquired external projects through multiple channels. Guomao Catering was in business suspension due to decoration works. While cooperating with the restaurants in the decoration and renovation works, Guomao Catering carried out market survey, developed new dishes, and improved the standard management mechanism for catering services. It increased efforts in the publicity before opening to enhance the brand visibility and professional service quality, demonstrating the new vitality, new start point and new height of Shenzhen International Trade Revolving Restaurant as a "time-honored" catering brand.

## (II) Progress of Major Projects under Construction

The Company is subject to the Guideline No. 3 of the Shenzhen Stock Exchange on Information Disclosure by Industry—for Listed Companies Engaging in Real Estate.

### 1. New additions to the land bank

There were no new additions to the Company's land bank during the Reporting Period.

### 2. Cumulative land bank

Name of project/area	Site area (0,000 m <sup>2</sup> )	Floor area (0,000 m <sup>2</sup> )	Floor area available for development (0,000 m <sup>2</sup> )
Guanlan Bangling project	6.83	61.33	61.33
Yupinluanshan Garden project	2.19	7.89	7.89
Baolu project	3.24	8.16	8.16
Land in Danshui, Huiyang District, Huizhou City	1.77	6.20	6.20
Land in Hongqi Town, Haikou City	15.8	-	-
Total	29.83	83.58	83.58

Note: The floor areas of the Yupinluanshan Garden project, the Baolu project and the land in Danshui, Huiyang District, Huizhou City are floor areas with plot ratio.

## 3. Development status of major projects

City/region	Name of project	Location	Usage	The Company's interest	Time for commencement of construction	% developed	% that has completed construction	Site area (m <sup>2</sup> )	Planned floor area with plot ratio (m <sup>2</sup> )	Floor area that completed construction in the Current Period (m <sup>2</sup> )	Cumulative floor area that has completed construction (m <sup>2</sup> )	Estimated total investment (RMB'0,000)	Cumulative investment (RMB'0,000)
Shenzhen	Golden Collar's Resort apartments	Futian District	Residential	100%	March 2014	100%	100%	12,598	133,800	182,585	182,585	138,311	94,995
Shenzhen	Fuhui Huayuan	Futian District	Affordable housing	100%	December 2018	Under construction	Pile foundation completed	4,274	32,050	0	0	90,439	58,377
Xuzhou City	Banshan Yujing (Phase II)	Tongshan District	Residential	100%	March 2019	Under construction	Interior and exterior decoration ongoing, scaffolds of certain building removed	31,537	22,605	0	0	23,581	12,738

## 4. Sales status of major projects

City/region	Name of project	Location	Usage	The Company's interest	Floor area with plot ratio (m <sup>2</sup> )	Floor area available for sale (m <sup>2</sup> )	Cumulative pre-sold/sold floor area (m <sup>2</sup> )	Floor area pre-sold/sold in the Current Period	Pre-sale/sales revenue generated in the Current Period	Cumulative settled floor area (m <sup>2</sup> )	Floor area settled in the Current Period (m <sup>2</sup> )	Pre-sale/sales revenue settled in the Current Period
-------------	-----------------	----------	-------	------------------------	--	---	---	--	--	---	--	--

								(m <sup>2</sup> )	(RMB'0,000)			(RMB'0,000)
Shenzhen	Golden Collar's Resort apartments	Futian District	Residential, studio apartments and commercial	100%	133,800.6	125,234.63	40,345.32	5,502.54	29,941	39,842.12	12,739.99	80,667.69
Yangzhou City	Hupan Yujing	80 Hangou Road, Yangzhou City	Multi-story, Phase I	100%	36,141.28	48,870.98	41,817.57	338.9	131.6	41,609.81	338.63	345.43
Yangzhou City	Hupan Yujing	80 Hangou Road, Yangzhou City	Multi-story, Phase II	100%	56,935.75	73,121.96	66,307.52	101.69	40.98	63,775.58	655.59	535.22
Xuzhou City	Banshan Yujing (Phase I)	6 Huashan Road, Tongshan District, Xuzhou City, Jiangsu Province	Villa	100%	53,921.82	87,447.35	85,652.81	0	0	85,652.81	2,331.54	1,802.17
Xuzhou City	Banshan Yujing (Phase II)	6 Huashan Road, Tongshan District, Xuzhou City, Jiangsu Province	Low-density residential units	100%	22,604.96	21,720.72	20,769	9,041	11,035.89	0	0	0

#### 5. Rental status of major projects

Name of project	Location	Usage	The Company's working interest	Rentable area (m <sup>2</sup> )	Cumulative rented area (m <sup>2</sup> )	Average occupancy rate



Xi Apartments (Longyuan)	Shenzhen	Apartments for long-term rental	100.00%	3967	3967	100.00%
Xi Apartments (Longhua)	Shenzhen	Apartments for long-term rental	100.00%	1609	1609	100.00%
Xi Apartments (Xinhu)	Shenzhen	Apartments for long-term rental	100.00%	1600	1600	100.00%
Food Court in the International Trade Center	Shenzhen	Commercial	100.00%	4080	3250	80.00%
Tower A of Wenjindu Port Building	Shenzhen	Office building	75.00%	5884	5703	97.00%
Haiwai Lianyi Building	Shenzhen	Commercial units and offices	75.00%	9788	9788	100.00%
Anhua Building	Shenzhen	Offices	75.00%	1414	757	54.00%
Training Building/Dormitory	Shenzhen	Residential units/offices/commercial units	75.00%	2796	2796	100.00%
Pengfu Building	Shenzhen	Offices	75.00%	6494	6494	100.00%
Jinfu Building	Shenzhen	Commercial	75.00%	1702	1702	100.00%
Jinfu Building	Shenzhen	Commercial	100.00%	568	568	100.00%
Fuxing Garden	Shenzhen	Residential/commercial	75.00%	5877	5877	100.00%
Fuxing Garden	Shenzhen	Commercial	100.00%	1417	1417	100.00%
Plant area in Tangxia Town, Dongguan City	Dongguan City	Plant	75.00%	22034	22034	100.00%
Pacific Business Building	Shenzhen	Commercial units/offices	75.00%	3199	3029	95.00%
Pacific Business Building	Shenzhen	Commercial units/offices	15.00%	14889	14714	99.00%
Kangti Building	Shenzhen	Commercial units/offices	75.00%	2096	2096	100.00%
Kangti Building	Shenzhen	Commercial units/offices	15.00%	1147	1147	100.00%
Lyuhua Building	Shenzhen	Commercial and residential	75.00%	6960	6484	93.00%
Shops on the ground floor of	Shenzhen	Shops	75.00%	1000	1000	100.00%

Tower 48 in Lianhua North Village						
Haonianhua Building	Shenzhen	Apartments and commercial units	100.00%	1803	1758	98.00%
Haonianhua Building	Shenzhen	Apartments and commercial units	75.00%	2329	2233	96.00%
Hostel 2 at Yuxin School	Shenzhen	Hostel	75.00%	3000	3000	100.00%
Kaifeng Garden in Shangmeilin	Shenzhen	Residential	100.00%	1307	1277	98.00%
West Tower of Baihuo Square	Shenzhen	Commercial units/offices	100.00%	13632	13632	100.00%
Nanzheng Building	Shenzhen	Offices	100.00%	8810	6590	75.00%
Building 409 in Sangda Industrial Zone	Shenzhen	Plant	100.00%	3309	3309	100.00%
Mianshui Studio Apartments	Shenzhen	Apartments	100.00%	3440	3440	100.00%
Xiangfu Building	Shenzhen	Commercial units	100.00%	3109	3109	100.00%
Fuyuan Industrial Zone	Shenzhen	Plant	75.00%	59596	58887	99.00%
Tonglu Industrial Zone	Shenzhen	Plant	100.00%	76886	73221	95.00%
Gonglu Building	Shenzhen	Commercial/offices	75.00%	317	317	100.00%
Gonglu Building	Shenzhen	Offices	100.00%	89	89	100.00%
Jiangling Industrial Zone	Shenzhen	Plant	75.00%	10397	10397	100.00%
District 21	Shenzhen	Commercial/offices	75.00%	9514	9514	100.00%
Baoli Estate	Shenzhen	Residential	75.00%	9020	9020	100.00%
Songgang Plant	Shenzhen	Plant	75.00%	5700	5700	100.00%
Bulong Plant	Shenzhen	Plant	75.00%	7471	7471	100.00%
Huanggang Road Building	Shenzhen	Offices	75.00%	4600	4600	100.00%
Yuetong Complex	Shenzhen	Offices	75.00%	3044	3044	100.00%

**6. Primary land development**

Applicable  Not applicable

**7. Financing channels**

Unit: RMB'0,000

Financing channel	Ending balance of financings	Financing cost range/average financing cost	Maturity structure			
			Within 1 year	1-2 years	2-3 years	Over 3 years
Bank loans	436,490.00	4%-6%	78,000.00	6,180.00	6,180.00	346,130.00
Total	436,490.00		78,000.00	6,180.00	6,180.00	346,130.00

**8. Development Strategy and the Business Plan for the Coming Year**

First, the Company will promote the construction of key projects, focus on project implementation, continue to strengthen management and control over the projects' general goals, goals for different stages, schedules and investment plans. It will focus on driving the progress of Block C of SZPRD-Golden Collar's Resort, Guanlan Bangling, Fuchang Phase II, Xuzhou Phase II and Yupinluanshan. Second, the Company will make full effort to collect payment from sales, speed up recovery of investment, duly adjust its marketing strategy based on the market situation, and grasp opportunities and timings through flexible use of multiple marketing approaches and channels. Third, the Company will fully activate and exert the efficiency of assets operation, activate assets in stock and improve both quality and efficiency while exercising routine leasing management. Fourth, the Company will speed up the expansion of its property management segment, expand the brand influence, and persist in the double drive forces of acquisition and self-expansion to rapidly achieve the expansion of property management across the country. It will complete the standardization of products and services in the segment of project management to form advantages in system, brand and standard.

**9. Provision of guarantees for homebuyers on bank mortgages**

Applicable  Not applicable

As a usual practice for real estate developers, the Company has been providing guarantees and security deposits for its homebuyers on their bank mortgages. As at 30 June 2020, security deposits for such outstanding guarantees amounted to RMB1,120,910.60, which will be returned upon the expiry of the guarantees, i.e. when the relevant homebuyers paid off their bank mortgages.

As a usual practice for real estate developers, the Company and its subsidiaries has been providing guarantees for its homebuyers on their bank mortgages, and the homebuyers use their purchased homes as collateral. As at 30 June 2020, the outstanding guarantee amount was RMB291,699,484.08 in total. On the ground that there have been no default by the homebuyers so far and that the market prices of the relevant properties are currently higher than the trading prices, the Company believes the risk associated with such guarantees is low.

**10. Joint investments by directors, supervisors and senior management and the listed company (applicable for such investments where the directors, supervisors and senior management are the investment entities)**

Applicable  Not applicable

Name of project	Type of investment entity	Amount of investment (RMB'0,000)	% of investment amount	As % of the peak of the project funds	Cumulative income	Disinvestment	Compatibility of actual investment amount and distributed income
-----------------	---------------------------	----------------------------------	------------------------	---------------------------------------	-------------------	---------------	--

Urban Renewal of Bangling Section at Guanlan Street	Mandatory investment entities (including directors and senior management)	2,647.00	66.18%	N/A	0	None	N/A
	Voluntary investment entities	1,353.00	33.82%	N/A	0	None	N/A

Note: Since this is an ongoing project, the peak of the project funds, cumulative income and disinvestment are unknown. For details, please refer to the relevant announcements disclosed by the Company on [www.cninfo.com.cn](http://www.cninfo.com.cn) dated 9 November 2019.

## II Core Business Analysis

See “I Overview” above.

Year-on-year changes in key financial data:

Unit: RMB

	H1 2020	H1 2019	Change (%)	Main reason for change
Operating revenue	1,421,077,767.83	1,065,480,882.30	33.37%	Increase in revenue carryforwards in the property development business in the current period
Cost of sales	611,694,943.80	599,675,528.78	2.00%	
Selling expense	11,544,060.19	18,292,724.72	-36.89%	Decrease in sales agent commissions in the current period
Administrative expense	88,433,004.35	83,229,296.11	6.25%	
Finance costs	53,446,318.38	44,907,070.93	19.02%	Increase in interest expenses in the current period
Income tax expense	89,394,015.71	69,721,304.50	28.22%	Increase in pre-tax profits in the current period
R&D investments	0.00	0.00	0.00%	
Net cash generated from/used in operating activities	-1,623,182,138.90	-396,688,011.70	309.18%	Increase in taxes and levies paid in the current period
Net cash generated from/used in investing activities	-482,080,259.37	-12,317,146.50	3,813.90%	Payment made in the current period of the remaining amount for the acquisition of equity interests in TK Property
Net cash generated from/used in financing activities	1,874,915,831.86	-422,514,720.04	-543.75%	New bank loan in the current period
Net increase in cash and cash equivalents	-229,275,462.50	-831,305,621.99	-72.42%	New bank loan in the current period was higher than net cash used in operating and investing activities

Material changes to the profit structure or sources of the Company in the Reporting Period:

Applicable  Not applicable

No such changes in the Reporting Period.

Breakdown of operating revenue:

Unit: RMB

	H1 2020		H1 2019		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	1,421,077,767.83	100%	1,065,480,882.30	100%	33.37%
By operating division					
Property development	858,698,806.07	60.43%	469,981,348.49	44.11%	82.71%
Property rental	71,395,976.18	5.02%	102,141,182.76	9.59%	-30.10%
Property management	490,591,863.98	34.52%	481,058,893.51	45.15%	1.98%
Catering service	0.00	0.00%	11,743,534.28	1.10%	-100.00%
Other	391,121.60	0.03%	555,923.26	0.05%	-29.64%
By product category					
Property development	858,698,806.07	60.43%	469,981,348.49	44.11%	82.71%
Property rental	71,395,976.18	5.02%	102,141,182.76	9.59%	-30.10%
Property management	490,591,863.98	34.52%	481,058,893.51	45.15%	1.98%
Catering service	0.00	0.00%	11,743,534.28	1.10%	-100.00%
Other	391,121.60	0.03%	555,923.26	0.05%	-29.64%
By operating segment					
Shenzhen	1,210,034,426.64	85.15%	750,327,291.64	70.42%	61.27%
Dongguan	20,718,497.45	1.46%	79,698,451.54	7.48%	-74.00%
Other	190,324,843.74	13.39%	235,455,139.12	22.10%	-19.17%

Operating Division, Product Category or Operating Segment Contributing over 10% of Operating Revenue or Operating Profit

√ Applicable □ Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Property	858,698,806.07	149,832,210.40	82.55%	82.71%	6.16%	12.58%

development						
Property management	490,591,863.98	418,332,897.35	14.73%	1.98%	1.47%	0.43%
By product category						
Property development	858,698,806.07	149,832,210.40	82.55%	82.71%	6.16%	12.58%
Property management	490,591,863.98	418,332,897.35	14.73%	1.98%	1.47%	0.43%
By operating segment						
Shenzhen	1,210,034,426.64	420,258,676.95	65.27%	61.27%	18.81%	12.41%

Core business data of the prior year restated according to the changed statistical caliber for the Reporting Period:

Applicable  Not applicable

Any over 30% YoY movements in the data above and why:

Applicable  Not applicable

Revenue from the property development business in the current period mainly comprised RMB807 million from the Golden Collar's Resort project, RMB18 million from the Banshan Yujing project and RMB17 million from the Songhu Langyuan project, while that in the same period of last year mainly comprised RMB312 million from the Qianhai Gangwan project, RMB77 million from the Songhu Langyuan project and RMB55 million from the Hupan Yujing project. The year-on-year movement was primarily attributable to the considerable increase in revenue and gross profit of the Golden Collar's Resort project in the current period.

### III Analysis of Non-Core Businesses

Applicable  Not applicable

Unit: RMB

	Amount	As % of total profit	Source/Reason	Exceptional or recurrent
Return on investment	157,061.79	0.06%	Return on investment in joint ventures	Recurrent
Gain/loss on changes in fair value	0.00	0.00%		
Asset impairments	1,832.91	0.00%	Reversal of inventory valuation allowances	Exceptional
Non-operating income	4,244,175.90	1.59%	Pandemic-related government grant	Exceptional
Non-operating expense	2,399,487.70	0.90%	Donation of RMB2 million for Hubei Province	Exceptional
Credit impairments	1,115,927.46	0.42%	Reversal of allowance for doubtful account	Exceptional

## IV Analysis of Assets and Liabilities

### 1. Significant Changes in Asset Composition

Unit: RMB

	30 June 2020		30 June 2019		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	3,078,941,673.62	28.12%	3,297,890,935.91	30.61%	-2.49%	Large-amount payments for taxes and levies and the acquisition of equity investments, as well as new bank loan, in the current period
Accounts receivable	282,865,426.42	2.58%	216,923,663.25	2.01%	0.57%	Increase in property management fees and rents receivable
Inventories	5,369,131,564.81	49.04%	4,913,510,876.66	45.61%	3.43%	Increase in expenditure on projects under construction
Investment property	488,451,134.18	4.46%	503,323,428.61	4.67%	-0.21%	
Long-term equity investments	45,233,184.51	0.41%	45,076,122.72	0.42%	-0.01%	
Fixed assets	89,296,825.77	0.82%	93,557,782.83	0.87%	-0.05%	
Construction in progress		0.00%	0.00	0.00%	0.00%	
Short-term borrowings		0.00%	0.00	0.00%	0.00%	
Long-term borrowings	3,615,800,000.00	33.02%	2,193,833,000.00	20.37%	12.65%	New bank loan
Other receivables	800,159,718.50	7.31%	917,981,165.74	8.52%	-1.21%	Receipt of loan repayment by Xinhai Holding
Deferred income tax assets	666,441,069.33	6.09%	658,153,122.73	6.11%	-0.02%	
Other non-current assets	18,722,496.18	0.17%	42,500,585.94	0.39%	-0.22%	
Accounts payable	536,237,338.50	4.90%	577,689,139.10	5.36%	-0.46%	
Contract liabilities	480,801,605.00	4.39%	694,213,671.69	6.44%	-2.05%	Decrease in the balance of advances from commercial housing buyers in the current period
Other non-current	111,632,315.06	1.02%	108,164,737.46	1.00%	0.02%	

liabilities						
-------------	--	--	--	--	--	--

## 2. Assets and Liabilities at Fair Value

Applicable  Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
4. Investments in other equity instruments	1,580,475.86		-445,672.73					1,134,803.13
Subtotal of financial assets	1,580,475.86		-445,672.73					1,134,803.13
Total of the above	1,580,475.86		-445,672.73					1,134,803.13
Financial liabilities	0.00							0.00

Contents of other changes:

Significant changes to the measurement attributes of the major assets in the Reporting Period:

Yes  No

## 3. Restricted Asset Rights as at the Period-End

① Of the ending monetary assets with restricted use rights, there were a frozen amount of RMB11,018.00 of subsidiary Shenzhen Huazhengpeng Property Management Development Co., Ltd. and a frozen amount of RMB7,063,237.32 of subsidiary Shenzhen Taixinli Property Management Co., Ltd. Information about the related lawsuits can be found in Note XI, (II), 1.

② Of the ending monetary assets with restricted use rights, there was a deposit of RMB49,020.00 paid by subsidiary Shenzhen Shenlv Park Technology Industrial Co.,Ltd. for the Performance Bond No. 20190531SLYL entered into with Shenzhen Administrative Office of Greening on 31 May 2019.

③ Of the ending monetary assets with restricted use rights, there were security deposits in the total amount of RMB1,120,910.60 paid by the Company for its guarantees for its commercial housing buyers on their mortgage loans, which is a usual practice for a real estate developer. For further information, see Note XI, (II), 2.

④ Of the ending monetary assets with restricted use rights, there was interest of RMB14,627,716.73 accrued at the end of the Reporting Period on undue term deposits.



## V Investments Made

### 1. Total Investment Amount

Applicable  Not applicable

### 2. Major Equity Investments Made in the Reporting Period

Applicable  Not applicable

### 3. Major Non-Equity Investments Ongoing in the Reporting Period

Applicable  Not applicable

### 4. Financial Assets at Fair Value

Applicable  Not applicable

Unit: RMB

Type of assets	Initial investment cost	Gain/loss on fair value changes in the Reporting Period	Accumulated fair value changes recorded in equity	Purchased in the Reporting Period	Sold in the Reporting Period	Accumulated return on investment	Ending amount	Funding source
Stock	3,565,856.06	0.00	-2,506,414.40	0.00	0.00	0.00	1,134,803.13	Obtained in Gintian's debt restructuring
Total	3,565,856.06	0.00	-2,506,414.40	0.00	0.00	0.00	1,134,803.13	--

## 5. Financial Investments

### (1) Securities Investments

Applicable  Not applicable

Variety of security	Code of security	Name of security	Initial investment cost	Accounting measurement method	Beginning carrying value	Gain/Loss on fair value changes in Reporting Period	Accumulated fair value changes charged to equity	Purchased in Reporting Period	Sold in Reporting Period	Gain/losses in Reporting Period	Ending carrying value	Accounting title	Source of investment funds
Domestic/Foreign	400016, 420016	Gintian A,	3,565,856.06	Fair value	1,580,475.86	0.00	-455,146.16	0.00	0.00	9,473.43	1,134,803.13	Investments in	Obtained in

n stock		Gintian B		method								other equity instrum ents	Gintian' s debt restructu ring
Total			3,565,8 56.06	--	1,580,4 75.86	0.00	-455,14 6.16	0.00	0.00	9,473.4 3	1,134,8 03.13	--	--
Disclosure date of announcement on Board's consent for securities investment													
Disclosure date of announcement on shareholders' meeting's consent for securities investment (if any)													

## (2) Investments in Derivative Financial Instruments

Applicable  Not applicable

No such cases in the Reporting Period.

## VI Sale of Major Assets and Equity Interests

### 1. Sale of Major Assets

Applicable  Not applicable

No such cases in the Reporting Period.

### 2. Sale of Major Equity Interests

Applicable  Not applicable

## VII Principal Subsidiaries and Joint Stock Companies

Applicable  Not applicable

Principal subsidiaries and joint stock companies with an over 10% effect on the Company's net profit

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen	Subsidiar	Developm	30,000,000	3,489,486,931.64	979,519,880.90	815,784,404.85	294,541,333.06	218,896,993.87

Huangche ng Real Estate Co., Ltd.	y	ent and sales of real estate						
Shenzhen Toukong Property Managem ent Co., Ltd.	Subsidiar y	Property managem ent and house lease	30,000,000	1,167,762,461.26	352,671,180.92	284,897,369.58	39,466,267.84	33,515,150.56
Shenzhen Rongyao Real Estate Develop ment Co., Ltd.	Subsidiar y	Developm ent and sales of real estate	10,000,000	4,478,344,494.68	338,607,271.31	0.00	-143,680,957.17	-107,760,717.87

Subsidiaries obtained or disposed in the Reporting Period

Applicable  Not applicable

## VIII Structured Bodies Controlled by the Company

Applicable  Not applicable

For details, see IX 1. Equity interests in subsidiaries in Part XI Financial Report herein.

## IX Operating Performance Forecast for January-September 2020

Warning of a forecast negative net profit for the January-September period of the current year or a considerable YoY change therein, as well as the reasons:

Applicable  Not applicable

## X Risks Facing the Company and Countermeasures

### 1. Market-related Risks

Affected by COVID-19 in the first half year of 2020, China experienced a drop in the growth of its economic development with a decline in consumption demands. The Company faced both opportunities and challenges in its operations. Oriented by policies such as “six stabilities and six guarantees”, housing purchase restriction and loan restriction, and the consistent “Houses are for living in, not for speculating on”, the real estate market witnessed a downturn in demand, and the central government continued to exert strict financial regulation over the market. Affected by the pandemic, there was a drop in the visits for the Company’s projects available for sale in the first half year; some projects in progress were behind the schedule; the collection rate of property management fees was low; pressure was seen from the downward trend of major revenue, including sales and rentals. The market environment was very complicated.

Against the severe situation, the Company has made great effort to probe deeply into various opportunities and challenges posed by

the macro-economic trend and policies, positively realize a strategic breakthrough and further define the development vision of “China’s First Smart Technology Park Ecological Chain Operator Topping the World” in order to follow the significant trend of the real estate market evolving from the age of increment to the age of stock and firmly hang on to the core link of stock assets value management and industrial ecological operation service. In addition, while strengthening the traditional mainstream business, the Company will also expand its property business and accelerate the layout of house renting business as well as implement diversified development strategy so as to gain various opportunities for its future sustainable development.

## **2. Land Reserve Risk**

As a matter of fact, the Company still lacks enough land reserves and development power at later stages. In recent years, the supply of residential land on Shenzhen Market has continuously declined. As the price of each single plot increases year after year, various large-scale real estate enterprises have enlarged their market shares and accelerated their M&A pace. While the real estate industry is centralizing, the degree of centralization of the land reserve scale has also been enhanced. As the external environment and the industry’s trend become much more complicated and severe, the increment market scale will further shrink and the market competition will become increasingly fierce.

Facing the challenges brought by the fined regulatory policies, industrial competition of a greater intensity, and insufficient resources of itself, the Company will continue to deepen its internal reforms, beef up market operations, tap on effective business develop models and internal management measures, and expand external cooperation in diverse forms. It will closely follow city renewal policies and urban development planning, seize the opportunity of more land supply brought by Shenzhen eight real estate market regulation measures, and obtain more land through a combination of land purchase policies, including the traditional mode of land listing and auction, collaboration, acquisition and strategies.

## **3. Financing Risk**

While the financial regulation policy remained stable in the first half year of 2020, it is not likely to get tighter or considerably more relaxed in future. But due to the disturbance to macro economy caused by COVID-19, businesses will continue to face a tough financing environment. Currently, various means of financing have been under strict supervision, including the bank loan, trust, bond and private equity etc. Various real estate financing policies are still stringent. In the process of actively increasing land reserves and accelerating the business development, the Company needs to invest a large amount of funds for land acquisition and project development. In addition to its own funds, the Company’s project development funds need to be externally financed through bank loans and issuing securities. If the country’s macroeconomic situation, credit policy and capital market undergo ultra-expected major changes or adjustments, it may lead to restrictions on the Company’s financing or the Company’s financing costs, which will adversely affect the Company’s production and operation.

Currently, the Company has steady financial situation, sufficient cash flow and good credit condition, and will further strictly control financial risks, actively explore various financing channels so as to raise funds for project development in the future.

## Part V Significant Events

### I Annual and Extraordinary General Meeting Convened during the Reporting Period

#### 1. General Meetings Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
The 1 <sup>st</sup> Extraordinary General Meeting of 2020	Extraordinary general meeting	63.90%	15 January 2020	16 January 2020	Notice about Convening the 1 <sup>st</sup> Extraordinary General Meeting of 2020 (No. 2019-55) disclosed on www.cninfo.com.cn
The 2019 Annual General Meeting	Annual General Meeting	63.90%	28 April 2020	29 April 2020	Notice about Convening the 2019 Annual General Meeting (No. 2020-17) disclosed on www.cninfo.com.cn

#### 2. Extraordinary General Meetings Convened at the Request of Preference Shareholders with Resumed Voting Rights

Applicable  Not applicable

### II Interim Dividend Plan

Applicable  Not applicable

The Company has no interim dividend plan, either in the form of cash or stock.

### III Commitments of the Company's De Facto Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and Other Entities Fulfilled in the Reporting Period or Ongoing at the Period-End

Applicable  Not applicable

No such cases in the Reporting Period.

#### IV Engagement and Disengagement of Independent Auditor

Are the interim financial statements audited?

Yes  No

This Interim Report is unaudited.

#### V Explanations Given by the Board of Directors and the Supervisory Committee Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Reporting Period

Applicable  Not applicable

#### VI Explanations Given by the Board of Directors Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of Last Year

Applicable  Not applicable

#### VII Insolvency and Reorganization

Applicable  Not applicable

No such cases in the Reporting Period.

#### VIII Legal Matters

Significant lawsuits and arbitrations:

Applicable  Not applicable

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
Litigation matters in disputes over environmental pollution liability of Fuchang Building II	815.4	None	See Part XI Financial Report-XIV-2	See Part XI Financial Report-XIV-2	See Part XI Financial Report-XIV-2		

Other legal matters:

Applicable  Not applicable

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
Summary of other contract disputes	840.62	Yes	See Part XI Financial	See Part XI Financial	See Part XI Financial		

			Report-XIV -2	Report-XIV-2	Report-XIV-2		
--	--	--	------------------	--------------	--------------	--	--

## IX Doubts from Media

Applicable  Not applicable

The Company had no issues about which media generally raised doubts in the Reporting Period.

## X Punishments and Rectifications

Applicable  Not applicable

No such cases in the Reporting Period.

## XI Credit Quality of the Company as well as its Controlling Shareholder and De Facto Controller

Applicable  Not applicable

## XII Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees

Applicable  Not applicable

No such cases in the Reporting Period.

## XIII Major Related-Party Transactions

### 1. Continuing Related-Party Transactions

Applicable  Not applicable

Related party	Relationship with the Company	Type of transaction	Specific transaction	Pricing principle	Transaction price	Total value (RMB'0,000)	As % of total value of all same-type transactions	Approved transaction line (RMB'0,000)	Over the approved line or not	Method of settlement	Obtainable market price for same-type transactions	Disclosure date	Index to disclosed information
Shenzhen Bay Technology Development	Wholly-owned subsidiary of the Company as the	Related-party transactions governing sales	Property management services	Market principle	Agreement price	1,895.81	3.86%	4,908	N/A	Cash	1,895.81	18 March 2020	Announcement on Estimated Contin





Shenzhen Shentou Real Estate Development Co.,Ltd.	Wholly-owned subsidiary of the Company as the parent	Lease	Office	Market principle	Agreement price	19.03	0.01%	38	N/A	Cash	19.03		
Shenzhen Shentou Real Estate Development Co.,Ltd.	Wholly-owned subsidiary of the Company as the parent	Investment property	Entrusted management services of houses	Market principle	Agreement price	1,956.64	27.40%	6,080	N/A	Cash	1956.64		
Total				--	--	7,355.65	--	11,168	--	--	--	--	--
Large-amount sales return in detail				N/A									
Give the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period (if any)				The total actual amount of continuing related-party transactions of the Company for H1 2020 does not exceed the estimated total amount.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				N/A									

## 2. Related-Party Transactions Regarding Purchase or Disposal of Assets or Equity Investments

Applicable  Not applicable

No such cases in the Reporting Period.

## 3. Related-Party Transactions Regarding Joint Investments in Third Parties

Applicable  Not applicable

No such cases in the Reporting Period.

## 4. Credits and Liabilities with Related Parties

Applicable  Not applicable

Indicate by tick mark whether there were any credits and liabilities with related parties for non-operating purposes.

√ Yes □ No

## Receivable from related parties

Related party	Relationship with the Company	Reason	Capital occupation for non-operating purposes (yes/no)	Beginning balance (RMB'0,000)	Amount newly added in current period (RMB'0,000)	Amount received in current period (RMB'0,000)	Interest rate	Current interest (RMB'0,000)	Ending balance (RMB'0,000)
Shenzhen Xinhai Holdings Co., Ltd.	The parent company of the subsidiary Rongyao Real Estate's minority shareholder Xinhai Rongyao	Business circulating funds before acquisition	No	55,150		15,000			40,150
Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.	Minority shareholder of the subsidiary Rongyao Real Estate	Business circulating funds before acquisition	No	33,047.29					33,047.29
Influence on the Company's results and financial condition	operating and financial	All were within the risks control of the Company and not influenced the operating results and the financial conditions.							

## Liabilities payable to related parties

Related party	Relation with the Company	Formation reason	Beginning balance (RMB'0,000)	Amount newly added in current period (RMB'0,000)	Amount returned in current period (RMB'0,000)	Interest rate	Current interest (RMB'0,000)	Ending balance (RMB'0,000)
Shenzhen Jifa Warehouse Co., Ltd.	Joint venture	Intercourse funds	3,579.67					3,579.67
Shenzhen Tian'an International Building Property Management	Joint venture	Intercourse funds	521.43					521.43

Co., Ltd.								
Influence on the Company's operating results and financial condition	All were within the risks control of the Company and not influenced the operating results and the financial conditions.							

## 5. Other Major Related-Party Transactions

Applicable  Not applicable

No such cases in the Reporting Period.

## XIV Occupation of the Company's Capital by the Controlling Shareholder or any of Its Related Parties for Non-Operating Purposes

Applicable  Not applicable

No such cases in the Reporting Period.

## XV Major Contracts and Execution thereof

### 1. Entrustment, Contracting and Leases

#### (1) Entrustment

Applicable  Not applicable

1) The Company signed the *Agreement for Engagement in Assisted Management* with its controlling shareholder Shenzhen Investment Holdings Co., Ltd. (SIHC) on 1 March 2020. According to the Agreement, the Company was appointed to exercise assisted management over China Shenzhen Foreign Trade (Group) Co., Ltd., a wholly-owned subsidiary of SIHC. The assisted management period would be six months, from 1 March 2020, the signature and effective date of the Agreement, till 31 August 2020. SIHC would pay a fee of RMB 2 million to the Company. For the specific content, please refer to the Company's *Voluntary Information Disclosure Announcement on the Agreement for Engagement in Assisted Management Signed with the Controlling Shareholder*, No. 2020-5, disclosed on <http://www.cninfo.com.cn> on 3 March 2020.

2) On 6 November 2019, Shenzhen Investment Holdings signed *Equity Transfer Contract of TK Property* with our party, our party plans to purchase 100% equity of TK Property held by Shenzhen Investment Holding. Regarding to historical problems left in part land and properties of TK Property and the complexity for handling, Shenzhen Investment Holdings and TK Property signed *Entrusted Operation and Management Agreement of Stripped Land and Assets of TK Property* with TK Property, Shenzhen Investment Holdings, TK Property and our party all confirmed that it is the consensus of three parties to "entrust land and properties which is stripped to Shenzhen Investment Holdings in land and property disposal solution of TK Property to TK Property for operation and management again before ownership confirmation and being transferred to SZPRD according to price evaluation agreement. Refer to Reference No.: 2019-33 announcement-*Announcement on Purchasing 100% Equity and Related Transactions of TK Property* disclosed by cninfo on 21 September 2019 for details.

Projects whose profits and losses for the Company reached more than 10% of the total profits during the Reporting Period:

Applicable  Not applicable

No such cases in the Reporting Period.

**(2) Contracting**

Applicable  Not applicable

**(3) Leases**

Applicable  Not applicable

**2. Major guarantees**

Applicable  Not applicable

**(1) Guarantees**

Unit: RMB'0,000

Guarantees provided by the Company as the parent and its subsidiaries for external parties (exclusive of those for subsidiaries)								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
Guarantees provided by the Company for its subsidiaries								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
Shenzhen Rongyao Real Estate Development Co., Ltd.	18 October 2019	500,000	27 November 2019	299,990	Joint-liability	27 November 2019 to 20 November 2024	No	Yes
Shenzhen Huangcheng Real Estate Co., Ltd.	29 March 2018	75,000	20 July 2018	74,900	General guaranty	20 July 2018 to 20 June 2021	No	Yes
Total approved line for such guarantees in the Reporting Period (B1)				0	Total actual amount of such guarantees in the Reporting Period (B2)		155,600	
Total approved line for such guarantees at the end of the Reporting Period (B3)				575,000	Total actual balance of such guarantees at the end of the Reporting Period (B4)		374,890	

Guarantees provided between subsidiaries								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
Total guarantee amount (total of the three kinds of guarantees above)								
Total guarantee line approved in the Reporting Period (A1+B1+C1)				Total actual guarantee amount in the Reporting Period (A2+B2+C2)		155,600		
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)		575,000		Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)		374,890		
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets				119.17%				
Of which:								
Balance of guarantees provided for shareholders, actual controller and their related parties (D)				0				
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)				374,890				
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)				213,325				
Total of the three amounts above (D+E+F)				374,890				

Compound guarantees:

## (2) Irregularities in Provision of Guarantees

Applicable  Not applicable

No such cases in the Reporting Period.

## 3. Cash Entrusted for Wealth Management

Applicable  Not applicable

No such cases in the Reporting Period.

## 4. Other Significant Contracts

Applicable  Not applicable

No such cases in the Reporting Period.

## **XVI Corporate Social Responsibility (CSR)**

### **1. Major Environmental Issues**

Indicate by tick mark whether the Company or any of its subsidiaries is a heavily polluting business identified by the environmental protection authorities of China

No

The Company was not the heavily polluting business identified by the environmental protection authorities of China.

### **2. Measures Taken for Targeted Poverty Alleviation**

The Company did not take any targeted measures to help people lift themselves out of poverty during the Reporting Period, also no subsequent plans.

## **XVII Other Significant Events**

Applicable  Not applicable

## **XVIII Significant Events of Subsidiaries**

Applicable  Not applicable

## Part VI Share Changes and Shareholder Information

### I Share Changes

#### 1. Share Changes

Unit: share

	Before		Increase/decrease in the Reporting Period (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
I. Restricted shares	1,931,280	0.33%	0	0	0	-32,974	-32,974	1,898,306	0.32%
1. Shares held by State	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned legal person	0	0.00%	0	0	0	3,326	3,326	3,326	0.00%
3. Shares held by other domestic investors	1,931,280	0.33%	0	0	0	-36,300	-36,300	1,894,980	0.32%
Among which: Shares held by domestic legal person	1,894,980	0.32%	0	0	0	0	0	1,894,980	0.32%
Shares held by domestic natural person	36,300	0.01%	0	0	0	-36,300	-36,300	0	0.00%
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Among which: Shares held by foreign legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign natural person	0	0.00%	0	0	0	0	0	0	0.00%
II. Unrestricted shares	594,047,812	99.67%	0	0	0	32,974	32,974	594,080,786	99.68%
1. RMB common shares	526,442,569	88.33%	0	0	0	32,974	32,974	526,475,543	88.34%
2. Domestically listed foreign shares	67,605,243	11.34%	0	0	0	0	0	67,605,243	11.34%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%

4. Others	0	0.00%	0	0	0	0	0	0.00%
III. Total shares	595,979,092	100.00%	0	0	0	0	595,979,092	100.00%

Reasons for share changes:

Applicable  Not applicable

On 16 January 2020, the shareholder with restricted public shares of the Company Han Yihua repaid the advanced shares for share reform of 3,326 to the Company's controlling shareholder Shenzhen Investment Holdings and transferred the share ownership to the latter. On 30 April 2020, all 32,974 restricted shares held by Han Yihua were desterilized and officially circulated in the market.

Approval of share changes:

Applicable  Not applicable

Above-mentioned desterilization of non-tradable shares has been approved by Shenzhen Stock Exchange and completed the change registration in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

Transfer of share ownership:

Applicable  Not applicable

The transfer of share ownership for repayment of above-mentioned advanced shares for share reform has been completed on 16 January 2020.

Progress on any share repurchases:

Applicable  Not applicable

Progress on reducing the repurchased shares by means of centralized bidding:

Applicable  Not applicable

Effects of share changes on the basic and diluted earnings per share, equity per share attributable to the Company's ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively:

Applicable  Not applicable

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

Applicable  Not applicable

## 2. Changes in Restricted Shares

Applicable  Not applicable

Unit: share

Name of shareholders	Number of restricted shares at the period-begin	Number of released restricted shares	Number of increased restricted shares	Number of restricted shares at the period-end	Reason for restriction	Date of restriction release
Han Yihua	36,300	32,974	0	0	Share reform commitments	30 April 2020
Shenzhen Investment Holdings Co., Ltd.	0	0	3,326	3,326	repayment of advanced shares for share reform	



Total	36,300	32,974	3,326	3,326	--	--
-------	--------	--------	-------	-------	----	----

## II Issuance and Listing of Securities

Applicable  Not applicable

## III Shareholders and Their Holdings as at the Period-End

Unit: share

Total number of ordinary shareholders at the period-end	42,099		Total number of preference shareholders with resumed voting rights at the period-end (if any) (see note 8)	0				
5% or greater ordinary shareholders or the top 10 ordinary shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Increase/decrease during the Reporting Period	Number of restricted shares held	Number of non-restricted shares held	Pledged or frozen shares	
							Status	Number
Shenzhen Investment Holdings Corporation	State-owned legal person	57.96%	345,412,223	-34,966,674	3,326	345,408,897		
China Orient Asset Management Co., Ltd.	State-owned legal person	5.87%	34,970,000	34,970,000	0	34,970,000		
ICBC- Fullgoal Growth Selected Open-End Dynamic Asset Allocation Mixed Type Securities Fund with A Fixed Period of 3 Years	Other	0.62%	3,682,638	3,682,638	0	3,682,638		
ICBC-Hua An Mid-cap and Small-cap Growth Mixed	Other	0.41%	2,458,951	2,458,951	0	2,458,951		

Type Securities Investment Fund								
Duan Shaoteng	Domestic natural person	0.30%	1,777,555	709,855	0	1,777,555		
Shenzhen Duty-Free Commodity Enterprises Co., Ltd.	Domestic non-state-owned legal person	0.29%	1,730,300	0	1,730,300	0		
Industrial Bank Co., Ltd.- ICBC Credit Suisse Financial Real Estate Industry Mixed Type Securities Investment Fund	Other	0.24%	1,439,900	1,439,900	0	1,439,900		
Yang Yaochu	Domestic natural person	0.24%	1,425,020	0	0	1,425,020		
National Social Security Fund 504 Portfolio	Other	0.22%	1,308,200	1,308,200	0	1,308,200		
Mai Furong	Domestic natural person	0.20%	1,221,500	40,000	0	1,221,500		
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any) (see note 3)	N/A							
Related or acting-in-concert parties among the shareholders above	The largest shareholder Shenzhen Investment Holding Corporation is the actual controlling shareholder of the Company. And the Company does not know whether there are related parties or acting-in-concert parties among the other 9 shareholders.							
Top 10 unrestricted shareholders								
Name of shareholder	Unrestricted shares held at the period-end	Shares by type						
		Type	Shares					
Shenzhen Investment Holdings Corporation	345,408,897	RMB common share	345,408,897					
China Orient Asset Management Co., Ltd.	34,970,000	RMB common share	34,970,000					

ICBC- Fullgoal Growth Selected Open-End Dynamic Asset Allocation Mixed Type Securities Fund with A Fixed Period of 3 Years	3,682,638	RMB common share	3,682,638
ICBC-Hua An Mid-cap and Small-cap Growth Mixed Type Securities Investment Fund	2,458,951	RMB common share	2,458,951
Duan Shaoteng	1,777,555	RMB common share	1,777,555
Industrial Bank Co., Ltd.- ICBC Credit Suisse Financial Real Estate Industry Mixed Type Securities Investment Fund	1,439,900	RMB common share	1,439,900
Yang Yaochu	1,425,020	Domestically listed foreign share	1,425,020
National Social Security Fund 504 Portfolio	1,308,200	RMB common share	1,308,200
Mai Furong	1,221,500	Domestically listed foreign share	1,221,500
ICBC-BOC Income Mixed Type Securities Investment Fund	1,199,894	RMB common share	1,199,894
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	The largest shareholder Shenzhen Investment Holding Corporation is the actual controlling shareholder of the Company. And the Company does not know whether there are related parties or acting-in-concert parties among the other 9 shareholders.		
Top 10 ordinary shareholders involved in securities margin trading (if any) (see note 4)	N/A		

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes  No

No such cases in the Reporting Period.

#### IV Change of the Controlling Shareholder or the De Facto Controller

Change of the controlling shareholder in the Reporting Period

Applicable  Not applicable

Change of the de facto controller in the Reporting Period

Applicable  Not applicable

## Part VII Preference Shares

Applicable  Not applicable

No preference shares in the Reporting Period.

## Part VIII Convertible Corporate Bonds

Applicable  Not applicable

No convertible corporate bonds in the Reporting Period.

## Part IX Directors, Supervisors, Senior Management and Staff

### I Change in Shareholdings of Directors, Supervisors and Senior Management

Applicable  Not applicable

There were no changes in shareholdings of directors, supervisors, and senior management in the Reporting Period. For details, see Annual Report of 2019.

### II Changes in Directors, Supervisors and Senior Management

Applicable  Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Zhang Shilei	Director	Leaving	6 April 2020	Leaving for job turnover
Xie Chang	Director	Elected	28 April 2020	Nominated and elected by the Board

## **Part X Corporate Bonds**

Are there any corporate bonds publicly offered and listed on the stock exchange, which were undue before the approval date of this Report or were due but could not be redeemed in full?

No



## Part XI Financial Statements

### I. Auditor's Report

Whether the interim report has been audited?

Yes  No

The interim report of the Company has not been audited.

### II Financial Statements

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

#### 1. Consolidated Balance Sheet

Prepared by Shenzhen Properties & Resources Development (Group) Ltd.

30 June 2020

Unit: RMB

Item	30 June 2020	31 December 2019
Current assets:		
Monetary assets	3,078,941,673.62	3,297,890,935.91
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	282,865,426.42	216,923,663.25
Accounts receivable financing		
Prepayments	84,983,434.54	69,546,774.17
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	800,159,718.50	917,981,165.74
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		

Inventories	5,369,131,564.81	4,913,510,876.66
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	16,500,466.62	42,500,585.94
Total current assets	9,632,582,284.51	9,458,354,001.67
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	45,233,184.51	45,076,122.72
Investments in other equity instruments	1,134,803.13	1,580,475.86
Other non-current financial assets		
Investment property	488,451,134.18	503,323,428.61
Fixed assets	89,296,825.77	93,557,782.83
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	591,207.45	700,369.66
Development costs		
Goodwill		
Long-term prepaid expense	6,394,067.52	7,034,472.79
Deferred income tax assets	666,441,069.33	658,153,122.73
Other non-current assets	18,722,496.18	4,711,963.66
Total non-current assets	1,316,264,788.07	1,314,137,738.86
Total assets	10,948,847,072.58	10,772,491,740.53
Current liabilities:		
Short-term borrowings		
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		

Derivative financial liabilities		
Notes payable		
Accounts payable	536,237,338.50	577,689,139.10
Advances from customers	32,536,548.73	728,186,032.63
Contract liabilities	480,801,605.00	
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	116,373,374.33	143,493,868.80
Taxes payable	1,245,432,747.80	2,598,283,291.68
Other payables	820,188,462.69	1,149,104,928.85
Including: Interest payable		
Dividends payable	12,202,676.04	12,202,676.04
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	755,325,505.51	3,921,032.24
Other current liabilities		
Total current liabilities	3,986,895,582.56	5,200,678,293.30
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	3,615,800,000.00	2,193,833,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions	2,903,327.87	2,903,327.87

Deferred income	316,883.94	341,259.63
Deferred income tax liabilities	3,821.08	3,821.08
Other non-current liabilities	111,632,315.06	108,164,737.46
Total non-current liabilities	3,730,656,347.95	2,305,246,146.04
Total liabilities	7,717,551,930.51	7,505,924,439.34
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	80,488,045.38	80,488,045.38
Less: Treasury stock		
Other comprehensive income	-2,121,506.10	-2,698,371.44
Specific reserve		
Surplus reserves	17,060,448.05	17,060,448.05
General reserve		
Retained earnings	2,454,535,057.03	2,457,119,795.39
Total equity attributable to owners of the Company as the parent	3,145,941,136.36	3,147,949,009.38
Non-controlling interests	85,354,005.71	118,618,291.81
Total owners' equity	3,231,295,142.07	3,266,567,301.19
Total liabilities and owners' equity	10,948,847,072.58	10,772,491,740.53

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

## 2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 June 2020	31 December 2019
Current assets:		
Monetary assets	2,154,367,596.65	2,455,001,204.14
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		

Accounts receivable	6,816,835.17	755,932.14
Accounts receivable financing		
Prepayments	496,729.09	496,729.09
Other receivables	307,850,283.10	501,082,153.81
Including: Interest receivable		
Dividends receivable		
Inventories	629,116,380.81	624,499,208.02
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	623,156.37	1,113,935.28
Total current assets	3,099,270,981.19	3,582,949,162.48
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	1,070,699,064.90	1,070,542,003.11
Investments in other equity instruments	1,365,303.13	1,810,975.86
Other non-current financial assets		
Investment property	302,442,174.75	312,638,785.76
Fixed assets	24,078,822.67	26,337,488.29
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development costs		
Goodwill		
Long-term prepaid expense	518,928.15	605,416.29
Deferred income tax assets	255,701,915.93	343,958,821.07
Other non-current assets	1,128,851,036.88	1,613,657,031.92
Total non-current assets	2,783,657,246.41	3,369,550,522.30
Total assets	5,882,928,227.60	6,952,499,684.78

Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	39,479,676.40	64,503,938.37
Advances from customers		320,469.53
Contract liabilities		
Employee benefits payable	34,698,693.85	36,735,205.68
Taxes payable	5,564,387.78	1,322,751,671.37
Other payables	2,995,125,768.00	3,146,684,268.89
Including: Interest payable		
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	698,988.89	
Other current liabilities		
Total current liabilities	3,075,567,514.92	4,570,995,553.84
Non-current liabilities:		
Long-term borrowings	616,000,000.00	
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities	40,000,000.00	40,000,000.00
Total non-current liabilities	656,000,000.00	40,000,000.00
Total liabilities	3,731,567,514.92	4,610,995,553.84
Owners' equity:		

Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	53,876,380.11	53,876,380.11
Less: Treasury stock		
Other comprehensive income	-2,506,414.40	-2,051,268.24
Specific reserve		
Surplus reserves	16,403,637.61	16,403,637.61
Retained earnings	1,487,608,017.36	1,677,296,289.46
Total owners' equity	2,151,360,712.68	2,341,504,130.94
Total liabilities and owners' equity	5,882,928,227.60	6,952,499,684.78

### 3. Consolidated Income Statement

Unit: RMB

Item	H1 2020	H1 2019
1. Revenue	1,421,077,767.83	1,065,480,882.30
Including: Operating revenue	1,421,077,767.83	1,065,480,882.30
Interest income		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	1,159,861,807.33	871,169,645.40
Including: Cost of sales	611,694,943.80	599,675,528.78
Interest expense		
Handling charge and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	394,743,480.61	125,065,024.86

Selling expense	11,544,060.19	18,292,724.72
Administrative expense	88,433,004.35	83,229,296.11
R&D expense		
Finance costs	53,446,318.38	44,907,070.93
Including: Interest expense	84,859,496.80	73,970,116.57
Interest income	-31,227,361.24	-31,182,804.42
Add: Other income	2,921,993.51	371,820.52
Return on investment (“-” for loss)	157,061.79	780,826.57
Including: Share of profit or loss of joint ventures and associates	157,061.79	780,826.57
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		
Credit impairment loss (“-” for loss)	1,115,927.46	-3,911,410.39
Asset impairment loss (“-” for loss)	1,832.91	1,333,825.60
Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	265,412,776.17	192,886,299.20
Add: Non-operating income	4,244,175.90	6,875,418.46
Less: Non-operating expense	2,399,487.70	1,813,599.30
4. Profit before tax (“-” for loss)	267,257,464.37	197,948,118.36
Less: Income tax expense	89,394,015.71	69,721,304.50
5. Net profit (“-” for net loss)	177,863,448.66	128,226,813.86
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	177,863,448.66	128,226,813.86
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to	211,967,734.76	155,922,425.40



owners of the Company as the parent		
5.2.1 Net profit attributable to non-controlling interests	-34,104,286.10	-27,695,611.54
6. Other comprehensive income, net of tax	576,865.34	202,824.25
Attributable to owners of the Company as the parent	576,865.34	202,824.25
6.1 Items that will not be reclassified to profit or loss	-455,146.16	
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments	-455,146.16	
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	1,032,011.50	202,824.25
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for investments in other debt obligations		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	1,032,011.50	202,824.25
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	178,440,314.00	128,429,638.11

Attributable to owners of the Company as the parent	212,544,600.10	156,125,249.65
Attributable to non-controlling interests	-34,104,286.10	-27,695,611.54
8. Earnings per share		
8.1 Basic earnings per share	0.3557	0.2616
8.2 Diluted earnings per share	0.3557	0.2616

Where business combinations under common control occurred in the Current Period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB52,922,401.49.

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

#### 4. Income Statement of the Company as the Parent

Unit: RMB

Item	H1 2020	H1 2019
1. Operating revenue	25,828,330.02	341,910,051.35
Less: Cost of sales	15,835,977.53	64,705,194.33
Taxes and surcharges	6,073,285.87	106,581,164.55
Selling expense	596,897.00	6,932,430.59
Administrative expense	31,193,084.64	26,365,324.28
R&D expense		
Finance costs	-27,995,222.26	-20,211,072.23
Including: Interest expense	3,075,551.11	
Interest income	-29,309,100.65	-20,445,143.13
Add: Other income		
Return on investment (“-” for loss)	62,573,990.52	16,880,145.24
Including: Share of profit or loss of joint ventures and associates	157,061.79	780,826.57
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		

Credit impairment loss (“-” for loss)	86,608.96	475,313.54
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	62,784,906.72	174,892,468.61
Add: Non-operating income	536,196.80	320,000.00
Less: Non-operating expense	2,138,000.00	1,102,131.09
3. Profit before tax (“-” for loss)	61,183,103.52	174,110,337.52
Less: Income tax expense	36,318,902.50	41,331,071.98
4. Net profit (“-” for net loss)	24,864,201.02	132,779,265.54
4.1 Net profit from continuing operations (“-” for net loss)	24,864,201.02	132,779,265.54
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	-455,146.16	
5.1 Items that will not be reclassified to profit or loss	-455,146.16	
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments	-455,146.16	
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		

5.2.4 Credit impairment allowance for investments in other debt obligations		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	24,409,054.86	132,779,265.54
7. Earnings per share		
7.1 Basic earnings per share	0.0417	0.2228
7.2 Diluted earnings per share	0.0417	0.2228

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2020	H1 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,233,830,460.59	1,882,218,982.52
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	11,517,514.19	

Cash generated from other operating activities	333,720,016.38	115,887,594.42
Subtotal of cash generated from operating activities	1,579,067,991.16	1,998,106,576.94
Payments for commodities and services	879,596,446.23	1,570,821,818.52
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	330,739,905.05	310,010,627.06
Taxes paid	1,900,688,223.09	469,271,389.64
Cash used in other operating activities	91,225,555.69	44,690,753.42
Subtotal of cash used in operating activities	3,202,250,130.06	2,394,794,588.64
Net cash generated from/used in operating activities	-1,623,182,138.90	-396,688,011.70
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment		
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	4,408.08	5,655.00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	4,408.08	5,655.00
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	16,277,097.63	10,767,529.25
Payments for investments		

Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units	465,807,569.82	1,555,272.25
Cash used in other investing activities		
Subtotal of cash used in investing activities	482,084,667.45	12,322,801.50
Net cash generated from/used in investing activities	-482,080,259.37	-12,317,146.50
<b>3. Cash flows from financing activities:</b>		
Capital contributions received	840,000.00	1,750,000.00
Including: Capital contributions by non-controlling interests to subsidiaries	840,000.00	1,750,000.00
Borrowings raised	2,172,000,000.00	
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	2,172,840,000.00	1,750,000.00
Repayment of borrowings	1,033,000.00	
Interest and dividends paid	296,891,168.14	424,264,720.04
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	297,924,168.14	424,264,720.04
Net cash generated from/used in financing activities	1,874,915,831.86	-422,514,720.04
4. Effect of foreign exchange rates changes on cash and cash equivalents	1,071,103.91	214,256.25
5. Net increase in cash and cash equivalents	-229,275,462.50	-831,305,621.99
Add: Cash and cash equivalents, beginning of the period	3,285,345,233.47	3,881,027,257.89
6. Cash and cash equivalents, end of the period	3,056,069,770.97	3,049,721,635.90

## 6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	H1 2020	H1 2019
------	---------	---------

1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	16,901,714.03	293,652,100.60
Tax rebates		
Cash generated from other operating activities	1,354,954,984.16	1,298,822,878.54
Subtotal of cash generated from operating activities	1,371,856,698.19	1,592,474,979.14
Payments for commodities and services	34,769,898.91	567,588,715.82
Cash paid to and for employees	22,444,977.67	24,332,201.12
Taxes paid	1,278,080,688.35	326,980,098.56
Cash used in other operating activities	831,802,326.79	379,603,435.53
Subtotal of cash used in operating activities	2,167,097,891.72	1,298,504,451.03
Net cash generated from/used in operating activities	-795,241,193.53	293,970,528.11
2. Cash flows from investing activities:		
Proceeds from disinvestment	565,000,000.00	
Return on investment		14,575,000.01
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	3,955.86	690.00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	565,003,955.86	14,575,690.01
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	14,226,899.52	8,631,309.56
Payments for investments		850,000,000.00
Net payments for the acquisition of subsidiaries and other business units	465,807,569.82	1,600,000.00
Cash used in other investing activities		
Subtotal of cash used in investing activities	480,034,469.34	860,231,309.56
Net cash generated from/used in	84,969,486.52	-845,655,619.55

investing activities		
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	616,000,000.00	
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	616,000,000.00	
Repayment of borrowings		
Interest and dividends paid	216,929,035.34	178,793,727.60
Cash used in other financing activities		
Subtotal of cash used in financing activities	216,929,035.34	178,793,727.60
Net cash generated from/used in financing activities	399,070,964.66	-178,793,727.60
4. Effect of foreign exchange rates changes on cash and cash equivalents	4,949.10	2,634.28
5. Net increase in cash and cash equivalents	-311,195,793.25	-730,476,184.76
Add: Cash and cash equivalents, beginning of the period	2,450,935,673.17	2,520,788,994.16
6. Cash and cash equivalents, end of the period	2,139,739,879.92	1,790,312,809.40

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

H1 2020

Unit: RMB

Item	H1 2020													Non-controlling interests	Total owners' equity
	Equity attributable to owners of the Company as the parent											Subtotal			
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings		Other		
	Preferred shares	Perpetual bonds	Other												
1. Balance as at the end of the prior year	595,979,092.00				80,488,045.38		-2,698,371.44		17,060,448.05		2,457,119.79	5.39	3,147,949.00	118,618.29	3,266,567.30
Add:															



Adjustment for change in accounting policy														
Adjustment for correction of previous error														
Adjustment for business combination under common control														
Other adjustments														
2. Balance as at the beginning of the year	595,979,092.00			80,488,045.38		-2,698,371.44		17,060,448.05		2,457,119,795.39		3,147,949,009.38	118,618,291.81	3,266,567,301.19
3. Increase/decrease in the period (“-” for decrease)						576,865.34				-2,584,738.36		-2,007,873.02	-33,264,286.10	-35,272,159.12
3.1 Total comprehensive income						576,865.34				211,967,734.76		212,544,600.10	-34,104,286.10	178,440,314.00
3.2 Capital increased and reduced by owners													840,000.00	840,000.00
3.2.1 Ordinary shares increased by owners													840,000.00	840,000.00
3.2.2 Capital increased by holders of other equity instruments														
3.2.3 Share-based payments included in owners' equity														

3.2.4 Other														
3.3 Profit distribution										-214,552,473.12				
3.3.1 Appropriation to surplus reserves														
3.3.2 Appropriation to general reserve														
3.3.3 Appropriation to owners (or shareholders)										-214,552,473.12				
3.3.4 Other														
3.4 Transfers within owners' equity														
3.4.1 Increase in capital (or share capital) from capital reserves														
3.4.2 Increase in capital (or share capital) from surplus reserves														
3.4.3 Loss offset by surplus reserves														
3.4.4 Changes in defined benefit schemes transferred to retained earnings														
3.4.5 Other comprehensive income														



Other adjustments															
2. Balance as at the beginning of the year	595,979,092.00			483,347,184.25		-1,786,181.69		299,569,569.96		2,495,296,440.15		3,872,406,104.67	9,111,409.91	3,881,517,514.58	
3. Increase/decrease in the period (“-” for decrease)				-129,620,559.03		202,824.25				-226,886,860.17		-356,304,594.95	156,953,974.84	-199,350,620.11	
3.1 Total comprehensive income						202,824.25				155,922,425.40		156,125,249.65	-27,695,611.54	128,429,638.11	
3.2 Capital increased and reduced by owners				-129,620,559.03						-204,015,557.97		-333,636,117.00	184,649,586.38	-148,986,530.62	
3.2.1 Ordinary shares increased by owners															
3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners’ equity															
3.2.4 Other				-129,620,559.03						-204,015,557.97		-333,636,117.00	184,649,586.38	-148,986,530.62	
3.3 Profit distribution										-178,793,727.60		-178,793,727.60		-178,793,727.60	
3.3.1 Appropriation to surplus reserves															
3.3.2 Appropriation															



3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Other															
4. Balance as at the end of the period	595,979,092.00				353,726,625.22		-1,583,357.44		299,569,569.96		2,268,409,579.98		3,516,101,509.72	166,065,384.75	3,682,166,894.47

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

H1 2020

Unit: RMB

Item	H1 2020											Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	
		Preferr ed shares	Perpet ual bonds	Other								
1. Balance as at the end of the prior year	595,979,092.00				53,876,380.11		-2,051,268.24		16,403,637.61	1,677,296,289.46		2,341,504,130.94
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments												
2. Balance as at the beginning of the year	595,979,092.00				53,876,380.11		-2,051,268.24		16,403,637.61	1,677,296,289.46		2,341,504,130.94
3. Increase/decrease in the period ("-" for decrease)							-455,146.16			-189,688,272.10		-190,143,418.26
3.1 Total comprehensive income							-455,146.16			24,864,201.02		24,409,054.86

3.2 Capital increased and reduced by owners											
3.2.1 Ordinary shares increased by owners											
3.2.2 Capital increased by holders of other equity instruments											
3.2.3 Share-based payments included in owners' equity											
3.2.4 Other											
3.3 Profit distribution									-214,552,473.12		-214,552,473.12
3.3.1 Appropriation to surplus reserves											
3.3.2 Appropriation to owners (or shareholders)									-214,552,473.12		-214,552,473.12
3.3.3 Other											
3.4 Transfers within owners' equity											
3.4.1 Increase in capital (or share capital) from capital reserves											
3.4.2 Increase in capital (or share capital) from surplus reserves											

3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the period	595,979,092.00				53,876,380.11		-2,506,414.40		16,403,637.61	1,487,608,017.36		2,151,360,712.68

H1 2019

Unit: RMB

Item	H1 2019											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the prior year	595,979,092.00				92,326,467.62				298,912,759.52	2,080,513,737.62		3,067,732,056.76
Add: Adjustment for change in accounting policy												



Adjustment for correction of previous error												
Other adjustments												
2. Balance as at the beginning of the year	595,979,092.00			92,326,467.62				298,912,759.52	2,080,513,737.62			3,067,732,056.76
3. Increase/decrease in the period (“-” for decrease)									-46,014,462.06			-46,014,462.06
3.1 Total comprehensive income									132,779,265.54			132,779,265.54
3.2 Capital increased and reduced by owners												
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners’ equity												
3.2.4 Other												
3.3 Profit distribution									-178,793,727.60			-178,793,727.60
3.3.1 Appropriation to surplus reserves												
3.3.2									-178,793,727.60			-178,793,727.60

Appropriation to owners (or shareholders)										727.60		7.60
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at	595,97				92,326,				298,912	2,034,499		3,021,717,5

the end of the period	9,092.00				467.62				,759.52	,275.56		94.70
-----------------------	----------	--	--	--	--------	--	--	--	---------	---------	--	-------

### III Company Profile

Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as “the Company” or “Company”) was incorporated based on the reconstruction of Shenzhen Properties & Resources Development Co., Ltd. after obtaining approval of ZFBF [1991] No. 831 from People’s Government of Shenzhen Municipality. It was registered with Shenzhen Industrial and Commercial Administration Bureau on 17 January 1983 with Shenzhen as its headquarters. Now the Company holds the business license for legal person with the registration number/unified social credit code of 91440300192174135N. The registered capital was RMB595,979,092 with the total shares of 595,979,092 (RMB1 face value per share), among which, restricted public shares: 1,931,280 A shares and 0 B shares; unrestricted public shares: 526,442,569 A shares and 67,605,243 B shares. The stock of the Company has been listed on the Shenzhen Stock Exchange on 30 March 1992.

The Company is in the real estate sector. Its main business includes development of real estate and sale of commercial housing, construction and management of buildings, house rent, supervision of construction, domestic trading and materials supply and marketing (excluding exclusive dealing and monopoly sold products and commodities under special control to purchase). Main products or services rendered mainly include the development and sales of commercial residential housing; property management; buildings and the building devices maintenance, garden afforestation and cleaning service; property leasing; supervise and management of the engineering; retails of the Chinese food, Western-style food and wines, and etc.

The financial statements were approved and authorized for issue by the 17<sup>th</sup> Meeting of the 9<sup>th</sup> Board of Directors of the Company on 19 August 2020.

There were 43 subsidiaries including Shenzhen Huangcheng Real Estate Co., Ltd., Dongguan Guomao Changsheng Real Estate Development Co., Ltd., Shenzhen International Trade Center Property Management Co., Ltd. included in the consolidation financial statements in this report. Please refer to the Note VIII and Note IX of the financial statements for details.

### IV. Basis for the Preparation of Financial Statements

#### 1. Preparation Basis

The financial statement of the Company was prepared on the base of the assumption of continuation.

#### 2. Continuation

There was no such case where the sustainable operation ability within 12 months since the end of the Reporting Period was highly doubted.

### V. Important Accounting Policies and Estimations

Indication of specific accounting policies and estimations:

#### 1. Statement for Complying with the Accounting Standard for Business Enterprise

The financial statement prepared by the Company complies with the requirements of the latest accounting standards for business enterprises as well as the application guidelines, interpretations and other relevant regulations (hereinafter referred to as the “accounting standards for business enterprises”) issued by the Ministry of Finance. It reflects the Company’s financial conditions,

operating results, cash flow and other related information in a truthful and complete manner.

In addition, in the preparation of the financial report, reference was made to the presentation and disclosure requirements of the *Rule for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports* (2014 Revision) and the *Notice on Related Matters of the Implementation of New Accounting Standards for Business Enterprises by Listed Companies* (KJBH [2018] No. 453).

## **2. Fiscal Period**

The fiscal year of the Company is a solar calendar year, which is from 1 January to 31 December.

## **3. Operating Cycle**

Except for the real estate industry, other businesses run by the Company have relatively short operating cycles according to the classification standard of 12-month's liquidity of assets and liabilities. The operating cycle of the real estate industry shall be generally more than 12 months from real estate development to cash the sales. The specific cycle shall be determined by the development project and classified by the assets and liabilities liquidity.

## **4. Standard Currency of Accounts**

The Company adopts Renminbi as a standard currency of accounts.

## **5. Accounting Process of Business Combinations under the Same Control and not under the Same Control**

### **1. Accounting Process of Business Combinations under the Same Control**

The assets and liabilities that the Company obtains in a business combination shall be measured on the basis of their carrying amount combined party in the consolidated financial statements of the final controller on the combining date. As for the balance between the carrying amount of combined party's owners equities in the consolidated financial statements of the final controller and the carrying amount of the consideration paid by it or the total par value of the shares issued), the additional paid-in capital shall be adjusted. If the additional paid-in capital is not sufficient to be offset, the retained earnings shall be adjusted.

### **2. Accounting Process of Business Combinations not under the Same Control**

The Company shall recognize the positive balance between the combination costs and the fair value of the identifiable net assets obtained from the acquiree on purchase date as goodwill. If the combination costs are less than the fair value of the identifiable net assets obtained from the acquire, the Company shall recheck the various identifiable assets and liabilities obtained from the acquire, fair value with liabilities, and measurement of combination costs. If the combination costs are less than the fair value of the identifiable net assets obtained from the acquire after recheck, the Company shall the record the balance into the profit and loss of the current period.

## **6. Methods for Preparing Consolidated Financial Statements**

The Company as the parent included its all subsidiaries into the consolidation scope of consolidated financial statements. Based on the financial statements of the Company as the parent and its subsidiaries and other related materials, the consolidated financial statements were prepared by the Company as the parent according to Accounting Standards for Enterprises No. 33 –Consolidated Financial Statements.

## 7. Classification of Joint arrangements and Accounting Treatment of Joint Operations

1. Joint arrangement is classified into joint operation and joint ventures.
2. When the Company is a party of a joint operation, recognize the following items related to the profits in the joint operation:
  - (1) Recognize the assets held independently, and recognize the assets held jointly in the holding portion;
  - (2) Recognize the liabilities borne independently, and recognize the liabilities held jointly in the holding portion;
  - (3) Recognize the revenue generated from the output portion of joint operation shared for selling the Company;
  - (4) Recognize the revenue generated from the sale of assets in joint operation in the holding portion of the Company;
  - (5) Recognize the expenses incurred independently, and recognize the expenses incurred in joint operation in the holding portion of the Company.

## 8. Recognition Standard for Cash and Cash Equivalents

The term “cash” listed and presented in the cash flow statement refers to cash on hand and deposits that are available for payment at any time. The term “cash equivalents” refers to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## 9. Foreign Currency Businesses and Translation of Foreign Currency Financial Statements

### (1) Accounting treatments for translation of foreign currency business

As for a foreign currency transaction in its initial recognition, the amount in the foreign currency shall be translated into the amount in the Renminbi at the spot exchange rate of the transaction date. On balance sheet date, the foreign currency monetary items shall be translated as the spot exchange rate on the balance sheet date, the balance occurred thereof shall be recorded into the profits and losses at the current period except that the balance of exchange arising from the principal and interests of foreign currency borrowings for the purchase and construction or production of assets eligible for capitalization. The foreign currency non-monetary items measured at the historical cost shall still be translated at the spot exchange rate on the transaction date, of which the amount of functional currency shall not be changed. The foreign currency non-monetary items measured at the fair value shall be translated at the spot exchange rate on the confirming date of fair value, of which the balance of exchange shall be included into the profit and loss of the current period or other comprehensive income.

### (2) Translation of foreign currency financial statements

The asset and liability items in the balance sheets shall be translated at a spot exchange rate on the balance sheet date. Among the owner’s equity items, except for the items as “retained earnings”, other items shall be translated at the spot exchange rate at the time when they are incurred. The income and expense items in the income statements shall be translated at the approximate spot exchange rate at the time when they are incurred. The difference from translation of foreign currency financial statements thereof shall be recorded into other comprehensive income.

## 10. Financial Instruments

### 1. Classification of Financial Assets and Financial Liabilities

Financial assets shall be classified into the following three categories when they are initially recognized: (1) financial assets measured at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

Financial liabilities shall be classified into the following four categories when they are initially recognized: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities generated from transfer of financial assets not conforming to requirements of derecognition or continuous involvement of transferred financial assets; (3) financial guarantee contracts not belonging to above (1)

or (2), and loan commitments not belonging to above (1) and at lower interest rate than the market interest rate; (4) financial liabilities measured at amortized cost.

## **2. Recognition Basis, Calculation Method, and Termination of Recognition of Financial Assets and Liabilities**

### **(1) Recognition basis and initial calculation method of financial assets and liabilities**

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability. The financial assets and financial liabilities initially recognized shall be measured at their fair values. For the financial assets and liabilities measured at their fair values and of which the variation is recorded into the profits and losses of the current period, the transaction expenses thereof shall be directly recorded into the profits and losses of the current period; for other categories of financial assets and financial liabilities, the transaction expenses thereof shall be included into the initially recognized amount. However, when the accounts receivable initially recognized by the Company do not include significant financing or the Company does not consider the financing in contracts not over one year, it shall be initially calculated at the transaction price.

### **(2) Subsequent calculation method of financial assets**

#### **1) Financial assets at amortized cost**

The Company shall make subsequent measurement on its financial assets at amortized cost by adopting the actual interest rate method. The gains or losses generated from the financial assets at amortized cost and not belonging to any hedging relationship shall be recorded into the current profit or loss when derecognized, reclassified, amortized with the actual interest rate method or recognizing impairments.

#### **2) Investments in debt instruments at fair value through other comprehensive income**

The Company shall make subsequent measurement at fair value. The interest calculated by adopting the actual interest rate method, impairment losses or profits and foreign exchange gains shall be recorded into the current profit or loss, and other profits or losses shall be recorded into other comprehensive income. When derecognized, the accumulative profits or losses thereof originally recorded into other comprehensive income shall be transferred out and then recorded into the current profit or loss.

#### **3) Investments in equity instruments at fair value through other comprehensive income**

The Company shall make subsequent measurement at fair value. The dividends obtained (exclude those belong to recovery of investment cost) shall be recorded into the current profit or loss, and other gains or losses recorded into other comprehensive income. When derecognized, the accumulative gains or losses thereof originally recorded into other comprehensive income shall be transferred out and then recorded into the retained earnings.

#### **4) Financial assets at fair value through profit or loss**

The Company shall make subsequent measurement at fair value. The gains or losses generated (include interest and dividend income) shall be recorded into the current profit or loss, unless the financial asset is one part of a hedging relationship.

### **(3) Subsequent calculation method of financial liabilities**

#### **1) Financial liabilities at fair value through profit or loss**

Such financial liabilities include trading financial liabilities (include derivative instruments belonging to financial liabilities) and those designated as financial liabilities at fair value through profit or loss. For such financial liabilities, the subsequent measurement shall be conducted at fair value. The amount of changes in fair value of designated financial liabilities at fair value through profit or loss due to the Company's credit risk changes shall be recorded into other comprehensive income, unless this treatment will result in or enlarge accounting mismatch of the profit or loss. The other gains or losses generated from such financial liabilities (including interest expense, changes of fair value not caused by the Company's credit risk changes) shall be recorded into the current profit or loss, unless the they are one part of a hedging relationship. And when derecognized, the accumulative gains or losses thereof originally recorded into other comprehensive income shall be transferred out and then recorded into the retained earnings.

#### **2) Financial liabilities generated from financial assets transfer not conforming to derecognition conditions or continuous involvement of transferred financial assets**

They shall be measured in accordance with regulations of Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets

3) financial guarantee contracts not belonging to above (1) or (2), and loan commitments not belonging to above (1) and at lower interest rate than the market interest rate;

The subsequent measurement shall be conducted according to the higher of the following two amounts after initial recognition: ① amount of allowance for impairments recognized in accordance with the impairment provisions of financial instruments; ② the residual of initial recognized amount after deducted accumulative amortized amount recognized as relevant regulations.

4) Financial liabilities at amortized cost

The Company shall measure at amortized cost by adopting actual interest rate method. The gains or losses generated from financial liabilities at amortized cost and not belonging to any hedging relationship shall be recorded into the current profit or loss when derecognized or amortized with actual interest rate method.

(4) Derecognition of financial assets and financial liabilities

1) Derecognize financial assets when meeting one of the following conditions:

① The contract rights for collecting cash flow of financial assets have terminated;  
② Financial asset has been transferred and the transfer meets the provisions of Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets governing the derecognition of financial assets.

2) When the current obligation of the financial liability (or some of it) has been relieved, the financial liability (or some of it) shall be accordingly derecognized.

### **3. Recognition Basis and Measurement of Transfer of Financial Assets**

Where the Company has transferred nearly all of the risks and rewards related to the ownership of the financial asset to the transferee, it shall stop recognizing the financial asset and separately recognize the rights and obligations generated retained from the transfer as assets or liabilities. If it retained nearly all of the risks and rewards related to the ownership of the financial asset, it shall continue to recognize the transferred financial asset. Where the Company does not transfer or retain nearly all of the risks and rewards related to the ownership of a financial asset, it shall deal with it according to the circumstances as follows, respectively: (1) If it gives up its control over the financial asset, it shall stop recognizing the financial asset and separately recognize the rights and obligations generated retained from the transfer as assets or liabilities; (2) If it does not give up its control over the financial asset, it shall, according to the extent of its continuous involvement in the transferred financial asset, recognize the related financial asset and recognize the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for stopping recognition, the difference between the amounts of the following 2 items shall be recorded in the profits and losses of the current period: (1) The carrying value of the transferred financial asset on the derecognition date; (2) The sum of consideration received from the transfer of financial assets, and derecognition amount among the accumulative amount of the changes of the fair value originally recorded in the other comprehensive income (the financial assets involve transfer are investments in debt instruments at fair value through other comprehensive income. If the transfer of partial financial asset satisfies the conditions to stop the recognition, the entire carrying value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped, be apportioned according to their respective relative fair value on the transfer date, and the difference between the amounts of the following two items shall be included into the profits and losses of the current period: (1)The carrying value of the portion whose recognition has been stopped; (2)The sum of consideration of the portion whose recognition has been stopped, and derecognition amount among the accumulative amount of the changes of the fair value originally recorded in the other comprehensive income (the financial assets involve transfer are investments in debt instruments at fair value through other comprehensive income.

### **4. Recognition Method of Financial Assets and Financial Liabilities' Fair Value**

The Company adopts the valuation technique with sufficient useful data and supported by other information which is suitable for the current situation to recognize the fair value of related financial assets and liabilities. The Company classifies the input value used in the valuation technique into the following levels and uses them in sequence:

(1) The first level of input value is the non-adjustable offer of the same assets or liabilities in the active market on the calculation date;

(2) The second level of input value is the directly or indirectly observable input value of related assets or liabilities except the input value on the first level, including: offer of similar assets or liabilities in the active market; offer of identical or similar assets or liabilities in the non-active market; other observable input value except offer, including the observable interest rate during the interval period of common offer, profit rate curve, etc.; the input value for market verification etc..

(3) The third level of input value is the non-observable input value of related assets or liabilities, including interest rates that cannot be observed directly or verified by the data of observable market, stock fluctuation rate, future cash flow of the disposal obligation borne in corporate mergers, financial forecast based on self-data, etc..

## 5. Impairment of financial instrument

### (1) Impairment measurement and accounting handling of financial instrument

Based on expected credit loss, the Company conducts impairment handling and confirms loss reserve for financial assets which is measured by amortized cost, debt instrument investment which is measured by fair value and whose change is calculated into other comprehensive profits, accounts receivable of rental, loan commitment which is beyond financial debt classified as the one which is measured by fair value and whose change is calculated into current profits and losses, financial debt which does not belong to the one which is measured by fair value and whose change is calculated into current profits or losses, or financial guarantee contract of financial debt which is formed when it does not belong to financial asset transfer and doesn't conform to confirmation condition of termination or keeps on being involved in transferred financial asset.

Expected credit loss refers to weighted average of credit loss of financial instrument which takes the risk of contract breach occurrence as the weight. Credit loss refers to the difference between all contract cash flow which is converted into cash according to actual interest rate and receivable according to contract and all cash flow which to be charged as expected, i.e. current value of all cash shortage. Among it, as for financial asset purchased or original which has had credit impairment, it should be converted into cash according actual interest rate of this financial asset after credit adjustment.

As for financial asset purchased or original which has had credit impairment, the Company only confirms cumulative change of expected credit loss within the whole duration after initial confirmation on the balance sheet date as loss reserve.

For accounts receivable that do not contain significant financing components as specified in the *Accounting Standards for Business Enterprises No. 14 - Revenue* (including cases in which financing components in contracts with a period of less than one year are not considered according to the Standards), the Company uses the simplified model of expected credit loss, and consistently measures the loss provision according to the amount of expected credit loss of the entire duration.

For accounts receivable that contain significant financing components and the rentals receivable as specified in the *Accounting Standards for Business Enterprises No. 21 - Leases*, the Group has made the accounting policy choice and selected the simplified model of expected credit loss, measuring the loss provision according to an amount that is equivalent to the amount of expected credit loss of the entire duration.

As for financial asset beyond above mentioned measurement methods, the Company evaluates whether its credit risk has increased obviously since the initial confirmation on each balance sheet date. In case credit risk has increased obviously, the Company measures the loss reserve according to amount of expected credit loss within the whole duration; in case the credit risk does not increase obviously, the Company measures loss reserve according to the amount of expected credit loss in next 12 months.

By utilizing obtainable rational and well grounded information, including forward-looking information, comparing the risk of contract breach on balance sheet date and risk of contract breach on initial confirmation date, the Company confirms whether the credit risk of financial instrument has increased obviously from initial confirmation.

On balance sheet date, in case the Company judges that the financial instrument just has relatively low credit risk, then it will be assumed that credit risk of the financial instrument has not increased obviously.

Based on single financial instrument or financial portfolio, the Company evaluates expected credit risk and measures expected credit loss. When based on financial instrument portfolio, the Company takes common risk characteristics as the basis, and divides financial instruments into different portfolios.

The Company measures expected credit loss again on each balance sheet date, the increase of loss reserve or amount which is



transfer back generated by it is calculated into current profits and losses as impairment profits or losses. As for financial asset which is measured by amortized cost, loss reserve offsets the carrying value of the financial asset listed in the balance sheet; as for debt investment which is measured by fair value and whose change is calculated into other comprehensive profits, the Company confirms its loss reserve in other comprehensive profits and does not offset the carrying value of the financial asset.

(2) Financial instruments assessing expected credit risk by groups and measuring expected credit losses

Item	Recognition basis	Method of measuring expected credit losses
Other receivables-intercourse funds among related party group within the consolidation scope	Accounts nature	Consulting historical experience in credit losses, combining actual situation and prediction for future economic situation, the group's expected credit loss rate shall be accounted through exposure at default and the expected credit loss rate within the next 12 months or the entire life
Other receivables-interest receivable group		
Other receivables-other intercourse funds among related party group		
Other receivables-credit risk characteristics group	Aging group	Consulting historical experience in credit losses, combining actual situation and prediction for future economic situation, the group's expected credit loss rate shall be accounted through exposure at default and the expected credit loss rate within the next 12 months or the entire life

(3) Accounts receivable with expected credit losses measured by groups

① Specific groups and method of measuring expected credit loss

Item	Recognition basis	Method of measuring expected credit losses
Bank's acceptance bills receivable	Bill type	Consulting historical experience in credit losses, combining actual situation and prediction for future economic situation, the group's expected credit loss rate shall be accounted through exposure at default and the expected credit loss rate within the entire life
Trade acceptance bills receivable		
Accounts receivable-other intercourse funds among related party group	Account nature	Consulting historical experience in credit losses, combining actual situation and prediction for future economic situation, the group's expected credit loss rate shall be accounted through exposure at default and the expected credit loss rate within the entire life
Accounts receivable-credit risk characteristics group	Aging group	Prepare the comparative list between aging of accounts receivable and expected credit loss rate over the entire life by consulting historical experience in credit losses, combining actual situation and prediction for future economic situation

② Accounts receivable-the comparative list between aging of common customer group and expected credit loss rate over the entire life

Aging	Expected credit loss rate of accounts receivable (%)
Within 1 year (inclusive, the same below)	3.00
1 to 2 years	10.00

2 to 3 years	30.00
3 to 4 years	50.00
4 to 5 years	80.00
Over 5 years	100.00

#### **6. Offset between financial asset and financial debt**

Financial asset and financial debt are listed in the balance sheet separately and don't offset each other. However, when the following conditions are met at the same time, the Company will list the net amount after mutual offset in the balance sheet: (1) The Company has the legal right to offset the confirmed amount, and the legal right is executable currently; (2) The Company plans to settle by net amount, or monetize the financial asset and liquidate the financial debt at the same time. For those transfers of financial assets not meeting the derecognition conditions, the Company does not offset the transferred financial assets and relative liabilities.

#### **11. Notes Receivable**

Refer to Note V 10 Financial Instruments of the financial statements for details.

#### **12. Accounts Receivable**

Refer to Note V 10 Financial Instruments of the financial statements for details.

#### **13. Accounts Receivable Financing**

Not applicable.

#### **14. Other Receivables**

Recognition and accounting treatment methods regarding expected credit losses of other receivables

Refer to Note V 10 Financial Instruments of the financial statements for details.

#### **15. Inventory**

##### **(1) Inventories Classification**

Inventories include development land held for sale or consumption in the process of development and operation, development products, temporarily leased development products which intended for sale, relocation housing, stock materials, inventory equipment, and low-value consumables, etc., as well as development costs in the process of development.

##### **(2) Cost Flow Assumption**

- 1) Send-out materials and equipment shall adopt the moving weighted average method.
- 2) During the development of the project, the development land shall be included in the development cost of the project by the floor area apportion of the developed products.
- 3) Send-out developed products shall be accounted by specific identification method.
- 4) The temporarily leased development products which intended for sale and relocation housing shall be amortized averagely by stages according to the expected useful life of the same kind of fixed assets of the Company.
- 5) If the public supporting facilities are completed earlier than the relevant development products, after the final account of the public supporting facilities, it shall be account into the development cost of the relevant development projects according to the building area; If the public supporting facilities are completed later than the relevant development products, the relevant development products

shall withhold the public supporting facilities fees, and adjust the relevant development product costs according to the difference between the actual occurrence and the withhold amount after the completed public supporting facilities' final accounts.

### **(3) Recognition basis of Net Realizable Value of Inventory**

On the balance sheet date, inventory shall be measured at the lower of cost or net realizable value, and provision shall be made for falling price of inventories on the ground of the difference between the cost of each item of inventories and the net realizable value. Inventories directly for sale, under normal producing process, to the amount after deducting the estimated sale expense and relevant taxes from the estimated sell price of the inventory, the net realizable value has been recognized; inventories which need to be processed, under normal producing process, to the amount after deducting the estimated cost of completion, estimated sale expense and relevant taxes from the estimated sale price of produced finished goods, the net realizable value has been recognized; on the balance sheet date, in the same item of inventories, if some have contractual price agreement while others do not, the net realizable value shall be recognized respectively and compared with their cost, and the amount of provision withdrawal or reversal for falling price of inventories shall be recognized respectively.

### **(4) Inventory System for Inventories**

Inventory system: Perpetual inventory system

### **(5) Amortization Method of the Low-value Consumption Goods and Packing Articles**

#### 1) Low-value Consumption Goods

One-off amortization method

#### 2) Packing Articles

One-off amortization method

## **16. Contract Assets**

The Company presents contract assets or contract liabilities on the balance sheet according to the relationship between the fulfillment of its contract performance obligations and its customers' payment. Considerations that the Company has the right to collect for commodities transferred or services provided to customers (except for accounts receivable) are presented as contract assets.

For contract assets that do not contain significant financing components, the Company uses the simplified model of expected credit loss, measuring the loss provision according to an amount that is equivalent to the amount of expected credit loss of the entire duration. The increased loss provision or reversed amount thereof shall be recorded into the current profit or loss as impairment losses or gains.

For contract assets that contain significant financing components, the Company has made the accounting policy choice and selected the simplified model of expected credit loss, measuring the loss provision according to an amount that is equivalent to the amount of expected credit loss of the entire duration. The increased loss provision or reversed amount thereof shall be recorded into the current profit or loss as impairment losses or gains.

## **17. Contract Costs**

Contract costs comprise contract performance cost and contract acquisition cost.

The cost incurred by the Company from performing a contract is recognized into an asset as contract performance cost when it meets the following conditions:

- 1) This cost directly relates to an existing contract or a contract expected to be acquired. It consists of direct labor, direct materials, manufacture costs (or similar costs), costs specified to be borne by the customer and other costs incurred from this contract solely.
- 2) This cost has increased the Company's sources that are used to fulfill its contract performance obligations in the future.
- 3) This cost is expected to be recovered.

An incremental cost that is incurred by the Company for acquiring a contract and expected to be recovered is recognized into an asset as contract acquisition cost. However, for such asset with an amortization period of less than one year, the Company recognizes them

into current profit/loss at their occurrence.

Assets related to contract costs are amortized on the same basis for recognizing the revenue from commodities or services related to such assets.

When the carrying value of an asset related to contract costs is higher than the difference between the following two items, the Company will withdraw impairment provision for the exceeded part and recognize it as asset impairment loss:

- 1) Residual consideration expected to be gained from transferring commodities and services related to this asset;
- 2) Costs expected to be incurred from transferring such commodities or services.

When the aforementioned asset impairment provision is reversed later, the carrying value of the asset after the reversal should not exceed its carrying value on the reversal date under the assumption of no withdrawal of impairment provision.

## 18. Assets Held for Sale

### 1. Classification of Non-current assets or disposal group Held for Sale

Non-current assets or disposal group are confirmed to be the components held for sale when the following conditions are simultaneously satisfied: (1) According to the convention of similar transactions selling this kind of assets or disposal group, they can be sold instantly in such conditions. (2) Sale is extremely likely to happen, that is, the Company has made the decision of a sale plan, and got the confirmed purchase commitment. It is estimated that the sale will be finished within 1 year.

Non-current assets or disposal groups specifically obtained by the Company for resale will be classified as held-for-sale on the acquisition date when they meet the stipulated conditions of “expected to be sold within one year” on the acquisition date, and may well satisfy the category of held-for-sale within a short time (which is usually 3 months).

If any transaction between non-related parties fails to complete within one year due to one of the following reasons outside the Company’s control, and the Company still commits to sell non-current assets or disposal groups, the non-current assets or disposal groups shall be still classified as the held-for-sale category: (1) For conditions of sale delay resulting from the accidental setting by the buyer or another party, the Company has duly taken actions against those conditions and it is expected that the delay factors can be smoothly solved within one year since the conditions of sale delay resulting from the setting; (2) Non-current assets or disposal groups held for sale fail to be sold within one year due to rare circumstances, and the Company has taken necessary measures against those new situations within the first year and re-satisfied the conditions for classifying them into the held-for-sale category.

### 2. Measurement of held-for-sale non-current assets or disposal groups

#### (1) Initial measurement and subsequent measurement

For the initial measurement and the re-measurement of held-for-sale non-current assets or disposal groups on the balance sheet date, if the carrying value is higher than the net amount of the fair value deducting the selling expenses, the carrying value shall be written down to the net amount of the fair value deducting the selling expenses. The written down amount shall be recognized as asset impairment losses and recorded into current profits or losses, and at the same time, the held-for-sale asset impairment provision shall be withdrawn.

In respect of non-current assets or disposal groups classified into the held-for-sale category on the date of obtainment, when initially measuring them, compare the initially measured amount supposing that they are not classified into the held-for-sale category and the amount of the fair value deducting the selling expenses, and measure them at the lower amount. Other than the non-current assets or disposal groups obtained in corporate mergers, the difference generated from the net amount of the fair value of non-current assets or disposal groups deducting the selling expenses as the initially measured amount shall be recorded into current profits or losses.

For the amount of asset impairment losses recognized in respect of held-for-sale disposal groups, first write off the carrying value of goodwill in the disposal groups, and then write off their carrying value in proportion according to the percentage of the carrying value of each non-current asset in the disposal groups.

Depreciation or amortization shall not be withdrawn for held-for-sale non-current assets or the non-current assets in disposal groups, while the interests of liabilities and other expenses in held-for-sale disposal groups shall still be recognized.

## (2) Accounting Methods for the Recovery of Assets Impairment Losses

If the net amount that the fair value of the non-current assets held for sale on the follow-up balance sheet date minus the sale costs increases, the previous written-down amount will be restored, and reversed to the asset impairment loss confirmed after the assets being classified as held-for-sale. The reversed amount will be included in the current profit or loss. Impairment losses on assets recognized prior to classification as held for sale are not reversed.

If the net amount that the fair value of the disposal groups held for sale on the follow-up balance sheet date minus the sale costs increases, the previous written-down amount will be restored, and reversed to the asset impairment loss confirmed after the assets being classified as held-for-sale. The reversed amount will be included in the current profit or loss. The carrying value of deducted goodwill and the non-current assets applicable to the measurement of held-for-sale categories will not be reversed if the asset impairment loss is recognized before it is classified as held for sale.

For the subsequent reversal amount of the asset impairment loss recognized by the disposal group held for sale, its carrying value shall be increased proportionately to the proportion of the carrying value of various non-current assets measured by the disposal group in addition to goodwill.

## (3) Accounting Methods for Ceasing to be classified as held-for-sale and Termination of Recognition

When a non-current asset or disposal group ceases to be classified as held-for-sale or a non-current asset is removed out from the held-for-sale disposal group due to failure in meeting the classification conditions for the category of held-for-sale, it will be measured by one of the followings whichever is lower: ① The carrying value before being classified as held for sale will be adjusted according to the depreciation, amortization or impairment that would have been recognized under the assumption that it was not classified as held for sale; ② The recoverable amount.

When terminating the recognition of non-current assets or disposal group held for sale, the unconfirmed gains or losses shall be recorded into the current profits and losses.

## 19. Investments in Debt Obligations

Not applicable.

## 20. Investments in other Debt Obligations

Not applicable.

## 21. Long-term Accounts Receivable

Not applicable.

## 22. Long-term Equity Investments

### 1. Judgment of Joint Control and Significant Influences

The term "joint control" refers to the joint control over an arrangement in accordance with the related agreements, which does not exist unless the participants sharing the control power agree with each other about the related arranged activity. The term "significant influences" refers to the power to participate in making decisions on the financial and operating policies of an enterprise, but not to control or do joint control together with other parties over the formulation of these policies.

### 2. Recognition of Investment Cost

(1) If the business combination is under the common control and the acquirer obtains long-term equity investment in the consideration of cash, non-monetary asset exchange, bearing acquiree's liabilities, or the issuance of equity securities, the initial cost is the carrying amount of the proportion of the acquiree's owner's equity at the acquisition date. The difference between the initial

cost of the long-term equity investment and the carrying amount of the paid combination or the total amount of the issued shares should be adjusted to capital surplus. If the capital surplus is not sufficient for adjustment, retained earnings are adjusted respectively. When a long-term equity investment is formed from the business combination under common control through the Company's multiple transactions step by step, the treatment shall be carried out based on whether the transactions constitute the "package deal". If they do, the accounting treatment shall be carried out on the basis of assuming all transactions as one transaction with the acquisition of control. If they do not, the initial investment cost shall be the portion of the carrying value of acquiree's net assets entitled in the consolidated financial statements of the final controller after the consolidation. The difference between the initial investment cost of the long-term equity investment on the combination date and the carrying value of the investment before the combination plus the carrying value of the newly-paid consideration for the acquisition of the shares on the consolidation date shall be adjusted to capital reserve; if the capital reserve is insufficient for the adjustment, retained earnings should be adjusted accordingly.

(2) For those formed from the business combination under different control, the initial investment cost is the fair value of the combination consideration paid on the acquisition date.

When a long-term equity investment is formed from the business combination under different control through the Company's multiple transactions step by step, the accounting treatment shall be carried out based on whether the financial statements are individual or consolidated:

1) In individual financial statements, the initial investment cost accounted in cost method is the sum of the carrying value of the equity investment originally held and the cost of new investment.

2) In consolidate financial statements, judge whether the transactions constitute the "package deal". If they do, the accounting treatment shall be carried out on the basis of assuming all transactions as one transaction with the acquisition of control. If they do not, for the acquiree's equity held before the acquisition date, re-measurement shall be carried out according to the fair value of the equity on the acquisition date and the difference between the fair value and the carrying value shall be recorded into current investment income; if the acquiree's equity held before the acquisition date involves other comprehensive income accounted in equity method, other comprehensive income related to it shall be transferred into the income for the period in which the acquisition date falls, with the exception of the other comprehensive incomes occurred because of the changes of net liabilities or net assets of the defined benefit pension plans be re-measured for setting by the investees.

3) For those formed other than from business combination: If they are acquired in cash payment, the initial investment cost is the purchase price actually paid; if they are acquired in the issue of equity securities, the initial investment cost is the fair value of the issued equity securities; if they are acquired in debt restructuring, the initial investment cost shall be recognized according to the Accounting Standards for Enterprises No. 12 - Debt Restructuring; if they are acquired in the exchange of non-monetary assets, the initial investment shall be recognized according to the Accounting Standards for Enterprises No. 7 - Exchange of Non-Monetary Assets.

### **3. Method of subsequent measurement and recognition of profits and losses**

Long-term equity investment with control over investees shall be accounted in cost method; long-term equity investment on associated enterprises and joint ventures shall be accounted in equity method.

### **4. Method of treating the disposal of the investment in a subsidiary stem by step through multiple transactions until the loss of the controlling right**

#### **(1) Individual financial statements**

For the disposed equity, the difference between its fair value and the actually obtained price shall be recorded into current profits or losses. For the residual equity, the part that still has significant effects on investees or with common control jointly with other parties shall be accounted in equity method; the part that has no more control, common control or significant effects on investees shall be accounted in accordance with the relevant regulation of the Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

#### **(2) Consolidated financial statements**

1) For the disposal of the investment in subsidiaries step by step until the loss of the controlling right through multiple transactions, which do not constitute the “package deal”

Before the loss of the controlling right, for the balance between the disposal remuneration and the shares of net assets in the subsidiaries that have been calculated since the acquisition date or combination date corresponding to the disposal of long-term equity investment, capital reserve (capital premium) shall be adjusted, and if the capital premium is not sufficient for the write-down, the retained earnings shall be written down.

At the loss of the controlling right over the original subsidiaries, the residual equity shall be re-measured at its fair value on the date of losing the controlling right. The difference between the consideration obtained in the equity disposal, plus the fair value of the remaining equities, less the Company’s share of net assets enjoyed of the former subsidiary that has been calculated since the acquisition date or combination date according to the former shareholding ratio, shall be recorded into the investment gains for the period when the control ceases; meanwhile, goodwill shall be written down. Other comprehensive income related to former subsidiary’s equity investment shall be transferred into current investment income when the control ceases.

2) For the disposal of the investment in subsidiaries step by step until the loss of the controlling right through multiple transactions, which constitute the “package deal”

The accounting treatment shall be carried out on the basis of considering each transaction as a transaction of disposing the subsidiary and losing control. However, before losing control, the difference between each disposal price before losing the control, and the corresponding net assets share enjoyed of subsidiary when disposing long-term equity investment, shall be recognized as other comprehensive income in the consolidated financial statements and when the control ceases, transferred into current profits or losses of the period of losing control.

### 23. Investment Property

Measurement mode of investment real estates

Measurement of cost method

Depreciation or amortization method

1. The term "investment real estate" includes 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.

2. The Company initially measures the investment property according to the costs, and adopts the cost method in the subsequent measurement of investment property, and adopts the same methods with fixed assets and intangible assets to withdraw depreciation or amortization.

### 24. Fixed Assets

#### (1) Recognized Standard of Fixed Assets

The term "fixed assets" refers to the tangible assets that simultaneously possess the features as follows: they are held for the sake of producing commodities, rendering labor service, renting or business management; and their useful life is in excess of one fiscal year.

No fixed asset may be recognized unless it simultaneously meets the conditions as follows: (1) The economic benefits are likely to flow into the enterprise; (2) The cost of the fixed asset can be measured reliably.

#### (2) Depreciation Method

Category	Depreciation method	Useful life (year)	Expected net salvage value	Annual depreciation
----------	---------------------	--------------------	----------------------------	---------------------

Houses and buildings	Straight-line depreciation	20-25	5-10	3.6-4.75
Transportation	Straight-line depreciation	5	5	19
Other equipment	Straight-line depreciation	5	5	19
Machinery equipment	Straight-line depreciation	5	5	19
Decoration of fixed assets	Straight-line depreciation	5	0	20

### (3) Recognition Basis, Pricing and Depreciation Method of Fixed Assets by Finance Lease

Not applicable.

## 25. Construction in Progress

1. No construction in progress may be recognized unless it simultaneously meets the conditions as follows: (1) The economic benefits are likely to flow into the enterprise; (2) The cost of the fixed asset can be measured reliably. Construction in progress shall be measured according to the occurred actual costs before the assets available for the intended use.

2. When the construction in progress is available for the intended use, it shall be transferred to fixed assets according to the actual cost of the project. For construction in progress available for the intended use but not dealing with final accounts of completed project, it shall be transferred to fixed assets according to the estimated value first, and then adjust original temporarily estimated value based on the actual costs after the final accounts of completed project, but not adjust the depreciation that was already calculated.

## 26. Borrowing Costs

### 1. Recognition Principle of Capitalization of Borrowing Costs

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it shall be capitalized and recorded into the costs of relevant assets. Other borrowing costs shall be recognized as expenses when it occurred, and shall be recorded into the current profits and losses.

### 2. Capitalization Period of Borrowings Costs

(1) The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements: 1) The asset disbursements have already incurred; 2) The borrowing costs have already incurred; 3) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

(2) Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. The borrowing costs incurred during such period shall be recognized as expenses, and shall be recorded into the profits and losses of the current period, till the acquisition and construction or production of the asset restarts.

(3) When the acquisition and construction or production of a qualified asset eligible for capitalization are available for its intended use or sale, the capitalization of borrowing costs shall be stopped.

### 3. Capitalized rate and amount of borrowing costs

To the extent that funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset is determined as the actual interest costs (including amortization of discount and premium confirmed according to effective interest method) incurred on that borrowing during the period less any investment



income on the temporary investment of the borrowing. To the extent that funds are borrowed generally and used for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the weighted average of excess of accumulated expenditures on qualifying asset over that on specific purpose borrowing.

## 27. Biological Assets

Not applicable.

## 28. Oil and Gas Assets

Not applicable.

## 29. Right-of-use Assets

Not applicable.

## 30. Intangible Assets

### (1) Pricing Method, Useful Life and Impairment Test

1. Intangible assets include right to use land sites, use right of software etc. and conduct the initial measurement according to the costs.
2. With regard to intangible assets with limited service life, it shall be amortized systematically and reasonably within their service life according to the expected implementation of economic interests related to the intangible assets. If it can't recognize the expected implementation reliably, it shall be amortized by straight-line method. The specific useful lives are as follows:

Items	Useful life for amortization (years)
Use right of lands	Statutory life of land use right
Use right of software	5

The intangible assets with uncertain service life shall not be amortized, and the Company rechecks the service life of the intangible assets in every accounting period. For intangible assets with uncertain service, the recognition basis is without certain service life and expected benefit life.

### (2) Accounting Policies of Internal R&D Expenses

Not applicable.

## 31. Impairment of Long-term Assets

For long-term assets, such as investment property measured by cost model, fixed assets, construction in progress, and intangible assets with limited service life measured by cost model, the Company shall estimate the recoverable amount if there are signs of impairment on balance sheet date. For intangible assets with uncertain goodwill or service life formed by enterprise combination, whether or not there is sign of impairment, impairment test shall be conducted every year. Goodwill combination and its related assets group or combination of assets group shall be conducted the impairment test.

If the recoverable amount of the above-mentioned long-term assets is lower than its carrying value, it shall make the preparation for assets impairment based on its balance and be recorded into current profits and losses.

### 32. Long-term Prepaid Expenses

Long-term deferred expenses refer to general expenses with the amortized period over one year (one year excluded) that have occurred. Long-term prepaid expense shall be recorded into the account according to the actual accrual. Long-term prepaid expense shall be amortized averagely within benefit period or specified period. In case of no benefit in the future accounting period, the amortized value of such project that fails to be amortized shall be transferred into the profits and losses of the current period.

### 33. Contract Liabilities

The Company presents contract assets or contract liabilities on the balance sheet according to the relationship between the fulfillment of its contract performance obligations and its customers' payment. Obligations to be fulfilled by the Company of transferring commodities or providing services to customers, as the Company has received or should receive customers' considerations, are presented as contract liabilities.

### 34. Payroll

#### (1) Accounting Treatment of Short-term Compensation

During the accounting period when the employees providing the service for the Company, the actual short-term compensation shall be recognized as liabilities, and be recorded into the current profits and losses or related assets costs.

#### (2) Accounting Treatment of the Welfare after Demission

The Company's welfare after demission plans is divided into defined contribution plans and defined benefit plans (1) During the accounting period when the employee providing service for the Company, the amount paid in line with the setting drawing plan will be recognized as liabilities and recorded into current profits or losses or cost of relevant assets.

(2) The accounting treatment of defined benefit plans usually consists of the following steps:

1) According to the expected cumulative welfare unit method, adopt unbiased and mutually consistent actuarial assumptions to evaluate related demographic variables and financial variables, measure the obligations generated from defined benefit plans and recognize the period in respect of related obligations. Meanwhile, discount the obligations generated from defined benefit plans to recognize their present value and the current service costs;

2) If there are any assets in a defined benefit plan, the deficit or surplus formed from the present value of the defined benefit plan obligations less the fair value of the defined benefit plan assets shall be recognized as net liabilities or net assets of a defined benefit plan. If there is any surplus in a defined benefit plan, the net assets of the plan shall be measured at the lower of the surplus or the upper asset limit;

3) At the end of the period, the staff remuneration costs generated from a defined benefit plan shall be recognized as services costs, net interests of the net liabilities or net assets of the plan and changes from the re-measurement of the net liabilities or net assets of the plan. Service costs and net interests of the net liabilities or net assets of the plan shall be recorded into the current profits or losses or related asset costs, while changes from the re-measurement of the net liabilities or net assets of the plan shall be recorded into other comprehensive income and shall not be transferred back to profits or losses in subsequent accounting periods. But the amounts recognized in other comprehensive income may be transferred within the equity scope.

#### (3) Accounting Treatment of Demission Welfare

When the Company is unable to unilaterally withdraw the plan on the cancellation of labor relationship or the layoff proposal, or when recognizing the costs or expenses (the earlier one between the two) related to the reorganization of paying the demission

welfare, should recognize the payroll liabilities from the demission welfare and include in the current gains and losses.

#### **(4) Accounting Treatment of Other Welfare of the Long-term Employees**

The Company provides the other long-term employee benefits for the employees, and for those met with the defined contribution plans, accounting treatment should be conducted according to the related regulations of the defined contribution plans; the for the others long-term employee benefits except for the former, accounting treatment should be conducted according to the related regulations of the defined benefit plans. In order to simplify the related accounting treatment, the payrolls shall be recognized as service costs, the net amount of interest of net liabilities and net assets of other welfare of the long-term employees. The total net amounts made up from the changes of measuring the net liabilities and net assets of other welfare of the long-term employees again shall be recorded into the current profits and losses or related assets costs.

### **35. Lease Liabilities**

Not applicable.

### **36. Provisions**

1. The obligation such as external guaranty, litigation or arbitration, product quality assurance, loss contract, pertinent to a contingencies shall be recognized as the provisions when the following conditions are satisfied simultaneously: ① That obligation is a current obligation of the enterprise; ② It is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation; and ③ The amount of the obligation can be measured in a reliable way.
2. The Company shall conduct the initial measurement to provisions according to the best estimate number needed for performing the related current obligation and recheck the carrying value of accrued liabilities on balance sheet date.

### **37. Share-based Payment**

Not applicable.

### **38. Other Financial Instruments such as Preferred Shares and Perpetual Bonds**

Not applicable.

### **39. Revenue**

The Accounting Policy Adopted for Recognition and Measurement of Revenue

#### **(1) Recognition of revenue**

The Company gains revenue mainly from property sales, property management and property leasing (refer to 42. Leasing for more detail).

The Company recognizes revenue when it has fulfilled the obligation of contract performance, namely, when it has acquired the control of the related commodity. The acquisition of control over a commodity refers to the capacity to control the use of the commodity and to gain almost all economic interests thereof.

**(2) The Company judges whether a contract performance obligation is “a contract performance obligation fulfilled in a time period” or “a contract performance obligation fulfilled at a time point” according to the terms in revenue standards, and**

**recognizes revenue according to the following principles.**

1) When the Company meets one of the following conditions, the obligation should be classified as a contract performance obligation fulfilled in a specific time period:

- ① The customer gains and consumes the economic interests brought by the Company's contract performance when the Company performs the contract.
- ② The customer is able to control the assets in progress during the Company's contract performance.
- ③ The assets produced during the Company's contract performance have irreplaceable use, and the Company has the right to collect payment in respect of its completed contract performance accumulated as of now throughout the entire contract period.

For a contract performance obligation fulfilled in a time period, the Company recognizes revenue according to the progress towards contract completion in that period, but excluding the case when such progress cannot be reasonably determined. The Company uses the output or input method to determine the right progress towards contract completion by considering the nature of the commodity.

2) For one that is classified as a contract performance obligation fulfilled at a time point instead of in a time period, the Company recognizes revenue when the customer acquires the control over the related commodity.

In judging whether the customer has acquired the control over a commodity, the Company considers the following signs:

- ① The Company is entitled to the current right of payment collection in respect of the commodity. In other words, the customer has the current obligation to pay for the commodity.
- ② The Company has transferred the legal ownership of the commodity to the customer. In other words, the customer has owned the legal ownership of the commodity.
- ③ The Company has transferred the physical commodity to the customer. In other words, the customer has taken physical possession of the commodity.
- ④ The Company has transferred the major risks and remunerations in respect of the ownership of the commodity. In other words, the customer has acquired the major risks and remunerations in respect of the ownership of the commodity.
- ⑤ The customer has accepted the commodity.
- ⑥ Other signs indicating that the customer has acquired control over the commodity.

Specific policies of the Company for recognizing revenue:

**(1) Real Estate Sales Contracts**

The realization of sales revenue shall be recognized under the following conditions: the developed products have been completed and accepted, the sales contract has been signed and the obligations stipulated in the contract have been fulfilled, the main risks and rewards of ownership of the developed products have been transferred to the buyer at the same time, the Company shall no longer retain the continuous management rights normally associated with ownership and effectively control the sold developed products, the revenue amount can be measured reliably, the related economic benefits are likely to flow in, and the related costs that have occurred or will occur can be measured reliably.

For the sale of self-occupied housing, the realization of sales income shall be recognized under the following conditions: the main risks and rewards of ownership of self-occupied houses are transferred to the buyer, the Company will no longer retain the continuous management rights normally associated with ownership and effectively control the sold development products, the amount of income can be measured reliably, relevant economic benefits are likely to flow in, the relevant costs that have occurred or will occur can be measured reliably.

Only recognizing the sales income realization under the following conditions: acquired the real estate completed and accepted as qualified (the completion and acceptance reports), signed an irreversible sales contract, obtained the buyer's payment certificate (for those who chose bank mortgage, the first installment and the full amount of bank mortgage must be required; for those who did not choose the bank mortgage to make their payment, the full house payment must be required) issued the notice of repossession (if the owner fails to go through the formalities in time within the specified time limit the building shall be deemed as repossessed).

**(2) Providing Labor Services**

If the provision of labor services can be reliably estimated (all the following conditions are met: ① The amount of income can be measured reliably; ② The relevant economic benefits are likely to inflow to the Company; ③ The progress of the transaction can be reliably determined; ④ The cost incurred and to be incurred in the transaction can be measured reliably), it shall recognize the revenue from providing services employing the percentage-of-completion method, and confirm the completion of labor service according to the costs incurred as a percentage of the total estimated costs. If the Company can't, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labor services it provides, it shall be handled under the following conditions: If the cost of labor services incurred is expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount; If the cost of labor services incurred is not expected to compensate, the cost incurred should be included in the current profits and losses, and no revenue from the providing of labor services may be recognized.

Property management revenue shall be recognized when property management services have been provided, economic benefits related to property management services can flow into the enterprise, and costs related to property management can be reliably measured.

### **(3) Transferring the Right to Use Assets**

The revenue of transferring the right to use assets may not be recognized unless the following conditions are both met: the relevant economic benefits are likely to inflow to the Company; and the revenue can be reliably measured. The interest income shall be recognized according to the time and actual interest rate in which other people use the Company's monetary funds. Royalty revenue shall be recognized according to the chargeable time and method stipulated in related contracts and agreements.

According to the lease date and lease amount agreed in the lease contract and agreement, the realization of rental property income shall be recognized when relevant economic benefits are likely to flow in.

### **(4) Other Business Income**

According to the stipulations of relevant contracts and agreements, when the economic benefits related to the transaction can flow into the enterprise and the costs related to the income can be reliably measured, the realization of other business income shall be confirmed.

### **(3) Measurement of Revenue**

The Company should measure revenue according to the transaction prices apportioned to each of the individual contract performance obligations. In determining a transaction price, the Company considers the impact of a number of factors, including variable consideration, significant financing components in contracts, non-cash consideration, and consideration payable to customers.

#### **1) Variable consideration**

The Company determines the best estimate of variable consideration according to the expected value or the amount most likely to occur. But a transaction price containing variable consideration should not exceed the amount from the accumulated recognized revenue that will probably not have any significant reversal when related uncertainties are eliminated. When assessing whether the significant reversal of accumulated recognized revenue is almost impossible or not, a company should concurrently consider the possibility and weight of the revenue reversal.

#### **2) Significant financing component**

When a contract contains any financing component, the Company should determine the transaction price according to the amount payable that is assumed to be paid in cash by the customer when it acquires control over the commodity. The difference between the transaction price and the contract consideration should be amortized in the effective interest method during the contract period.

#### **3) Non-cash consideration**

When a customer pays non-cash consideration, the Company should determine the transaction price according to the fair value of the non-cash consideration. When such fair value cannot be reasonably estimated, the Company will indirectly determine the transaction price by reference to the individual price committed by the Company for transferring the commodity to the customer.

#### **4) Consideration payable to a customer**

For consideration payable to a customer, the Company should deduct the transaction price from the consideration payable, and

deduct the revenue for the current period at either the recognition of related revenue or the payment (or committed payment) of the consideration to the customer, whichever is earlier, but excluding the case in which the consideration payable to the customer is for the purpose of acquiring from the customer other commodities that can be obviously distinguished.

If the Company's consideration payable to a customer is for the purpose of acquiring from the customer other commodities that can be obviously distinguished, the Company should confirm the commodity purchased in the same way as in its other purchases. When the Company's consideration payable to a customer exceeds the fair value of the commodity that can be obviously distinguished, the exceeded amount should be used to deduct the transaction price. If the fair value of the commodity acquired from the customer that can be obviously distinguished cannot be reasonably estimated, the Company should deduct the transaction price from the consideration payable to the customer.

Differences in accounting policies for the recognition of revenue caused by different business models for the same type of business  
Not applicable.

#### 40. Government Grants

**1. If the government subsidies meet with the following conditions at the same, it should be recognized:** (1) The entity will comply with the condition attaching to them; (2) The grants will be received from government. If a government subsidy is a monetary asset, it shall be measured according to the amount received or receivable. If a government subsidy is a non-monetary asset, it shall be measured at its fair value, and shall be measured at a nominal amount when the fair value cannot be obtained reliably.

**2. Judgment basis and accounting methods of government subsidies related to assets**

The government subsidies that are acquired for construction or form long-term assets in other ways according to government documents shall be defined as asset-related government subsidies. For those not specified in government documents, the judgment shall be made based on the compulsory fundamental conditions for acquiring the subsidies. If the subsidies are acquired with construction or the formation of long-term assets in other ways as fundamental conditions, they shall be recognized as asset-related government subsidies. For asset-related government subsidies, the carrying value of related assets shall be written down or recognized as deferred income. If asset-related government subsidies are recognized as deferred income, it shall be recorded into profits or losses by period in a reasonable and systemic manner within the life of related assets. Government subsidies measured at the nominal amount shall be directly recorded into current profits or losses. If related assets are sold, transferred, disposed of or destroyed before the end of their life, the undistributed balance of related deferred income shall be transferred into the profits or losses for the period of the asset disposal.

**3. Judgment basis and accounting treatment of profits-related government subsidies**

Government subsidies other than asset-related government subsidies shall be defined as profits-related government subsidies. For government subsidies consisting of both asset-related parts and profits-related parts, which is difficult to judge whether they are related to assets or profits, the entirety shall be classified as profits-related government subsidies. Profits-related government subsidies that are used to compensate the related future expenses or losses shall be recognized as deferred income and shall be included into the current profit/losses during the period when the relevant expenses or losses are recognized; those subsidies used to compensate the related expenses or losses incurred shall be directly included into the current profits/losses.

**4. Government subsidies related to the Company's routine operating activities** shall be included into other income or write down related costs according to the economic business nature. Government subsidies not related to the Company's routine activities shall be included into non-operating income and expenditure.

#### 41. Deferred Income Tax Assets/Deferred Income Tax Liabilities

1. In accordance with the balance (the item not recognized as assets and liabilities can confirm their tax bases according to the tax law, the balance between the tax bases and its carrying amount) between the carrying amount of assets or liabilities and their tax

bases, deferred tax assets and deferred tax liabilities should be recognized at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

2. A deferred tax asset shall be recognized within the limit of taxable income that is likely to be obtained to offset the deductible temporary differences. At the balance sheet date, where there is strong evidence showing that sufficient taxable profit will be available against which the deductible temporary difference can be utilized, the deferred tax asset unrecognized in prior period shall be recognized.

3. The Company assesses the carrying amount of deferred tax asset at the balance sheet date. If it's probable that sufficient taxable profit will not be available against which the deductible temporary difference can be utilized, the Company shall write down the carrying amount of deferred tax asset, or reverse the amount written down later when it's probable that sufficient taxable profit will be available.

4. The current income tax and deferred income tax of the Company are recorded into the current gains and losses as income tax expenses or revenue, except in the following circumstances: (1) Business combination; (2) The transaction or event directly included in owner' equity.

## 42. Lease

### (1) Accounting Treatment of Operating Lease

As a Lessee, the Company shall record the rent into relevant assets cost or recognize it as the current profit or loss on a straight-line basis over the lease term. The initial direct costs incurred shall be recognized as the current profit or loss; Contingent rents shall be charged into the current profit or loss when they are incurred.

The Company as a lessor recognizes the payment from its operating lease as rental revenue in the straight line method in different periods of a lease term. It capitalizes the initial direct costs incurred relating to the operating lease, amortizes the costs on the same basis for the recognition of rental revenue during the lease term, and records them into current profits/losses across different periods.

For the fixed assets in operating lease assets, the Company should depreciate them according to the depreciation policy for similar assets; for other operating lease assets, the Company should amortize them in systematic and reasonable methods according to the accounting standards for business enterprises application to such assets. The Company determines whether there is any impairment to its operating lease assets according to the *Accounting Standards for Business Enterprises No. 8 - Impairment of Assets*, and performs the corresponding accounting treatment.

### (2) Accounting Treatments of Financial Lease

For the lessee, a fixed asset acquired under finance lease shall be valued at the lower of the fair value of the leased asset and the present value of the minimum lease payments at the inception of lease. The minimum lease payments as the entering value in long-term account payable, the difference as unrecognized financing charges; the initial direct costs shall be directly recorded into leasing asset value. At each period during the lease term, the effective interest rate method shall be adopted to calculate and confirm the current financing charge.

On the initial date of financial lease, lessee of the financial lease shall record the sum of the minimum lease payments and initial direct costs as the financing lease accounts receivable, and also record the non-guaranteed residual value; recognize the difference between the total minimum lease payments, initial direct costs, non-guaranteed residual value and sum of the present value as the unrealized financing income; At each period during the lease term, the effective interest rate method shall be adopted to calculate and confirm the current financing income.

### 43. Other Important Accounting Policies and Accounting Estimations

#### (1) Confirmation standard and accounting handling method for operation termination

Components which meet one of the following conditions, have been disposed or divided as held for sale category and can be distinguished separately are confirmed as operation termination.

- 1) The component represents one important independent main business or one single main operation area.
- 2) The component is one part of a related plan which plans to dispose one independent main business or one single main operation area.
- 3) The component is a subsidiary which is obtained for resale specially.

#### (2) Accounting Method for Maintenance fund and Quality Deposit

##### 1) Maintenance fund accounting method

According to the local relevant regulations of the development project, the maintenance fund shall collect from the buyers, or withdraw from the development costs of the Company's relevant development products when development products sell (pre-sell), and shall uniformly turn them over to the maintenance fund management department.

##### 2) Quality deposit accounting method

The quality guarantee fund shall be reserved from the project fund of the construction unit according to the provisions of the construction contract. Maintenance fees incurred during the warranty period of the developed products shall be offset against the quality guarantee deposit; After the expiration of the warranty period agreed upon in the development of products, the balance of the quality guarantee deposit shall be returned to the construction unit.

#### (3) Segmental report

The Group recognizes the operating segments according to the internal organization structure, the management requirements and the internal report system. Operating segments refer to the compose parts of the Group which meet with the following conditions at the same time:

- 1) the compose part could cause revenues and expenses in the daily activities;
- 2) the management layer could periodically evaluate the operation results of the compose part and base which to distribute the resources and evaluate the performance;
- 3) the Group could acquire the relevant accounting information of the financial conditions, operation results and the cash flows of the compose part through analysis.

### 44. Changes in Main Accounting Policies and Estimates

#### (1) Change of Accounting Policies

Applicable  Not applicable

#### (2) Changes in Accounting Estimates

Applicable  Not applicable

#### (3) Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Revenue or Leases since 2020

Applicable

Whether items of balance sheets at the beginning of the year need to be adjusted



√ Yes □ No

## Consolidated balance sheet

Unit: RMB

Item	31 December 2019	1 January 2020	Adjustment
Current assets:			
Monetary assets	3,297,890,935.91	3,297,890,935.91	
Settlement reserve			
Interbank loans granted			
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	216,923,663.25	216,923,663.25	
Accounts receivable financing			
Prepayments	69,546,774.17	69,546,774.17	
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables	917,981,165.74	917,981,165.74	
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	4,913,510,876.66	4,913,510,876.66	
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets	42,500,585.94	42,500,585.94	
Total current assets	9,458,354,001.67	9,458,354,001.67	
Non-current assets:			
Loans and advances to customers			
Investments in debt			

obligations			
Investments in other debt obligations			
Long-term receivables			
Long-term equity investments	45,076,122.72	45,076,122.72	
Investments in other equity instruments	1,580,475.86	1,580,475.86	
Other non-current financial assets			
Investment property	503,323,428.61	503,323,428.61	
Fixed assets	93,557,782.83	93,557,782.83	
Construction in progress			
Productive living assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	700,369.66	700,369.66	
Development costs			
Goodwill			
Long-term prepaid expense	7,034,472.79	7,034,472.79	
Deferred income tax assets	658,153,122.73	658,153,122.73	
Other non-current assets	4,711,963.66	4,711,963.66	
Total non-current assets	1,314,137,738.86	1,314,137,738.86	
Total assets	10,772,491,740.53	10,772,491,740.53	
Current liabilities:			
Short-term borrowings			
Borrowings from the central bank			
Interbank loans obtained			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	577,689,139.10	577,689,139.10	
Advances from customers	728,186,032.63	33,972,360.94	-694,213,671.69

Contract liabilities		694,213,671.69	694,213,671.69
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	143,493,868.80	143,493,868.80	
Taxes payable	2,598,283,291.68	2,598,283,291.68	
Other payables	1,149,104,928.85	1,149,104,928.85	
Including: Interest payable			
Dividends payable	12,202,676.04	12,202,676.04	
Handling charges and commissions payable			
Reinsurance payables			
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities	3,921,032.24	3,921,032.24	
Other current liabilities			
Total current liabilities	5,200,678,293.30	5,200,678,293.30	
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	2,193,833,000.00	2,193,833,000.00	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions	2,903,327.87	2,903,327.87	

Deferred income	341,259.63	341,259.63	
Deferred income tax liabilities	3,821.08	3,821.08	
Other non-current liabilities	108,164,737.46	108,164,737.46	
Total non-current liabilities	2,305,246,146.04	2,305,246,146.04	
Total liabilities	7,505,924,439.34	7,505,924,439.34	
Owners' equity:			
Share capital	595,979,092.00	595,979,092.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	80,488,045.38	80,488,045.38	
Less: Treasury stock			
Other comprehensive income	-2,698,371.44	-2,698,371.44	
Specific reserve			
Surplus reserves	17,060,448.05	17,060,448.05	
General reserve			
Retained earnings	2,457,119,795.39	2,457,119,795.39	
Total equity attributable to owners of the Company as the parent	3,147,949,009.38	3,147,949,009.38	
Non-controlling interests	118,618,291.81	118,618,291.81	
Total owners' equity	3,266,567,301.19	3,266,567,301.19	
Total liabilities and owners' equity	10,772,491,740.53	10,772,491,740.53	

## Notes to the adjustments

The Company starts to implement the Accounting Standards for Business Enterprises No.14-Revenue revised by the Ministry of Finance since 1 January 2020. As required by the connection regulation for the old and new standards, the information of comparative period was not adjusted, and the beginning retained earnings or other comprehensive income of the Reporting Period shall be retroactively adjusted for the difference between the original standards and the new one when implemented on the first execution date.

Balance sheet of the Company as the parent

Unit: RMB

Item	31 December 2019	1 January 2020	Adjustment
Current assets:			

Monetary assets	2,455,001,204.14	2,455,001,204.14	
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	755,932.14	755,932.14	
Accounts receivable financing			
Prepayments	496,729.09	496,729.09	
Other receivables	501,082,153.81	501,082,153.81	
Including: Interest receivable			
Dividends receivable			
Inventories	624,499,208.02	624,499,208.02	
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets	1,113,935.28	1,113,935.28	
Total current assets	3,582,949,162.48	3,582,949,162.48	
Non-current assets:			
Investments in debt obligations			
Investments in other debt obligations			
Long-term receivables			
Long-term equity investments	1,070,542,003.11	1,070,542,003.11	
Investments in other equity instruments	1,810,975.86	1,810,975.86	
Other non-current financial assets			
Investment property	312,638,785.76	312,638,785.76	
Fixed assets	26,337,488.29	26,337,488.29	
Construction in progress			
Productive living assets			

Oil and gas assets			
Right-of-use assets			
Intangible assets			
Development costs			
Goodwill			
Long-term prepaid expense	605,416.29	605,416.29	
Deferred income tax assets	343,958,821.07	343,958,821.07	
Other non-current assets	1,613,657,031.92	1,613,657,031.92	
Total non-current assets	3,369,550,522.30	3,369,550,522.30	
Total assets	6,952,499,684.78	6,952,499,684.78	
Current liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	64,503,938.37	64,503,938.37	
Advances from customers	320,469.53	320,469.53	
Contract liabilities			
Employee benefits payable	36,735,205.68	36,735,205.68	
Taxes payable	1,322,751,671.37	1,322,751,671.37	
Other payables	3,146,684,268.89	3,146,684,268.89	
Including: Interest payable			
Dividends payable			
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total current liabilities	4,570,995,553.84	4,570,995,553.84	
Non-current liabilities:			
Long-term borrowings			

Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities	40,000,000.00	40,000,000.00	
Total non-current liabilities	40,000,000.00	40,000,000.00	
Total liabilities	4,610,995,553.84	4,610,995,553.84	
Owners' equity:			
Share capital	595,979,092.00	595,979,092.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	53,876,380.11	53,876,380.11	
Less: Treasury stock			
Other comprehensive income	-2,051,268.24	-2,051,268.24	
Specific reserve			
Surplus reserves	16,403,637.61	16,403,637.61	
Retained earnings	1,677,296,289.46	1,677,296,289.46	
Total owners' equity	2,341,504,130.94	2,341,504,130.94	
Total liabilities and owners' equity	6,952,499,684.78	6,952,499,684.78	

Notes to the adjustments

#### (4) Retroactive Adjustments to Comparative Data of Prior Years when First Execution of any New Standards Governing Revenue or Leases since 2020

√ Applicable □ Not applicable

In accordance with the coherent regulations of the new revenue standards, the Company has started to disclose accounting statements according to the requirements of the new revenue standards since the first quarter of 2020, with no retroactive adjustment to the comparable data of 2019, and thus no impact on the Company's related financial indicators of 2019. It is expected that the implementation of the new revenue standards will not result in significant changes in the Company's method of recognizing its revenue, and thus will not produce significant influence on the its net profits, total assets and net assets for both the previous and current periods.

#### 45. Other

In the Note of the financial statements, the data of the period-beginning refers to the financial statement data on 1 January 2020; the data of the period-end refers to the financial statement data on 30 June 2020; the Reporting Period refers to the first half of 2020; the same period of last year refers to the first half of 2019. The same to the Company as the parent.

### VI Taxes

#### 1. Main Taxes and Tax Rates

Category of taxes	Tax basis	Tax rate
VAT	Sales of goods or provision of taxable services	[Note 1]
Urban maintenance and construction tax	Turnover tax payable	Applied to 7%, 1% separately according to the regional level
Enterprise income tax	Taxable income	25% [Note 2]
VAT of land	Added value generated from paid transfer of the use right of state-owned lands and property right of above-ground buildings and other attachments	Four progressive levels with the tax rate ranging from 30% to 60% of transferring real estate added value
Real estate tax	Levied according to price: paid according to 1.2% of the residual value of the real estate's original value after deducted 30% at once; levied according to lease: paid according to 12% of the rental income	
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%

Notes of the disclosure situation of the taxpaying bodies with different enterprises income tax rate

Name	Income tax rate
Chongqing Shenzhen International Trade Center Property	15%



Management Co., Ltd.	
Shenzhen SZPRD Housing Assets Operation and Management Co., Ltd.	20%
Shenzhen Guomao Catering Co., Ltd.	20%
Shenzhen Property Engineering and Construction Supervision Co., Ltd.	20%
Shenzhen Julian Human Resources Development Co.,Ltd.	20%
Shenzhen Huazhengpeng Property Management Development Co., Ltd.	20%
Shenzhen Jinhailian Property Management Co.,Ltd.	20%
Shenzhen Zhongtongda House Xiushan Service Co.,Ltd.	20%
Shenzhen Kangping Industry Co.,Ltd.	20%
Shenzhen Teacher Family Training Co., Ltd.	20%
Shenzhen Education Industry Co., Ltd.	20%
Shenzhen Yufa Industry Co., Ltd.	20%
Chongqing Aobo Elevator Co., Ltd.	20%
Subsidiaries registered in Hong Kong area	16.5%
Other taxpaying bodies within the consolidated scope	25%

## 2. Tax Preference

According to the regulations of No. 2, Property Service of No. 37, Commercial Service among the encouraging category of the Guidance Catalogue of Industry Constructure Adjustment (Y2011), the western industry met with the conditions should be collected the corporate income tax according to 15% of the tax rate. The subsidiary of the Group Chongqing Shenzhen International Trade Center Property Management Co., Ltd. applies to above policy.

According to the State Administration of Taxation Notice on the Implementation of Inclusive Tax Relief Policy for Small and Micro Enterprises (Fiscal [2019] No.13), from 1 January 2019, to 31 December 2021, the portion of the annual taxable income of small and micro enterprises that does not exceed RMB1 million shall be included in the taxable income at a reduced rate of 25%, and the enterprise income tax shall be paid at a tax rate of 20%. If the annual taxable income exceeds RMB1 million and does not exceed RMB3 million, it shall be included in the taxable income at a reduced rate of 50%, and the enterprise income tax shall be paid at a tax rate of 20%. This policy applies to 12 subsidiaries of our group from 2019 onwards, including Chongqing Aobo Elevator Co., Ltd., Shenzhen International Trade Center Catering Co., Ltd., etc.

## 3. Other

Note 1. Taxable items and tax rate of the VAT of the Company and its subsidiaries are as follows:

Type of the revenue	General rate	Percentage charges of
Sales of house property	9%	5%
Rent of real estate	9%	5%

Property service	6%	3%
Catering service	6%	3%
Others	13%	--

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

### 1. Monetary Assets

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	164,191.19	130,048.49
Bank deposits	3,056,664,559.86	3,276,826,087.46
Other monetary assets	22,112,922.57	20,934,799.96
Total	3,078,941,673.62	3,297,890,935.91
Of which: the total amount deposited overseas	55,767,421.33	54,480,940.07
The total amount with restricted right of use for mortgage, pledge or freeze	22,871,902.65	12,545,702.44

Other notes:

Other monetary assets were RMB22,112,922.57, among which, the cash deposits for guarantees of RMB1,120,910.60, cash deposits for L/G of RMB49,020.00, frozen assets of bank's account of RMB7,074,255.32, bank deposits of RMB3,078,941,673.62 including RMB14,627,716.73 of interest of fixed time deposits withdrawn at the end of the Reporting Period. The above was not recognized as cash and cash equivalents for restrictions on use.

### 2. Held-for-trading Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
Of which:		
Of which:		

Other notes:

### 3. Derivative Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Other notes:

#### 4. Notes Receivable

##### (1) Notes Receivable Listed by Category

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Of which:										
Of which:										

Bad debt provision separately accrued:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason

Bad debt provision withdrawn according to groups:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion

Notes of the basis of recognizing the group:

If the bad debt provision for notes receivable was withdrawn in accordance with the general model of expected credit losses, information related to bad debt provision shall be disclosed by reference to the disclosure method of other receivables:

Applicable  Not applicable

##### (2) Bad Debt Provision Withdrawn, Reversed or Collected during the Reporting Period

Bad debt provision withdrawn in the Reporting Period:

Unit: RMB

Category	Beginning balance	Increase/decrease				Ending balance
		Withdrawn	Reversed or collected	Verified	Other	

Of which, bad debt provision collected or reversed with significant amount:

Applicable  Not applicable

**(3) Notes Receivable Pledged by the Company at the Period-end**

Unit: RMB

Item	Amount
------	--------

**(4) Notes Receivable which Had Endorsed by the Company or had Discounted and had not Due on the Balance Sheet Date at the Period-end**

Unit: RMB

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
------	---	--

**(5) Notes Transferred to Accounts Receivable because Drawer of the Notes Failed to Execute the Contract or Agreement**

Unit: RMB

Item	Amount of the notes transferred to accounts receivable at the period-end
------	--

Other notes:

**(6) Notes Receivable with Actual Verification for the Reporting Period**

Unit: RMB

Item	Amount
------	--------

Of which, verification of significant notes receivable:

Unit: RMB

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related-party transactions
--------------------	--------	--------	--------	-----------	--

Notes of the verification of notes receivable:

**5. Accounts Receivable****(1) Accounts Receivable Classified by Category**

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal		Amount	Proportion	Amount	Withdrawal	

				proportion					proportion	
Accounts receivable with single bad debt provision accrued	106,118,180.93	26.14%	104,557,885.00	98.53%	1,560,295.93	106,958,370.47	31.79%	105,293,364.00	98.44%	1,665,006.47
Of which:										
Accounts receivable with bad debt provision withdrawn according to groups	299,789,574.27	73.86%	18,484,443.78	6.17%	281,305,130.49	229,476,481.62	68.21%	14,217,824.84	6.20%	215,258,656.78
Of which:										
Total	405,907,755.20	100.00%	123,042,328.78	30.31%	282,865,426.42	336,434,852.09	100.00%	119,511,188.84	35.52%	216,923,663.25

Single bad debt provision accrued:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	93,811,328.05	100.00%	Involved in lawsuit and no executable property
Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	2,836,561.00	100.00%	Uncollectible for a long period
Lunan Industry Corporation	2,818,284.84	2,818,284.84	100.00%	Poor operating conditions, uncollectible for a long period
Those with insignificant single amount for which bad debt provision separately accrued	6,652,007.04	5,091,711.11	76.54%	Uncollectible for a long period
Total	106,118,180.93	104,557,885.00	--	--

Single bad debt provision accrued: 104,557,885.00

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason

Single bad debt provision accrued:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason

Bad debt provision withdrawn according to groups:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Within 1 year	264,110,788.95	7,923,323.67	3.00%
1 to 2 years	20,041,644.72	2,004,164.47	10.00%
2 to 3 years	9,164,177.05	2,749,253.12	30.00%
3 to 4 years	1,022,267.33	511,133.66	50.00%
4 to 5 years	770,636.82	616,509.46	80.00%
Over 5 years	4,680,059.40	4,680,059.40	100.00%
Total	299,789,574.27	18,484,443.78	--

Notes of the basis of recognizing the group:

Bad debt provision withdrawn according to groups: 18,484,443.78

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion

Notes of the basis of recognizing the group:

Bad debt provision withdrawn according to groups:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion

Notes of the basis of recognizing the group:

If the bad debt provision for accounts receivable was withdrawn in accordance with the general model of expected credit losses, information related to bad debt provision shall be disclosed by reference to the disclosure method of other receivables:

Applicable  Not applicable

Disclosed by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	264,110,788.95
1 to 2 years	20,041,644.72
2 to 3 years	9,164,177.05
Over 3 years	112,591,144.48
3 to 4 years	1,022,267.33
4 to 5 years	770,636.82
Over 5 years	110,798,240.33
Total	405,907,755.20

**(2) Bad Debt Provision Withdrawn, Reversed or Collected during the Reporting Period**

Bad debt provision withdrawn for the Reporting Period:

Unit: RMB

Category	Beginning balance	Increase/decrease				Ending balance
		Withdrawn	Reversed or collected	Verified	Other	
Bad debt provision separately accrued	105,293,364.00		735,479.00			104,557,885.00
Bad debt provision withdrawn according to groups	14,217,824.84	6,014,981.36	1,748,362.42			18,484,443.78
<b>Total</b>	<b>119,511,188.84</b>	<b>6,014,981.36</b>	<b>2,483,841.42</b>			<b>123,042,328.78</b>

Of which, bad debt provision reversed or collected with significant amount:

Unit: RMB

Name of the entity	Amount reversed or collected	Method

**(3) Accounts Receivable with Actual Verification for the Reporting Period**

Unit: RMB

Item	Amount verified

Of which, verification of significant accounts receivable:

Unit: RMB

Name of the entity	Nature	Amount verified	Reason for verification	Procedure	Whether occurred because of related-party transactions

Notes of the verification of accounts receivable:

**(4) Top 5 of the Ending Balance of the Accounts Receivable Collected according to the Arrears Party**

Unit: RMB

Name of units	Ending balance of accounts receivable	% of total ending balance of accounts receivable	Ending balance of bad debt provision
Shenzhen Bay Technology Development Co., Ltd.	112,143,815.18	27.63%	3,364,314.46
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	23.11%	93,811,328.05

Shenzhen Meiya Industry Development Co.,Ltd.	8,282,669.14	2.04%	248,480.07
Shenzhen Canglege Culture Development Co.,Ltd.	7,355,950.65	1.81%	735,595.07
Tao Bao(China)Software Co.,Ltd.	6,733,723.71	1.66%	202,011.71
<b>Total</b>	<b>228,327,486.73</b>	<b>56.25%</b>	

### (5) Derecogniton of Accounts Receivable due to the Transfer of Financial Assets

### (6) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Accounts Receivable

Other notes:

## 6. Accounts Receivable Financing

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Increase or decrease of accounts receivable financing and changes in fair value thereof

Applicable  Not applicable

If the depreciation reserve for accounts receivable financing was withdrawn in accordance with the general model of expected credit losses, the information related to depreciation reserve shall be disclosed by reference to the disclosure method of other receivables:

Applicable  Not applicable

Other notes:

## 7. Prepayments

### (1) List by Aging Analysis

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	33,261,589.57	39.14%	36,985,187.03	53.18%
1 to 2 years	21,767,574.33	25.61%	3,797,085.70	5.46%
2 to 3 years	6,611,483.93	7.78%	8,360,467.04	12.36%
Over 3 years	23,342,786.71	27.47%	20,404,034.40	29.00%
<b>Total</b>	<b>84,983,434.54</b>	<b>--</b>	<b>69,546,774.17</b>	<b>--</b>

Notes of the reasons of the prepayment aging over 1 year with significant amount but failed settled in time:



The prepayment aging over 1 year are the various prepaid taxes, like land VAT, urban construction tax and educational surtax of prepayment of real estate projects still not reaching the recognition of income conditions according to tax law; the relevant procedures of conscience money including land price transaction fees and municipal supporting facilities fee hasn't been completed yet.

## (2) Top 5 of the Ending Balance of the Prepayments Collected according to the Prepayment Target

Name of units	Carrying amount	As % of the total ending balance of the prepayments (%)
Shenzhen Qianhai Advanced Information Service Co., Ltd.	24,000,000.00	28.24%
Financial Committee of Shenzhen	19,509,471.00	22.96%
Tax Bureau of Tongshan District in Xuzhou-prepaid taxes	14,632,771.32	17.22%
Tax Bureau of Hanjiang District in Yangzhou-prepaid taxes	14,590,007.43	17.17%
Jiangsu Hanjian Group	6,000,000.00	7.06%
Subtotal	78,732,249.75	92.64%

Other notes:

The total amount of top 5 of the ending balance of the prepayments was RMB78,732,249.75, accounting for 92.64% of the total ending balance of the prepayments.

## 8. Other Receivables

Unit: RMB

Item	Ending balance	Beginning balance
Other receivables	800,159,718.50	917,981,165.74
Total	800,159,718.50	917,981,165.74

### (1) Interest Receivable

#### 1) Category of Interest Receivable

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

#### 2) Significant Overdue Interest

Unit: RMB

Entity	Ending balance	Overdue time	Overdue reason	Whether occurred
--------	----------------	--------------	----------------	------------------

				impairment and the judgment basis
--	--	--	--	-----------------------------------

Other notes:

### 3) Withdrawal of Bad Debt Provision

Applicable  Not applicable

#### (2) Dividends Receivable

##### 1) Category of Dividends Receivable

Unit: RMB

Item (or investees)	Ending balance	Beginning balance
---------------------	----------------	-------------------

##### 2) Significant Dividends Receivable Aged over 1 Year

Unit: RMB

Item (or investees)	Ending balance	Aging	Reason	Whether occurred impairment and the judgment basis
---------------------	----------------	-------	--------	--

### 3) Withdrawal of Bad Debt Provision

Applicable  Not applicable

Other notes:

#### (3) Other Receivables

##### 1) Other Receivables Disclosed by Account Nature

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Margin	11,937,978.73	13,439,816.18
Cash deposit	50,181,204.02	30,202,817.84
Petty cash	3,372,169.60	1,853,585.88
Payments on behalf	3,614,977.44	5,218,908.47
External intercourse funds	772,468,837.47	915,411,567.13
Other	11,171,931.51	9,087,762.19
<b>Total</b>	<b>852,747,098.77</b>	<b>975,214,457.69</b>

**2) Withdrawal of Bad Debt Provision**

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2020	29,257,660.02		27,975,631.93	57,233,291.95
Balance of 1 January 2020 in the Current Period	—	—	—	—
Withdrawal of the Current Period	644,205.48			644,205.48
Reversal of the Current Period	5,290,117.16			5,290,117.16
Balance of 30 June 2020	24,611,748.34		27,975,631.93	52,587,380.27

Changes of carrying amount with significant amount changed of loss provision in the current period

 Applicable  Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	65,695,400.47
1 to 2 years	10,979,858.36
2 to 3 years	735,332,705.48
Over 3 years	40,739,134.46
3 to 4 years	1,256,744.97
4 to 5 years	1,456,487.66
Over 5 years	38,025,901.83
Total	852,747,098.77

**3) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period**

Withdrawal of bad debt provision:

Unit: RMB

Category	Beginning balance	Changes				Ending balance
		Withdrawal	Recovery or	Write-off	Other	

			reversal			
Individual withdrawal of bad debt provision	27,975,631.93					27,975,631.93
Withdrawal of bad debt provision by groups	29,257,660.02	644,205.48	5,290,117.16			24,611,748.34
<b>Total</b>	<b>57,233,291.95</b>	<b>644,205.48</b>	<b>5,290,117.16</b>			<b>52,587,380.27</b>

Of which bad debt provision reversed or recovered with significant amount:

Unit: RMB

Name of the entity	Reversed or collected amount	Method
--------------------	------------------------------	--------

Not applicable.

#### 4) Particulars of the Actual Verification of Other Receivables during the Reporting Period

Unit: RMB

Item	Amount
------	--------

Of which: significant actual verification of other receivables:

Unit: RMB

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related-party transactions
--------------------	--------	--------	--------	-----------	--

Notes of verification of other receivables:

#### 5) Top 5 of the Ending Balance of the Other Receivables Collected according to the Arrears Party

Unit: RMB

Name of the entity	Nature	Ending balance	Aging	Proportion to ending balance of other receivables%	Ending balance of bad debt provision
Shenzhen Xinhai Holding Co., Ltd.	Intercourse funds	401,499,990.18	1 to 2 years	47.10%	
Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.	Intercourse funds	330,472,932.33	1 to 2 years	38.80%	
Shenzhen Bangling Stock Cooperative	Margin	30,000,000.00	Within 1 year	3.50%	900,000.00

Company					
Affordable Housing Development Center of Tongshan District in Xu Zhou	Regulatory capital for presale of commercial buildings	18,700,000.00	Within 1 year	2.20%	561,000.00
Shanghai Yutong Real estate development Co., Ltd.	External intercourse funds	5,676,000.00	Over 5 years	0.70%	5,676,000.00
Total	--	786,348,922.51	--	92.21%	7,137,000.00

## 6) Accounts Receivable Involving Government Grants

Unit: RMB

Name of the entity	Project of government grants	Ending balance	Aging at period-end	Estimated recovering time, amount and basis

## 7) Derecognition of Other Receivables due to the Transfer of Financial Assets

## 8) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Other Receivables

Other notes:

## 9. Inventories

Whether the Company needs to comply with the disclosure requirements for real estate industry

Yes

### (1) Category of Inventories

The Company needs to comply with the disclosure requirements of Shenzhen Stock Exchange Industry Information Disclosure Guidelines No.3-Listed Companies Engaged in Real Estate Industry

Classified by nature

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Falling price reserves of inventory or depreciation reserves of contract	Carrying value	Carrying amount	Falling price reserves of inventory or depreciation reserves of contract	Carrying value

		performance cost			performance cost	
Development costs	5,124,846,218.88	6,648,404.13	5,118,197,814.75	4,528,429,076.71	6,648,404.13	4,521,780,672.58
Development of products	249,723,454.92		249,723,454.92	390,363,836.20		390,363,836.20
Raw materials	1,579,497.98	482,284.52	1,097,213.46	1,743,790.82	484,117.43	1,259,673.39
Inventory good	2,137,983.91	2,094,300.39	43,683.52	2,132,162.67	2,094,300.39	37,862.28
Low-value consumption goods	69,398.16		69,398.16	68,832.21		68,832.21
Total	5,378,356,553.85	9,224,989.04	5,369,131,564.81	4,922,737,698.61	9,226,821.95	4,913,510,876.66

Disclose main items of development costs and interest capitalization in the following format:

Unit: RMB

Name of project	Date of commencement	Estimated date of completion	Estimated total investment	Beginning balance	Transferred to development of products for this period	Other decrease for this period	Increase (Development costs) for this period	Ending balance	Accumulative amount of capitalized interests	Of which: amount of capitalized interests for this period	Capital resources
Guanlan Bangling project			6,433,000,000.00	3,004,198,155.43			512,610,632.86	3,516,808,788.29			Bank loan
SZPRD-Banshan Yujing Phase II	15 March 2019	30 June 2021	110,750,000.00	103,895,147.96			24,663,371.66	128,558,519.62			Other
SZPRD-Golden Collar's Resort –Building A&CA	1 March 2014	1 July 2019	1,100,000,000.00	579,765,854.55			32,705,483.60	612,471,338.15	6,299,523.27	3,628,687.20	Bank loan; other
SZPRD-Fuchang Garden Phase II	1 December 2018	31 December 2022	969,290,000.00	581,416,971.33			4,506,740.21	585,923,711.54			Other
Yupin Luanshan				215,502,512.42			21,930,913.84	237,433,426.26			Other
Hainan				6,648,404				6,648,404			Other

Qiongs han Land				.13				.13			
Shenhui Garden				37,002,03 0.89				37,002,03 0.89			Other
Total	--	--	8,613,040 ,000.00	4,528,429 ,076.71			596,417,1 42.17	5,124,846 ,218.88	6,299,523 .27	3,628,687 .20	--

Disclose main items of “Development of products” in the following format:

Unit: RMB

Name of project	Date of completion	Beginning balance	Increase	Decrease	Ending balance	Accumulative amount of capitalized interests	Of which: amount of capitalized interests for this period
SZPRD-La ngqiao Internationa l	1 December 2012	11,517,196.11			11,517,196.11		
SZPRD-Hu pan Yujing Phase I	1 June 2015	64,058,372.70		3,120,801.03	60,937,571.67	10,446,911.43	
SZPRD-Ba nshan Yujing Phase I	30 November 2016	29,392,977.73		14,355,009.56	15,037,968.17	27,205,315.95	
SZPRD-So nghu Langyuan	1 July 2017	27,098,111.12		1,439,087.77	25,659,023.35	30,539,392.65	
SZPRD-Hu pan Yujing Phase II	1 November 2017	90,059,024.33		3,521,708.01	86,537,316.32		
SZPRD-Go lden Collar’s Resort —Building B	1 December 2019	158,235,034.4 2		118,203,774.9 1	40,031,259.51	1,206,675.51	0.00
Internationa l Trade Center Plaza	1 December 1995	4,839,083.10			4,839,083.10		
Huangyuyu	1 June 2001	790,140.58			790,140.58		

an A Area							
Podium Building of Fuchang Building	1 November 1999	645,532.65			645,532.65		
Other projects		3,728,363.46			3,728,363.46	83,077,702.96	
Total	--	390,363,836.20		140,640,381.28	249,723,454.92	167,109,484.65	0.00

Classification of “Developing properties with the collection of payments in installments”, “Renting developing properties” and “Temporary Housing”:

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
------	-------------------	----------	----------	----------------

## (2) Falling Price Reserves of Inventory and Depreciation Reserves of Contract Performance Cost

Disclosure of falling provision withdrawal of inventory in the following format:

Classified by nature:

Unit: RMB

Item	Beginning balance	Increase		Decrease		Ending balance	Note
		Withdrawal	Other	Reversal or write-off	Other		
Development costs	6,648,404.13					6,648,404.13	
Raw materials	484,117.43			1,832.91		482,284.52	
Inventory good	2,094,300.39					2,094,300.39	
Total	9,226,821.95			1,832.91		9,224,989.04	--

Classification by main project:

Unit: RMB

Name of project	Beginning balance	Increase		Decrease		Ending balance	Notes
		Withdrawal	Other	Reversal or write-off	Other		
Hainan Qiongsan Land	6,648,404.13					6,648,404.13	
Total	6,648,404.13					6,648,404.13	--



**(3) Notes to the Ending Balance of Inventories Including Capitalized Borrowing Expense**

Item	Period-begin	Reporting Period	Carry-over in Current Period	Period-end
SZPRD-Banshan Yujing Phase I	740,173.97		740,173.97	0.00
SZPRD-Songhu Langyuan	43,719.56		43,719.56	0.00
SZPRD-Langqiao International	2,971,986.54			2,971,986.54
SZPRD-Hupan Yujing Phase I	1,624,566.49		7,148.09	1,617,418.40
SZPRD-Golden Collar's Resort	3,097,352.86	3,628,687.20	873,040.00	5,853,000.06
Subtotal	8,477,799.43	3,628,687.20	1,664,081.62	10,442,405.00

**(4) Inventory Limit**

Disclosed by project

Unit: RMB

Name of project	Beginning balance	Ending balance	Reason for the Limit

**10. Contract Assets**

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Falling price reserves	Carrying value	Carrying amount	Falling price reserves	Carrying value

Amount of significant changes in carrying value of contract assets in the Reporting Period and reasons thereof:

Unit: RMB

Item	Amount changed	Reason

If the bad debt provision for contract assets in accordance with the general model of expected credit losses, the information related to the bad debt provision shall be disclosed by reference to the disclosure method of other receivables:

Applicable  Not applicable

Withdrawal of impairment provision for contract assets in the Reporting Period

Unit: RMB

Item	Withdrawn	Reversed	Write-off/verified	Reason

Other notes:

**11. Held-for-sale Assets**

Unit: RMB

Item	Ending carrying amount	Impairment provision	Ending carrying value	Fair value	Estimated disposal expense	Estimated disposal time
------	------------------------	----------------------	-----------------------	------------	----------------------------	-------------------------

Other notes:

**12. Current Portion of Non-current Assets**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Significant investments in debt obligations /other investments in debt obligations

Unit: RMB

Item	Ending balance				Beginning balance			
	Par value	Coupon rate	Actual interest rate	Maturity date	Par value	Coupon rate	Actual interest rate	Maturity date

Other notes:

**13. Other Current Assets**

Unit: RMB

Item	Ending balance	Beginning balance
Pre-paid VAT	2,685,619.81	34,043,807.16
Deducted input tax	13,798,096.71	8,191,279.34
Other	16,750.10	265,499.44
<b>Total</b>	<b>16,500,466.62</b>	<b>42,500,585.94</b>

Other notes:

**14. Investments in debt obligations**

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Impairment provision	Carrying value	Carrying amount	Impairment provision	Carrying value

Significant investments in debt obligations

Unit: RMB

Item	Ending balance				Beginning balance			
	Par value	Coupon rate	Actual interest rate	Maturity date	Par value	Coupon rate	Actual interest rate	Maturity date

## Withdrawal of impairment provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2020 in the Reporting Period	—	—	—	—

Changes in carrying amount of provision for losses with significant amount in the Reporting Period

 Applicable  Not applicable

Other notes:

**15. Other Investments in Debt Obligations**

Unit: RMB

Item	Beginning balance	Accrued interest	Change in fair value in the Reporting Period	Ending balance	Costs	Accumulated changes in fair value	Accumulated provision for losses recognized in other comprehensive income	Note

Significant other investments in debt obligations

Unit: RMB

Item	Ending balance				Beginning balance			
	Par value	Coupon rate	Actual interest rate	Maturity date	Par value	Coupon rate	Actual interest rate	Maturity date

Withdrawal of impairment provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2020 in the Reporting Period	—	—	—	—

Changes in carrying amount of provision for losses with significant amount in the Reporting Period

 Applicable  Not applicable

Other notes:

## 16. Long-term Receivables

### (1) List of Long-term Receivables

Unit: RMB

Item	Ending balance			Beginning balance			Interval of discount rate
	Carrying amount	Bad debt provision	Carrying value	Carrying amount	Bad debt provision	Carrying value	

Impairment of bad debt provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2020 in the Reporting Period	—	—	—	—

Changes in carrying amount of provision for losses with significant amount in the Reporting Period

□ Applicable √ Not applicable

### (2) Derecognition of Long-term Receivables due to the Transfer of Financial Assets

### (3) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Long-term Receivables

Other notes

## 17. Long-term Equity Investments

Unit: RMB

Investees	Beginning balance (carrying value)	Increase/decrease								Ending balance (carrying value)	Ending balance of depreciation reserves	
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of depreciation reserves	Other			
I. Joint ventures												
Jifa Warehouse Co.,	38,614,771.66			43,811.79							38,658,583.45	

Ltd.											
Shenzhen Tian'an Internatio nal Building Property Managem ent Co., Ltd.	6,461,351 .06			113,250.0 0						6,574,601 .06	
Subtotal	45,076,12 2.72			157,061.7 9						45,233,18 4.51	
II. Associated enterprises											
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	18,983,6 14.14									18,983,61 4.14	18,983,61 4.14
Shenzhen Kangfu Health Products Co., Ltd.	165,000. 00									165,000.0 0	165,000.0 0
Shenzhen Xinghao Imitation Porcelain Co., Ltd.	756,670. 68									756,670.6 8	756,670.6 8
Shenzhen Social Welfare Company Fuda Electronic s Factory	326,693. 24									326,693.2 4	326,693.2 4
Shenzhen	1,684,35									1,684,350	1,684,350

Fulong Industry Development Co., Ltd.	0.00									.00	.00
Haonianhua Hotel	2,733,570.05									2,733,570.05	2,733,570.05
Shenzhen Education Fund Longhua Investment	500,000.00									500,000.00	500,000.00
Shenzhen Kangle Sports Club Huangfa Branch	540,060.00									540,060.00	540,060.00
Dankeng village plants of Fumin in Guanlan town	1,168,973.20									1,168,973.20	1,168,973.20
Shenzhen Bull Entertainment Co., Ltd.	500,000.00									500,000.00	500,000.00
Shenzhen Lianhua Caitian Property Management Co., Ltd.	1,475,465.91									1,475,465.91	1,475,465.91
Shenzhen Yangyuan Industrial Co., Ltd.	1,030,000.00									1,030,000.00	1,030,000.00
Jiakai Feng	600,000.00									600,000.00	600,000.00

Co., Ltd. Bao'an Company	00									0	0
Guiyuan Garage	350,000. 00									350,000.0 0	350,000.0 0
Shenzhen Wuweiben Roof Greening Co., Ltd.	500,000. 00									500,000.0 0	500,000.0 0
Shenzhen Yuanping Plastic Steel Doors Co., Ltd.	240,000. 00									240,000.0 0	240,000.0 0
Shenzhen Youfang Printing Co., Ltd.	100,000. 00									100,000.0 0	100,000.0 0
Shenzhen Lusheng Industrial Developm ent Co., Ltd.	100,000. 00									100,000.0 0	100,000.0 0
Subtotal	31,754,39 7.22									31,754,39 7.22	31,754,39 7.22
Total	76,830,51 9.94									76,987,58 1.73	31,754,39 7.22

Other notes

**18. Other Equity Instrument Investment**

Unit: RMB

Item	Ending balance	Beginning balance
Gintian Industry (Group) Co., Ltd.	1,134,803.13	1,580,475.86
Total	1,134,803.13	1,580,475.86

Disclosure of non-trading equity instrument investment

Unit: RMB

Name	Dividend income recognized	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure by fair value and the changes be included in other comprehensive income	Reason of other comprehensive income transferred to retained earnings
Gintian Industry (Group) Co., Ltd.			2,496,940.97		Not aiming at gaining earnings by selling equity	

Other notes:

## 19. Other Non-current Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

## 20. Investment Property

### (1) Investment Property Adopting the Cost Measurement Mode

Applicable  Not applicable

Unit: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original carrying value				
1. Beginning balance	835,776,692.89	30,262,437.05		866,039,129.94
2. Increased amount of the period	3,495,053.34			3,495,053.34
(1) Outsourcing				
(2) Transfer from inventory/fixed assets/construction in progress	3,252,075.05			3,252,075.05
(3) Enterprise combination increase				
(4) Translation of foreign currency denominated financial statements	242,978.29			242,978.29
3. Decreased amount of				



the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance	839,271,746.23	30,262,437.05		869,534,183.28
II. Accumulative depreciation and accumulative amortization				
1. Beginning balance	347,900,357.76	14,815,343.57		362,715,701.33
2. Increased amount of the period	18,103,551.47	263,796.30		18,367,347.77
(1) Withdrawal or amortization	18,103,551.47	263,796.30		18,367,347.77
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance	366,003,909.23	15,079,139.87		381,083,049.10
III. Depreciation reserves				
1. Beginning balance				
2. Increased amount of the period				
(1) Withdrawal				
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance				
IV. Carrying value				
1. Ending carrying value	473,267,837.00	15,183,297.18		488,451,134.18
2. Beginning carrying	487,876,335.13	15,447,093.48		503,323,428.61

value				
-------	--	--	--	--

## (2) Investment Property Adopted the Fair Value Measurement Mode

Applicable  Not applicable

The Company needs to comply with the disclosure requirements of Guideline No. 3 of the Shenzhen Stock Exchange on the Industrial Information Disclosure about Listed Companies' Engagement in Real Estate Business

Investment properties measured in fair value disclosed by project:

Unit: RMB

Name of project	Geographical location	Date of completion	Building area	Lease income during this Reporting Period	Beginning fair value	Ending fair value	Range of fair value changes	Reason for fair value changes and report index

Whether the Company has new investment properties in construction period measured in fair value

Yes  No

Whether the Company has new investment properties measured in fair value

Yes  No

## (3) Investment Property Failed to Accomplish Certification of Property

Unit: RMB

Item	Carrying value	Reason
02-01 plot of Statutory plan in Baolong East Area	9,170,778.00	Replaced from the construction of Xiamen-Shenzhen Railway, and hasn't exchanged for the new certification
507 units, Block No. 6, Maguling	27,263.51	The house is used for property management, once occupied by the third party, a property management company, now has been recovered, but hasn't handled the warrant yet.

Other notes

## 21. Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	89,296,825.77	93,557,782.83
Total	89,296,825.77	93,557,782.83

**(1) List of Fixed Assets**

Unit: RMB

Item	Houses and buildings	Decoration of the fixed assets	Machinery equipment	Transportation equipment	Other equipment	Total
I. Original carrying value						
1. Beginning balance	161,336,884.91	23,105,646.54	205,747.00	14,123,435.60	27,601,069.63	226,372,783.68
2. Increased amount of the period	112,446.31	1,029,996.87	186,000.00	89,100.00	439,252.23	1,856,795.41
(1) Purchase		1,029,996.87	186,000.00	89,100.00	439,252.23	1,744,349.10
(2) Transfer from construction in progress						
(3) Enterprise combination increase						
(4) Translation of foreign currency-denominated financial statements	112,446.31					112,446.31
3. Decreased amount of the period		246,401.90		18,000.00	28,734.05	293,135.95
(1) Disposal or scrap		246,401.90		18,000.00	28,734.05	293,135.95
4. Ending balance	161,449,331.22	23,889,241.51	391,747.00	14,194,535.60	28,011,587.81	227,936,443.14
II. Accumulative depreciation						
1. Beginning balance	101,657,814.19	4,449,605.68	2,549.40	9,697,922.59	16,931,391.83	132,739,283.69
2. Increased amount of the period	2,024,795.66	2,624,754.07	49,176.02	556,399.98	801,059.96	6,056,185.69

(1) Withdrawal	2,024,795.66	2,624,754.07	49,176.02	556,399.98	801,059.96	6,056,185.69
3. Decreased amount of the period		195,806.55		17,100.00	18,662.62	231,569.17
(1) Disposal or scrap		195,806.55		17,100.00	18,662.62	231,569.17
4. Ending balance	103,682,609.85	6,878,553.20	51,725.42	10,237,222.57	17,713,789.17	138,563,900.21
III. Depreciation reserves						
1. Beginning balance					75,717.16	75,717.16
2. Increased amount of the period						
(1) Withdrawal						
3. Decreased amount of the period						
(1) Disposal or scrap						
4. Ending balance					75,717.16	75,717.16
IV. Carrying value						
1. Ending carrying value	57,766,721.37	17,010,688.31	340,021.58	3,957,313.03	10,222,081.48	89,296,825.77
2. Beginning carrying value	59,679,070.72	18,656,040.86	203,197.60	4,425,513.01	10,593,960.64	93,557,782.83

**(2) List of Temporarily Idle Fixed Assets**

Unit: RMB

Item	Original carrying value	Accumulative depreciation	Depreciation reserves	Carrying value	Note
------	-------------------------	---------------------------	-----------------------	----------------	------

**(3) Fixed Assets Leased in by Financing Lease**

Unit: RMB

Item	Original carrying value	Accumulative depreciation	Depreciation reserves	Carrying value
------	-------------------------	---------------------------	-----------------------	----------------

**(4) Fixed Assets Leased out by Operation Lease**

Unit: RMB

Item	Ending carrying value
------	-----------------------

**(5) Fixed Assets Failed to Accomplish Certification of Property**

Unit: RMB

Item	Carrying value	Reason
Room 406, 2 units, Hulunbuir Guangxia Digital Building	2,854,810.18	Property right disputes before, now has won a lawsuit with unaccomplished certification of property.
Room 401, 402, Sanxiang Business Building Office Building	845,393.96	The office building will be removed due to the project adjustment and a high-rise office building will be established nearby the present address. The existing property shall be replaced after the completion of the new office building. Thus, the certification of the property is failed to transact.

Other notes

**(6) Proceeds from Disposal of Fixed Assets**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Other notes

**22. Construction in Progress**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

**(1) List of Construction in Progress**

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value

## (2) Changes in Significant Construction in Progress during the Reporting Period

Unit: RMB

Item	Budget	Beginning balance	Increase amount	Transferred in fixed assets	Other decrease amount	Ending balance	Proportion of accumulated investment in constructions to budget	Job schedule	Accumulated amount of interest capitalization	Of which: Amount of capitalized interests for the Reporting Period	Capitalization rate of interests for the Reporting Period	Capital resources
------	--------	-------------------	-----------------	-----------------------------	-----------------------	----------------	---	--------------	---	--	---	-------------------

## (3) List of the Withdrawal of the Depreciation Reserves for Construction in Progress

Unit: RMB

Item	Amount withdrawn	Reason for withdrawal
------	------------------	-----------------------

Other notes

## (4) Engineering Materials

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value

Other notes:

## 23. Productive Living Assets

### (1) Productive Living Assets Adopting Cost Measurement Mode

 Applicable  Not applicable

### (2) Productive Living Assets Adopting Fair Value Measurement Mode

 Applicable  Not applicable

**24. Oil and Gas Assets**

□ Applicable √ Not applicable

**25. Right-of-use Assets**

Unit: RMB

Item		Total
------	--	-------

Other notes:

**26. Intangible Assets****(1) List of Intangible Assets**

Unit: RMB

Item	Land use right	Patent right	Non-patent right	Software		Total
I. Original carrying value						
1. Beginning balance				1,234,387.66		1,234,387.66
2. Increased amount of the period						
(1) Purchase						
(2) Internal development						
(3) Business combination increase						
3. Decreased amount of the period						
(1) Disposal						
4. Ending balance				1,234,387.66		1,234,387.66
II. Accumulated amortization						
1. Beginning balance				534,018.00		534,018.00

2. Increased amount of the period				109,162.21		109,162.21
(1) Withdrawal				109,162.21		109,162.21
3. Decreased amount of the period						
(1) Disposal						
4. Ending balance				622,370.21		622,370.21
III. Depreciation reserves						
1. Beginning balance						
2. Increased amount of the period						
(1) Withdrawal						
3. Decreased amount of the period						
(1) Disposal						
4. Ending balance						
IV. Carrying value						
1. Ending carrying value				591,207.45		591,207.45
2. Beginning carrying value				700,369.66		700,369.66

The proportion of intangible assets formed from the internal R&D of the Company at the Period-end to the ending balance of intangible assets was.

## (2) Land Use Right with Certificate of Title Uncompleted

Unit: RMB



Item	Carrying value	Reason
------	----------------	--------

Other notes:

## 27. Development Costs

Unit: RMB

Item	Beginning balance	Increase			Decrease			Ending balance
		Internal development costs	Other		Recognized as intangible assets	Transfer to profit or loss		
Total								

Other notes

## 28. Goodwill

### (1) Original Carrying Value of Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Beginning balance	Increase		Decrease		Ending balance
		Formed by enterprise combination		Disposal		
Total						

### (2) Depreciation Reserves of Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Beginning balance	Increase		Decrease		Ending balance
		Withdrawal		Disposal		
Total						

Information on the assets group or combination of assets groups which include goodwill

Notes of the testing process of goodwill impairment, key parameters (such as growth rate of the forecast period, growth rate of stable period, rate of profit, discount rate, forecast period and so on for prediction of future present value of cash flows) and the recognition method of goodwill impairment losses:

Influence of goodwill impairment testing

Other notes

**29. Long-term Prepaid Expense**

Unit: RMB

Item	Beginning balance	Increased amount	Amortization amount of the period	Other decreased amount	Ending balance
Rental fees	588,336.00		169,454.68		418,881.32
Renovation costs	6,446,136.79	914,680.87	1,385,631.46		5,975,186.20
Total	7,034,472.79	914,680.87	1,555,086.14		6,394,067.52

Other notes

**30. Deferred Income Tax Assets/Deferred Income Tax Liabilities****(1) Deferred Income Tax Assets that Had not Been Off-set**

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	152,825,318.94	38,847,987.80	157,586,654.91	38,312,198.03
Internal unrealized profit	46,353,414.96	11,588,353.74	49,316,338.72	12,329,084.68
Deductible losses	1,208,292,983.24	302,073,245.81	162,281,053.40	40,570,263.35
Accrued land VAT	1,219,229,090.00	304,807,272.50	2,148,670,831.53	537,167,707.90
Estimated profit calculated at pre-sale revenue of property enterprises	36,496,723.60	9,124,180.90	119,095,335.72	29,773,833.93
Payroll payable unpaid but withdrawn	114.34	28.59	139.36	34.84
Total	2,663,197,645.08	666,441,069.34	2,636,950,353.64	658,153,122.73

**(2) Deferred Income Tax Liabilities Had Not Been Off-set**

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities

The carrying value of fixed assets was larger than the tax basis	15,284.32	3,821.08	15,284.32	3,821.08
<b>Total</b>	<b>15,284.32</b>	<b>3,821.08</b>	<b>15,284.32</b>	<b>3,821.08</b>

### (3) Deferred Income Tax Assets or Liabilities Listed by Net Amount after Off-set

Unit: RMB

Item	Mutual set-off amount of deferred income tax assets and liabilities at the period-end	Ending balance of deferred income tax assets or liabilities after off-set	Mutual set-off amount of deferred income tax assets and liabilities at the period-begin	Beginning balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets		666,441,069.33		658,153,122.73
Deferred income tax liabilities		3,821.08		3,821.08

### (4) List of Unrecognized Deferred Income Tax Assets

Unit: RMB

Item	Ending balance	Beginning balance
Deductible temporary difference	71,272,757.95	60,809,797.81
Deductible losses	312,848,147.29	187,768,845.36
<b>Total</b>	<b>384,120,905.24</b>	<b>248,578,643.17</b>

### (5) Deductible Losses of Unrecognized Deferred Income Tax Assets will Due in the Following Years

Unit: RMB

Years	Ending amount	Beginning amount	Notes
Y2019		7,443.23	The deductible losses of 2014
Y2020	8,494.90	8,494.90	The deductible losses of 2015
Y2021	3,456.91	3,456.91	The deductible losses of 2016
Y2022	62,919,255.68	62,919,255.68	The deductible losses of 2017
Y2024	246,980,657.57	124,830,194.64	The deductible losses of 2019
Y2025	2,936,282.23		The deductible losses of 2020
<b>Total</b>	<b>312,848,147.29</b>	<b>187,768,845.36</b>	--

Other notes:

**31. Other Non-current Assets**

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
Prepayment for purchase of fixed assets, investment properties and intangible assets	18,722,496.18		18,722,496.18	4,711,963.66		4,711,963.66
Total	18,722,496.18		18,722,496.18	4,711,963.66		4,711,963.66

Other notes:

**32. Short-term Borrowings****(1) Category of Short-term Borrowings**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Notes of short-term borrowings category:

Not applicable.

**(2) List of the Short-term Borrowings Overdue but Not Returned**

The amount of the overdue unpaid short-term borrowings at the period-end was RMBXXX, of which the significant overdue unpaid short-term borrowings are as follows:

Unit: RMB

Borrower	Ending balance	Interest rate	Overdue time	Overdue charge rate
----------	----------------	---------------	--------------	---------------------

Other notes:

Not applicable.

**33. Trading Financial liabilities**

Unit: RMB

Item	Ending balance	Beginning balance
Of which:		
Of which:		

Other notes:

Not applicable.

**34. Derivative Financial Liabilities**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Other notes:

Not applicable.

**35. Notes Payable**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

The total amount of notes payable due but unpaid was RMBXXX.

**36. Accounts Payable****(1) List of Accounts Payable**

Unit: RMB

Item	Ending balance	Beginning balance
Engineering construction expense payable	390,519,470.90	420,433,422.07
Accrued expense	50,084,943.28	90,484,298.98
Other	95,632,924.32	66,771,418.05
<b>Total</b>	<b>536,237,338.50</b>	<b>577,689,139.10</b>

**(2) Significant Accounts Payable Aging over One Year**

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason
Jiangsu Hanjian Group Co., Ltd. (Phase II)	30,383,169.67	Settled but outstanding
Shanghai Mingpeng Construction Group Co., Ltd.	25,976,705.79	Unsettled
Shenzhen Luohu District Land and Resources Bureau	25,000,000.00	Unsettled
Jiangsu Hanjian Group Co., Ltd.	15,179,202.67	Construction cost in arrears accounted by verified output value
The Second Construction Co., Ltd. of China Construction Third Engineering Bureau	6,345,592.81	Construction deposit
<b>Total</b>	<b>102,884,670.94</b>	<b>--</b>

Other notes:

**37. Advances from Customers****(1) List of Advances from Customers**

Unit: RMB

Item	Ending balance	Beginning balance
House payment in advance		
Property fee in advance	26,745,590.38	17,463,948.02
Other	5,790,958.35	16,508,412.92
<b>Total</b>	<b>32,536,548.73</b>	<b>33,972,360.94</b>

**(2) Significant Advances from Customers Aging over One Year**

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason
------	----------------	------------------------------

Other notes:

Not applicable.

The Company needs to comply with the disclosure requirements of Guideline No. 3 of the Shenzhen Stock Exchange on the Industrial Information Disclosure about Listed Companies' Engagement in Real Estate Business

The proceeds information of top 5 advance sale amount:

Unit: RMB

No.	Name	Beginning balance	Ending balance	Expected completion date	Advance sale proportion
-----	------	-------------------	----------------	--------------------------	-------------------------

**38. Contract Liabilities**

Unit: RMB

Item	Ending balance	Beginning balance
House payment in advance	480,801,605.00	694,213,671.69
<b>Total</b>	<b>480,801,605.00</b>	<b>694,213,671.69</b>

Significant changes in amount of carrying value occurred in the Reporting Period and the reasons

Unit: RMB

Item	Amount changed	Reason
------	----------------	--------

**39. Payroll Payable****(1) List of Payroll Payable**

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
I. Short-term salary	141,448,850.23	309,840,720.08	336,075,756.59	115,213,813.72
II. Post-employment benefit-defined contribution plans	1,921,102.65	8,808,402.36	9,569,944.40	1,159,560.61
III. Termination benefits	123,915.92	222,637.17	346,553.09	
Total	143,493,868.80	318,871,759.61	345,992,254.08	116,373,374.33

**(2) List of Short-term Salary**

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Salary, bonus, allowance, subsidy	127,467,198.54	276,897,637.28	304,005,337.59	100,359,498.23
2. Employee welfare	179,903.05	7,188,412.27	7,368,315.32	
3. Social insurance	309,821.38	11,456,304.82	10,933,885.96	832,240.24
Of which: Medical insurance premiums	307,218.00	10,684,567.95	10,167,853.76	823,932.19
Work-related injury insurance		99,350.62	97,151.78	2,198.84
Maternity insurance	2,603.38	347,289.65	343,783.82	6,109.21
4. Housing fund	552,529.86	8,806,603.27	8,923,102.27	436,030.86
5. Labor union budget and employee education budget	12,939,397.40	5,491,762.44	4,845,115.45	13,586,044.39
Total	141,448,850.23	309,840,720.08	336,075,756.59	115,213,813.72

**(3) List of Defined Contribution Plans**

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Basic pension benefits	168,430.00	4,760,055.00	4,639,457.12	289,027.88
2. Unemployment insurance		50,226.78	43,770.68	6,456.10
3. Annuity	1,752,672.65	3,998,120.58	4,886,716.60	864,076.63
Total	1,921,102.65	8,808,402.36	9,569,944.40	1,159,560.61

Other notes:

**40. Taxes Payable**

Unit: RMB

Item	Ending balance	Beginning balance
VAT	13,493,598.74	70,818,175.32
Corporate income tax	2,674,867.69	368,461,498.66
Personal income tax	2,749,244.89	1,556,780.71
Urban maintenance and construction tax	643,366.29	3,668,311.19
Land VAT	1,219,264,403.13	2,149,507,199.99
Property tax	4,641,483.50	526,309.33
Land use tax	1,471,587.45	942,757.19
Education surcharge	215,012.67	1,592,152.99
Local education surtax	279,183.44	1,067,591.60
Other		142,514.70
<b>Total</b>	<b>1,245,432,747.80</b>	<b>2,598,283,291.68</b>

Other notes:

**41. Other Payables**

Unit: RMB

Item	Ending balance	Beginning balance
Dividends payable	12,202,676.04	12,202,676.04
Other payables	807,985,786.65	1,136,902,252.81
<b>Total</b>	<b>820,188,462.69</b>	<b>1,149,104,928.85</b>

**(1) Interest Payable**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

List of the significant overdue unpaid interest:

Unit: RMB

Borrower	Overdue amount	Overdue reasons
----------	----------------	-----------------

Other notes:

Not applicable.

**(2) Dividends Payable**

Unit: RMB



Item	Ending balance	Beginning balance
Ordinary share dividends	12,202,676.04	12,434,579.81
Total	12,202,676.04	12,202,676.04

Other notes, including significant dividends payable unpaid for over one year, the unpaid reason shall be disclosed:

Item	Amount unpaid	Reason
Shenzhen South China Investment Development Co., Ltd.	9,871.20	Without access to its account
Wenling Quality Control Association	9,871.02	Without access to its account
Shanghai Weihong Industry & Trade Co., Ltd.	9,900.00	Without access to its account
China Shenzhen International Cooperation (Group) Co., Ltd.	0.18	Without access to its account
Shenzhen Greening Department	10,869,036.68	Company restructured without clearing payment object
Labor union of Shenzhen Greening Department	1,300,000.00	Company restructured without clearing payment object
Shenzhen Sports Administration	3,996.96	Final payment unpaid
Subtotal	12,202,676.04	

### (3) Other Payables

#### 1) Other Payables Listed by Nature

Unit: RMB

Item	Ending balance	Beginning balance
Deposit	211,312,547.96	201,013,437.65
Guarantee	50,698,328.84	51,062,427.71
Residual funds of equity transfer unpaid		465,807,569.82
Agency fund	5,972,288.11	7,531,813.31
Intercourse fund	404,317,342.84	316,244,391.26
Accrued expenses	107,685,432.23	64,684,769.05
Payment on behalf	5,538,460.34	9,235,637.59
Other	22,461,386.33	21,322,206.42
Total	807,985,786.65	1,136,902,252.81

#### 2) Significant Other Payables Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/Un-carry-over reason
------	----------------	-----------------------------

Shenzhen Real Estate Jifa Warehousing Co., Ltd.	35,796,665.14	Come-and-go accounts without specific payment term
Shenzhen Pason Aluminum Technology Co., Ltd.	196,416,155.45	Cooperative development funds settled in completion of the project
Margin of sporadic lease	8,508,355.59	Margin within the leasing period
Shenzhen Tian'an International Building Property Management Co., Ltd.	5,214,345.90	Come-and-go accounts without specific payment term
Rainbow Co., Ltd.	2,380,000.00	Margin within the leasing period
<b>Total</b>	<b>248,315,522.08</b>	<b>--</b>

Other notes

#### 42. Liabilities Held for Sale

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Other notes:

Not applicable.

#### 43. Current Portion of Non-current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Current portion of long-term borrowings	755,325,505.51	3,921,032.24
<b>Total</b>	<b>755,325,505.51</b>	<b>3,921,032.24</b>

Other notes:

#### 44. Other Current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Increase/decrease of the short-term bonds payable:

Unit: RMB

Bonds name	Par value	Issuing date	Duration	Issuing amount	Beginning balance	The current issue	Withdrawal of interest by par value	Amortization of premium and depreciation	Repayment in the Reporting Period	Ending balance
------------	-----------	--------------	----------	----------------	-------------------	-------------------	-------------------------------------	--	-----------------------------------	----------------

Other notes:

Not applicable.

## 45. Long-term Borrowings

### (1) Category of Long-term Borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Pledged borrowings	2,999,800,000.00	2,192,900,000.00
Guaranteed borrowings		933,000.00
Credit borrowings	616,000,000.00	
Total	3,615,800,000.00	2,193,833,000.00

Notes to the category of long-term borrowings:

Other notes, including the interval of interest rate:

The pledged and guaranteed borrowings at the period-end were used to develop the Bangling urban renewal project of Shenzhen Rongyao Real Estate Development Co., Ltd. (hereinafter referred to as “Rongyao Real Estate”) with the duration from 29 November 2019 to 20 November 2024, applying the borrowing rate by rising 1.55% complying with one-year level of loan prime rate. And 69% equity of Rongyao Real Estate held by the Company was pledged and the guarantee mode was the joint liability guaranty.

The credit borrowings at the period-end were used for the transaction payment of equity of Shenzhen Toukong Property Management Co., Ltd. with the duration from 18 May 2020 to 10 May 2023, applying the borrowing rate by adding 23.5 basis points complying with one-year level of loan prime rate.

## 46. Bonds Payable

### (1) List of Bonds Payable

Unit: RMB

Item	Ending balance	Beginning balance

### (2) Increase/Decrease of Bonds Payable (Excluding Other Financial Instrument Classified as Financial Liabilities such as Preferred Shares and Perpetual Bonds)

Unit: RMB

Bonds name	Par value	Issuing date	Duration	Issuing amount	Beginning balance	The current issue	Withdrawal of interest by par value	Amortization of premium and depreciation	Repayment in the Reporting Period	Ending balance

Total	--	--	--								
-------	----	----	----	--	--	--	--	--	--	--	--

### (3) Notes to the Conditions and Time of the Shares Transfer of the Convertible Corporate Bonds

### (4) Notes to Other Financial Instruments Classified as Financial Liabilities

Basic situation of other financial instruments such as preferred shares and perpetual bonds outstanding at the period-end

Changes in financial instruments such as preferred shares and perpetual bonds outstanding at the period-end

Unit: RMB

Outstanding financial instrument	Period-begin		Increase		Decrease		Period-end	
	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value

Notes to basis for the classification of other financial instruments as financial liabilities

Other notes

Not applicable.

### 47. Lease Liabilities

Unit: RMB

Item	Ending balance	Beginning balance

Other notes

Not applicable.

### 48. Long-term Payables

Unit: RMB

Item	Ending balance	Beginning balance

#### (1) Long-term Payables Listed by Nature

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

#### (2) Specific Payables

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Reason for formation

Other notes:

**49. Long-term Payroll Payable****(1) List of Long-term Payroll Payable**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

**(2) Changes in Defined Benefit Plans**

Obligation present value of defined benefit plans:

Unit: RMB

Item	Reporting period	Same period of last year
------	------------------	--------------------------

Plan assets:

Unit: RMB

Item	Reporting period	Same period of last year
------	------------------	--------------------------

Net liabilities (net assets) of defined benefit plans:

Unit: RMB

Item	Reporting period	Same period of last year
------	------------------	--------------------------

Notes of influence of content of defined benefit plans and its relevant risks to the future cash flow, time and uncertainty of the Company:

Notes to the results of significant actuarial assumptions and sensitivity analysis of defined benefit plans:

Other notes:

Not applicable.

**50. Provisions**

Unit: RMB

Item	Ending balance	Beginning balance	Reason for formation
Pending litigation	2,903,327.87	2,903,327.87	Contract disputes
Total	2,903,327.87	2,903,327.87	--

Other notes, including notes to related significant assumptions and evaluation of significant provisions:

Refer to Note XIV (2) for details.

**51. Deferred Income**

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Reason for formation
Government grants	341,259.63		24,375.69	316,883.94	Government grants

					for Huangyuyuan Primary School
Total	341,259.63		24,375.69	316,883.94	--

Item involving government grants:

Unit: RMB

Item	Beginning balance	Amount of newly subsidy	Amount recorded into non-operating income in the Reporting Period	Amount recorded into other income in the Reporting Period	Amount offset cost in the Reporting Period	Other changes	Ending balance	Related to assets/related to income
Government grants for Huangyuyuan Primary School	341,259.63				24,375.69		316,883.94	Related to assets

Other notes:

## 52. Other Non-current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Utility specific fund	237,163.63	237,163.63
Housing principle fund	11,841,425.22	13,215,811.13
House warming deposit	7,034,466.22	7,052,274.22
Electric Equipment Maintenance fund	4,019,415.44	4,019,415.44
Deputed maintenance fund	47,144,427.77	36,337,634.47
Follow-up investment of employees for Guanlan Bangling project	40,000,000.00	40,000,000.00
Other	1,355,416.78	7,302,438.57
Total	111,632,315.06	108,164,737.46

Other notes:

## 53. Share Capital

Unit: RMB

	Beginning balance	Increase/decrease (+/-)					Ending balance
		New shares issued	Bonus shares	Bonus issue from profit	Other	Subtotal	

The sum of shares	595,979,092.00						595,979,092.00
-------------------	----------------	--	--	--	--	--	----------------

Other notes:

## 54. Other Equity Instruments

### (1) The Basic Information of Other Financial Instruments such as Preferred Stock and Perpetual Bond Outstanding at the End of the Period

### (2) Changes in Financial Instruments such as Preferred Stock and Perpetual Bond Outstanding at the End of the Period

Unit: RMB

Outstanding financial instruments	Period-begin		Increase		Decrease		Period-end	
	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value

The current changes in other equity instruments and the corresponding reasons and the basis of the relevant accounting treatment

Other notes:

Not applicable.

## 55. Capital Reserve

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Other capital reserves	80,488,045.38			80,488,045.38
Total	80,488,045.38			80,488,045.38

Other notes, including changes and reason of change:

## 56. Treasury Shares

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
------	-------------------	----------	----------	----------------

Other notes, including changes and reason of change:

Not applicable.

## 57. Other Comprehensive Income

Unit: RMB

Item	Beginning balance	Reporting Period						Ending balance
		Income before	Less: Recorded in	Less: Recorded	Less: Income	Attributable to	Attributable to	

		taxation in the Current Period	other comprehen- sive income in prior period and transferred in profit or loss in the Current Period	into other comprehe- nsive income in prior period and transferred in retained earnings in the Current period	tax expense	owners of the Company as the parent after tax	non-contro- lling interests after tax	
I. Other comprehensive income that may not be reclassified to profit or loss	-2,051,268.2 4	-455,146.1 6				-455,146.1 6		-2,506,4 14.40
Changes in fair value of other equity instrument investment\	-2,051,268.2 4	-455,146.1 6				-455,146.1 6		-2,506,4 14.40
II. Other comprehensive income that may subsequently be reclassified to profit or loss	-647,103.20	1,032,011. 50				1,032,011. 50		384,908. 30
Differences arising from translation of foreign currency denominated financial statements	-647,103.20	1,032,011. 50				1,032,011. 50		384,908. 30
Total of other comprehensive income	-2,698,371.4 4	576,865.3 4				576,865.3 4		-2,121,5 06.10

Other notes, including the adjustment of the effective gain/loss on cash flow hedges to the initial recognized amount:

## 58. Specific Reserve

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
------	-------------------	----------	----------	----------------

Other notes, including changes and reason of change:

Not applicable.

## 59. Surplus Reserves

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Statutory surplus reserves	16,695,044.92			16,695,044.92



Discretionary surplus reserve	365,403.13			365,403.13
Total	17,060,448.05			17,060,448.05

Notes, including changes and reason of change:

## 60. Retained Earnings

Unit: RMB

Item	Reporting Period	Same period of last year
Beginning balance of retained earnings before adjustments	2,457,119,795.39	2,495,296,440.15
Beginning balance of retained earnings after adjustments	2,457,119,795.39	2,495,296,440.15
Add: Net profit attributable to owners of the Company as the parent	211,967,734.76	155,922,425.40
Dividend of ordinary shares payable	214,552,473.12	178,793,727.60
Other		204,015,557.97
Ending retained earnings	2,454,535,057.03	2,268,409,579.98

List of adjustment of beginning retained earnings:

- (1) RMB0.00 beginning retained earnings was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- (2) RMB0.00 beginning retained earnings was affected by changes in accounting policies.
- (3) RMB0.00 beginning retained earnings was affected by correction of significant accounting errors.
- (4) RMB0.00 beginning retained earnings was affected by changes in combination scope arising from same control.
- (5) RMB0.00 beginning retained earnings was affected totally by other adjustments.

## 61. Operating Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	1,388,266,376.69	596,935,670.85	1,023,860,469.96	582,867,402.64
Other operations	32,811,391.14	14,759,272.95	41,620,412.34	16,808,126.14
Total	1,421,077,767.83	611,694,943.80	1,065,480,882.30	599,675,528.78

Relevant information of revenue:

Unit: RMB

Category of	Segment 1	Segment 2	Segment of real	Segment of property	Total
-------------	-----------	-----------	-----------------	---------------------	-------

contracts			estate	management	
Of which:					
Real estate			858,698,806.07		858,698,806.07
Lease			71,395,976.18		71,395,976.18
Property management				490,591,863.98	490,591,863.98
Other			391,121.60		391,121.60
Total			930,485,903.85	490,591,863.98	1,421,077,767.83
Of which:					
Shenzhen			887,005,216.90	323,029,209.74	1,210,034,426.64
Dongguan			17,218,092.99	3,500,404.46	20,718,497.45
Other			26,262,593.96	164,062,249.78	190,324,843.74
Total			930,485,903.85	490,591,863.98	1,421,077,767.83
Of which:					
Of which:					
Of which:					
Products (transfer to revenue in certain time and place)			858,698,806.07		858,698,806.07
Services and labor services (withdraw revenue in certain time)			71,787,097.78	490,591,863.98	562,378,961.76
Total			930,485,903.85	490,591,863.98	1,421,077,767.83
Of which:					
Of which:					

Information related to performance obligations:

On 30 June 2020, the transaction price assigned to unfulfilled (or partially unfulfilled) performance obligations was estimated to RMB319 million, which is mainly expected future revenue of transaction price that haven't met the delivery conditions stipulated in sales contracts of real estate. The Company is expected to recognize the realization of sales revenue within one to two years when the house property is completed and passed the acceptance which meet the delivery conditions stipulated in sales contracts, and when the customers acquire the control rights of relevant goods or services.

Information related to transaction value assigned to residual performance obligations:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet was RMB319,303,958.11 at the period-end, among which RMB120,122,226.00 was expected to be recognized in 2020, RMB199,181,732.11 in 2021 and RMBXXX in XXX year.

Other notes

The Company needs to comply with the disclosure requirements of Shenzhen Stock Exchange Industry Information Disclosure

## Guidelines No.3-Listed Companies Engaged in Real Estate Industry

The top 5 accounts received with confirmed amount in the Reporting Period:

Unit: RMB

No.	Name of project	Income balance
1	Golden Collar's Resort B Building	806,676,918.09
2	Banshan Yujing Phase I	18,021,691.42
3	SZPRD-Songhu Langyuan	17,218,092.99
4	Hupan Yujing Phase II	4,910,299.99
5	Hupan Yujing Phase I	3,169,110.11

**62. Taxes and Surtaxes**

Unit: RMB

Item	Reporting Period	Same period of last year
Urban maintenance and construction tax	4,909,118.92	3,492,372.40
Education Surcharge	2,190,590.78	1,527,504.48
Property tax	4,767,394.20	5,537,862.44
Land use tax	416,264.69	515,594.86
Stamp tax	349,634.68	679,836.88
Local education surtax	1,342,087.15	1,020,664.08
Land VAT	380,741,616.91	112,267,887.84
Other taxes	26,773.28	23,301.88
Total	394,743,480.61	125,065,024.86

Other notes:

**63. Selling Expense**

Unit: RMB

Item	Reporting Period	Same period of last year
Agency fee	2,151,630.50	2,482,978.21
Consultancy and sales service charges	3,853,286.19	9,063,475.32
Advertising	914,173.18	3,240,236.82
Employee benefits	2,569,826.33	1,972,134.95
Other	2,055,143.99	1,533,899.42
Total	11,544,060.19	18,292,724.72

Other notes:

**64. Administrative Expense**

Unit: RMB

Item	Reporting Period	Same period of last year
Employee benefits	63,277,704.59	56,827,778.30
Administrative office cost	4,730,219.94	8,030,632.94
Assets amortization and depreciation expense	5,064,453.12	2,630,845.23
Litigation costs	521,647.00	1,496,981.13
Other	14,838,979.70	14,243,058.51
<b>Total</b>	<b>88,433,004.35</b>	<b>83,229,296.11</b>

Other notes:

**65. Development Expense**

Unit: RMB

Item	Reporting Period	Same period of last year
------	------------------	--------------------------

Other notes:

Not applicable.

**66. Finance Costs**

Unit: RMB

Item	Reporting Period	Same period of last year
Interest expense	84,859,496.80	73,970,116.57
Less: Interest income (fill in by negative)	-31,227,361.24	-31,182,804.42
Foreign exchange gains or losses	100,514.83	1,473,105.81
Other	-286,332.01	646,652.97
<b>Total</b>	<b>53,446,318.38</b>	<b>44,907,070.93</b>

Other notes:

**67. Other Income**

Unit: RMB

Sources	Reporting Period	Same period of last year
Government grants related to income	82,514.69	15,668.48
Government grants related to assets	24,375.69	
Commission charges return of deductible	196,952.96	9,501.12

income tax		
Additional deduction of VAT	2,618,150.17	346,650.92
Total	2,921,993.51	371,820.52

## 68. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	157,061.79	780,826.57
Total	157,061.79	780,826.57

Other notes:

## 69. Net Gain on Exposure Hedges

Unit: RMB

Item	Reporting Period	Same period of last year

Other notes:

Not applicable.

## 70. Gain on Changes in Fair Value

Unit: RMB

Sources	Reporting Period	Same period of last year

Other notes:

Not applicable.

## 71. Credit Impairment Loss

Unit: RMB

Item	Reporting Period	Same period of last year
Bad debt loss of other receivables	1,115,927.46	-3,911,410.39
Total	1,115,927.46	-3,911,410.39

Other notes:

## 72. Asset Impairment Loss

Unit: RMB

Item	Reporting Period	Same period of last year

II. Loss on inventory valuation and contract performance cost	1,832.91	1,333,825.60
Total	1,832.91	1,333,825.60

Other notes:

### 73. Asset Disposal Income

Unit: RMB

Sources	Reporting Period	Same period of last year
---------	------------------	--------------------------

### 74. Non-operating Income

Unit: RMB

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Government grants	3,588,738.19	787,776.97	3,340,160.83
Gains on damage and scrap of non-current assets	14,826.92	240.00	14,826.92
Compensation income	313,043.22	578,755.77	313,043.22
Accounts payable		4,894,354.00	
Other	327,567.57	614,291.72	576,144.93
Total	4,244,175.90	6,875,418.46	4,244,175.90

Government grants recorded into current profit or loss

Unit: RMB

Item	Distribution entity	Distribution reason	Nature	Whether influence the profits or losses of the year or not	Special subsidy or not	Reporting Period	Same period of last year	Related to assets/related to income
Subsidy of epidemic prevention	Relevant departments of local governments	Subsidy	Obtained by undertaking state's functions of ensuring certain public service or social necessary products supply or	No	No	3,588,738.19		Related to income

			price control				
--	--	--	---------------	--	--	--	--

Other notes:

## 75. Non-operating Expense

Unit: RMB

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Donation	2,030,000.00	5,000.00	2,030,000.00
Penalty and fine for delaying payment	27,535.95	64,407.89	27,535.95
Other	341,951.75	1,744,191.41	341,951.75
Total	2,399,487.70	1,813,599.30	2,399,487.70

Other notes:

## 76. Income Tax Expense

### (1) List of Income Tax Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Current income tax expense	97,681,962.31	92,279,418.86
Deferred income tax expense	-8,287,946.60	-22,558,114.36
Total	89,394,015.71	69,721,304.50

### (2) Adjustment Process of Accounting Profit and Income Tax Expense

Unit: RMB

Item	Reporting Period
Profit before taxation	267,257,464.37
Current income tax expense accounted at statutory/applicable tax rate	66,814,366.09
Influence of applying different tax rates by subsidiaries	-284,867.54
Influence of income tax before adjustment	2,188,240.96
Influence of non-deductible costs, expenses and losses	1,406,601.97
Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax in the Reporting Period	19,269,674.23
Income tax expense	89,394,015.71

Other notes

**77. Other Comprehensive Income**

Refer to Note VII-57 for details.

**78. Cash Flow Statement****(1) Cash Generated from Other Operating Activities**

Unit: RMB

Item	Reporting Period	Same period of last year
Large intercourse funds received	274,561,798.03	31,787,416.36
Interest income	20,729,921.32	30,258,952.97
Net margins, security deposit and various special funds received	2,825,399.61	118,506.00
Accident fee and other payments on behalf received	32,970,968.51	51,880,090.73
Other small receivables	2,631,928.91	1,842,628.36
<b>Total</b>	<b>333,720,016.38</b>	<b>115,887,594.42</b>

Notes:

**(2) Cash Used in Other Operating Activities**

Unit: RMB

Item	Reporting Period	Same period of last year
Paying administrative expense in cash	20,150,492.86	22,944,468.53
Paying selling expense in cash	20,841,852.20	18,292,724.74
Large intercourse funds paid	48,968,020.00	
Other small payments	1,265,190.63	3,453,560.15
<b>Total</b>	<b>91,225,555.69</b>	<b>44,690,753.42</b>

Notes:

**(3) Cash Generated from Other Investing Activities**

Unit: RMB

Item	Reporting Period	Same period of last year
------	------------------	--------------------------

Notes:

Not applicable.



**(4) Cash Used in Other Investing Activities**

Unit: RMB

Item	Reporting Period	Same period of last year
------	------------------	--------------------------

Notes:

Not applicable.

**(5) Cash Generated from Other Financing Activities**

Unit: RMB

Item	Reporting Period	Same period of last year
------	------------------	--------------------------

Notes:

Not applicable.

**(6) Cash Used in Other Financing Activities**

Unit: RMB

Item	Reporting Period	Same period of last year
------	------------------	--------------------------

Notes:

Not applicable.

**79. Supplemental Information for Cash Flow Statement****(1) Supplemental Information for Cash Flow Statement**

Unit: RMB

Supplemental information	Reporting Period	Same period of last year
1. Reconciliation of net profit to net cash flows generated from operating activities	--	--
Net profit	177,863,448.66	128,226,813.86
Add: Provision for impairment of assets	-1,117,760.37	2,577,584.79
Depreciation of fixed assets, oil and gas assets, and productive living assets	24,423,533.46	22,093,496.17
Amortization of intangible assets	109,162.21	109,162.21
Amortization of long-term prepaid expenses	1,555,086.14	727,444.43
Los on disposal of fixed assets, intangible assets and other long-term assets (gains: negative)	0.00	0.00
Losses on scrap of fixed assets (gains: negative)	-14,826.92	-240.00

Finance costs (gains: negative)	84,859,496.80	73,970,116.57
Investment loss (gains: negative)	-157,061.79	-780,826.57
Decrease in deferred income tax assets (gains: negative)	-8,287,946.60	-22,558,114.36
Increase in deferred income tax liabilities (“-” means decrease)	0.00	-994.04
Decrease in inventory (gains: negative)	-455,620,688.15	-955,764,832.88
Decrease in accounts receivable generated from operating activities (gains: negative)	32,911,883.76	-87,626,285.03
Increase in accounts payable used in operating activities (decrease: negative)	-1,479,706,466.10	442,338,663.15
Net cash generated from/used in operating activities	-1,623,182,138.90	-396,688,011.70
2. Significant investing and financing activities without involvement of cash receipts and payments	--	--
3. Net increase/decrease of cash and cash equivalent:	--	--
Ending balance of cash	3,056,069,770.97	3,049,721,635.90
Less: Beginning balance of cash	3,285,345,233.47	3,881,027,257.89
Net increase in cash and cash equivalents	-229,275,462.50	-831,305,621.99

## (2) Net Cash Paid For Acquisition of Subsidiaries

Unit: RMB

	Amount
Of which:	--
Of which:	--
Add: Payment of cash or cash equivalents in the Current Period for previous enterprise combination	465,807,569.82
Of which:	--
Net payments for acquisition of subsidiaries	465,807,569.82

Other notes:

The final payment for acquisition of equity in Shenzhen Toukong Property Management Co., Ltd..

## (3) Net Cash Receive from Disposal of the Subsidiaries

Unit: RMB

	Amount
Of which:	--
Of which:	--
Of which:	--

Other notes:

Not applicable.

#### (4) Cash and Cash Equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	3,056,069,770.97	3,285,345,233.47
Including: Cash on hand	164,191.19	130,048.49
Bank deposit on demand	3,043,214,965.74	3,272,524,570.94
Other monetary assets on demand	12,690,614.04	12,690,614.04
III. Ending balance of cash and cash equivalents	3,056,069,770.97	3,285,345,233.47

Other notes:

#### 80. Notes to Items of the Statements of Changes in Owners' Equity

Notes to the name of "Other" of ending balance of the same period of last year adjusted and the amount adjusted:

Not applicable.

#### 81. Assets with Restricted Ownership or Right of Use

Unit: RMB

Item	Ending carrying value	Reason for restriction
Monetary assets	22,871,902.65	Note 1, Note 2, Note 3, Note 4
Total	22,871,902.65	--

Other notes:

Note 1: In terms of monetary assets with restricted right to use at the period-end, there was limited capital of frozen account with RMB11,018.00 in the subsidiary company Shenzhen Huazhengpeng Property Management Co., Ltd., RMB7,063,237.32 in the subsidiary company Shenzhen Taixinli Property Management Co., Ltd. as well. Refer to Note XIV-(II)1 for relevant matters involved with lawsuit for details.

Note 2: In terms of monetary assets with restricted right to use at the period-end, there was guarantee deposit of RMB49,020.00 paid to the performance guarantee No. 20190531SLYL signed between the subsidiary company Shenzhen Shenlv Garden Technology Industrial Co., Ltd. and Shenzhen Urban Greening Management Department on 31 May 2019.

Note 3: In terms of monetary assets with restricted right to use at the period-end, as a real estate developer, the Company has

provided mortgage guarantees for commercial housing purchasers and paid loan guarantees of RMB1,120,910.60 according to real estate business practices. Refer to Note XIV-(II) 2 for details.

Note 4: In terms of monetary assets with restricted right to use at the period-end, there was interest of fixed time deposit of RMB14,627,716.73 undue but withdrawn at the period-end.

## 82. Foreign Currency Monetary Items

### (1) Foreign Currency Monetary Items

Unit: RMB

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
Monetary assets	--	--	
Of which: USD			
EUR			
HKD	61,337,962.53	0.9134	56,026,094.97
Accounts receivable	--	--	
Of which: USD			
EUR			
HKD			
Long-term borrowings	--	--	
Of which: USD			
EUR			
HKD			
Other equity instrument investment			
Of which: USD	91,707.93	7.0795	649,246.29

Other notes:

**(2) Notes to Overseas Entities Including: for Significant Oversea Entities, Main Operating Place, Recording Currency and Selection Basis Shall Be Disclosed; if there Are Changes in Recording Currency, Relevant Reasons Shall Be Disclosed.**

Applicable  Not applicable

Item	Main operating place	Recording currency	Basis for choosing

Shum Yip Properties Development Co., Ltd. and its subsidiary	Hong Kong	HKD	Located in HK, settled by HKD
--	-----------	-----	-------------------------------

### 83. Arbitrage

Qualitative and quantitative information of relevant arbitrage instruments, hedged risk in line with the type of arbitrage to disclose:  
Not applicable.

### 84. Government Grants

#### (1) Basic Information on Government Grants

Unit: RMB

Category	Amount	Listed items	Amount recorded in the current profit or loss
Small and micro businesses VAT exemption	23,941.71	Non-operating income	23,941.71
Reinforcement subsidy of Huangyuyuan Primary School	24,375.69	Other income	24,375.69
Stable post subsidy	58,572.98	Other income	58,572.98
Subsidy of epidemic prevention	3,588,738.19	Non-operating income	3,588,738.19
Total	3,695,628.57		3,695,628.57

#### (2) Return of Government Grants

Applicable  Not applicable

Other notes:

### 85. Other

Not applicable.

## VIII. Changes of Consolidation Scope

### 1. Business Combination Not under the Same Control

#### (1) Business Combination Not under the Same Control during the Reporting Period

Unit: RMB

Name of acquiree	Time and place of	Cost of gaining the	Proportion of equity	Way to gain the equity	Purchase date	Recognition basis of	Income of acquiree from	Net profits of acquiree from
------------------	-------------------	---------------------	----------------------	------------------------	---------------	----------------------	-------------------------	------------------------------

	gaining the equity	equity				purchase date	the purchase date to period-end	the purchase date to period-end
--	--------------------	--------	--	--	--	---------------	---------------------------------	---------------------------------

Other notes:

## (2) Combination Cost and Goodwill

Unit: RMB

Combination cost	
------------------	--

Note to determination method of the fair value of the combination cost, consideration and changes:

The main formation reason for the large goodwill:

Other notes:

## (3) The Identifiable Assets and Liabilities of Acquiree on Purchase Date

Unit: RMB

	Fair value on purchase date	Carrying value on purchase date

The determination method of the fair value of identifiable assets and liabilities:

Contingent liability of acquiree undertaken in the business combination:

Other notes:

## (4) Gains or losses from Re-measurement of Equity Held before the Purchase Date at Fair Value

Whether there is a transaction that through multiple transaction step by step to realize business combination and gaining the control during the Reporting Period

Yes  No

## (5) Notes to Reasonable Consideration or Fair Value of Identifiable Assets and Liabilities of the Acquiree that Cannot Be Determined on the Acquisition Date or during the Period-end of the Merger

## (6) Other Notes

Not applicable.

## 2. Business Combination under the Same Control

### (1) Business Combination under the Same Control during the Reporting Period

Unit: RMB

Combined party	Proportion of the equity	Basis	Combination date	Recognition basis of	Income from the	Net profits from the	Income of the acquiree	Net profits of the acquiree
----------------	--------------------------	-------	------------------	----------------------	-----------------	----------------------	------------------------	-----------------------------

				combination date	period-begin to the combination date of the acquiree	period-begin to the combination date of the acquiree	during the period of comparison	during the period of comparison

Other notes:

## (2) Combination Cost

Unit: RMB

Combination cost	

Contingent liabilities of the combined party undertaken in the business combination

Other notes:

## (3) The Carrying Value of Assets and Liabilities of the Combined Party on the Combination Date

Unit: RMB

	Combination date	Period-end of the last period

Contingent liabilities of the combined party undertaken in the business combination:

Other notes:

Not applicable.

## 3. Counter Purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process:

Not applicable.

## 4. Disposal of Subsidiary

Whether there is a single disposal of the investment to the subsidiary and lost control?

Yes  No

Whether there are several disposals of the investment to the subsidiary and lost controls?

Yes  No

## 5. Changes in Combination Scope for Other Reasons

Note to changes in combination scope for other reasons (such as new establishment or liquidation of subsidiaries, etc.) and relevant information:

Not applicable.

**6. Other**

Not applicable.

**IX. Equity in Other Entities****1. Equity in Subsidiary****(1) Subsidiaries**

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
				Directly	Indirectly	
Shenzhen Huangcheng Real Estate Co., Ltd.	Shenzhen	Shenzhen	Real estate	100.00%		Set-up
SZPRD Real Estate Development Co., Ltd.	Shenzhen	Shenzhen	Real estate	100.00%		Set-up
PRD Group Xuzhou Dapeng Real Estate Development Co., Ltd.	Xuzhou	Xuzhou	Real estate	100.00%		Set-up
Dongguan International Trade Center Changsheng Real Estate Development Co., Ltd.	Dongguan	Dongguan	Real estate	100.00%		Set-up
PRD Yangzhou Real Estate Development Co., Ltd.	Yangzhou	Yangzhou	Real estate	100.00%		Set-up
Shenzhen International Trade Center Property Management Co., Ltd.	Shenzhen	Shenzhen	Real estate	100.00%		Set-up
Shenzhen	Shenzhen	Shenzhen	Real estate		100.00%	Set-up



Huangcheng Real Estate Management Co., Ltd.						
Shandong Shenzhen International Trade Center Property Management Co., Ltd.	Jinan	Jinan	Real estate		100.00%	Set-up
Chongqing Shenzhen International Trade Center Property Management Co., Ltd.	Chongqing	Chongqing	Real estate		100.00%	Set-up
Chongqing Aobo Elevator Co., Ltd.	Chongqing	Chongqing	Service		100.00%	Set-up
Chongqing Tianque Elevator Technology Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen Guoguan Electromechanical Device Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen International Trade Center Catering Co., Ltd.	Shenzhen	Shenzhen	Hotels and catering services	100.00%		Set-up
Shenzhen Property Engineering Construction Supervision Co., Ltd.	Shenzhen	Shenzhen	Service	100.00%		Set-up
SZPRD Operation and Management of Real Estate	Shenzhen	Shenzhen	Service	100.00%		Set-up

Assets Co., Ltd.						
Zhanjiang Shenzhen Real Estate Development Co., Ltd.	Zhanjiang	Zhanjiang	Real estate	100.00%		Set-up
Shum Yip Properties Development Co., Ltd.	Hong Kong	Hong Kong	Real estate	100.00%		Set-up
Wayhang Development Co., Ltd.	Hong Kong	Hong Kong	Real estate		100.00%	Set-up
Chief Link Properties Co., Ltd.	Hong Kong	Hong Kong	Real estate		70.00%	Set-up
Syndis Investment Co., Ltd.	Hong Kong	Hong Kong	Real estate		70.00%	Business combination not under the same control
Yangzhou Slender West Lake Jingyue Property Development Co., Ltd.	Yangzhou	Yangzhou	Real estate		51.00%	Set-up
Shandong International Trade Center Hotel Management Co., Ltd.	Jinan	Jinan	Real estate		100.00%	Set-up
Shenzhen Shenshan Special Cooperation Zone Guomao Property Development Co., Ltd.	Shenzhen	Shenzhen	Real estate		65.00%	Set-up
Shenzhen Guomao Tongle Property Management Co.,	Shenzhen	Shenzhen	Real estate		51.00%	Set-up

Ltd.						
Shenzhen Rongyao Real Estate Development Co., Ltd.	Shenzhen	Shenzhen	Real estate	69.00%		Business combination not under the same control
Shenzhen Toukong Property Management Co., Ltd.	Shenzhen	Shenzhen	Real estate	100.00%		Business combination under the same control
Shenzhen Julian Human Resources Development Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Business combination under the same control
Shenzhen Huazhengpeng Property Management Development Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Taixinli Property Management Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Penghongyuan Industrial Development Co., Ltd.	Shenzhen	Shenzhen	Hotels and catering services		100.00%	Business combination under the same control
Shenzhen Jinhailian Property Management Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Social Welfare Co., Ltd.	Shenzhen	Shenzhen	Health and social work		100.00%	Business combination under the same control
Shenzhen Fuyuanmin Property Management	Shenzhen	Shenzhen	Real estate		90.00%	Business combination under the same

Limited Liability Company						control
Shenzhen Meilong Industrial Development Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Business combination under the same control
Shenzhen Shenlv Garden Technology Industrial Co., Ltd.	Shenzhen	Shenzhen	Public facilities management		90.00%	Business combination under the same control
Shenzhen Jiayuan Property Management Co., Ltd.	Shenzhen	Shenzhen	Real estate		54.00%	Business combination under the same control
Shenzhen Helinhua Construction Management Co., Ltd.	Shenzhen	Shenzhen	Real estate		90.00%	Business combination under the same control
Shenzhen Zhongtongda House Xiushan Service Co., Ltd.	Shenzhen	Shenzhen	Construction industry		90.00%	Business combination under the same control
Shenzhen Kangping Industrial Co., Ltd.	Shenzhen	Shenzhen	Retail business		90.00%	Business combination under the same control
Shenzhen Sports Service Co., Ltd.	Shenzhen	Shenzhen	Manufacturing industry		100.00%	Business combination under the same control
Shenzhen Teacher's Home Training Co., Ltd.	Shenzhen	Shenzhen	Retail business		100.00%	Business combination under the same control
Shenzhen Education Industrial Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Business combination under the same control

Shenzhen Yufa Industrial Co., Ltd.	Shenzhen	Shenzhen	Retail business		80.95%	Business combination under the same control
------------------------------------	----------	----------	-----------------	--	--------	---

Notes to holding proportion in subsidiary different from voting proportion:

Basis of holding half or less voting rights but still controlling the investee and holding more than half of the voting rights but not controlling the investee:

Significant structural entities and controlling basis in the scope of combination:

Basis of determining whether the Company is the agent or the principal:

Other notes:

## (2) Significant Non-wholly-owned Subsidiary

Unit: RMB

Name	Shareholding proportion of non-controlling interests	The profit or loss attributable to the non-controlling interests	Declaring dividends distributed to non-controlling interests	Balance of non-controlling interests at the period-end
Shenzhen Rongyao Real Estate Development Co., Ltd.	31.00%	-33,405,822.54	0.00	73,077,691.51

Holding proportion of non-controlling interests in subsidiary different from voting proportion:

Other notes:

## (3) The Main Financial Information of Significant Not Wholly-owned Subsidiary

Unit: RMB

Name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Shenzhen Rongyao Real Estate Development Co., Ltd.	4,399,879,370.25	78,465,124.43	4,478,344,494.68	139,937,223.37	3,999,800,000.00	4,139,737,223.37	4,111,815,612.87	42,716,564.22	4,154,532,177.09	53,136,970.47	3,757,900,000.00	3,811,036,970.47

Unit: RMB

Name	Reporting Period				Same period of last year			
	Operating	Net profit	Total	Cash flows	Operating	Net profit	Total	Cash flows

	revenue		comprehensive income	from operating activities	revenue		comprehensive income	from operating activities
Shenzhen Rongyao Real Estate Development Co., Ltd.	0.00	-107,760,717.87	-107,760,717.87	-386,770,711.35	0.00	-91,139,605.71	-91,139,605.71	-576,763,060.18

Other notes:

#### (4) Significant Restrictions on Using the Assets and Liquidating the Liabilities of the Company

#### (5) Financial Support or Other Supports Provided to Structural Entities Incorporated into the Scope of Consolidated Financial Statements

Other notes:

### 2. The Transaction of the Company with Its Owner's Equity Share Changed but Still Controlling the Subsidiary

#### (1) Note to the Owner's Equity Share Changed in Subsidiary

Not applicable.

#### (2) The Transaction's Influence on the Equity of Non-controlling Interests and the Owner's Equity Attributable to the Company as the Parent

Unit: RMB

--	--

Other notes

### 3. Equity in Joint Ventures or Associated Enterprises

#### (1) Significant Joint Ventures or Associated Enterprises

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Accounting treatment of the investment to joint venture or associated enterprise
				Directly	Indirectly	
Shenzhen Jifa Warehouse Co.,	Shenzhen	Shenzhen	Warehouse service	50.00%		Equity method

Ltd.					
Tian'an International Building Property Management Company of Shenzhen	Shenzhen	Shenzhen	Property management	50.00%	Equity method

Notes to holding proportion of joint venture or associated enterprise different from voting proportion:

Not applicable.

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

## (2) Main Financial Information of Significant Joint Ventures

Unit: RMB

	Ending balance/Reporting Period		Beginning balance/The same period of last year	
	Shenzhen Jifa Warehouse Co., Ltd.	Tian'an International Building Property Management Company of Shenzhen	Shenzhen Jifa Warehouse Co., Ltd.	Tian'an International Building Property Management Company of Shenzhen
Current assets	3,868,284.61	53,933,973.04	8,330,101.77	53,771,789.30
Of which: Cash and cash equivalents	1,849,825.84	33,715,032.55	3,913,864.25	34,531,027.99
Non-current assets	75,623,155.59	43,779.72	75,129,933.91	42,265.30
Total assets	79,491,440.20	53,977,752.76	83,460,035.68	53,814,054.60
Current liabilities	2,174,273.25	24,695,642.12	6,230,492.36	24,725,254.19
Non-current liability		16,132,908.53		16,166,098.30
Total liabilities	2,174,273.25	40,828,550.65	6,230,492.36	40,891,352.49
Equity attributable To owners of the Company as the parent	77,317,166.95	13,149,202.11	77,229,543.32	12,922,702.11
Portion of net assets calculated according to proportion of shareholdings	38,658,583.48	6,574,601.06	38,614,771.66	6,461,351.06
Carrying value of equity investment to joint ventures	38,658,583.48	6,574,601.06	38,614,771.66	6,461,351.06
Operating revenue	2,523,193.69	8,588,350.29	3,127,168.02	10,118,037.30

Finance expense	-2,946.63	24,599.52	-12,030.91	3,608.49
Income tax expense	29,207.88	75,648.84	467,887.30	99,490.19
Net profit	87,623.63	226,500.00	1,321,510.93	240,142.21
Total comprehensive income	87,623.63	226,500.00	1,321,510.93	240,142.21

Other notes

### (3) Main Financial Information of Significant Associated Enterprise

Unit: RMB

	Ending balance/Reporting Period	Beginning balance/The same period of last year

Other notes

Not applicable.

### (4) Summary Financial Information of Insignificant Joint Ventures or Associated Enterprises

Unit: RMB

	Ending balance/Reporting Period	Beginning balance/The same period of last year
Joint ventures:	--	--
The total of following items according to the shareholding proportions	--	--
Associated enterprises:	--	--
The total of following items according to the shareholding proportions	--	--

Other notes

Not applicable.

### (5) Note to the Significant Restrictions on the Ability of Joint Ventures or Associated Enterprises to Transfer Funds to the Company

Not applicable.

### (6) The Excess Loss of Joint Ventures or Associated Enterprises

Unit: RMB

Name	The cumulative recognized losses in previous	The derecognized losses (or the share of net profit) in Reporting	The accumulative unrecognized losses in Reporting Period



	accumulatively derecognized	Period	
--	-----------------------------	--------	--

Other notes

Not applicable.

#### **(7) The Unrecognized Commitment Related to Investment to Joint Ventures**

Not applicable.

#### **(8) Contingent Liabilities Related to Investment to Joint Ventures or Associated Enterprises**

Not applicable.

### **4. Significant Common Operation**

Name	Main operating place	Registration place	Nature of business	Proportion /Share portion	
				Directly	Indirectly

Notes to holding proportion or share portion in common operation different from voting proportion:

For common operation as a single entity, basis of classifying as common operation

Other notes

Not applicable.

### **5. Equity in the Structured Entity Excluded in the Scope of Consolidated Financial Statements**

Notes to the structured entity excluded in the scope of consolidated financial statements:

Not applicable.

### **6. Other**

Not applicable.

## **X. The Risk Related to Financial Instruments**

The Company is engaged in risk management to achieve balance between risks and returns, minimizing the negative effects of risks on its operation performance and maximizing the interests of its shareholders and other equity investors. Based on that risk management goal, the fundamental strategy of its risk management is to identify and analyze various risks facing the Company, establish an appropriate risk bottom line, carry out risk management and monitor various risks in a timely and reliable manner to control them within a restricted scope.

The Company faces various risks related to financial instruments in its routine activities, mainly including credit risk, liquidity risk market risk. The management has reviewed and approved the policies of managing those risks, which are summarized as follows.

#### **(I) Credit Risk**

Credit risk means the risk of financial losses incurred to the other party when one party of a financial instrument is unable to fulfill its obligations.

##### **1. Credit Risk Management Practice**

### (1) Credit Risk Evaluation Method

On each balance sheet date, the Company shall evaluate whether the credit risk of relevant financial instruments has increased significantly since the initial recognition. After determining whether the credit risk has increased significantly since the initial recognition, the Company shall consider obtaining reasonable and reliable information without paying unnecessary extra costs or efforts, including qualitative and quantitative analysis based on historical data, external credit risk rating and forward-looking information. On the base of the single financial instrument or combination of financial instruments with similar credit risk characteristics, the Company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date to determine the change of default risk of financial instruments during their expected duration.

When one or more of the following quantitative and qualitative criteria prevails, the Company shall believe the credit risk of financial instruments has increased significantly:

- 1) For the quantitative standard, it can be mainly analyzed from the probability of default for the remaining duration on the balance sheet date rises by more than a certain proportion compared with the initial confirmation.
- 2) For the qualitative standard, it can be mainly analyzed from the major adverse changes in the debtor's operation or financial situation, changes in existing or expected technology, market, economy or legal environment which shall have major adverse impacts on the debtor's repayment ability of the Company, etc.
- 3) The upper limit is that the debtor's contract payment (including principal and interest) is overdue for more than 90 days.

### (2) Definition of Default and Credit Impairment-Assets

When a financial instrument meets one or more of the following conditions, the Company shall define the financial asset as having defaulted, and its criteria are consistent with the definition of having incurred credit impairment:

#### 1) Quantitative Standard

The debtor fails to make the payment after the contract payment date for more than 90 days;

#### 2) Qualitative criteria

- ① The debtor has major financial difficulties;
- ② The debtor violates the binding provisions on the debtor in the contract;
- ③ The debtor is likely to go bankrupt or carry out other financial restructurings;
- ④ The creditor shall give the debtor concessions that will not be made in any other circumstances due to the economic or contractual considerations related to the debtor's financial difficulties.

### 2. Measurement of Expected Credit Loss

Key parameters of the expected credit loss measurement include default probability, loss given default, and default risk exposure. The Company considers the quantitative analysis and forward-looking information of historical statistical data (such as counterparty rating, guarantee method, collateral type, repayment method, etc.) to establish exposure models of default probability, loss given default, and default risk.

3. Refer to Note V-I (2), V-I (4), V-I (8) for details of the reconciliation statements of beginning balance and ending balance of financial instrument loss provision.

### 4. Credit Risk Exposure and Credit Risk Concentration

The Company's credit risk mainly comes from bank deposits and accounts receivable. To control the aforementioned relevant risks, the Company has adopted the following measures.

#### (1) Bank deposits

The Company places its bank deposits with financial institutions of high credit ratings. Thus, its credit risk is low.

#### (2) Accounts receivable

The Company conducts credit assessment on the customers trading in the mode of credit on a regular basis. Based on the credit assessment result, the Company chooses to trade with recognized customers with good credit and monitor the balance of the accounts receivable from them to ensure that the Company will not face any significant bad debt risk.

Due to the Company merely trades with the authorized third party with good credit, the guarantee is not required. Credit risk

concentration is managed in accordance with the customers. As of 30 June 2020, there are certain credit concentration risks, and 56.25% of accounts receivable of the Company (63.81% on 31 December 2019) comes from top 5 customers of balance. The Company hasn't held any guarantee or other credit enhancement for balance of accounts receivable.

The maximum credit risk exposure the Company undertook shall be the carrying value of each financial asset in the balance sheet.

#### (II)Liquidity Risk

Liquidity risk refers to the risk of fund shortage occurring when the Company fulfills the settlement obligation in the mode of cash delivery or other financial assets. Liquidity risk may originate from the failure to sell financial assets at fair value as soon as possible; or from the other party's failure to pay off its contractual debts; or from the earlier maturity of debts; or from the failure to generate the expected cash flow.

To control the risk, the Company comprehensively adopts bank loans as financing approach, appropriately combine long-term and short-term financing modes and optimize the financing structure to maintain the balance between financing sustainability and flexibility. The Company has obtained the line of credit from a number of commercial banks to satisfy its operation fund needs and capital expenditure.

Financial liabilities classified by remaining maturity

Item	Ending balance				
	Carrying value	Undiscounted contract amount	Within 1 year	1 to 3 years	Over 3 years
Bank loans	3,584,900,000.00	4,431,761,984.50	219,719,134.06	492,504,754.00	3,719,538,096.44
Accounts receivable	577,689,139.10	577,689,139.10	577,689,139.10		
Other receivables	807,985,786.65	807,985,786.65	807,985,786.65		
Current portion for other non-current liabilities	786,239,116.67	787,520,246.39	787,520,246.39		
Subtotal	5,756,814,042.42	6,604,957,156.64	2,392,914,306.20	492,504,754.00	3,719,538,096.44

(Continued)

Item	Beginning balance				
	Carrying value	Undiscounted contract amount	Within 1 year	1 to 3 years	Over 3 years
Bank loans	2,193,833,000.00	2,809,760,244.87	122,965,009.77	254,890,988.43	2,431,904,246.67
Accounts payable	577,689,139.10	577,689,139.10	577,689,139.10		
Other payables	1,136,902,252.81	1,136,902,252.81	1,136,902,252.81		
Current portion for other non-current	3,921,032.24	3,926,732.24	3,926,732.24		

liabilities					
Subtotal	3,912,345,424.15	4,528,278,369.02	1,841,483,133.92	254,890,988.43	2,431,904,246.67

**(III) Market Risk**

Market risk means the fluctuation risk of the fair value of financial instruments or the future cash flow due to market price changes.

**1. Interest rate risk**

Interest rate risk means the fluctuation risk of the fair value of financial instruments or the future cash flow due to changes of market interest rate. The Company has faced the interest rate risk of fair value generated from the financial instrument with interest of fixed rate, and the interest rate risk of cash flows generated from financial instrument with interest of floating interest rate. The Company will determined the proportion between the financial instrument with interest of fixed rate and floating interest rate according to the market environment, as well as review regularly, supervise and maintain appropriate portfolio of financial instrument. The interest rate risk of cash flows facing the Company is mainly related to the bank loans calculated by floating interest rate of the Company.

As of 30 June 2020, under the assumption of fixed variables with 50 basis points changed in interest rate, the bank loan with RMB2,999,900,000.00 (RMB2,193,933,000.00 on 31 December 2019) calculated at floating rate will not result in significant influence on total profit and shareholders' equity of the Company.

**2. Foreign exchange risk**

Foreign exchange rate refers to the risk that may lead to the changes of fair value of financial instruments or future cash flows due to fluctuation in exchange rate. The risk of changes of exchange rate facing the Company is mainly related to foreign currency monetary assets and liabilities of the Company. The Company operates in mainland China, and the main activities are recorded by renminbi. Thus, the foreign exchange market risk undertaken is insignificant for the Company.

Refer to Note VII-82 for the information of foreign currency monetary assets and liabilities at the period-end for details.

**XI. The Disclosure of Fair Value****1. Ending Fair Value of Assets and Liabilities at Fair Value**

Unit: RMB

Item	Ending fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
(III) Other equity instrument investment	1,134,803.13			1,134,803.13
Total amount of assets at fair value	1,134,803.13			1,134,803.13
II. Inconsistent fair value measurement	--	--	--	--

## 2. Market Price Recognition Basis for Consistent and Inconsistent Fair Value Measurement Items at Level 1

Other equity instrument held by the Company belongs to stocks of listed company, of which the closing price of stock exchange on 30 June 2020 shall be regarded as the fair value.

## 3. Valuation Technique Adopted and Nature and Amount Determination of Important Parameters for Consistent and Inconsistent Fair Value Measurement Items at Level 2

## 4. Valuation Technique Adopted and Nature and Amount Determination of Important Parameters for Consistent and Inconsistent Fair Value Measurement Items at Level 3

## 5. Sensitiveness Analysis on Unobservable Parameters and Adjustment Information between Beginning and Ending Carrying Value of Consistent Fair Value Measurement Items at Level 3

## 6. Explain the Reason for Conversion and the Governing Policy when the Conversion Happens if Conversion Happens among Consistent Fair Value Measurement Items at Different Levels

## 7. Changes in the Valuation Technique in the Current Period and the Reason for Such Changes

## 8. Fair Value of Financial Assets and Liabilities Not Measured at Fair Value

## 9. Other

## XII. Related Party and Related-party Transactions

### 1. Information Related to the Company as the Parent of the Company

Name	Registration place	Nature of business	Registered capital	Proportion of share held by the Company as the parent against the Company (%)	Proportion of voting rights owned by the Company as the parent against the Company (%)
Shenzhen Investment Holdings Co., Ltd	Shenzhen	Managing state-owned assets	RMB25,349 million	57.96%	57.96%

Notes: Information on the Company as the parent

The Company as the parent of the Company is Shenzhen Investment Holdings Co., Ltd., a newly-established and organized state-owned capital investment company based on the original three state-owned assets management companies in October 2004, among which the main function is to manage the partial municipal state-owned companies according to the authorization of Municipal SASAC. As a government department, Shenzhen State-owned Assets Supervision and Administration Bureau manages Shenzhen Investment Holdings Co., Ltd. on behalf of People's Government of Shenzhen Municipality.

The final controller of the Company is Shenzhen State-owned Assets Supervision and Administration Committee of Shenzhen

Government.

Other notes:

## 2. Subsidiaries of the Company

Refer to Note IX-(I) Equity in Subsidiary for details.

## 3. Information on the Joint Ventures and Associated Enterprises of the Company

Refer to Note IX-3 for details about significant joint ventures or associated enterprises.

Information on other joint venture or associated enterprise of occurring related-party transactions with the Company in Reporting Period, or forming balance due to related-party transactions made in previous period:

Name	Relationship with the Company
------	-------------------------------

Other notes

Not applicable.

## 4. Information on Other Related Parties

Name	Relationship with the Company
Shenzhen Investment Holdings Co., Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company
Shenzhen Bay Technology Development Co., Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company
Shenzhen Xinhai Holding Co., Ltd.	The Company as the parent of Xinhai Rongyao of subsidiary Rongyao Real Estate by non-controlling interests
Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.	Subsidiary Rongyao Real Estate by non-controlling interests
Shenzhen Hi-tech Zone Development Construction Co., Ltd	Wholly-owned subsidiary of Shenzhen Bay Technology Development Co., Ltd.
Shenzhen Real Estate Jifa Warehousing Co., Ltd.	Joint venture of the Company
Shenzhen Tian'an International Mansion Property Administration Co., Ltd.	Joint venture of the Company
Shenzhen Wufang Ceramics Industrial Co., Ltd.	Associated enterprise of the Company
Shenzhen Bay Area Urban Construction and Development Co., Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company

Other notes

## 5. List of Connected Transactions

### (1) Information on Acquisition of Goods and Reception of Labor Service

Information on acquisition of goods and reception of labor service

Unit: RMB

Related party	Content	Reporting Period	The approval trade credit	Whether exceed trade credit or not	Same period of last year
Shenzhen Bay Technology Development Co., Ltd.	Management service	33,458,508.93			27,169,639.46

Information of sales of goods and provision of labor service

Unit: RMB

Related party	Content	Reporting Period	Same period of last year
Shenzhen Bay Technology Development Co., Ltd.	Property management	18,958,078.79	5,394,746.24
Shenzhen Bay Area Urban Construction and Development Co., Ltd.	Property management	713,736.06	0.00
Shenzhen Hi-tech Zone Development Construction Co., Ltd	Property management	669,509.81	683,947.62

Notes on acquisition of goods and reception of labor service

**(2) Information on Related-party Trusteeship/Contract**

Lists of trusteeship/contract:

Unit: RMB

Name of the entruster/contractee	Name of the trustee/contractor	Type	Start date	Due date	Pricing basis	Income recognized in this Reporting Period
Shenzhen Shentou Property Development Co., Ltd.	Shenzhen Toukong Property Management Co., Ltd.	Investment property	6 November 2019	5 November 2025	Market pricing	19,566,423.45

Notes:

Lists of entrust/contractee

Unit: RMB

Name of the entruster/contractee	Name of the trustee/contractor	Type	Start date	Due date	Pricing basis	Charge recognized in this Reporting Period
----------------------------------	--------------------------------	------	------------	----------	---------------	--

Notes:

**(3) Information on Related-party Lease**

The Company was lessor:

Unit: RMB

Name of lessee	Category of leased assets	The lease income confirmed in the Reporting Period	The lease income confirmed in the Same period of last year

The Company was lessee:

Unit: RMB

Name of lessor	Category of leased assets	The lease fee confirmed in the Reporting Period	The lease fee confirmed in the Same period of last year
Shenzhen Shentou Property Development Co., Ltd.	Investment property	190,340.58	133,177.08

Notes:

**(4) Information on Related-party Guarantee**

The Company was guarantor:

Unit: RMB

Secured party	Guarantee amount	Start date	End date	Execution accomplished or not

The Company was secured party

Unit: RMB

Guarantor:	Guarantee amount	Start date	End date	Execution accomplished or not

Notes:

Not applicable.

**(5) Information on Inter-bank Lending of Capital of Related Parties**

Unit: RMB

Related party	Amount	Start date	End date	Note
Borrowing				
Lending				

**(6) Information on Assets Transfer and Debt Restructuring by Related Party**

Unit: RMB

Related party	Content	Reporting period	Same period of last year



**(7) Information on Remuneration for Key Management Personnel**

Unit: RMB

Item	Reporting period	Same period of last year
Remuneration for key management personnel	6,604,773.44	4,115,229.51

**(8) Other Related-party Transactions**

## Projects Investment Status of Core Staff

To advocate the core staff of the group to share the operating results of market-oriented projects with the Company, share the operating risks, stimulate their endogenous power to improve efficiency and increase benefits, further improve the project turnover rate, reduce the risks of land acquisition, development and operation, improve the asset management efficiency and to realize the maintenance and appreciation of state-owned assets, through the standardized and scientific design of investment follow-up mechanism and the establishment of the group's long-term incentive and restraint mechanism, the Company has formulated the Staff Follow-up Investment Management Measures. According to the above management measures, follow-up investment matters will form related transactions of the joint investment with some core staff of the Company. As of 31 December 2019, the core staff of the Company has contributed a total of one item within the scope of the consolidated statement of follow-up investment through cash. The actual investment of follow-up investment is RMB40 million with no accumulated back-up fund. There is no change in follow-up investment and accumulated back-up fund in 2020. The follow-up investment of the item is as follows:

Item	Total amount	Accumulative return
Bangling urban renewal project (Note)	40,000,000.00	

**6. Accounts Receivable and Payable of Related Party****(1) Accounts Receivable**

Unit: RMB

Item	Related party	Ending balance		Beginning balance	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Accounts receivable	Shenzhen Bay Technology Development Co., Ltd.	112,143,815.18	3,364,314.46	93,790,305.70	4,689,515.29
	Shenzhen Hi-tech Zone Development Construction Co., Ltd.	954,769.70	28,643.09	1,045,589.81	31,367.69
	Shenzhen Bay Area Urban Construction and Development	713,736.06	21,412.08		

	Co., Ltd.				
Other receivables	Shenzhen Xinhai Holding Co., Ltd.	401,499,990.18		551,499,990.18	
	Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.	330,472,932.33		330,472,932.33	
	Shenzhen Hi-tech Zone Development Construction Co., Ltd.	138,689.46	69,344.73	138,689.46	69,344.73
	Shenzhen Wufang Ceramics Industrial Co., Ltd.	1,747,264.25	1,747,264.25	1,747,264.25	1,747,264.25

**(2) Accounts Payable**

Unit: RMB

Item	Related party	Ending carrying amount	Beginning carrying amount
Other payables	Shenzhen Real Estate Jifa Warehousing Co., Ltd.	35,796,665.14	35,796,665.14
	Shenzhen Tian'an International Mansion Property Administration Co., Ltd.	5,214,345.90	5,214,345.90
	Shenzhen Bay Technology Development Co., Ltd.	33,458,508.93	
	Shenzhen Bay Area Urban Construction and Development Co., Ltd.	358,252.18	
	Shenzhen Shentou Property Development Co., Ltd.	6,888,594.77	

**7. Commitments of Related Party****8. Other****XIII. Stock Payment****1. The Overall Situation of Stock Payment**

Applicable  Not applicable

**2. The Stock Payment Settled in Equity**

Applicable  Not applicable

**3. The Stock Payment Settled in Cash**

Applicable  Not applicable

**4. Modification and Termination of the Stock Payment****5. Other****XIV. Commitments and Contingency****1. Significant Commitments**

Significant Contingency on Balance Sheet Date

Large amount contract signed under performance or performance preparation

Item	Reporting period	Same period of last year
Signed but derecognized in financial statements		
—Large amount contract	147,758,430.24	498,279,835.00

**2. Contingency****(1) Significant Contingency on Balance Sheet Date****1) Contingent liabilities formed by pending action and financial influence**

① The action about transferring Jiabin Building contentious matter

In 1993, the Company signed Right of Development Transfer Contract of Jiabin Building with Shenzhen Jiyong Property Development Co., Ltd. (hereinafter referred to as “Jiyong Company”). Since the contract was not effectively executed, the Company subsequently filed a series of lawsuits against the parties involved in the project, but the outcome was not favorable to the Company. Therefore, the Company calculated and withdrew bad-debt provisions for accounts receivable from Jiyong Company in full in past years for the transfer of Jiabin Building. On 31 October 2018, Shenzhen Intermediate People’s Court made a civil award and ruled that the Company’s application for the bankruptcy of Jiyong Company would not be accepted. The Company refused to accept such ruling and has appealed to Shenzhen Intermediate People’s Court. On 29 April 2020, Guangdong Higher People’s Court judged to reject the appeal of the Company and maintained the original judgment. As of the issuance date of the report, there is no new progress in the case.

② Lawsuit items regarding disputes over environmental pollution liability of Fuchang Building Phase II

On 24 May 2019, the Futian District Indemnificatory Talent Housing Project “Fuhuihuayuan, Fuchang Building Phase II” developed by the Company officially started. The plaintiffs Feng Shuiping and other 180 people filed a civil lawsuit against the Company and the Second Construction Engineering Co., Ltd. of China Construction Third Engineering Bureau Co., Ltd. (hereinafter referred to as “The Third Construction Bureau”). The plaintiffs asked for stopping nuisance and claimed the amount of personal injury compensation at the standard of RMB300 per day during the construction period and the total amount of the subject matter involved

in the series of cases was RMB8.154 million. Futian District People's Court has opened the trial, but hasn't given the judgment. As of the issuance date of the report, there is no new progress in the case. Due to no judgment given from the court, the Company hasn't accrued the estimated liability for the case.

③ Lawsuit items regarding Lvxinyuan Company contract dispute

On 23 October 2018, Shenzhen Huazhengpeng Property Management Development Co., Ltd. (hereinafter referred to as "Huazhengpeng"), a subsidiary of the Company, was sued by the plaintiff Shenzhen Lvxinyuan Agricultural Products Co., Ltd. (hereinafter referred to as Lvxinyuan) for a dispute over the sales contract. On 11 March 2019, the court ruled that Huazhengpeng had to pay Lvxinyuan good payments and the interest altogether RMB593,579.23. On 23 June 2019, the bank account balance under Huazhengpeng's name was deducted RMB111,545.36 during the enforcement process by Futian District People's Court, and the account of Huazhengpeng Company was frozen, at this point, there are no executable assets under Huazhengpeng's name. Huazhengpeng accrued the estimated liability of RMB 482,033.87 according to the compensation amount to be paid.

④ Lawsuit items regarding Cai Xuesen's contract dispute

On 10 August 2005, Shenzhen Taixinli Property Management Co., Ltd. (hereinafter referred to as "Taixinli"), a subsidiary of the Company, leased two lands located beside original Songgang toll station of national highway 107 to Cai Xuesen (natural person) for the construction of a factory building. Due to the land can only be used for education, Cai Xuesen was unable to obtain a work permit. Therefore, on 30 June 2008, Cai Xuesen filed a lawsuit to the court on the ground that Taixinli deliberately concealed the fact that they had no land use right, and made him impossible to start construction at the agreed time. On 13 January 2019, Shenzhen Intermediate People's Court made a final judgment on the case, demanding Taixinli to repay Cai Xuesen's losses altogether RMB749,398.00. Cai Xuesen applied for a retrial, and Guangdong Higher People's Court judged to reject the retrial application on 17 September 2019. The Company has accrued the estimated liability in full for the above amount.

⑤ Lawsuit items regarding Lubanhang's contract disputes

On 23 July 2014, Shenzhen Taixinli Property Management Co., Ltd. (hereinafter referred to as "Taixinli"), a subsidiary of the Company, signed Supervision Service Contract with Guangdong Lubanhang Technology Co., Ltd. (hereinafter referred to as "Lubanhang") regarding Yupin Luanshan project. The project was suspended in 2016 for some reason, so Lubanhang filed a lawsuit with Shenzhen Bao'an District People's Court on 31 March 2019, required to dissolve the Supervision Service Contract and pay supervision service fees and interest, etc altogether RMB7,063,237.32, and proposed to the court for property preservation. On 5 November 2019, the court ruled in the first instance that the service contract signed shall be terminated on 21 May 2019, and Taixinli should pay the residual supervision service fees of RMB2.3379 million and its interest to Lubanhang. Taixinli has instituted the appeal, and the second trial has opened but no judgment. Taixinli has paid part of the supervision service fees and corresponding interest according to the fault liability. The Company has accrued the estimated liability of RMB1,671,896.00 according to the judgment result of the court.

**2) Contingent liabilities formed by debt guarantee provided for other units and financial influence**

① As a real estate developer, the Company has provided mortgage guarantees for commercial housing purchasers and paid loan guarantees according to real estate business practices. As of 30 June 2020, the balance of the cash deposit that have not been released is RMB1,120,910.60. That guarantee will be released on the date when the mortgage money is paid off.

② The Company and its subsidiaries provide mortgage guarantees for commercial housing purchasers according to the real estate business practice. The purchaser uses the purchased commercial housing as collateral. The guarantee amount that has not been settled as of 30 June 2020 is RMB291,699,484.08 and since so far, purchasers have not defaulted, and the current market price of these properties is higher than the selling price, the Company believes that the risks associated with providing such guarantees are relatively low.

## (2) In Despite of no Significant Contingency to Disclose, the Company Shall Also Make Relevant Statements

There was no significant contingency in the Company.

### 3. Other

## XV. Events after Balance Sheet Date

### 1. Significant Non-adjusted Events

Unit: RMB

Item	Content	Influence number to the financial position and operating results	Reason of inability to estimate influence number

### 2. Profit Distribution

Unit: RMB

### 3. Sales Return

Not applicable.

### 4. Notes to Other Events after Balance Sheet Date

Not applicable.

## XVI. Other Significant Events

### 1. The Accounting Errors Correction in Previous Period

#### (1) Retrospective Restatement

Unit: RMB

Content	Processing program	Name of the influenced report items during comparison period	Accumulative impact

#### (2) Prospective Application

Content	Processing program	Reason for adopting prospective application

**2. Debt Restructuring**

Not applicable.

**3. Assets Replacement****(1) Non-monetary Assets Exchange**

Not applicable.

**(2) Other Assets Replacement**

Not applicable.

**4. Pension Plans**

Not applicable.

**5. Discontinued Operations**

Unit: RMB

Item	Income	Expense	Total profit	Income tax expense	Net profit	Profit from discontinued operations attributable to owners of the Company as the parent

Other notes

Not applicable.

**6. Segment Information****(1) Determination Basis and Accounting Policies of Reportable Segment**

In accordance with the internal organization structure, management requirements and internal report system, the Company identified the reportable segments based on the product segment and assessed the operational performance of ivory business, printing business and latex business. The assets and liabilities sharing with other segments shall be proportionally distributed among segments by scales.

**(2) The Financial Information of Reportable Segment**

Unit: RMB

Item	Real estate	House rental	Property management	Others	Offset among segment	Total
Main operation revenue	858,698,806.07	503,900,511.94	74,034,931.14	2,350,593.28	-17,907,074.60	1,421,077,767.83
Main operation cost	147,212,422.45	430,811,529.01	45,663,839.65	1,791,479.94	-13,784,327.25	611,694,943.80
Total assets	14,202,954,456.27	1,103,321,905.06	503,444,362.38	3,457,781.30	-4,864,331,432.43	10,948,847,072.58
Total liabilities	11,743,875,757.04	659,755,316.00	202,923,139.56	5,456,470.96	-4,894,458,753.05	7,717,551,930.51

**(3) If there Was no Reportable Segment, or the Total Amount of Assets and Liabilities of Each Reportable Segment Could not Be Reported, Relevant Reasons Shall Be Clearly Stated**

**(4) Other Notes**

#### 7. Other Significant Transactions and Events with Influence on Investors' Decision-making

Not applicable.

#### 8. Other

Not applicable.

### XVII. Notes of Main Items in the Financial Statements of the Company as the Parent

#### 1. Notes Receivable and Accounts Receivable

##### (1) Accounts Receivable Disclosed by Category

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable for which bad debt provision separately accrued	96,702,269.40	93.20%	96,702,269.40	100.00%	0.00	96,702,269.40	99.16%	96,702,269.40	100.00%	0.00

Of which:										
Accounts receivable withdrawal of bad debt provision by group	7,051,089.35	6.80%	234,254.18	3.32%	6,816,835.17	820,241.30	0.84%	64,309.16	7.84%	755,932.14
Of which:										
Total	103,753,358.75	100.00%	96,936,523.58	93.43%	6,816,835.17	97,522.510.70	100.00%	96,766,578.56	99.22%	755,932.14

Accounts receivable for which bad debt provision separately accrued: RMB 96,702,269.40

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdrawal
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	93,811,328.05	100.00%	Involved in lawsuit and with no executable property
Shenzhen Tewe Industry Co., Ltd. (Chenhui Building)	2,836,561.00	2,836,561.00	100.00%	Long aging and expected to be irrecoverable
Luohu District Economic Development Company	54,380.35	54,380.35	100.00%	Long aging and expected to be unrecoverable
Total	96,702,269.40	96,702,269.40	--	--

Accounts receivable for which bad debt provision separately accrued:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdrawal

Accounts receivable withdrawal of bad debt provision by group: RMB234,254.18

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Credit risk features group	7,051,089.35	234,254.18	3.32%
Total	7,051,089.35	234,254.18	--

Notes to the determination basis for the group:

Accounts receivable withdrawal of bad debt provision by group:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Within 1 year	6,726,496.58	201,794.90	3.00%



1 to 2 years	324,592.77	32,459.28	10.00%
Total	7,051,089.35	234,254.18	--

Notes to the determination basis for the group:

Accounts receivable withdrawal of bad debt provision by group:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion

Notes to the determination basis for the group:

Please refer to the relevant information of disclosure of bad debt provision of other accounts receivable if adopting the general mode of expected credit loss to withdraw bad debt provision of notes receivable.

Applicable  Not applicable

Disclosed by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	6,726,496.58
1 to 2 years	324,592.77
2 to 3 years	0.00
Over 3 years	96,702,269.40
3 to 4 years	0.00
4 to 5 years	0.00
Over 5 years	96,702,269.40
Total	103,753,358.75

## (2) Bad Debt Provision Withdrawal, Reversed or Recovered in the Reporting Period

Bad Debt Provision Withdrawal in the Reporting Period:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period				Ending balance
		Withdrawal	Reversal or recovery	Write-off	Other	
Accounts receivable for which bad debt provision separately accrued	96,702,269.40	0.00	0.00	0.00	0.00	96,702,269.40
Accounts receivable	64,309.16	169,945.02	0.00	0.00	0.00	234,254.18

withdrawal of bad debt provision by group						
<b>Total</b>	96,766,578.56	169,945.02	0.00	0.00	0.00	96,936,523.58

Of which bad debt provision reversed or recovered with significant amount:

Unit: RMB

Name of entity	Amount reversed or recovered	Way of recovery
----------------	------------------------------	-----------------

### (3) Accounts Receivable with Actual Verification during the Reporting Period

Unit: RMB

Item	Amount verified
------	-----------------

Of which the verification of significant other accounts receivable:

Unit: RMB

Name of entity	Nature	Amount verified	Reason for verification	Verification procedures performed	Whether generated from connected transactions
----------------	--------	-----------------	-------------------------	-----------------------------------	---

Notes to verification of accounts receivable:

Not applicable.

### (4) Top 5 of the Ending Balance of the Accounts Receivable Collected according to Arrears Party

Unit: RMB

Name of entity	Ending balance of accounts receivable	Proportion to the total ending balance of accounts receivable (%)	Ending balance of bad debt provision
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	90.42%	93,811,328.05
Shenzhen Tewe Industry Co., Ltd. (Chenhui Building)	2,836,561.00	2.73%	2,836,561.00
Shenzhen Rainbow Department Store Co., Ltd.	2,561,709.85	2.47%	99,572.79
Agency Property Management Office of Luohu	1,167,132.00	1.12%	35,013.96
China Pacific Insurance (Group) Co., Ltd.	592,021.00	0.57%	17,760.63
<b>Total</b>	<b>100,968,751.90</b>	<b>97.31%</b>	

**(5) Accounts Receivable Derecognized due to the Transfer of Financial Assets**

Not applicable.

**(6) The Amount of Assets and Liabilities Generated from the Transfer and the Continued Involvement of Accounts Receivable**

Not applicable.

Other notes:

Not applicable.

**2. Other Accounts Receivable**

Unit: RMB

Item	Ending balance	Beginning balance
Other accounts receivable	307,850,283.10	501,082,153.81
Total	307,850,283.10	501,082,153.81

**(1) Interest Receivable****1) Category of Interest Receivable**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

**2) Significant Overdue Interest**

Entity	Ending balance	Overdue time	Overdue reason	Whether occurred impairment and its judgment basis
--------	----------------	--------------	----------------	--

Other notes:

**3) Information of Withdrawal of Bad Debt Provision**

Applicable  Not applicable

**(2) Dividend Receivable****1) Category of Dividend Receivable**

Unit: RMB

Item (or investees)	Ending balance	Beginning balance
---------------------	----------------	-------------------

**2) Significant Dividends Receivable Aging over 1 Year**

Unit: RMB

Item (or investees)	Ending balance	Aging	Reason	Whether occurred impairment and its judgment basis

**3) Information of Withdrawal of Bad Debt Provision**

□ Applicable √ Not applicable

Other notes:

**(3) Other Receivables****1) Other Receivables Disclosed by Account Nature**

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Deposit	2,209,111.80	2,139,511.80
Payment on behalf		16,557.82
External intercourse funds	23,164,684.06	23,164,046.99
Intercourse funds to subsidiary	314,881,167.01	508,280,508.64
Total	340,254,962.87	533,600,625.25

**2) Information of Withdrawal of Bad Debt Provision**

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2020	16,036,529.31		16,481,942.13	32,518,471.44
Balance of 1 January 2020 in the Current Period	—	—	—	—
Withdrawal of the Current Period	29,442.69			29,442.69
Reversal of the Current Period	143,234.36			

Balance of 30 June 2020	15,922,737.64		16,481,942.13	32,404,679.77
-------------------------	---------------	--	---------------	---------------

Changes of carrying amount with significant amount changed of loss provision in the Reporting Period

Applicable  Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 years (including 1 year)	950,168.04
1 to 2 years	36,905,250.20
2 to 3 years	1,883,905.23
Over 3 years	300,515,639.40
3to 4 years	46,488,872.67
4to 5 years	52,823,059.02
Over 5 years	201,203,707.71
Total	340,254,962.87

### 3) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period

Information of bad debt provision withdrawn:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period				Ending balance
		Withdrawal	Reversal or recovery	Write-off	Other	
Bad debt provision withdrawn separately	23,748,219.30		143,234.36			23,604,984.94
Bad debt provision withdrawn by group	8,770,252.14	29,442.69				8,799,694.83
Total	32,518,471.44	29,442.69	143,234.36			32,404,679.77

Of which the bad debt provision reversed or recovered with significant amount during the Reporting Period:

Unit: RMB

Name of entity	Amount reversed or recovered	Way of recovery
----------------	------------------------------	-----------------

### 4) Particulars of the Actual Verification of Other Receivables during the Reporting Period

Unit: RMB

Item	Amount
------	--------

Of which the verification of significant other receivables:

Unit: RMB

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related-party transactions
--------------------	--------	--------	--------	-----------	--

Notes to the verification of other receivables:

### 5) Top 5 of the Ending Balance of Other Receivables Collected according to the Arrears Party

Unit: RMB

Name of the entity	Nature	Ending balance	Aging	Proportion to ending balance of total other receivables %	Ending balance of bad debt provision
Shum Yip Properties Development Limited	Intercourse funds to subsidiary	112,060,954.38	Over 5 years	32.93%	7,123,042.81
SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.	Intercourse funds to subsidiary	69,746,069.13	1 to 3 years	20.50%	
Shenzhen Huangcheng Property Management Co., Ltd.	Intercourse funds to subsidiary	63,125,906.77	2 to 3 years	18.55%	
SZPRD Yangzhou Real Estate Development Co., Ltd.	Intercourse funds to subsidiary	28,954,840.54	3 to 4 years	8.51%	
Shanghai Yutong Real Estate Co., Ltd.	External intercourse funds	5,676,000.00	Over 5 years	1.67%	5,676,000.00
Total	--	279,563,770.82	--	82.16%	12,799,042.81

### 6) Accounts Receivable Involving Government Grants

Unit: RMB

Name of the entity	Project of government grants	Ending balance	Ending aging	Estimated recovering time, amount and basis
--------------------	------------------------------	----------------	--------------	---

Not applicable.

**7) Derecognition of Other Receivables due to the Transfer of Financial Assets**

Not applicable.

**8) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Other Receivables**

Not applicable.

Other notes:

Not applicable.

**3. Long-term Equity Investment**

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
Investment to subsidiaries	1,095,429,880.39	69,964,000.00	1,025,465,880.39	1,095,429,880.39	69,964,000.00	1,025,465,880.39
Investment to joint ventures and associated enterprises	64,216,798.65	18,983,614.14	45,233,184.51	64,059,736.86	18,983,614.14	45,076,122.72
Total	1,159,646,679.04	88,947,614.14	1,070,699,064.90	1,159,489,617.25	88,947,614.14	1,070,542,003.11

**(1) Investment to Subsidiaries**

Unit: RMB

Investee	Beginning balance (carrying value)	Increase/decrease				Ending balance (carrying value)	Ending balance of depreciation reserve
		Additional investment	Reduced investment	Depreciation reserve withdrawn	Other		
Shenzhen Huangcheng Real Estate Co., Ltd.	35,552,671.93					35,552,671.93	
SZPRD Real Estate Development Co., Ltd.	30,950,000.00					30,950,000.00	
SZPRD	50,000,000.00					50,000,000.00	

Yangzhou Real Estate Development Co., Ltd.							
Dongguan ITC Changsheng Real Estate Development Co., Ltd.	20,000,000.00					20,000,000.00	
Shenzhen International Trade Center Property Management Co., Ltd.	20,000,000.00					20,000,000.00	
Shenzhen International Trade Center Catering Co., Ltd.	1.00					1.00	1,600,000.00
Shenzhen Property Construction Supervision Co., Ltd.	3,000,000.00					3,000,000.00	
SZPRD Housing Assets Operation and Management Co., Ltd.	40,000,000.00					40,000,000.00	
Zhanjiang Shenzhen Real Estate Development Co., Ltd.	0.00					0.00	2,530,000.00
Shum Yip Properties Development Co., Ltd.	0.00					0.00	15,834,000.00
SZPRD Xuzhou Dapeng Real Estate	0.00					0.00	50,000,000.00



Development Co., Ltd.											
Shenzhen Rongyao Real Estate Development Co., Ltd.	508,000,000.00									508,000,000.00	
Shenzhen Toukong Property Management Co., Ltd.	317,963,207.46									317,963,207.46	
Total	1,025,465,880.39									1,025,465,880.39	69,964,000.00

**(2) Investment to Joint Ventures and Associated Enterprises**

Unit: RMB

Investee	Beginning balance (carrying value)	Increase/decrease								Ending balance (carrying value)	Ending balance of depreciation reserve
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
<b>I. Joint ventures</b>											
Shenzhen Real Estate Jifa Warehousing Co., Ltd.	38,614,771.66			43,811.79							38,658,583.45
Tian'an International Building Property Management Company of	6,461,351.06			113,250.00							6,574,601.06

Shenzhen											
Subtotal	45,076,12 2.72			157,061.7 9						45,233,18 4.51	
II. Associated enterprises											
Shenzhen Wufang Ceramics Industrial Co., Ltd.											18,983,61 4.14
Subtotal											18,983,61 4.14
Total	45,076,12 2.72			157,061.7 9						45,233,18 4.51	18,983,61 4.14

### (3) Other Notes

## 4. Operating Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	25,828,330.02	15,835,977.53	341,910,051.35	64,045,206.33
Other operations				659,988.00
Total	25,828,330.02	15,835,977.53	341,910,051.35	64,705,194.33

Relevant information of revenue:

Unit: RMB

Category of contracts	Segment 1	Segment 2		Total
Of which:				
Of which:				
Of which:				
Of which:				
Of which:				
Of which:				
Of which:				

Information related to performance obligations:

Information related to transaction value assigned to residual performance obligations:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet

was RMB0.00 at the period-end, among which RMB0.00 was expected to be recognized in the year, RMBXXX in the year and RMBXXX in the year.

Other notes:

## 5. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	157,061.79	780,826.57
Investment income of financial instrument during holding period	62,416,928.73	16,099,318.67
Total	62,573,990.52	16,880,145.24

## 6. Other

Not applicable.

## XVIII. Supplementary Materials

### 1. Items and Amounts of Non-recurring Profit or Loss

Applicable  Not applicable

Unit: RMB

Item	Amount	Note
Gains/losses on the disposal of non-current assets	1,901.04	Disposal of retail assets
Government grants recognized in the Current Period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	3,647,311.17	Subsidy of epidemic prevention received
Other non-operating income and expense other than the above	-1,905,036.49	
Less: Income tax effects	400,624.88	
Non-controlling interests effects	-2,560.54	
Total	1,346,111.38	--

Explain the reasons if the Company classifies an item as a non-recurring gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item.

Applicable  Not applicable

## 2. Return on Equity and Earnings Per Share

Profit as of Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to ordinary shareholders of the Company	6.66%	0.3557	0.3557
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	6.62%	0.3534	0.3534

## 3. Differences between Accounting Data under Domestic and Overseas Accounting Standards

### (1) Differences of Net Profit and Net Assets Disclosed in Financial Reports Prepared under International and Chinese Accounting Standards

Applicable  Not applicable

### (2) Differences of Net profit and Net assets Disclosed in Financial Reports Prepared under Overseas and Chinese Accounting Standards

Applicable  Not applicable

### (3) Explain Reasons for the Differences between Accounting Data under Domestic and Overseas Accounting Standards; for any Adjustment Made to the Difference Existing in the Data Audited by the Foreign Auditing Agent, Such Foreign Auditing Agent's Name Shall Be Clearly Stated

## 4. Other

## **Part XII Documents Available for Reference**

- I. The financial statements with the signatures and stamps of the Company's legal representative, head of financial affairs and head of the financial department; and**
- II. The originals of all the Company's documents and announcements disclosed to the public via newspapers designated by the CSRC in the Reporting Period.**