



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

**INTERIM REPORT 2021**

(Announcement No. 2021-25)

**August 2021**

## **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 III Management 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 Management Discussion and Analysis.....</b>	<b>9</b>
<b>Part IV Corporate Governance.....</b>	<b>29</b>
<b>Part V Environmental and Social Responsibility.....</b>	<b>31</b>
<b>Part VI Significant Events.....</b>	<b>33</b>
<b>Part VII Share Changes and Shareholder Information.....</b>	<b>43</b>
<b>Part VIII Preferred Shares.....</b>	<b>49</b>
<b>Part IX Bonds.....</b>	<b>50</b>
<b>Part X Financial Statements.....</b>	<b>51</b>

## **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.

## 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.
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.
Rongyao Real Estate	Shenzhen Rongyao Real Estate Development Co., Ltd.
Urban Renewal Company	Shenzhen SZPRD Urban Renewal Co., Ltd.
ITC Property Management	Shenzhen International Trade Center Property Management Co., Ltd.
Commercial Operation Company	Shenzhen SZPRD Commercial Operation Co., Ltd.
Guomao Catering	Shenzhen Guomao Catering Co., Ltd.
Supervision Company	Shenzhen Property Engineering and Construction Supervision Co., Ltd.
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

## 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
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### 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 2020 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 2020 Annual Report.

## IV Key Financial Information

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

Yes  No

	H1 2021	H1 2020	Change (%)
Operating revenue (RMB)	2,540,865,139.25	1,421,077,767.83	78.80%
Net profit attributable to the listed company's shareholders (RMB)	676,375,523.75	211,967,734.76	219.09%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	669,858,491.21	210,621,623.38	218.04%
Net cash generated from/used in operating activities (RMB)	1,137,570,780.73	-1,623,182,138.90	170.08%
Basic earnings per share (RMB/share)	1.1349	0.3557	219.06%
Diluted earnings per share (RMB/share)	1.1349	0.3557	219.06%
Weighted average return on equity (%)	16.98%	6.66%	10.32%
	30 June 2021	31 December 2020	Change (%)
Total assets (RMB)	13,283,680,708.37	12,207,356,912.54	8.82%
Equity attributable to the listed company's shareholders (RMB)	4,159,122,838.45	3,727,917,440.03	11.57%

## 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.

## VI Exceptional Gains and Losses

Applicable  Not applicable

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-14,448.90	
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)	226,082.01	
Gain or loss on contingencies that do not arise in the Company's ordinary course of business	-114,571.79	Lawsuit-related compensation
Non-operating income and expense other than the above	8,061,224.33	Demolition compensation received
Less: Income tax effects	1,836,539.53	
Non-controlling interests effects (net of tax)	-195,286.42	
Total	6,517,032.54	--

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 Management Discussion and Analysis

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

#### (I) Core Business Overview

Established in 1982, 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. in 1990. The stock of the group company (stock name: SZPRD, A/B; stock code: 000011, 200011) was officially listed in Shenzhen Stock Exchange in March 1992.

The Company contracted and built Shenzhen International Trade Center Building as Party A and created, planned, and organized the world-famous "Shenzhen Speed". The building was the place where Chairman Deng Xiaoping gave talks in his inspection to the south. SZPRD came into being because of the building and has risen amid the Reform and Opening up campaign. Emerging and growing together with Shenzhen, a city of miracles, the Company has been "a loyal practitioner of the spirit of the ox" and overcome difficulties in proposing new services in the new era. In the past four decades of trials and hardships, generations of SZPRD employees have manifested the enterprise spirit of "going ahead and reforming" and centered on the functional positioning as state assets of "serving national economic and social development, the city, the industry, and the people". The Company has adhered to the original aspiration and striven ahead to be a pioneer. Therefore, it has made remarkable achievements in development speed and quality. So far, the Company has grown into a large comprehensive industrial group from the project company that built Shenzhen International Trade Center Building. In the new era, the Company sizes up the situation, seizes the momentum and forges ahead toward the goal and vision of becoming a "leading smart operator of industry-city space in China".

The year 2021 is the opening year of the 14th Five-Year Plan. During the Reporting Period, facing the abrupt COVID-19 and deep regulation and control in real estate, the Company faced up to the difficulties and continued to make efforts in four business sectors, including industry-city space development, property management services, industrial ecosystem operation, and main business ecosystem investment in its main business. The Company endeavored to further consolidate and highlight its advantages of industry-city integration and the whole industry chain through expanding the main business and making breakthroughs.

#### 1. Industrial & urban space development

In terms of the space development segment, the Company is specialized in developing the residence, the hi-end apartment, the office building, and the industrial park and has developed a batch of brand projects, including Shenzhen International Trade Center Building, Huanggang Port, Tian'an International Building, Qianhai Gangwan Garden, and Golden Collar Holiday. 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 Huangcheng Real Estate, Rongyao Real Estate, the Urban Renewal Company, Dongguan Company, Xuzhou Company, and Yangzhou Company, strengthen capital operation via the listing platform, and make a reasonable layout of the city space development segment. In the Reporting Period, SZPRD made multiple efforts for this segment. For instance, it steadily advanced the existing project development inside and outside Shenzhen, accelerated the sales of projects in Xuzhou, and Yangzhou, and sped up the recovery of investment. Moreover, it focused on the development and construction of industry-city complexes and accelerated to create an integrated and co-existing model for the development of boutique urban residences and high-end industry space.

#### 2. Property management services

The Company's property management segment takes ITC Property Management as its platform. As the second property management enterprise established in China and the first batch of first-class qualified enterprises in property management, ITC Property Management, after more than 30 years of development, has become a domestic first-class property service provider with diversified

business capabilities and technological strength, and has been awarded "Top 100 National Property Management Enterprises" and "Excellent Enterprise of Property Management in China's Industrial Parks" for many years in a row. The projects under its management are all over the country, and its business radiates to various regions in China, such as South China, Southwest China, East China and North China, as well as the China-Vietnam Cooperation Zone in Vietnam. The Company's existing business has covered industrial parks, cultural tourism scenic spots, government agencies, rail transportation, housing, hospitals, schools, hotels and other various business models, and is planning to develop the business of grassroots social governance. The Company collaborated with the government to create a safe, harmonious, civilized and orderly urban environment, basically forming a pattern of integrated development of multiple business models. There are more than 20 subsidiaries under ITC Property Management, and with the functional departments of the headquarters as the platform, it has actively built three centers of "market, empowerment and supervision", and formed three business centers and profit centers of specialized business model companies, specialized companies and companies in other regions, so as to continuously and effectively realize the new pattern of coordinated development of "1+1>2".

### **3. Industrial ecosystem operation**

With respect to the industrial ecosystem operation segment, the Company gave full play to its foundation in the three basic industries, namely, real estate development, property management, and leasing and the advantage of the whole industry chain and deepened internal and external strategic cooperation. It is committed to creating a closed loop of the whole industrial ecosystem, covering project development services, park operation services, and supporting rental operations, and keeping improving the space service and rental ecosystem in the industrial park. 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 raise the development capability of property rental. Moreover, the Company will gradually shift the focus of industrial ecosystem operation to sci-tech parks, provide supporting services covering the whole value chain, such as the import of industrial ecosystem, project development services, and park operation services, and serve the role of "space service provider" centering on sci-tech parks.

### **4. Other business**

In the Reporting Period, the Company's businesses also included catering service and project supervision service. The catering service is operated by Shenzhen Guomao Catering Co., Ltd. Guomao Catering Co., Ltd., established in 1986, became famous at home and abroad, as it was the place where President Deng Xiaoping gave talks during his inspection to the south in 1992. Since its establishment, it 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. The project supervision service is handled by the subordinated supervision company of the Group. The company has the Grade A supervision qualification of building works of the Ministry of Housing and Urban-Rural Development (MOHURD). It was originally known as Shenzhen Property Engineering Management Department, and takes part in the construction and management work of Shenzhen International 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) Industry Development Progress**

### **1. Real estate industry**

In the first half of 2021, the development trend of macroeconomic operation was generally stable and steady. The main macroeconomic indicators remained in a reasonable range. The structural reform on the supply side continued to advance. Reform and opening up continued to deepen. People's living standards and quality continued to improve, and the positive factors to promote high-quality development increased. Real estate regulation and control remain tight, and in 2021, the central government has repeatedly emphasized in important meetings to adhere to the positioning that "houses are for living in, not for speculating on" and to clarify the "three stabilities" goals. In terms of stabilizing expectations, the "three red lines" policy for real estate enterprises and the "two concentrations" policy for banks were introduced to prevent the disorderly expansion of real estate enterprises from the capital level, and the regulatory authorities cracked down on irregularities of business loans and consumer loans into the property market. In terms of stabilizing housing prices, local governments introduced "ceiling price" and "purchase limits". In terms of stabilizing land prices, a centralized land supply policy was introduced to directly control the premium rate of land prices from the land level so as to further stabilize housing price levels. In the context of financial policies maintaining prudence, continued fermentation of risk events

and concentrated land sales, the overall financing ability of real estate enterprises continues to be inhibited, and the land market is expected to cool down marginally, while real estate enterprises with soundness and strong capital advantages are expected to usher in a window of land acquisition.

From the regional market, in the first half of 2021, the real estate market in Shenzhen continued to maintain the development trend of increased regulation and enhanced supervision. In February, Shenzhen issued a guide price for second-hand houses, disguised as an increase in the down payment ratio for second-hand house transactions. The second-hand house market transactions and price increases were both suppressed. In March, Shenzhen Municipal Bureau of Housing and Urban-Rural Development required all residential projects to be listed by the "iShenzhen" for registration and online house selection. At the same time, new subscriptions in Shenzhen are subject to the points sorting policy. The source of funds for a down payment is strictly investigated, to crack down on crowdfunding, holding (house purchase) and other acts, to prevent business loans, mortgage loans and other funds into the property market. The strict implementation of various policies reduced the financial investment attributes of real estate, and the market rapidly cooled with a strong wait-and-see mood.

Despite the continued tightening of the policy, the fundamentals still show strong resilience from the industry data. The sales area of commercial properties in the first half of 2021 was 886.35 million square meters, and up 27.7% year-on-year; up 17.0% from January to June 2019, and sales of commercial properties were RMB9,293.1 billion, up 38.9% year-on-year, and up 31.4% from January to June 2019.

In the face of changes in industry policies and development trends, mainstream real estate enterprises are gradually making efforts in diversified business layouts. According to the statistics of CRIC, mainstream real estate enterprises are currently involved in non-residential development and sales, among which property management, commercial property, long-term rental and logistics real estate have formed a more stable industry pattern, in addition, sub-sectors such as service for the aged, education and construction are developing rapidly. The industry has accelerated its transformation from real estate to immovable property, gradually shifting from the scale-driven advantage formed by residential development and sales to the characteristics of both development, operation and service.

## **2. Property management industry**

In recent years, the property management industry has entered a period of rapid development, driven by continued urbanization, consumer upgrading and encouraging policies, overlaid with technological empowerment and capital dividends. With the increasing social status of the property management industry, in the first half of 2021, the relevant state departments issued a number of policy documents one after another to continuously promote the development of the industry. At the beginning of the year, after the Ministry of Housing and Urban-Rural Development issued the *Notice on Strengthening and Improving Residential Property Management* with ten ministries and departments, local governments in various provinces and cities have successively issued new policies on property management to implement the policy guidance of the central government in the details, and a consensus has been reached from the central to the local level to support and encourage the development of the property management industry. On May 28, 2021, the Ministry of Commerce and other 12 departments issued the *Opinions on Promoting the Building of Urban One-Quarter Convenient Living Circle* also clearly proposed to encourage property management enterprises to develop business in the field of the services for the aged, child care, housekeeping, postal express, to promote "property services + life services". It also proposed to give preferential policies in finance, taxes and fees, creating unprecedented favorable conditions for the rapid growth and standardized development of the property management industry.

Expanding scale and boundaries are still the main theme of the development of the property management industry. In the first half of 2021, M&A in the property management industry occurred frequently, and the industry integration was accelerated. According to the statistics of China Index Academy, in the first half of the year, M&A events in the property management industry exceeded 40. The total amount of mergers and acquisitions has been nearly RMB13.3 billion, exceeding RMB10 billion in 2020. In the medium and long term, mergers and acquisitions will vigorously promote the further increase of industry concentration, and property management companies with developer backgrounds have more advantages in this regard. The property management enterprise listing boom continues, with four more property management enterprises entering the capital market in the first half of the year. As at June 30,

2021, a total of 46 property management enterprises were listed, including 42 on the Main Board of Hong Kong and four on the A-share, with a total market capitalization of over RMB1 trillion. Improving the level of intelligence and building smart communities is still one of the important directions for enterprise development. In the first half of the year, major property management companies launched and upgraded their new intelligent property management systems to implement integrated property management and provide services such as property notification, warranty, visitor notification and life payment in a more convenient way. Some enterprises actively cooperated with Internet companies to explore the application of smart technology in property service scenarios and improve value-added services.

### **(III) Operating Performance of the Company in the Reporting Period**

2021 is the opening year of the comprehensive implementation of the 14th Five-Year Plan. The Company closely focused on the implementation of the key work plans formulated at the beginning of the year, based on "long-term goals, medium-term expectations, short-term results" to promote the overall efficiency of long-term sustainable development. The Real Estate Company took expansion as the goal, and made efforts to seek a breakthrough in project expansion. The Property Management Company took strategic transformation as the guide to enhance the empowerment value and brand value. The Commercial Operation Company aimed at improving quality and efficiency, and continued to innovate the operation and management mode, and each business segment has maintained a stable and healthy development trend. During the Reporting Period, the Company achieved operating revenue of RMB2.541 billion, up 78.80% year-on-year; a gross profit of RMB863 million, up 222.86% year-on-year; and a net profit attributable to the Company as the parent of RMB676 million, up 219.09% year-on-year. The cash to short term debt ratio, net obligation ratio, and asset-liability ratio excluding pre-receipts did not exceed the red line, and all other indicators such as expenses and total compensation were under effective control.

**First, the performance of the industry-city space development segment was outstanding, and the project construction was actively promoted.** In the first half of the year, the real estate business achieved operating revenue of RMB1.897 billion, accounting for 74.66% of total revenue and a significant increase of 120.82% year-on-year. The gross profit margin reached 86.49%, an increase of about 4 percentage points over the same period of the previous year. During the Reporting Period, the real estate business of the Company continued to strengthen the synergy of nodal targets and resource guarantee to achieve a comprehensive speedy turnaround of projects under construction, and fully coordinated the annual sales of the Golden Collar Holiday project, grasping the rhythm of market entry. The final sales of Building B and C were successfully liquidated, and the sales of Building A were opened on May 14 at the node of stable control of the pandemic, achieving good results and providing strong support for the growth of revenue and profit. In addition, the Fuhui Huayuan project, the Banshan Yujing Phase II project, the Guanlan Bangling project and the Fuyuan Industry Park urban renewal project are all progressing in an orderly manner. Among them, the Guanlan Bangling project, as the first industrial-city complex project of the Company in a market-oriented way in the Guanlan area of Longhua District, was included in the first batch of key industrial and major livelihood projects in Longhua District in 2021, with a planned total investment of over RMB8 billion and a total construction area of about 620,000 square meters. The project will introduce digital manufacturing, digital culture and education, digital health, financial services and other intelligent technology industries, and build a large industry-city complex integrating industrial office, residential and commercial services, which will help the Group's transformation and leapfrog development.

**Second, the property management segment grew steadily and continued to accelerate market expansion.** In the first half of the year, the property management business achieved operating revenue of RMB542 million, accounting for 21.32% of the total revenue and representing an increase of approximately 10.44% year-on-year, and remained the Group's second-largest revenue source. The gross profit margin was 16.66%, representing an increase of approximately 2 percentage points over the same period of the previous year. The property management segment expanded 16 projects in the first half of the year, including Jinan Citizen Service Center, Shenzhen Bay (Baoding) Innovation Center, Yangzhou Shugang Tangzicheng Scenic Area, and Luohu Administration Bureau of Shenzhen Municipal Transportation Bureau, expanding an area of about 1.1 million square meters. As at the end of the half-year, the total area under management was about 23.56 million square meters, with 196 projects under management, of which the area of industrial parks was about 8.27 million square meters, with 46 projects under management. In the field of high-end value-added

services, the Company acquired part of the equity interest of the high-end value-added service provider FMC, and jointly cooperated to actively explore value-added services such as small-scale property management and customized business services for park-type enterprises, and accelerated the launch of the construction of a nationwide whole-scene multi-model control platform, which became an important driver for the transformation and development of the informationization, digitalization and intelligence of the property management segment.

**Third, the industrial ecological operation and other segments improved quality and efficiency, and cultivated core operational capabilities.** In the first half of the year, the lease operation business achieved operating revenue of RMB102 million, an increase of 42.90% year-on-year, mainly due to the implementation of the rent-free policy in the same period of the previous year. In recent years, the Company has taken multiple measures to accelerate the transformation and upgrading, exploring measures such as establishing an incremental sharing mechanism and increasing project expansion, cultivating core operational capabilities in multiple paths, promoting the transformation of the current leasing business to a commercial operation mode, and helping to realize the development and growth of the industrial ecological operation segment. In the first half of the year, the Company signed an agreement with the Shenzhen Investment Holdings Co., Ltd. to trust 97 properties with about 82,000 m<sup>2</sup> of assets, which is expected to increase the annual income by about RMB7 million, and at this stage, the Company can lease an area of about 430,000 m<sup>2</sup>, and adhere to the core of improving quality and efficiency, and accelerate the transformation and upgrading of assets, revitalization and utilization, and disposal of inefficient assets. In terms of industrial investment, the Company has done a lot of work from scratch, contacted more than 20 cooperation units over the past six months, laid out in advance the investment work of industries such as Guanlan Bangling, formulated the *Industrial Investment Operation Strategy White Paper* and so on, and the industrial investment system has taken initial shape. The supervision work of the finishing works of Building A of Golden Collar Holiday, Phase II of Fuchang and Guanlan Bangling Project was carried out in an orderly manner, and the work was carried out in strict accordance with the supervision work specification process and the relevant requirements of the Company's internal control to ensure the successful completion of the supervision work of the existing projects.

#### (IV) Progress of key construction in progress

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 land bank in the current 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> )
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	23	22.25	22.25

##### 3. Development status of major projects

City/re	Name of project	Location	Usage	The Comp	Time for	% dev	% that has completed	Site area	Planned floor	Floor area	Cumulative floor	Estimated total	Cumulative
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City	Name	Location	Usage	Completion rate	Start year	Development status	Construction progress	Plot ratio (m <sup>2</sup> )	Area with plot ratio (m <sup>2</sup> )	Completed construction in the Current Period (m <sup>2</sup> )	Area that has completed construction (m <sup>2</sup> )	Investment (RMB'0,000)	Investment (RMB'0,000)
Shenzhen	Golden Collar's Resort apartments	Futian District	Residential	100%	2014.03	100%	Fine decoration of Tower A underway	12,598	133,800	0	183,295	145,190	117,310
Shenzhen	Fuhui Huayuan	Futian District	Affordable housing	100%	2018.12	Under construction	16-storey structures in Section 1 and Section 2 completed	4,274	33,430	0	0	80,109	62,813
Xuzhou City	Banshan Yujing (Phase II)	Tongshan District	Residential	100%	2019.03	Under construction	External comprehensive pipe network, landscaping, etc. in final stage, going through check and acceptance formalities	31,537	22,795	0	0	23,581	18,843
Shenzhen	Guanlan Bangling	Longhua District	Residential, commercial apartments and industrial	69%	2020.10	Under construction	90.77% completed for demolition	68,300	433,640	0	0	694,150	361,865

#### 4. Sales status of major projects

City	Name	Location	Usage	The	Floor area	Floor area	Cumulati	Floor	Pre-sale/sal	Cumulativ	Floor area	Pre-sale/
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/reg ion	of projec t			Com pany 's inter est	with plot ratio (m <sup>2</sup> )	available for sale (m <sup>2</sup> )	ve pre-sold/s old floor area (m <sup>2</sup> )	area pre-sold/s old in the Current Period (m <sup>2</sup> )	es revenue generate in the Current Period (RMB'0,00 0)	e settled floor area (m <sup>2</sup> )	settled in the Current Period (m <sup>2</sup> )	sales revenue settled in the Current Period (RMB'0 ,000)
She nzh en	Golde n Collar 's Resort apart ments	Intersecti on of Futian South Road and Binhe Road in Futian District	Reside ntial, studio apartm ents and comm ercial	100 %	133,800.6	125,231.07	95,239.04	26,915.60	241,773.79	85,793.79	21,506.72	194,158
Don ggua n City	Songhu Langy uan	Dalang Town	Reside ntial, comm ercial	100 %	147,134.0 5	140,911	140,911	0	0	145,443	0	0
She nzh en	SZPR D-Qia nhai Gang wan Garde n	Intersecti on of Yueliang wan Boulevard and Xinghai Boulevard in Nanshan District	Reside ntial	100 %	64,625.13	63,448.26	63,448.26	0	0	63,336.29	0	0
Yan gzh ou City	Hupan Yujing Phase I	Intersecti on of Shouxihu Road and Hangou Road	Reside ntial units, shops, apartm ents, parkin g garage s and lots	100 %	36,141.28	48,870.98	42,718.16	368.9	139.8	42,484.43	268.58	92.02

Yan gzh ou City	Hupan Yujing Phase II	Intersecti on of Shouxihu Road and Hangou Road	Reside ntial units, shops, apartm ents, parkin g garage s and lots	100 %	56,935.75	73,121.96	69,214.05	1,690.68	2,442.36	64,927.94	750.05	940.44
Xuz hou City	Bansh an Yujing (Phase I)	6 Huashan Road, Tongshan District, Xuzhou City, Jiangsu Province	Villa	100 %	54,589.12	85,652.81	85,652.81	0	0	85,652.81	0	0
Xuz hou City	Bansh an Yujing (Phase II)	6 Huashan Road, Tongshan District, Xuzhou City, Jiangsu Province	Reside ntial (elevat or houses of 4-7 floors)	100 %	22,794.76	21,720.72	21,720.72	0	0	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	Shenzhen	Commercial	100.00%	4049	2468.4	60.96%



Center						
Fumin Complex	Shenzhen	Commercial, apartments	100.00%	6450	4688.5	72.69%
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	9314	95.16%
Anhua Building	Shenzhen	Offices	75.00%	1414	1414	100.00%
Training Building/Dormitory	Shenzhen	Residential units/offices/commercial units	75.00%	4244	4244	100.00%
Pengfu Building	Shenzhen	Offices	75.00%	6494	6494	100.00%
Jinfu Building	Shenzhen Shenzhen	Commercial	75.00%	1702	1702	100.00%
Jinfu Building	Shenzhen 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	3199	100.00%
Pacific Business Building	Shenzhen	Commercial units/offices	15.00%	14889	14718	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	6585	95.00%
Shops on the ground floor of Tower 48 in Lianhua North Village	Shenzhen	Shops	75.00%	1000	1000	100.00%
Haonianhua Building	Shenzhen	Apartments and commercial units	100.00%	1803	1803	100.00%
Haonianhua Building	Shenzhen	Apartments and	75.00%	2278	2278	100.00%

		commercial units				
Hostel 2 at Yuxin School	Shenzhen	Hostel	75.00%	3000	3000	100.00%
Kaifeng Garden in Shangmeilin	Shenzhen	Residential	100.00%	1307	878.06	67.18%
Fuyuan Industrial Zone	Shenzhen	Plant area	75.00%	47130	47130	100.00%
Tonglu Industrial Zone	Shenzhen	Plant area	100.00%	76886	74954	97.49%
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 area	75.00%	10397	10397	100.00%
Zone 21	Shenzhen	Commercial/offices	75.00%	9514	9213.70	96.84%
Baoli Community	Shenzhen	Residential	75.00%	9020	8913.07	99.00%
Songgang Plant	Shenzhen	Plant area	75.00%	5700	5700	100.00%
Longbu Plant	Shenzhen	Plant area	75.00%	7471	7471	100.00%
Gonglu Building in Huanggang	Shenzhen	Offices	75.00%	4600	4553.6	99.00%
Yuetong Complex	Shenzhen	Offices	75.00%	3044	3044	100.00%
Department Store Plaza	Shenzhen	Offices	33.00%	13515	13515	100.00%
Southern Securities Building	Shenzhen	Offices	33.00%	8809.8	2847.96	32.33%
Building 409, Sangda Industrial Zone	Shenzhen	Plant area	33.00%	3309.2	3309.2	100.00%
Mianshui Studio Apartment	Shenzhen	Apartment	33.00%	3440.12	3440.12	100.00%
Xiangfu Building	Shenzhen	Commercial	33.00%	3104.9	3104.9	100.00%

## 6. Primary land development

Applicable  Not applicable

## 7. Financing channels

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	3,618,700,000.00	4%-6%			3,000,000.00	3,615,700,000.00
Total	3,618,700,000.00	4%-6%			3,000,000.00	3,615,700,000.00

## 8. Development strategy and operating plan for the coming year

Efforts will be put on "expansion, acceleration, transformation, empowerment and effectiveness". In terms of land reserve, the

Company will expand its capacity through market competition and capital operation, continue to focus on areas with economic development potentials, such as the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta, and actively facilitate the implementation of projects as soon as possible through market-based bid invitation, auction and listing, industrial land application, project cooperation and other means. In terms of development, the Company will promote the construction of key projects, continue to strengthen the overall control of project goals, nodal targets, progress schedules and investment plans, strengthen the synergy of nodal targets and resource guarantees, and achieve a speedy turnaround of projects under construction. In terms of sales, the company will focus on the sales target of Building A of the Golden Collar Holiday project and launch various marketing organizations, while vigorously promoting the liquidation of Yangzhou Hupan Yujing project. As for the property management business, the Company will vigorously expand the acquisition of new property management projects and independent expansion, and promote the acquisition of high-end value-added services or new industries.

#### 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 2021, security deposits for such outstanding guarantees amounted to RMB196.67 million, which will be returned upon the expiry of the guarantees, i.e. when the relevant homebuyers paid off their bank mortgages. 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 Competitiveness Analysis

**Market-oriented advantages:** In accordance with the market-oriented pace of a small change in a year and a big change in three years, the Group continues to innovate institutional mechanisms, deepen internal reforms, and actively benchmark with industry models for market-oriented operation, which significantly stimulates the vitality and momentum of the Group's high-quality development. In recent years, the Guanlan Bangling project pioneered the cooperation between state-owned enterprises and private

enterprises in developing urban renewal projects, marking the first fully market-oriented urban renewal project in the history of the Group, and took the lead in implementing the follow-on investment system for urban renewal projects in the city's state-owned capital system. The property management segment, with 90% projects outside the province and 90% market-oriented expansion, demonstrates the strong competitiveness of the Company's property management business in the national market. The Company has simultaneously established a multi-level incentive and restraint mechanism including follow-on investment and long-term incentives, allocating resources, selecting talents and assessing rewards and punishments according to the market-oriented approach.

**Whole industry chain advantage:** Over the years, the Group has formed the advantage of the whole industry chain in the whole process of project acquisition, development and construction, investment and sales, leasing management and property management, especially in the area of high-end park basic services and property management quality services, which has formed obvious segmentation advantages and forged the core competitive ability of the Company.

**City-industry integration advantage:** From the earliest urban complex of Shenzhen International Trade Center Building, Luohu Commercial City, Huanggang Port area development to the development and operation of large city-industry complex project of Guanlan Bangling urban renewal project, the Group's advantages of city-industry complex development products have been highlighted, and with the implementation of a series of urban renewal projects and industrial projects, the advantages of city-industry complex will be further consolidated and enhanced.

### III Core Business Analysis

See contents under the heading "I Principal Activity of the Company in the Reporting Period" above.

Year-on-year changes in key financial data:

Unit: RMB

	H1 2021	H1 2020	Change (%)	Main reason for change
Operating revenue	2,540,865,139.25	1,421,077,767.83	78.80%	Increase in revenue carryforwards in the property development business
Cost of sales	754,285,026.24	611,694,943.80	23.31%	
Selling expense	10,417,216.57	11,544,060.19	-9.76%	
Administrative expense	104,914,523.61	88,433,004.35	18.64%	
Finance costs	1,119,878.49	53,446,318.38	-97.90%	Decrease in expensed interest expenditures
Income tax expense	194,243,514.06	89,394,015.71	117.29%	Increase in taxable income
Net cash generated from/used in operating activities	1,137,570,780.73	-1,623,182,138.90	170.08%	The current period saw an increase in cash inflows while a large amount of taxes and levies was paid in the same period of last year
Net cash generated from/used in investing activities	-12,868,420.27	-482,080,259.37	97.33%	The current period saw no expenditure on equity acquisition
Net cash generated	-338,997,821.33	1,874,915,831.86	-118.08%	There were no new bank

from/used in financing activities				loans in the current period
Net increase in cash and cash equivalents	785,134,732.14	-229,275,462.50	444.04%	
Taxes and levies	813,982,050.89	394,743,480.61	106.21%	Increase in land value-added tax
Return on investment	3,218,483.17	157,061.79	1,949.18%	Increase in net profit of joint venture
Non-operating income	9,872,472.19	4,244,175.90	132.61%	Increase in compensation received for building demolition

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 2021		H1 2020		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	2,540,865,139.25	100%	1,421,077,767.83	100%	78.80%
By operating division					
Property development	1,897,026,889.73	74.66%	859,089,927.67	60.45%	120.82%
Property rental and operation	102,026,517.70	4.02%	71,395,976.18	5.02%	42.90%
Property management	541,811,731.82	21.32%	490,591,863.98	34.52%	10.44%
By product category					
Property development	1,897,026,889.73	74.66%	859,089,927.67	60.45%	120.82%
Property rental and operation	102,026,517.70	4.02%	71,395,976.18	5.02%	42.90%
Property management	541,811,731.82	21.32%	490,591,863.98	34.52%	10.44%
By operating segment					
Shenzhen	2,327,869,659.69	91.62%	1,210,034,426.64	85.15%	92.38%
Other	212,995,479.56	8.38%	211,043,341.19	14.85%	0.92%

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 development	1,897,026,889.73	256,248,450.98	86.49%	120.82%	71.02%	3.94%
Property management	541,811,731.82	451,542,753.54	16.66%	10.44%	7.94%	1.93%
By product category						
Property development	1,897,026,889.73	256,248,450.98	86.49%	120.82%	71.02%	3.94%
Property management	541,811,731.82	451,542,753.54	16.66%	10.44%	7.94%	1.93%
By operating segment						
Shenzhen	2,327,869,659.69	572,845,462.96	75.39%	92.38%	36.31%	10.12%

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 carryforwards from the project of Golden Collar's Resort in Shenzhen amounted to RMB1.849 billion, resulting in a consideration increase in operating revenue and gross profit in the current period.

#### IV Analysis of Non-Core Businesses

Applicable  Not applicable

Unit: RMB

	Amount	As % of total profit	Source/Reason	Exceptional or recurrent
Return on investment	3,218,483.17	0.37%	Return on investment in joint ventures	Recurrent
Gain/loss on changes in fair value		0.00%		
Asset impairments	-33,715.66	0.00%	Reversal of inventory valuation allowances	Recurrent
Non-operating	9,872,472.19	1.14%	Compensation received for	Exceptional

income			building demolition	
Non-operating expense	1,940,268.55	0.22%	Fines, compensation for early termination of lease contract	Exceptional

## V Analysis of Assets and Liabilities

### 1. Significant Changes in Asset Composition

Unit: RMB

	30 June 2020		31 December 2020		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	4,971,044,275.19	37.42%	4,206,266,629.32	34.46%	2.96%	Increase in sales recognized
Accounts receivable	259,902,999.98	1.96%	187,697,631.47	1.54%	0.42%	Increase in property management fees receivable
Contract assets		0.00%				
Inventories	5,289,628,100.91	39.82%	5,312,489,258.20	43.52%	-3.70%	Recognition of cost of the Golden Collar project, and increase in capitalized expense of the Bangling and other projects
Investment property	467,004,332.18	3.52%	484,738,506.83	3.97%	-0.45%	Depreciation allowances
Long-term equity investments	48,928,703.96	0.37%	45,710,220.79	0.37%	0.00%	
Fixed assets	108,878,082.57	0.82%	116,233,936.04	0.95%	-0.13%	Depreciation allowances
Construction in progress		0.00%				
Right-of-use assets	12,757,538.12	0.10%			0.10%	Adoption of the new accounting standard governing leases
Short-term borrowings		0.00%				
Contract liabilities	853,367,394.63	6.42%	666,893,629.72	5.46%	0.96%	New sales revenue and revenue carryforwards of the property development business
Long-term borrowings	3,556,900,000.00	26.78%	3,587,800,000.00	29.39%	-2.61%	

Lease liabilities	13,025,535.53	0.10%			0.10%	Adoption of the new accounting standard governing leases
Other receivables	803,760,748.21	6.05%	789,050,350.51	6.46%	-0.41%	Increase in security deposits paid
Deferred income tax assets	1,176,247,431.17	8.85%	950,681,245.50	7.79%	1.06%	Increase in deductible losses in the taxation term
Accounts payable	365,584,409.13	2.75%	468,269,685.65	3.84%	-1.09%	Decrease in accounts payable for engineering
Other non-current liabilities	107,705,623.13	0.81%	108,778,327.45	0.89%	-0.08%	

## 2. Major Assets Overseas

Applicable  Not applicable

## 3. 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	1,044,905.12		-265,258.45				-5,942.67	773,704.00
Total of the above	1,044,905.12		-265,258.45				-5,942.67	773,704.00
Financial liabilities	0.00		0.00				0.00	0.00

Contents of other changes:

Other changes were resulted from exchange rate movements.



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

Yes  No

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

(1) In term of monetary assets with restricted right to use at the period-end, there was limited capital of frozen account with RMB11,031.58 in the subsidiary company Shenzhen Huazhengpeng Property Management Co., Ltd.

(2) In term of monetary assets with restricted right to use at the period-end, there was custody deposit account with RMB44,554.35 in the subsidiary company Catering Branch of Shandong Shengguomao Real Estate Management.

(3) In term of monetary assets with restricted right to use at the period-end, there was RMB1,148,647.30, which is the Company as a real estate developer and historically provided mortgage guarantees and paid loan guarantees for commercial housing purchasers in accordance with real estate business practices.

(4) In term of monetary assets with restricted right to use at the period-end, there was payment guarantee with RMB11,213,310.06 (principal of RMB11,075,002.60 and interest of RMB138,307.46) in the subsidiary company Xuzhou Company, which signed the No. Xingyin Xubao (2020) 25 payment guarantee with Jiangsu Hanjian Group on 1 June 2020.

(5) In term of monetary assets with restricted right to use at the period-end, there was RMB4,948,119.51 which is the interest of fixed deposits accrued at the end of the period.

(6) In term of monetary assets with restricted right to use at the period-end, there was an guarantee letter of RMB400,000.00 issued by the subsidiary company Supervision Company for the second phase project supervision and service project of Bangling District, Guanlan Street, Longhua District of Rongyao Real Estate in 2020.

(7) The Company applied for a loan from Shenzhen Branch of Bank of Communication Co., Ltd. with the land use right of Fumin New Village, Futian District as the pledge due to the needs of its daily business activities. The period of the loan is from 27 November 2020 to 27 November 2023. The interest of the loan is a floating interest rate and the first execution interest rate is 4.655%.

## VI 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 Investments

#### (1) Securities Investments

Applicable  Not applicable

Unit: RMB

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/Loss in Reporting Period	Ending carrying value	Accounting title	Source of investment funds
Domestic/Foreign stock	400016、420016	Gintian A, Gintian B	3,565,856.06	Fair value method	1,044,905.12	-265,258.45		0.00	0.00	-5,942.67	773,704.00	Investments in other equity instruments	Obtained in Gintian's debt restructuring
Total			3,565,856.06	--	1,044,905.12	-265,258.45	0.00	0.00	0.00	-5,942.67	773,704.00	--	--
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.

**VII 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

## VIII 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 Huangcheng Real Estate Co., Ltd.	Subsidiary	Development and sales of real estate	30,000,000.00	6,129,008,423.19	2,194,875,336.52	1,859,058,422.14	801,842,606.64	602,866,601.68

Subsidiaries obtained or disposed in the Reporting Period

Applicable  Not applicable

Subsidiary	How subsidiary was obtained or disposed in the Reporting Period	Effects on overall operations and operating performance
Xiamen Shenguo Industrial City Smart Service Co., Ltd.	Newly established	Revenue: 0 Profit: 0
Vietnam Shenguo Property Management Co., Ltd.	Newly established	Revenue: RMB3.45 million Net profit: RMB1.58 million
Shenzhen SZPRD Yanzihu Development Co., Ltd.	Newly established	Revenue: 0 Net profit: RMB-487.3 thousand

Notes to the principal subsidiaries and joint stock companies:

## IX Structured Bodies Controlled by the Company

Applicable  Not applicable

## X Risks Facing the Company and Countermeasures

### 1. Market risk

Although the spread of the pandemic in the country has been effectively controlled, there are still some new confirmed cases in some cities recently, bringing uncertainty to the overall industry operation. In the context of "houses are for living in, not for speculating on", the real estate market has been affected by a series of control policies such as the increase of down payment ratio, the government's strict investigation of illegal inflow of funds into the property market such as consumer loans and business loans, and the increase of mortgage interest rates, which have a certain impact on the market situation. Real estate industry policies are expected

to remain tight in the second half of the year.

Countermeasures: In the face of the severe situation, the Company deeply studied the opportunities and challenges brought by macroeconomic trends and policy trends, actively sought the direction of strategic breakthrough, and sought to expanding the main business and making breakthroughs in accordance with the "12345" overall development idea of "1 Vision + 2 Major Sectors + 3 Driving Factors + 4 Businesses + 5 Value-added Services", and strived to enhance sustainable development capacity.

## **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.

Countermeasures: In the face of challenges, the Company will continue to expand its capacity through market competition, capital operation and urban renewal, grasp the investment opportunities and marketing model under the "two concentrations", actively increase the expansion of land reserves, and promote the implementation of projects as soon as possible.

## **3. Financing Risk**

As the central government tightened financial supervision over real estate and implemented the "three red lines" in the second half of 2020, financing of real estate enterprises are further restricted. 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.

Countermeasures: First, based on the advantages of a lower cost of construction of security housing, stable demand, lower proportion of own funds and less capital pressure, the Company can expand the resources of housing construction through multiple channels, thus avoiding the pressure of real estate regulation to a certain extent. Second, after the introduction of the "two red lines" for housing loans, banks will tighten their development loans, making it more difficult for real estate companies to raise funds, and the mode of joint land acquisition and cooperative development will help reduce own funds expenditure. Third, the Company will continue to improve the operational capacity of real estate companies, speed up project turnover, and quickly recover the fund.

## Part IV Corporate Governance

### 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	Resolution of the meeting
The 2020 Annual General Meeting	Annual General Meeting	61.23%	21 April 2021	22 April 2021	The Meeting considered and approved the Report on the Work of the Board of Directors for 2020, the Report on the Work of the Supervisory Committee for 2020, the Annual Report 2020, the Report on the Financial Accounts for 2020, the Report on the Financial Budget for 2021, the Proposal on the Distribution of Profits and Capitalization of Capital Reserve for 2020, the Proposal on the Comprehensive Credit Line for 2021, the Proposal to Use Part of Own Funds to Purchase Wealth Management Products, the Proposal to Issue Commercial Property Mortgage Asset-Backed Securitization Products, the Proposal to Expect Daily Connected Transactions for 2021 and the Proposal to Renew the Appointment

					of Accounting Firm, etc. For details, please refer to the Announcement of Resolutions of the Annual General Meeting of Shareholders for 2020 with the number 2021-19 on Cninfo (www.cninfo.com.cn).
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## 2. Extraordinary General Meetings Convened at the Request of Preference Shareholders with Resumed Voting Rights

Applicable  Not applicable

## II Changes in Directors, Supervisors and Senior Management

Applicable  Not applicable

The directors, supervisors and senior management of the Company remained the same during the Reporting Period. For their information, see the 2020 Annual Report.

## III Interim Dividend Plan

Applicable  Not applicable

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

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

Applicable  Not applicable

No such cases in the Reporting Period.

## Part V Environmental and Social Responsibility

### I 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.

Yes  No

Administrative penalties imposed for environmental issues during the Reporting Period

Name of the company or subsidiary company	Penalty reason	Violation situation	Penalty result	Impact on the production and operation of the listed companies	Remediation measures of the Company
None	None	None	None	None	None

Other environmental information disclosed with reference to key emission units

The Company attaches great importance to environmental protection and strictly implements relevant laws and regulations. During the Reporting Period, no major environmental violations occurred and no administrative penalties were imposed on environmental protection.

Reasons for not disclosing other environmental information

Neither the Company nor any of its subsidiaries is a heavily polluting business identified by the environmental protection authorities of China.

### II Social Responsibility

#### (I) Visiting the seriously ill employees in difficulty

In order to ensure that the Group's Party members in need and employees in need have a warm and peaceful Spring Festival, on January 29, the Party Committee of the Group carried out a symposium to extend regards to the employees in need before the Spring Festival. Liu Shengxiang, Secretary of the Party Committee of the Group and Chairman of the Group, Wang Hangjun, Deputy Secretary of the Party Committee of the Group and General Manager of the Group, Wei Xiaodong, Deputy Secretary of the Party Committee of the Group and Chairman of the Labor Union of the Group, and other leaders brought gifts and money to representatives of Party members and employees in need, with a total amount of about RMB102,000.

At the symposium, the leaders talked with the representatives of the employees in need, learned their living conditions and practical difficulties in detail, listened to their opinions, encouraged them to maintain an optimistic attitude, face difficulties and life positively, and establish confidence to overcome difficulties.

Liu Shengxiang, Secretary of the Party Committee of the Group and Chairman of the Group, introduced the achievements of the Group in 2020 and the strategic plan of the 14th Five-Year Plan, and affirmed the positive contribution made by all of them to the development of the Group by performing their duties based on their positions and overcoming difficulties. He stressed that the Group should actively build a harmonious enterprise in the process of development, timely understand the living conditions of employees in need, map their practical difficulties, and try their best to solve their problems, so that they can effectively feel the warmth of the enterprise family.

#### (II) Conducting blood donation activities to celebrate the 100th anniversary of the founding of the Communist Party of China

On June 29, the 10th "Red Flag, Red Action" blood donation activity was jointly organized by Shenzhen Blood Center, the joint Party

branch of Guomaomei Life Service and Shenzhen International Trade Center Building and the Party Committee of Luohu Branch of Bank of China Shenzhen Branch. Party members, members of Chinese Communist Youth League, volunteers and citizens responded positively and enthusiastically participated in blood donation to celebrate the 100th anniversary of the founding of the Party.

In accordance with the requirements of pandemic prevention and control, the blood donation activity adopted the approach of blood donation in different time slots to ensure the diversion of personnel. With the assistance of medical staff and volunteers, blood donors orderly carried out preparatory work such as registration and filling, vaccination inquiry, blood pressure measurement and blood collection and testing. Among the blood donors were both long-time donors and first-time donors, as well as those who had participated in previous events and had driven dozens of kilometers to attend the activity. On the day of the activity, there were 124 blood donors, 108 of whom successfully donated a total of 39,150 ml of blood.

The Party Committee of Guomaomei Life Service insists on carrying out the Party building activities themed with "Red Flag, Red Action" every year to commemorate the birthday of the Party and let the Party members volunteer to play an exemplary role, which has received positive responses from the owners and tenants of Shenzhen International Trade Center Building, the Renminnan Commercial Area, the Party organizations at all levels of the Jiabei Community workstation and people from all walks of life, and has become a Party building project with the characteristics of "the secretary takes charge of the project, the branch creates its brand, and the Party members play the exemplary role". The activity has been held continuously for ten years, and over 800 people have participated in the blood donation over the years, with the total amount of blood donated exceeding 300,000 ml.



## Part VI Significant Events

### **I 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.

### **II 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.

### **III Irregularities in the Provision of Guarantees**

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

No such cases in the Reporting Period.

Other legal matters:

Applicable  Not applicable

Basic information on lawsuit (arbitration)	Amount involved (RMB'0,000)	Whether there are accrued liabilities	Lawsuit (arbitration) progress	Lawsuit (arbitration) results and influences	Execution of lawsuit (arbitration) judgment	Date of disclosure	Disclosure index
Feng Shuiping and others sued the Second Construction Co., Ltd. of China Construction Third Engineering Bureau and SZPRD for environmental pollution liability dispute (180 cases in total)	815.4	No	The second trial has been decided (final)	The Company is not liable for any compensation	No implementation required		
Arbitration case of property service contract of subordinate High-tech Zone property management company	3,230.1	No	The arbitration has been heard and is currently in the judicial audit stage, pending additional evidentiary information and a second hearing	No ruling	No implementation required		
Arbitration case of property	1,139.6	No	The arbitration	No ruling	No implementation		

service contract of subordinate ITC Technology Park Hi-tech Zone Branch			has been heard and is currently in the judicial audit stage, pending additional evidentiary information and a second hearing		n required		
Summary of other contract litigation disputes	354.5	See Chapter XII, Financial Reporting XIV, Part 2	See Chapter XII, Financial Reporting XIV, Part 2	See Chapter XII, Financial Reporting XIV, Part 2	See Chapter XII, Financial Reporting XIV, Part 2		

## IX Punishments and Rectifications

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

## XI 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
Shenz	Wholl	Relate	Prope	Marke	Agree	2,850.	5.26%	5,500	Not	Cash	2,850.	31	See

Shen Bay Techn ology Devel opme nt Co., Ltd.	Wholly-owned subsidiary of the Company as the parent	Related-party transactions governing sales of commodity and providing of labors	Property management services	Market principle	Agreement price	29					29	March 2021	note
Shenz hen Shent ou Real Estate Devel opme nt Co.,Lt d.	Wholly-owned subsidiary of the Company as the parent	Related-party transactions governing sales of commodity and providing of labors	Property management entrustment	Market principle	Agreement price	3,124.52	30.62%	5,790	Not	Cash	3124.52	31 March 2021	
Shenz hen Bay Techn ology Devel opme nt Co., Ltd.	Wholly-owned subsidiary of the Company as the parent	Related-party transactions governing purchase of commodity and providing of	Management services	Market principle	Agreement price	3,689.88	8.17%	8,000	Not	Cash	3689.88	31 March 2021	

		labors											
Total	--	--	9,664.69	--	19,290	--	--	--	--	--	--	--	--
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	The total amount of continuing related-party transactions of the Company in 2021 is expected to be RMB214.68 million, and actual total amount of continuing related-party transactions is RMB105.2687 million in H1 2021, lower than the approved line.												
Reason for any significant difference between the transaction price and the market reference price (if applicable)	N/A												

Note: For further information, see the Announcement No. 2021-11 on the Expected Continuing Related-party Transactions for 2021 disclosed by the Company on [www.cninfo.com.cn](http://www.cninfo.com.cn) dated 31 March 2021.

## 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

Amounts due 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	The	Business	No	40,150		0			40,150

Xinhai Holdings Co., Ltd.	parent company of the subsidiary Rongyao Real Estate's minority shareholder Xinhai Rongyao	circulating funds before acquisition							
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 operating results and financial condition	on the operating financial	All were within the risks control of the Company and not influenced the operating results and the financial conditions.							

## Amounts due 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	Current account	3,579.67	300				3,879.67
Shenzhen Tian'an International Building Property Management Co., Ltd.	Joint venture	Current account	521.43					521.43
Influence on the Company's operating results and financial	on the operating financial	All were within the risks control of the Company and not influenced the operating results and the financial conditions.						

condition	
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## 5. Transactions with Related Finance Companies or Finance Companies Controlled by the Company

Applicable  Not applicable

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company, finance company controlled by the Company or any other related parties.

## 6. Other Major Related-Party Transactions

Applicable  Not applicable

No such cases in the Reporting Period.

## XII Major Contracts and Execution thereof

### 1. Entrustment, Contracting and Leases

#### (1) Entrustment

Applicable  Not applicable

At the 22nd meeting of the 9th session of the Board of Directors held on March 30, 2021, the Company considered and passed the Proposal on Entrusted Operation and Management Agreement and Connected Transaction with Related Party, in which Shenzhen SZPRD Commercial Operation Co. Ltd., a wholly-owned subsidiary of the Company, and Shenzhen Shentou Real Estate Development Co., Ltd, a wholly-owned subsidiary of SIHC, the controlling shareholder, entered into the Entrusted Operation and Management Agreement, in which Shenzhen Investment Holdings Co., Ltd. intends to transfer its 81,775.57 square meters of properties entrusted by SIHC to the commercial operation company for operation and management. No transfer of ownership of any assets will occur in this transaction, and the commercial operation company will only provide management services and receive management fees. For details, please refer to No. 2021-13 Announcement of Entering into Entrusted Operation and Management Agreement and Connected Transaction" disclosed by the Company on Cninfo (www.cninfo.com.cn) on March 31, 2021.

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

No such cases in the Reporting Period.

#### (3) Leases

Applicable  Not applicable

No such cases in the Reporting Period.

## 2. Major guarantees

√ Applicable □ Not applicable

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	Collateral (if any)	Counter-guarantee (if any)	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	Collateral (if any)	Counter-guarantee (if any)	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	299,970	Joint-liability	Equity interests in Rongyao	N/A	2019.11.27-2024.11.20	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)		0				
Total approved line for such guarantees at the end of the Reporting Period (B3)		500,000		Total actual balance of such guarantees at the end of the Reporting Period (B4)		299,970				
Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or



	ment								not	
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)		0	Total actual guarantee amount in the Reporting Period (A2+B2+C2)						0	
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)		500,000	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)						299,970	
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets										72.12%
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)										299,970
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)										92,014
Total of the three amounts above (D+E+F)										299,970

Compound guarantees:

### 3. Cash Entrusted for Wealth Management

Applicable  Not applicable

No such cases in the Reporting Period.

### 4. Continuing Major Contracts

Applicable  Not applicable

### 5. Other Major Contracts

Applicable  Not applicable

No such cases in the Reporting Period.

## XIII Other Significant Events

Applicable  Not applicable

No such cases in the Reporting Period.

#### **XIV Significant Events of Subsidiaries**

Applicable  Not applicable

## Part VII 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	1,898,306	0.32%						1,898,306	0.32%
1. Shares held by State	0	0.00%						0	0.00%
2. Shares held by state-owned legal person	3,326	0.00%						3,326	0.00%
3. Shares held by other domestic investors	1,894,980	0.32%						1,894,980	0.32%
Among which: Shares held by domestic legal person	1,894,980	0.32%						1,894,980	0.32%
Shares held by domestic natural person	0	0.00%						0	0.00%
4. Shares held by foreign investors	0	0.00%						0	0.00%
Among which: Shares held by foreign legal person	0	0.00%						0	0.00%
Shares held by foreign natural person	0	0.00%						0	0.00%
II. Unrestricted shares	594,080,786	99.68%						594,080,786	99.68%
1. RMB common shares	526,475,543	88.34%						526,475,543	88.34%
2. Domestically listed foreign shares	67,605,243	11.34%						67,605,243	11.34%
3. Overseas listed foreign	0	0.00%						0	0.00%

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

Reasons for share changes:

Applicable  Not applicable

Approval of share changes:

Applicable  Not applicable

Transfer of share ownership:

Applicable  Not applicable

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

During the Reporting Period, SIHC, the controlling shareholder of the Company, transferred 38,037,890 ordinary shares of the Company in unlimited circulation (representing 6.382% of the total share capital of the Company) held by SIHC to Shenzhen State-owned Equity Management Co., Ltd. for free to replenish the social security funds. Shenzhen State-owned Equity Management Co., Ltd. is a newly established wholly-owned subsidiary of SIHC to manage the transferred state-owned equity in a special account. Before and after the transfer of equity, the controlling shareholder and actual controller of the Company remained unchanged. For more details, see the Suggestive Announcement on the Free Transfer of Parts of State-owned Equity of Controlling Shareholders to Enrich the Social Security Fund (Announcement No. 2021-02) disclosed on January 29, 2021. On March 15, the share transfer registration procedures for the above-mentioned transfer of state-owned shares for free were completed.

## 2. Changes in Restricted Shares

Applicable  Not applicable

## 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	51,397	Total number of preference shareholders with resumed voting rights at the period-end (if any)	0
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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, marked or frozen shares	
							Status	Number
Shenzhen Investment Holdings Corporation	State-owned legal person	50.57%	301,414,637	-38,037,890	3,326	301,411,311		
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	Domestic non-state-owned legal person	6.38%	38,037,890	38,037,890	0	38,037,890		
China Orient Asset Management Co., Ltd.	State-owned legal person	3.90%	23,236,400	-6,561,900	0	23,236,400		
Agricultural Bank of China Limited –Fullgoal Value Advanced Mixed Securities Investment Fund	Other	0.55%	3,250,089	3,250,089	0	3,250,089		
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	0.34%	1,996,770	121,947	0	1,996,770		
Duan Shaoteng	Domestic natural person	0.29%	1,755,565	137,000	0	1,755,565		
Shenzhen Duty-Free Commodity Enterprises Co., Ltd.	Domestic non-state-owned legal person	0.29%	1,730,300	0	1,730,300	0		
Bosera Fund-PICC Life Insurance-Traditional General Insurance	Other	0.29%	1,715,700	1,715,700	0	1,715,700		

Portfolio- Bosera Fund –A-Stock Mixed Portfolio Single Asset Management Plan of PICC Life Insurance Company Limited								
China Construction Bank-Wanjia Selected Mixed Type Securities Investment Fund	Other	0.27%	1,581,089	598,789	0	1,581,089		
Yang Yaochu	Domestic natural person	0.25%	1,500,384	0	0	1,500,384		
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any)	N/A							
Related or acting-in-concert parties among the shareholders above	The largest shareholder, Shenzhen Investment Holdings Corporation, is the controlling shareholder of the Company and Shenzhen State-Owned Equity Operation and Management Co., Ltd. And the Company does not know whether there are related parties or acting-in-concert parties among the other shareholders.							
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights	N/A							
Special account for share repurchases (if any) among the top 10 shareholders	N/A							
Top 10 unrestricted shareholders								
Name of shareholder	Unrestricted shares held at the period-end	Shares by type						
		Type	Shares					
Shenzhen Investment Holdings Corporation	301,411,311	RMB ordinary share	301,411,311					
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	38,037,890	RMB ordinary share	38,037,890					
China Orient Asset Management Co.,	23,236,400	RMB ordinary	23,236,400					

Ltd.		share	
Agricultural Bank of China Limited –Fullgoal Value Advanced Mixed Securities Investment Fund	3,250,089	RMB ordinary share	3,250,089
Hong Kong Securities Clearing Company Ltd.	1,996,770	RMB ordinary share	1,996,770
Duan Shaoteng	1,755,565	RMB ordinary share	1,755,565
Bosera Fund-PICC Life Insurance-Traditional General Insurance Portfolio- Bosera Fund –A-Stock Mixed Portfolio Single Asset Management Plan of PICC Life Insurance Company Limited	1,715,700	RMB ordinary share	1,715,700
China Construction Bank-Wanjia Selected Mixed Type Securities Investment Fund	1,581,089	RMB ordinary share	1,581,089
Yang Yaochu	1,500,384	Domestically listed foreign share	1,500,384
Yan Changli	1,278,676	RMB ordinary share	1,278,676
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 Holdings Corporation, is the controlling shareholder of the Company and Shenzhen State-Owned Equity Operation and Management Co., Ltd. And the Company does not know whether there are related parties or acting-in-concert parties among the other shareholders.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	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 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 the 2020 Annual Report.

## **V Change of the Controlling Shareholder or the De Facto Controller**

Change of the controlling shareholder in the Reporting Period

Applicable  Not applicable

The controlling shareholder remained the same in the Reporting Period.

Change of the de facto controller in the Reporting Period

Applicable  Not applicable

The de facto controller remained the same in the Reporting Period.



## **Part VIII Preference Shares**

Applicable  Not applicable

No preference shares in the Reporting Period.

## **Part IX Bonds**

Applicable  Not applicable

## Part X 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 2021

Unit: RMB

Item	30 June 2021	31 December 2020
Current assets:		
Monetary assets	4,971,044,275.19	4,206,266,629.32
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	259,902,999.98	187,697,631.47
Accounts receivable financing		
Prepayments	76,289,066.66	50,543,422.85
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	803,760,748.21	789,050,350.51
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		

Inventories	5,289,628,100.91	5,312,489,258.20
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	46,905,197.98	48,991,965.92
Total current assets	11,447,530,388.93	10,595,039,258.27
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	48,928,703.96	45,710,220.79
Investments in other equity instruments	773,704.00	1,044,905.12
Other non-current financial assets		
Investment property	467,004,332.18	484,738,506.83
Fixed assets	108,878,082.57	116,233,936.04
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets	12,757,538.12	
Intangible assets	372,891.57	482,049.51
Development costs		
Goodwill		
Long-term prepaid expense	18,031,872.52	11,862,716.14
Deferred income tax assets	1,176,247,431.17	950,681,245.50
Other non-current assets	3,155,763.35	1,564,074.34
Total non-current assets	1,836,150,319.44	1,612,317,654.27
Total assets	13,283,680,708.37	12,207,356,912.54
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	365,584,409.13	468,269,685.65
Advances from customers	774,178.01	473,274.48
Contract liabilities	853,367,394.63	666,893,629.72
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	151,760,471.00	177,190,197.36
Taxes payable	2,996,938,696.81	2,487,212,979.37
Other payables	910,365,884.66	847,142,613.09
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	67,002,418.07	36,722,824.88
Other current liabilities	53,141,477.75	43,354,691.51
Total current liabilities	5,398,934,930.06	4,727,259,896.06
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	3,556,900,000.00	3,587,800,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	13,025,535.53	
Long-term payables		

Long-term employee benefits payable		
Provisions	2,396,947.00	2,396,947.00
Deferred income		
Deferred income tax liabilities	262.20	262.20
Other non-current liabilities	107,705,623.13	108,778,327.45
Total non-current liabilities	3,680,028,367.86	3,698,975,536.65
Total liabilities	9,078,963,297.92	8,426,235,432.71
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	-7,568,287.02	-6,749,589.41
Specific reserve		
Surplus reserves	19,205,979.63	19,205,979.63
General reserve		
Retained earnings	3,471,018,008.46	3,038,993,912.43
Total equity attributable to owners of the Company as the parent	4,159,122,838.45	3,727,917,440.03
Non-controlling interests	45,594,572.00	53,204,039.80
Total owners' equity	4,204,717,410.45	3,781,121,479.83
Total liabilities and owners' equity	13,283,680,708.37	12,207,356,912.54

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 2021	31 December 2020
Current assets:		
Monetary assets	4,143,883,323.31	3,216,703,036.69
Held-for-trading financial assets		

Derivative financial assets		
Notes receivable		
Accounts receivable	4,016,091.60	2,624,500.42
Accounts receivable financing		
Prepayments		
Other receivables	151,322,779.82	145,325,697.20
Including: Interest receivable		
Dividends receivable		
Inventories	672,995,461.91	653,885,107.24
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	707,120.69	496,729.09
Total current assets	4,972,924,777.33	4,019,035,070.64
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	1,074,394,584.35	1,071,176,101.18
Investments in other equity instruments	1,004,204.00	1,275,405.12
Other non-current financial assets		
Investment property	293,970,461.86	303,827,356.62
Fixed assets	45,039,336.62	51,091,963.72
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets	571,634.82	
Intangible assets		
Development costs		
Goodwill		
Long-term prepaid expense	345,951.87	432,440.01
Deferred income tax assets	234,028,529.09	252,331,518.26

Other non-current assets	1,472,158,735.58	1,197,407,234.55
Total non-current assets	3,121,513,438.19	2,877,542,019.46
Total assets	8,094,438,215.52	6,896,577,090.10
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	40,598,549.34	55,887,947.36
Advances from customers		
Contract liabilities		
Employee benefits payable	37,792,796.89	50,710,148.02
Taxes payable	6,595,622.40	3,736,082.67
Other payables	5,360,767,700.92	3,971,988,862.11
Including: Interest payable		
Dividends payable	29,642.40	29,642.40
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	62,302,868.06	31,573,154.86
Other current liabilities		
Total current liabilities	5,508,057,537.61	4,113,896,195.02
Non-current liabilities:		
Long-term borrowings	557,400,000.00	588,200,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	581,842.65	
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	597,981,842.65	628,200,000.00
Total liabilities	6,106,039,380.26	4,742,096,195.02
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	-2,810,709.64	-2,545,451.19
Specific reserve		
Surplus reserves	19,205,979.63	19,205,979.63
Retained earnings	1,322,148,093.16	1,487,964,894.53
Total owners' equity	1,988,398,835.26	2,154,480,895.08
Total liabilities and owners' equity	8,094,438,215.52	6,896,577,090.10

### 3. Consolidated Income Statement

Unit: RMB

Item	H1 2021	H1 2020
1. Revenue	2,540,865,139.25	1,421,077,767.83
Including: Operating revenue	2,540,865,139.25	1,421,077,767.83
Interest income		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	1,684,718,695.80	1,159,861,807.33
Including: Cost of sales	754,285,026.24	611,694,943.80
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	813,982,050.89	394,743,480.61
Selling expense	10,417,216.57	11,544,060.19
Administrative expense	104,914,523.61	88,433,004.35
R&D expense		
Finance costs	1,119,878.49	53,446,318.38
Including: Interest expense	38,497,817.45	84,859,496.80
Interest income	38,205,027.20	31,227,361.24
Add: Other income	2,403,691.80	2,921,993.51
Return on investment (“-” for loss)	3,218,483.17	157,061.79
Including: Share of profit or loss of joint ventures and associates	3,218,483.17	157,061.79
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)	-6,797,536.40	1,115,927.46
Asset impairment loss (“-” for loss)	-33,715.66	1,832.91
Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	854,937,366.36	265,412,776.17
Add: Non-operating income	9,872,472.19	4,244,175.90
Less: Non-operating expense	1,940,268.55	2,399,487.70
4. Profit before tax (“-” for loss)	862,869,570.00	267,257,464.37
Less: Income tax expense	194,243,514.06	89,394,015.71
5. Net profit (“-” for net loss)	668,626,055.94	177,863,448.66
5.1 By operating continuity		
5.1.1 Net profit from continuing	668,626,055.94	177,863,448.66

operations (“-” for net loss)		
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	676,375,523.75	211,967,734.76
5.2.1 Net profit attributable to non-controlling interests	-7,749,467.81	-34,104,286.10
6. Other comprehensive income, net of tax	-818,697.61	576,865.34
Attributable to owners of the Company as the parent	-818,697.61	576,865.34
6.1 Items that will not be reclassified to profit or loss	-265,258.45	-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	-265,258.45	-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	-553,439.16	1,032,011.50
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	-553,439.16	1,032,011.50

currency-denominated financial statements		
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	667,807,358.33	178,440,314.00
Attributable to owners of the Company as the parent	675,556,826.14	212,544,600.10
Attributable to non-controlling interests	-7,749,467.81	-34,104,286.10
8. Earnings per share		
8.1 Basic earnings per share	1.1349	0.3557
8.2 Diluted earnings per share	1.1349	0.3557

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 RMB0.00.

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 2021	H1 2020
1. Operating revenue	42,300,895.35	25,828,330.02
Less: Cost of sales	18,650,836.30	15,835,977.53
Taxes and surcharges	3,067,936.60	6,073,285.87
Selling expense	427,076.97	596,897.00
Administrative expense	35,663,070.91	31,193,084.64
R&D expense		
Finance costs	-18,675,114.65	-27,995,222.26
Including: Interest expense	12,722,639.32	3,075,551.11
Interest income	-32,650,270.94	-29,309,100.65
Add: Other income	102,972.08	
Return on investment (“-” for loss)	63,037,324.89	62,573,990.52
Including: Share of profit or loss of joint ventures and associates	3,218,483.17	157,061.79

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)	-279,188.00	86,608.96
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	66,028,198.19	62,784,906.72
Add: Non-operating income	7,173,820.40	536,196.80
Less: Non-operating expense	269.72	2,138,000.00
3. Profit before tax (“-” for loss)	73,201,748.87	61,183,103.52
Less: Income tax expense	-5,332,877.48	36,318,902.50
4. Net profit (“-” for net loss)	78,534,626.35	24,864,201.02
4.1 Net profit from continuing operations (“-” for net loss)	78,534,626.35	24,864,201.02
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	-265,258.45	-455,146.16
5.1 Items that will not be reclassified to profit or loss	-265,258.45	-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	-265,258.45	-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	78,269,367.90	24,409,054.86
7. Earnings per share		
7.1 Basic earnings per share	0.1318	0.0417
7.2 Diluted earnings per share	0.1318	0.0417

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2021	H1 2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	2,802,854,649.31	1,233,830,460.59
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	27,937,190.49	11,517,514.19
Cash generated from other operating activities	162,625,100.47	333,720,016.38
Subtotal of cash generated from operating activities	2,993,416,940.27	1,579,067,991.16
Payments for commodities and services	531,366,744.46	879,596,446.23
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	360,587,894.53	330,739,905.05
Taxes paid	889,369,176.15	1,900,688,223.09
Cash used in other operating activities	74,522,344.40	91,225,555.69
Subtotal of cash used in operating activities	1,855,846,159.54	3,202,250,130.06
Net cash generated from/used in operating activities	1,137,570,780.73	-1,623,182,138.90
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	26,112.57	4,408.08
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	26,112.57	4,408.08
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	12,894,532.84	16,277,097.63
Payments for investments		
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		465,807,569.82
Cash used in other investing activities		
Subtotal of cash used in investing activities	12,894,532.84	482,084,667.45
Net cash generated from/used in investing activities	-12,868,420.27	-482,080,259.37
3. Cash flows from financing activities:		
Capital contributions received	140,000.00	840,000.00
Including: Capital contributions by non-controlling interests to subsidiaries	140,000.00	840,000.00
Borrowings raised		2,172,000,000.00
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	140,000.00	2,172,840,000.00
Repayment of borrowings	100,000.00	1,033,000.00
Interest and dividends paid	339,037,821.33	296,891,168.14
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		



Subtotal of cash used in financing activities	339,137,821.33	297,924,168.14
Net cash generated from/used in financing activities	-338,997,821.33	1,874,915,831.86
4. Effect of foreign exchange rates changes on cash and cash equivalents	-569,806.99	1,071,103.91
5. Net increase in cash and cash equivalents	785,134,732.14	-229,275,462.50
Add: Cash and cash equivalents, beginning of the period	4,168,154,911.83	3,285,345,233.47
6. Cash and cash equivalents, end of the period	4,953,289,643.97	3,056,069,770.97

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

Unit: RMB

Item	H1 2021	H1 2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	32,652,425.50	16,901,714.03
Tax rebates	23,635,866.65	
Cash generated from other operating activities	1,569,362,437.20	1,354,954,984.16
Subtotal of cash generated from operating activities	1,625,650,729.35	1,371,856,698.19
Payments for commodities and services	40,183,727.21	34,769,898.91
Cash paid to and for employees	30,961,214.02	22,444,977.67
Taxes paid	8,196,879.55	1,278,080,688.35
Cash used in other operating activities	125,972,788.21	831,802,326.79
Subtotal of cash used in operating activities	205,314,608.99	2,167,097,891.72
Net cash generated from/used in operating activities	1,420,336,120.36	-795,241,193.53
2. Cash flows from investing activities:		
Proceeds from disinvestment		565,000,000.00
Return on investment		
Net proceeds from the disposal of fixed assets, intangible assets and	2,344.57	3,955.86

other long-lived assets		
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	2,344.57	565,003,955.86
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	6,654,920.76	14,226,899.52
Payments for investments	209,000,000.00	
Net payments for the acquisition of subsidiaries and other business units		465,807,569.82
Cash used in other investing activities		
Subtotal of cash used in investing activities	215,654,920.76	480,034,469.34
Net cash generated from/used in investing activities	-215,652,576.19	84,969,486.52
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	257,143,626.33	216,929,035.34
Cash used in other financing activities		
Subtotal of cash used in financing activities	257,143,626.33	216,929,035.34
Net cash generated from/used in financing activities	-257,143,626.33	399,070,964.66
4. Effect of foreign exchange rates changes on cash and cash equivalents	-2,544.95	4,949.10
5. Net increase in cash and cash equivalents	947,537,372.89	-311,195,793.25
Add: Cash and cash equivalents, beginning of the period	3,190,160,215.19	2,450,935,673.17
6. Cash and cash equivalents, end of	4,137,697,588.08	2,139,739,879.92

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

H1 2021

Unit: RMB

Item	H1 2021														
	Equity attributable to owners of the Company as the parent												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other			Subtotal
Preferred shares		Perpetual bonds	Other												
1. Balance as at the end of the Reporting Period of the prior year	595,979.00				80,488.00		-6,749.51		19,205.93		3,038.99		3,727.91	53.20	3,781.12
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 Reporting Period of the	595,979.00				80,488.00		-6,749.51		19,205.93		3,038.99		3,727.91	53.20	3,781.12

year														
3. Increase/ decrease in the period ("—" for decrease)										432, 024, 096. 03		431, 205, 398. 42	-7,6 09,4 67.8 0	423, 595, 930. 62
3.1 Total comprehensiv e income										676, 375, 523. 75		675, 556, 826. 14	-7,7 49,4 67.8 0	667, 807, 358. 34
3.2 Capital increased and reduced by owners													140, 000. 00	140, 000. 00
3.2.1 Ordinary shares increased by owners													140, 000. 00	140, 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										-244 ,351, 427. 72		-244 ,351, 427. 72	-244 ,351, 427. 72	
3.3.1 Appropriation to surplus reserves														
3.3.2 Appropriation														

to general reserve															
3.3.3 Appropriation to owners (or shareholders)										-244,351,427.72					
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 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 ,97 9,0 92. 00				80,4 88,0 45.3 8		-7,5 68,2 87.0 2		19,2 05,9 79.6 3		3,47 1,01 8,00 8.46		4,15 9,12 2,83 8.45	45,5 94,5 72.0 0	4,20 4,71 7,41 0.45					

H1 2020

Unit: RMB

Item	H1 2020														Non- contr olling intere sts	Total owne rs' equit y				
	Equity attributable to owners of the Company as the parent																			
	Sha re cap ital	Other equity instruments			Capi tal reser ves	Less : Trea sury stoc k	Othe r com preh ensi ve inco me	Spec ific reser ve	Surp lus reser ves	Gen eral reser ve	Reta ined earn ings	Othe r	Subt otal							
		Pr efe rre d sh are s	Pe rpe tua l bo nds	Oth er																
1. Balance as at the end of the Reporting Period of the prior year	595 ,97 9,0 92. 00				80,4 88,0 45.3 8		-2,6 98,3 71.4 4		17,0 60,4 48.0 5		2,45 7,11 9,79 5.39		3,14 7,94 9,00 9.38	118,6 18,29 1.81	3,266 ,567, 301.1 9					
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 Reporting Period of the year	595,979.92.00			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					-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					-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 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	595,979.00			80,488.00		-2,121.50		17,060.40		2,454.53		3,145.94	85,354,005.71	3,231,295,142.07

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

H1 2021

Unit: RMB

Item	H1 2021											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury	Other comprehensive	Specific reserve	Surpluses reserve	Retained earnings	Other	Total owners' equity
		Prefer	Perp	Othe								

		red share s	etual bond s	r	es	stock	ve incom e	e	es	ngs		
1. Balance as at the end of the Reporting Period of the prior year	595,979,092.00				53,876,380.11		-2,545,451.19		19,205,979.63	1,487,964,894.53		2,154,480,895.08
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments												
2. Balance as at the beginning of the Reporting Period of the year	595,979,092.00				53,876,380.11		-2,545,451.19		19,205,979.63	1,487,964,894.53		2,154,480,895.08
3. Increase/decrease in the period (“-” for decrease)							-265,258.45			-165,816,801.37		-166,082,059.82
3.1 Total comprehensive income							-265,258.45			78,534,626.35		78,269,367.90
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										-244,351,427.72		-244,351,427.72
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)												
3.3.3 Other										-244,351,427.72		-244,351,427.72
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		-2,810,709.64		19,205,979.63	1,322,148.093.16		1,988,398,835.26

H1 2020

Unit: RMB

Item	H1 2020											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other compr ehensi ve incom e	Specifi c reserve	Surpl us reserv es	Retaine d earnin gs	Other	Total owners' equity
		Pref erre d	Perp etual bon d	Othe r								

		shares	ds									
1. Balance as at the end of the Reporting Period 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 Reporting Period 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

### 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: 1,898,306 A shares and 0 B shares; unrestricted public shares: 526,475,543 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 24<sup>th</sup> Meeting of the 9<sup>th</sup> Board of Directors of the Company on 27 August 2021.

The consolidation scope of the Company's consolidated financial statements was determined based on the control. There were 47 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 report for details.

## **IV Basis for Preparation of Financial Statements**

### **1. Preparation Basis**

Based on the continuing operation, the financial statements of the Company are prepared in accordance with the actual transactions, governing provisions of the Accounting Standards for Business Enterprises and the following major accounting policies and estimates.

### **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:

Refer to this Part:

### **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**

In the Company's understanding, cash and cash equivalents include cash on hand, any deposit that can be used for cover, and short-term (usually due within 3 months since the day of purchase) and high circulating investments, which are easily convertible into known amount of cash and whose risks in change of value are minimal.

#### **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 decognized, reclassified, amortized with the actual interest rate method or recognizing impairments.

##### **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.

##### **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.

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.

Subsequent calculation method of financial liabilities

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.

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

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.

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.

Derecognition of financial assets and financial liabilities

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.

As for accounts receivable which don't include major financing contents or the Company does not consider financing contents in contract which is less than one year, the Company applies simplified measurement method, and measures loss reserve according to amount of expected credit loss within the whole duration.

As for account receivable of rental and accounts receivable including major financing contents, the Company applies simplified measurement method, and measure loss reserve according to amount of expected credit loss within the whole 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
Trade acceptance bills receivable		

		and the expected credit loss rate within the entire life
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.

#### 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 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 apportionment 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:

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.

This cost has increased the Company's sources that are used to fulfill its contract performance obligations in the future.

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:

Residual consideration expected to be gained from transferring commodities and services related to this asset;

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**

The Company divides its components (or non-current assets) meeting the following conditions into available for sale assets: (1) Assets can be sold immediately under the current conditions according to the practice of selling such assets or disposal groups in similar transactions; (2) The sale is likely to occur, and a resolution has been made on a sale plan and a firm purchase commitment is obtained (a firm purchase commitment refers to a legally binding purchase agreement signed between an enterprise and other parties, which contains important terms such as transaction price, time and severe penalty for breach of contract to minimize the possibility of major adjustment or cancellation of the agreement. The sale is expected to be completed within a year. It has been approved by relevant authorities or regulatory authorities according to relevant regulations.

The Company adjusts the estimated net residual value of available for sale assets to the net amount of its fair value minus the selling expenses (which shall not exceed the original book value of the assets available for sale). The difference between the original book value and the adjusted estimated net residual value shall be included in the current profit and loss as the loss of asset impairment, and provisions for impairment of assets available for sale shall be made. For the amount of impairment loss of disposal group available for sale recognized, the book value of goodwill of the disposal group shall be offset first, and then the book value of disposal group shall be offset in proportion according to the share of the book value of non-current assets in the disposal group measured according to this Standard.

When the net amount of fair value of non-current assets available for sale minus the selling expenses increases on the subsequent balance sheet date, the amount previously written down shall be restored and reversed within the amount of asset impairment loss recognized after being classified as available for sale assets, and the reversed amount shall be included in the current profits and losses. The impairment loss of assets recognized before being classified as available for sale assets shall not be reversed. When the net amount of fair value of disposal group available for sale minus the selling expenses increases on the subsequent balance sheet date, the amount previously written down shall be restored and reversed within the amount of asset impairment loss recognized as non-current assets in the disposal group measured according to this Standard after being classified into the categories available for sale assets, and the reversed amount shall be included in the current profits and losses. The book value of goodwill that has been offset and the impairment loss of non-current assets measured according to this Standard shall not be reversed before they are classified as available for sale assets. The subsequent reversal amount of asset impairment loss recognized as disposal group available for sale shall be increased in proportion to the share of the book value of non-current assets in the disposal group, except goodwill, which are measured according to this Standard. In case that an enterprise loses its control over a subsidiary due to sale of



its investment in the subsidiary, the investment in the subsidiary to be sold shall be divided into the available for sale category in individual financial statement of the parent company when the proposed investment in the subsidiary meets the conditions for classification of available for sale category, and all assets and liabilities of the subsidiary shall be classified into available for sale category in the consolidated financial statements, no matter whether the enterprise retains part of equity investment after the sale.

### **19. Investments in Debt Obligations**

Not applicable.

### **20. Investments in other Debt Obligations**

Not applicable.

### **21. Long-term 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.

#### **(5) Impairment test method and impairment provision method**

When there is objective evidence indicating impairment of the investment in subsidiaries, joint ventures and cooperative enterprises on the balance sheet date, corresponding provision for impairment shall be made according to the difference between the book value

and recoverable amount.

### 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. When there is any indication of impairment of investment property on the balance sheet date, corresponding provision for impairment shall be made according to the difference between the book value and recoverable amount.

### 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

On the start date of the lease term, the Company deems the right-of-use assets and lease obligations, except for the simplified short-term lease and low-value leases.

The Company initially measures right-of-use assets at cost. The cost includes:

1. The initial measurement amount of the lease obligation.
2. If a lease incentive exists for lease payments made on or before the commencement date of the lease term, the amount related to the lease incentive already taken is deducted.
3. Initial direct costs incurred.
4. Costs expected to be incurred by the Group for dismantling and removing the leased asset(s), restoring the premises where the leased asset(s) is/are located, or restoring the leased asset(s) to the status agreed in the leasing clauses. If the aforementioned costs are incurred for inventory production, relevant provisions of *Accounting Standard for Business Enterprises No.1 - Inventory* is applicable.

The Company recognizes and measures the costs described in Item 4 above in accordance with relevant provisions of the *Accounting*

*Standards for Business Enterprises No. 13 - Contingencies*. The initial direct costs incurred refer to the incremental costs incurred to achieve the lease. Incremental costs are costs that would not have been incurred had the business not acquired the lease.

The Company depreciates the right-of-use assets in accordance with relevant depreciation provisions of the *Accounting Standards for Business Enterprises No. 4 - Fixed Assets*. If it is reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, the Company will depreciate the leasehold property over its remaining service life. If it is not reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, the Company will depreciate the leased asset(s) over the lease term or the remaining service life, whichever is shorter.

The Company determines the impairment of the right-of-use assets and conducts accounting treatment of the impairment losses already identified in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*.

### 30. Intangible Assets

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

- Intangible assets include right to use land sites, use right of software etc. and conduct the initial measurement according to the costs.
- 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.

- For intangible assets with definite service life, when there is any indication of impairment on the balance sheet date, corresponding provision for impairment shall be made according to the difference between the book value and recoverable amount; for intangible assets with uncertain service life and those not ready for service, impairment test shall be conducted every year no matter whether there is any indication of impairment.

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

Not applicable.

### 31. Impairment of Long-term Assets

For long-term assets, such as long-term equity investment, investment property measured by cost model, fixed assets, construction in progress, right-of-use assets and intangible assets with limited service life, 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

On the start date of the lease term, the Company deems the right-of-use assets and lease obligations, except for the simplified short-term lease and low-value leases.

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

The term "lease payments" refers to the payments made by the Company to the lessor in terms of the use of the leased asset(s) within the lease term, including:

- (1) fixed lease payments and substantial fixed lease payments (if a lease incentive exists, deduct the amount related to the lease incentive);
- (2) the variable lease payments that depend on indexation or ratio, which are determined according to the indexation or ratio on the commencement date of the lease term in the initial measurement;
- (3) the exercise price of the purchase option, when applicable, if the Company is reasonably certain that the option will be exercised;
- (4) payments required to be made for exercising the option to terminate the lease if the lease term reflects that the Company will exercise such an option;
- (5) estimated amount payable based on the residual value of the guarantee provided by the Company.

When calculating the present value of lease payments, the Company uses the interest rate implicit in lease as the rate of discount. If the interest rate implicit in lease cannot be determined, the Company's incremental lending rate is used as the rate of discount.

### 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 Preference 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.**

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:

The customer gains and consumes the economic interests brought by the Company's contract performance when the Company performs the contract.

The customer is able to control the assets in progress during the Company's contract performance.

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.

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:

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.

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.

The Company has transferred the physical commodity to the customer. In other words, the customer has taken physical possession of the commodity.

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.

The customer has accepted the commodity.

Other signs indicating that the customer has acquired control over the commodity.

3) 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.

#### **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.

#### **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.

#### **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.

#### **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 are 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

#### 1. Lessee

The Company shall, when as the lessee, on the commencement date of the lease term, recognize the right-of-use assets and lease obligations for the lease, unless it is a simplified short-term lease or low-value asset lease.

After the commencement date of the lease term, the Company uses the cost model for subsequent measurement of right-of-use assets. The Company depreciates the right-of-use assets in accordance with relevant depreciation provisions of the *Accounting Standards for Business Enterprises No. 4 - Fixed Assets*. If the lessee can reasonably ascertain that the ownership of the leasehold property will be obtained at the end of the lease term, it shall depreciate the leasehold property over its remaining service life. If it is not reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, it shall depreciate the leased asset(s) over the lease term or the remaining service life, whichever is shorter. The Company will determine the impairment of the right-of-use assets and conduct accounting treatment of the impairment losses already identified in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*.

The Company calculates the interest expenses of the lease obligations during each period of the lease term at a fixed periodic interest rate, and includes them in profit or loss for the current period. Where the *Accounting Standards for Business Enterprises No. 17 - Borrowing Costs* and other standards provide that such interest expenses shall be included in the cost of related assets, such provisions shall be observed.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases and low-value asset leases. In each period within the lease term, the relevant lease payments for short-term leases and low-value asset leases are included in cost of the related assets or profit or loss for the current period on a straight-line basis.

#### 2. Lessor

##### (1) Financial Lease

The Company shall, when as the lessor, on the commencement date of the lease term, recognize the finance lease receivables for the finance lease and derecognize the leased asset(s) of the finance lease. The Group shall also calculate and confirm the interest income at a fixed periodic interest rate in each period in the lease term.

##### (2) Operating Lease

In the case of the Company is the lessor, it recognizes the receipts of the operating lease incurred during each period of the lease term as rentals by the straight-line method. The Company capitalizes the initial direct costs related to the operating lease upon incurrence thereof and, within the lease term, apportions and includes such costs in the current profit or loss on the basis same as the recognition of rentals.

For the fixed assets in the assets under operating lease, the Company shall adopt the depreciation policy of similar assets to calculate and distill depreciation. For other assets under operating lease, the Company shall amortize them in a systematic and reasonable manner in accordance with the accounting standards for enterprises applicable to the assets. The Company will determine the impairment of assets under operating lease and conduct accounting treatment in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*.

## **(2) Accounting Treatments of Financial Lease**

The Company shall, when as the lessor, on the commencement date of the lease term, recognize the finance lease receivables for the finance lease and derecognize the leased asset(s) of the finance lease. The Company shall also calculate and confirm the interest income at a fixed periodic interest rate in each period in the lease term.

## **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:

the compose part could cause revenues and expenses in the daily activities;

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 Leases since 2021**

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 2020	1 January 2021	Adjustment
Current assets:			
Monetary assets	4,206,266,629.32	4,206,266,629.32	
Settlement reserve			
Interbank loans granted			
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	187,697,631.47	187,697,631.47	
Accounts receivable financing			
Prepayments	50,543,422.85	50,543,422.85	
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables	789,050,350.51	789,050,350.51	
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	5,312,489,258.20	5,312,489,258.20	

Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets	48,991,965.92	48,991,965.92	
Total current assets	10,595,039,258.27	10,595,039,258.27	
Non-current assets:			
Loans and advances to customers			
Investments in debt obligations			
Investments in other debt obligations			
Long-term receivables			
Long-term equity investments	45,710,220.79	45,710,220.79	
Investments in other equity instruments	1,044,905.12	1,044,905.12	
Other non-current financial assets			
Investment property	484,738,506.83	484,738,506.83	
Fixed assets	116,233,936.04	116,233,936.04	
Construction in progress			
Productive living assets			
Oil and gas assets			
Right-of-use assets		14,992,421.49	14,992,421.49
Intangible assets	482,049.51	482,049.51	
Development costs			
Goodwill			
Long-term prepaid expense	11,862,716.14	11,862,716.14	
Deferred income tax assets	950,681,245.50	950,681,245.50	
Other non-current assets	1,564,074.34	1,564,074.34	
Total non-current assets	1,612,317,654.27	1,627,310,075.76	14,992,421.49
Total assets	12,207,356,912.54	12,222,349,334.03	14,992,421.49
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	468,269,685.65	468,269,685.65	
Advances from customers	473,274.48	473,274.48	
Contract liabilities	666,893,629.72	666,893,629.72	
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	177,190,197.36	177,190,197.36	
Taxes payable	2,487,212,979.37	2,487,212,979.37	
Other payables	847,142,613.09	847,142,613.09	
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	36,722,824.88	36,722,824.88	
Other current liabilities	43,354,691.51	43,354,691.51	
Total current liabilities	4,727,259,896.06	4,727,259,896.06	

Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	3,587,800,000.00	3,587,800,000.00	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		14,992,421.49	14,992,421.49
Long-term payables			
Long-term employee benefits payable			
Provisions	2,396,947.00	2,396,947.00	
Deferred income			
Deferred income tax liabilities	262.20	262.20	
Other non-current liabilities	108,778,327.45	108,778,327.45	
Total non-current liabilities	3,698,975,536.65	3,713,967,958.14	14,992,421.49
Total liabilities	8,426,235,432.71	8,441,227,854.20	14,992,421.49
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	-6,749,589.41	-6,749,589.41	
Specific reserve			
Surplus reserves	19,205,979.63	19,205,979.63	
General reserve			
Retained earnings	3,038,993,912.43	3,038,993,912.43	
Total equity attributable to owners of the Company as the parent	3,727,917,440.03	3,727,917,440.03	
Non-controlling interests	53,204,039.80	53,204,039.80	



Total owners' equity	3,781,121,479.83	3,781,121,479.83	
Total liabilities and owners' equity	12,207,356,912.54	12,222,349,334.03	14,992,421.49

## Notes to the adjustments

The Company has implemented the new IFRS 16 Leases since 1 January 2021, and according to the accumulated number of impacts based on the execution of the new lease standard, the Company will adjust the amount of relevant items in the financial statements at the beginning of the first year of execution, and will not adjust information for comparable periods. For operational leasing prior to the date of initial adoption, the Company will measure the lease liabilities according to the present value discounted at the incremental borrowing rate on the date of initial adoption based on the remaining lease payments, and make necessary adjustments to the right-of-use assets at an amount equal to the lease liabilities.

## Balance sheet of the Company as the parent

Unit: RMB

Item	31 December 2020	1 January 2021	Adjustment
Current assets:			
Monetary assets	3,216,703,036.69	3,216,703,036.69	
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	2,624,500.42	2,624,500.42	
Accounts receivable financing			
Prepayments			
Other receivables	145,325,697.20	145,325,697.20	
Including: Interest receivable			
Dividends receivable			
Inventories	653,885,107.24	653,885,107.24	
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets	496,729.09	496,729.09	
Total current assets	4,019,035,070.64	4,019,035,070.64	
Non-current assets:			

Investments in debt obligations			
Investments in other debt obligations			
Long-term receivables			
Long-term equity investments	1,071,176,101.18	1,071,176,101.18	
Investments in other equity instruments	1,275,405.12	1,275,405.12	
Other non-current financial assets			
Investment property	303,827,356.62	303,827,356.62	
Fixed assets	51,091,963.72	51,091,963.72	
Construction in progress			
Productive living assets			
Oil and gas assets			
Right-of-use assets		727,535.23	727,535.23
Intangible assets			
Development costs			
Goodwill			
Long-term prepaid expense	432,440.01	432,440.01	
Deferred income tax assets	252,331,518.26	252,331,518.26	
Other non-current assets	1,197,407,234.55	1,197,407,234.55	
Total non-current assets	2,877,542,019.46	2,878,269,554.69	727,535.23
Total assets	6,896,577,090.10	6,897,304,625.33	727,535.23
Current liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	55,887,947.36	55,887,947.36	
Advances from customers			

Contract liabilities			
Employee benefits payable	50,710,148.02	50,710,148.02	
Taxes payable	3,736,082.67	3,736,082.67	
Other payables	3,971,988,862.11	3,971,988,862.11	
Including: Interest payable			
Dividends payable	29,642.40	29,642.40	
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities	31,573,154.86	31,573,154.86	
Other current liabilities			
Total current liabilities	4,113,896,195.02	4,113,896,195.02	
Non-current liabilities:			
Long-term borrowings	588,200,000.00	588,200,000.00	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		727,535.23	727,535.23
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	628,200,000.00	628,927,535.23	727,535.23
Total liabilities	4,742,096,195.02	4,742,823,730.25	727,535.23
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	-2,545,451.19	-2,545,451.19	
Specific reserve			
Surplus reserves	19,205,979.63	19,205,979.63	
Retained earnings	1,487,964,894.53	1,487,964,894.53	
Total owners' equity	2,154,480,895.08	2,154,480,895.08	
Total liabilities and owners' equity	6,896,577,090.10	6,897,304,625.33	727,535.23

#### Notes to the adjustments

The Company has implemented the new IFRS 16 Leases since 1 January 2021, and according to the accumulated number of impacts based on the execution of the new lease standard, the Company will adjust the amount of relevant items in the financial statements at the beginning of the first year of execution, and will not adjust information for comparable periods. For operational leasing prior to the date of initial adoption, the Company will measure the lease liabilities according to the present value discounted at the incremental borrowing rate on the date of initial adoption based on the remaining lease payments, and make necessary adjustments to the right-of-use assets at an amount equal to the lease liabilities.

#### (4) Retroactive Adjustments to Comparative Data of Prior Years when First Execution of any New Standards Governing Leases since 2021

Applicable  Not applicable

#### 45. Other

In the Note of the financial statements, the data of the period-beginning refers to the financial statement data on 1 January 2021; the data of the period-end refers to the financial statement data on 30 June 2021; the Reporting Period refers to the H1 2021; the same period of last year refers to the H1 2020. 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%, 5%, 1% separately according to the regional level
Enterprise income tax	Taxable income	25%、20%、15%、16.5% [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	30%-60%
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	1.2%、12%
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 Management Co., Ltd.	15%
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 Vietnam	20%
Subsidiaries registered in Hong Kong area	16.50%
Other taxpaying bodies within the consolidated scope	25%

## 2. Tax Preference

[Note 2]: According to the regulations of No. 2, Property Service of No. 37, Commercial Service among the encouraging category of

the Guidance Catalogue of Industry Structure 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	123,973.10	96,389.26
Bank deposits	4,957,558,330.37	4,193,301,592.08
Other monetary assets	13,361,971.72	12,868,647.98
Total	4,971,044,275.19	4,206,266,629.32
Of which: the total amount deposited overseas	50,557,748.04	51,323,986.36
The total amount with restricted right of use for mortgage, pledge or freeze	17,754,631.22	38,111,717.09

Other notes

The RMB 13,361,971.72 other monetary assets mainly include RMB 1,148,647.30 guarantee deposit, RMB 11,613,310.06 cash deposits for L/G and RMB 11,031.58 bank frozen assets; The RMB 4,957,558,330.37 bank deposits include RMB 4,937,087.93 accrued interest on time deposits at Period-end. The above amount is not regarded as cash and cash equivalents due to 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
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Other notes:

## 4. Notes Receivable

### (1) Notes Receivable Listed by Category

Unit: RMB

Item	Ending balance	Beginning balance
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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
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	Carrying amount	Bad debt provision	Withdrawal proportion
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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
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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 proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with single bad debt provision accrued	105,268,927.20	27.52%	105,268,927.20	100.00%		105,273,564.00	34.37%	105,273,564.00	100.00%	
Of which:										
Accounts receivable with bad debt provision withdrawn according to groups	277,298,014.78	72.48%	17,395,014.80	6.00%	259,902,999.98	201,040,006.98	65.63%	13,342,375.51	6.64%	187,697,631.47
Of which:										
Total	382,566,941.98	100.00%	122,663,942.00	32.00%	259,902,999.98	306,313,570.98	100.00%	118,615,939.51	39.00%	187,697,631.47

Bad debt provision separately accrued:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason
Shenzhen Jiyong Properties &	93,811,328.05	93,811,328.05	100.00%	Involved in the lawsuit and no executable

Resources Development Company				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	5,802,753.31	5,802,753.31	100.00%	
<b>Total</b>	<b>105,268,927.20</b>	<b>105,268,927.20</b>	<b>--</b>	<b>--</b>

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
Within 1 year	241,978,667.33	7,259,360.02	3.00%
1 to 2 years	22,307,419.50	2,230,741.95	10.00%
2 to 3 years	4,005,077.27	1,201,523.18	30.00%
3 to 4 years	4,051,500.30	2,025,750.15	50.00%
4 to 5 years	1,388,554.43	1,110,843.54	80.00%
Over 5 years	3,566,795.96	3,566,795.96	100.00%
<b>Total</b>	<b>277,298,014.79</b>	<b>17,395,014.80</b>	<b>--</b>

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	Carrying amount
Within 1 year (including 1 year)	241,978,667.33
1 to 2 years	22,307,419.50
2 to 3 years	4,005,077.27
Over 3 years	114,275,777.88
3 to 4 years	4,051,500.30
4 to 5 years	1,388,554.43
Over 5 years	108,835,723.15
Total	382,566,941.98

## (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	
Bad debt provision separately accrued	105,273,564.00		4,636.80			105,268,927.20
Bad debt provision withdrawn according to groups	13,342,375.51	4,052,639.29				17,395,014.80
Total	118,615,939.51	4,052,639.29	4,636.80			122,663,942.00

Of which, bad debt provision collected or reversed 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

Of which, verification of significant accounts receivable:

Unit: RMB

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related-party transactions
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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 the entity	Ending balance of accounts receivable	% of total ending balance of accounts receivable	Ending balance of bad debt provision
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	24.52%	93,811,328.05
Shenzhen Bay Technology Development Co., Ltd.	91,137,483.07	23.82%	2,734,124.49
Shenzhen Toutiao Technology Co., Ltd.	10,985,418.37	2.87%	329,562.55
Ali Future Hotel Management (Zhejiang) Co., Ltd.	6,983,019.15	1.83%	209,490.57
Shenzhen Meiya Industry Development Co., Ltd.	2,645,673.28	0.69%	79,370.20
<b>Total</b>	<b>205,562,921.92</b>	<b>53.73%</b>	

**(5) Accounts Receivable Derecognized 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
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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. Prepayment

### (1) List by Aging Analysis

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	30,531,873.80	40.02%	28,553,066.87	55.83%
1 to 2 years	24,815,955.14	32.53%	1,208,311.68	2.36%
2 to 3 years	990,792.73	1.30%	769,153.00	1.50%
Over 3 years	19,950,444.99	26.15%	20,012,891.30	40.30%
Total	76,289,066.66	--	50,543,422.85	--

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

The prepayment aging over one 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 Prepayment Collected according to the Prepayment Target

Name of the entity	Carrying amount	As % of the total ending balance of the prepayments (%)
Shenzhen Qianhai Advanced Information Service Co., Ltd.	36,850,000.00	48.30%
Financial Committee of Shenzhen	19,509,471.00	25.57%
Tax Bureau of Tongshan District in Xuzhou	481,628.41	0.63%
Shenzhen Lipu Construction Industry Co., Ltd.	456,602.87	0.60%
Chongqing Electric Power Corporation	424,155.99	0.56%
<b>Subtotal</b>	<b>57,721,858.27</b>	<b>75.66%</b>

Other notes:

## 8. Other Receivables

Unit: RMB

Item	Ending balance	Beginning balance
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Other Receivables	803,760,748.21	789,050,350.51
Total	803,760,748.21	789,050,350.51

**(1) Interest Receivable****1) Category of Interest Receivable**

Unit: RMB

Item	Ending balance	Beginning balance
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**2) Significant Overdue Interest**

Unit: RMB

Entity	Ending balance	Overdue time	Overdue reason	Whether occurred impairment and the judgment basis
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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
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**2) Significant Dividends Receivable Aged over 1 Year**

Unit: RMB

Item (or investees)	Ending balance	Aging	Reason	Whether occurred impairment and the judgment basis
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**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	9,362,541.31	10,259,805.89
Cash deposit	52,177,688.46	45,948,194.30
Petty cash	4,622,314.10	595,148.50
Payments on behalf	5,371,750.53	8,381,989.28
External intercourse funds	775,178,639.44	763,481,109.87
Other	13,051,446.27	13,537,736.74
<b>Total</b>	<b>859,764,380.11</b>	<b>842,203,984.58</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 2021	25,178,102.14	0.00	27,975,531.93	53,153,634.07
Balance of 1 January 2021 in the Reporting Period	—	—	—	—
Withdrawal of the Reporting Period	2,791,617.83		58,380.00	2,849,997.83
Balance of 30 June 2021	27,969,719.97		28,033,911.93	56,003,631.90

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

 Applicable  Not applicable

Disclosed by aging

Unit: RMB

Aging	Carrying amount
Within 1 year (including 1 year)	26,159,741.13
1 to 2 years	45,415,188.00
2 to 3 years	735,972,999.68

Over 3 years	52,216,451.30
3 to 4 years	2,755,109.56
4 to 5 years	745,281.19
Over 5 years	48,716,060.55
Total	859,764,380.11

### 3) 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	
Bad debt provision separately accrued	27,975,531.93	58,380.00				28,033,911.93
Withdrawal of bad debt provision by groups	25,178,102.14	2,791,617.83				27,969,719.97
Total	53,153,634.07	2,849,997.83				56,003,631.90

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

Unit: RMB

Name of the entity	Reversed or collected amount	Method

### 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.	External intercourse funds	401,499,990.18	2-3 年	46.70%	0.00
Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.	External intercourse funds	330,472,932.33	2-3 年	38.44%	0.00
Shenzhen Bangling Stock Cooperative Company	External intercourse funds	30,000,000.00	1-2 年	3.49%	3,000,000.00
Affordable Housing Development Center of Tongshan District in Xu Zhou	Regulatory capital for presale of commercial buildings	11,145,688.46	1-2 年	1.30%	1,114,568.85
Shenzhen Tianjun Industrial Co., Ltd.	Cooperation deposit	10,000,000.00	1 年以内	1.16%	300,000.00
Total	--	783,118,610.97	--	91.09%	4,414,568.85

**6) Accounts Receivable Involving Government Subsidies**

Unit: RMB

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

Classification by nature:

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Falling price reserves of inventory or depreciation reserves of contract performance cost	Carrying value	Carrying amount	Falling price reserves of inventory or depreciation reserves of contract performance cost	Carrying value
R&D expenses	5,086,835,457.58	6,648,404.13	5,080,187,053.45	4,867,562,388.16	6,648,404.13	4,860,913,984.03
Developing properties	208,698,204.31		208,698,204.31	450,832,522.28		450,832,522.28
Raw materials	1,112,035.28	470,418.84	641,616.44	1,169,494.26	535,302.89	634,191.37
Inventory goods	2,140,743.72	2,094,300.39	46,443.33	2,141,714.37	2,094,300.39	47,413.98
Low-value consumption goods	54,783.38		54,783.38	61,146.54		61,146.54
Total	5,298,841,224.27	9,213,123.36	5,289,628,100.91	5,321,767,265.61	9,278,007.41	5,312,489,258.20

Disclose main items of "R&D expenses" 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 developing properties for this	Other decrease for this period	Increase (R&D expenses) for this period	Ending balance	Accumulative amount of capitalized interest	Of which: amount of capitalized interest	Capital resources
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					period				s	s for this period	
Guanlan Bangling Project			6,941,500,000.00	3,570,499,129.09			143,458,187.95	3,713,957,317.04	56,314,334.42	56,314,334.42	Bank loan
SZPRD-Banshan Yujing Phase II	15 March 2019	30 September 2021	235,810,000.00	168,815,335.19		113,040.00	22,881,738.66	191,584,033.85			Other
SZPRD-Golden Collar's Resort-Building A	1 March 2014	31 December 2021	357,000,000.00	245,596,393.07			29,953,149.27	275,549,542.34	1,059,684.29		Other
SZPRD-Fuchang Garden Phase II	1 December 2018	31 December 2022	801,090,000.00	608,580,860.21			19,110,354.67	627,691,214.88			Other
Yupinluanshan Garden				226,613,926.24			1,799,726.84	228,413,653.08			Other
Hainan Qionghan Land				6,648,404.13				6,648,404.13			Other
Shenhui Garden				37,002,030.89				37,002,030.89			Other
Fuyuan tai Project				1,143,184.20			1,220,687.88	2,363,872.08			Other
Other				2,663,1			962,26	3,625,3			Other

projects				25.14			4.15	89.29			
Total	--	--	8,335,400,000.00	4,867,562,388.16		113,040.00	219,386,109.42	5,086,835,457.58	57,374,018.71	56,314,334.42	--

Disclose main items of “Developing properties” 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-Langqiao International	1 December 2012	3,384,362.24			3,384,362.24		
SZPRD-Hupan Yujing Phase I	1 June 2015	58,947,050.77		678,293.62	58,268,757.15	10,446,911.43	
SZPRD-Banshan Yujing Phase I	1 November 2016	18,784,966.55	113,040.00	18,898,006.55		27,205,315.95	
SZPRD-Songhu Langyuan	1 July 2017	25,150,175.95		305,308.44	24,844,867.51	30,539,392.65	
SZPRD-Hupan Yujing Phase II	1 November 2017	80,210,044.87		2,862,301.71	77,347,743.16		
SZPRD-Golden Collar's Resort-Building B and Building C	1 December 2019	254,824,025.85		218,487,178.75	36,336,847.10	25,325,952.00	
International Trade Center	1 December 1995	4,839,083.10			4,839,083.10		

Plaza							
Huangyu yuan A Area	1 June 2001	790,140.58			790,140.58		
Podium Building of Fuchang Building	1 Novembe r 1999	645,532.65			645,532.65		
Other projects		3,257,139.7 2		1,016,268.90	2,240,870.82	83,077,702.96	
Total	--	450,832,522 .28	113,040.00	242,247,357. 97	208,698,204.31	176,595,274.99	

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

Unit: RMB

Name of project	Beginning balance	Increase	Decrease	Ending balance
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## (2) Falling Price Reserves of Inventory and Depreciation Reserves of Contract Performance Cost

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

Classification by nature:

Unit: RMB

Item	Beginning balance	Increase		Decrease		Ending balance	Note
		Withdrawn	Other	Reversal or write-off	Other		
R&D expenses	6,648,40 4.13					6,648,404.13	
Raw materials	535,302. 89			64,884.05		470,418.84	
Inventory goods	2,094,30 0.39					2,094,300.39	
Total	9,278,00 7.41			64,884.05		9,213,123.36	--

Classified by nature:

Unit: RMB

Name of project	Beginning	Increase		Decrease		Ending balance	Note
		Withdrawn	Other	Reversal or	Other		

	balance			write-off			
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**(3) Notes to the Ending Balance of Inventories Including Capitalized Borrowing Expense**

Name of project	Period-begin	Reporting Period	Carry-over in Reporting Period	Period-end
SZPRD-Langqiao International	2,971,986.54			2,971,986.54
SZPRD-Hupan Yujing Phase I	1,422,628.90		57,170.89	1,365,458.01
SZPRD-Golden Collar's Resort	12,740,265.51	-	4,495,689.79	8,244,575.72
Guanlan Bangling project		56,314,334.42		56,314,334.42
<b>Subtotal</b>	17,134,880.95	56,314,334.42	4,552,860.68	68,896,354.69

**(4) Inventory restrictions**

Disclosing restricted inventory 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	Depreciation reserves	Carrying value	Carrying amount	Depreciation 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	Withdrawal of the Reporting Period	Reversal of the Reporting Period	Write-off/verified	Reason

Other notes:

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

Unit: RMB

Item	Ending carrying amount	Depreciation reserves	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
Prepaid VAT	16,030,350.44	7,467,152.90
Deducted input tax	13,079,133.12	11,705,028.57
Prepaid land VAT	15,872,072.37	28,960,506.43
Prepaid urban construction tax	1,122,124.53	501,245.53
Prepaid education surcharge	801,517.52	358,032.49
<b>Total</b>	<b>46,905,197.98</b>	<b>48,991,965.92</b>

Other notes:

**14. Investments in debt obligations**

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	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 2021 in the Reporting Period	—	—	—	—

Changes of carrying amount with significant amount changed of loss provision 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
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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	Expected loss in the	Expected loss in the	



	loss of the next 12 months	duration (credit impairment not occurred)	duration (credit impairment occurred)	
Balance of 1 January 2021 in the Reporting Period	—	—	—	—

Changes of carrying amount with significant amount changed of loss provision 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 2021 in the Reporting Period	—	—	—	—

Changes of carrying amount with significant amount changed of loss provision 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 Investment

Unit: RMB

Investees	Beginning	Increase/decrease								Ending balance	Ending balance
		Addition	Reduced	Gains	Adjust	Change	Cash	Withdr	Other		

	balance (carryin g value)	al investme nt	investme nt	and losses recogni zed under the equity method	ment of other compre hensive income	s of other equity	bonus or profits announ ced to issue	awal of depreci ation reserve s		(carryin g value)	of depreci ation reserve s
<b>I. Joint ventures</b>											
Shenzh en Real Estate Jifa Wareho using Co., Ltd.	39,053, 923.92			3,139,7 33.17						42,193, 657.09	
Shenzh en Tian'an Internat ional Mansio n Propert y Admini stration Co., Ltd.	6,656,2 96.87			78,750. 00						6,735,0 46.87	
Subtota l	45,710, 220.79			3,218,4 83.17						48,928, 703.96	
<b>II. Associated enterprises</b>											
Shenzh en Wufang Pottery & Porcela in Industri al Co.,	18,983, 614.14									18,983, 614.14	18,983, 614.14

Ltd.											
Shenzh en Kangfu Health Product s Co., Ltd.	165,00 0.00									165,00 0.00	165,00 0.00
Shenzh en Xingha o Imitatio n Porcela in Co., Ltd.	756,67 0.68									756,67 0.68	756,67 0.68
Shenzh en Social Welfare Compa ny Fuda Electro nics Factory	326,69 3.24									326,69 3.24	326,69 3.24
Shenzh en Fulong Industr y Develo pment Co. , Ltd.	1,684,3 50.00									1,684,3 50.00	1,684,3 50.00
Haonia nhua Hotel	2,733,5 70.05									2,733,5 70.05	2,733,5 70.05
Shenzh en Educati	500,00 0.00									500,00 0.00	500,00 0.00

on Fund Longhu a Investm ent											
Shenzh en Kangle Sports Club Huangf a Branch	540,06 0.00									540,06 0.00	540,06 0.00
Danken g Village Plants of Fumin in Guanla n Town, Shenzh en City	1,168,9 73.20									1,168,9 73.20	1,168,9 73.20
Shenzh en Bull Entertai nment Co., Ltd.	500,00 0.00									500,00 0.00	500,00 0.00
Shenzh en Lianhu a Caitian Propert y Manage ment Co., Ltd.	1,475,4 65.91									1,475,4 65.91	1,475,4 65.91

Shenzhen Yangyuan Industrial Co., Ltd.	1,030,000.00									1,030,000.00	1,030,000.00
Jiakaifeng Co., Ltd. Bao'an Company	600,000.00									600,000.00	600,000.00
Guiyuan Garage	350,000.00									350,000.00	350,000.00
Shenzhen Wuweiben Roof Greening Co., Ltd.	500,000.00									500,000.00	500,000.00
Shenzhen Yuanping Plastic Steel Doors Co., Ltd.	240,000.00									240,000.00	240,000.00
Shenzhen Youfang Printing Co., Ltd.	100,000.00									100,000.00	100,000.00
Shenzhen Lusheng	100,000.00									100,000.00	100,000.00

Industrial Development Co., Ltd.											
Subtotal	31,754,397.22									31,754,397.22	31,754,397.22
Total	77,464,618.01			3,218,483.17						80,683,101.18	31,754,397.22

Other notes

**18. Other equity instrument investment**

Unit: RMB

Item	Ending balance	Beginning balance
Gintian Industry (Group) Co., Ltd.	773,704.00	1,044,905.12
Total	773,704.00	1,044,905.12

Non-trading equity instrument investment in the Reporting Period disclosed by items

Unit: RMB

Name of project	Dividend income recognized	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure in fair value of which changes included other comprehensive income	Reason for other comprehensive income transferred to retained earnings
Gintian Industry (Group) Co., Ltd.			2,816,652.31		Not aiming at gaining earnings by selling equity	

Other notes:

**19. Other non-current financial assets**

Unit: RMB

Item	Ending balance	Beginning balance
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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	806,486,705.38	30,262,437.05	33,319,759.75	870,068,902.18
2. Increased amount of the period			4,025,081.41	4,025,081.41
(1) Outsourcing			4,025,081.41	4,025,081.41
(2) Transfer from inventories/fixed assets/construction in progress				
(3) Enterprise combination increase				
3. Decreased amount of the period			8,783,828.36	8,783,828.36
(1) Disposal			1,525,917.94	1,525,917.94
(2) Other transfer			7,136,107.37	7,136,107.37
(3) Exchange adjustment				
4. Ending balance	806,486,705.38	30,262,437.05	28,561,012.80	865,310,155.23
II. Accumulative depreciation and accumulative amortization				
1. Beginning balance	362,944,868.15	15,342,910.07	7,042,617.13	385,330,395.35
2. Increased amount of the period	13,855,349.30	527,538.78	3,956,426.82	18,339,314.90
(1) Withdrawal or amortization	13,855,349.30	527,538.78	3,956,426.82	18,339,314.90
3. Decreased amount			5,363,887.20	5,363,887.20

of the period				
(1) Disposal			50,705.46	50,705.46
(2) Other transfer			5,197,468.84	5,197,468.84
(3) Exchange adjustment			115,712.90	115,712.90
4. Ending balance	376,800,217.45	15,870,448.85	5,635,156.75	398,305,823.05
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	429,686,487.93	14,391,988.20	22,925,856.05	467,004,332.18
2. Beginning carrying value	443,541,837.23	14,919,526.98	26,277,142.62	484,738,506.83

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

Applicable  Not applicable

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

Investment properties measured in fair value by project disclosure:

Unit: RMB

Name of project	Geographic location	Date of completion	Building area	Lease income during this Reporting	Beginning fair value	Ending fair value	Range of fair value changes	Reason for fair value changes and report index
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				Period				
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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	8,697,781.98	Replaced from the construction of Xiamen-Shenzhen Railway, and hasn't exchanged for the new certification
Meilin land	0.00	Obtained after the success in the last instance in 2017, relevant certifications of property are in the procedure [note 1]
507 units, Block No. 6, Maguling	25,953.71	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

[Note 1] As of 30 June 2021, with regard to the Meilin land, the gross amount was RMB3,885,469.40, the cumulative depreciation was RMB3,885,469.40, and the carrying amount was RMB0.

## 21. Fixed assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	108,878,082.57	116,233,936.04
Total	108,878,082.57	116,233,936.04

### (1) List of Fixed Assets

Unit: RMB

Item	Houses and buildings	Machinery equipment	Transportation	Decoration of the fixed assets	Other equipment	Total
I. Original carrying value						
1. Beginning	160,927,555.25	4,933,197.00	14,976,483.00	34,061,422.86	42,530,271.18	257,428,929.29

balance						
2. Increased amount of the period		7,155.97	853,977.39		1,968,926.86	2,830,060.22
(1) Purchase		7,155.97	853,977.39		1,968,926.86	2,830,060.22
(2) Transfer from construction in progress						
(3) Enterprise combination increase						
3. Decreased amount of the period			1,179,844.00	1,324,421.51	273,532.29	2,777,797.80
(1) Disposal or scrap			1,179,844.00		205,231.46	1,385,075.46
(2) Exchange adjustment					68,300.83	68,300.83
				1,324,421.51		1,324,421.51
4. Ending balance	160,927,555.25	4,940,352.97	14,650,616.39	32,737,001.35	44,225,665.75	257,481,191.71
II. Accumulative depreciation						
1. Beginning balance	105,061,072.73	219,685.18	10,040,163.20	4,963,933.66	20,834,421.32	141,119,276.09
2. Increased amount of the period	2,155,942.92	237,030.36	670,932.11	3,273,700.80	2,794,585.87	9,132,192.06
(1) Withdrawal	2,155,942.92	237,030.36	670,932.11	3,273,700.80	2,794,585.87	9,132,192.06
3. Decreased amount of the period			1,143,119.00	331,105.98	249,851.19	1,724,076.17
(1) Disposal or scrap			1,143,119.00	331,105.98	187,697.43	1,330,816.43
(2) Exchange					62,153.76	62,153.76

adjustment						
4. Ending balance	107,217,015.65	456,715.54	9,567,976.31	7,906,528.48	23,379,156.00	148,527,391.98
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	53,710,539.60	4,483,637.43	5,082,640.08	24,830,472.87	20,770,792.59	108,878,082.57
2. Beginning carrying value	55,866,482.52	4,713,511.82	4,936,319.80	29,097,489.20	21,620,132.70	116,233,936.04

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

Unit: RMB

Item	Original carrying value	Accumulative depreciation	Depreciation reserves	Carrying value	Note
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**(3) Fixed Assets Leased out by Operation Lease**

Unit: RMB

Item	Ending carrying value
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**(4) Fixed Assets Failed to Accomplish Certification of Property**

Unit: RMB

Item	Carrying value	Reason
Room 406, 2 units, Hulunbuir Guangxia Digital Building	2,658,678.10	Property right disputes before, now has won a lawsuit with unaccomplished certification of property.
Room 401, 402, Sanxiang Business Building Office Building	768,325.04	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

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

Unit: RMB

Item	Ending balance	Beginning balance
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Other notes

**22. Construction in progress**

Unit: RMB

Item	Ending balance	Beginning balance
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**(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

Name of project	Budget	Beginning balance	Increase	Transferred in	Other decrease for	Ending balance	Proportion of accum	Job schedule	Accumulative amount	Of which: Amou	Capitalization rate of	Capital resources
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		e		fixed assets	this period		ulated invest ment in constr uctions to budget		t of capital ized interes ts	nt of capital ized interes ts for the Report ing Period	interes ts for the Report ing Period	
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### (3) List of the Withdrawal of the Depreciation Reserves for Construction in Progress

Unit: RMB

Item	Amount withdrawn	Reason for withdrawal
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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	Houses and buildings	Total
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1. Beginning balance	14,992,421.49	14,992,421.49
4. Ending balance	14,992,421.49	14,992,421.49
2. Increased amount of the period	2,234,883.36	2,234,883.36
(1) Withdrawal	2,234,883.36	2,234,883.36
4. Ending balance	2,234,883.36	2,234,883.36
1. Ending carrying value	12,757,538.12	12,757,538.12
2. Beginning carrying value	14,992,421.49	14,992,421.49

Other notes:

## 26. Intangible Assets

### (1) List of Intangible Assets

Unit: RMB

Item	Land use right	Patent right	Non-patent technology	Software use right	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 R&D					
(3) Enterprise 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				752,338.15	752,338.15

balance					
2. Increased amount of the period				109,157.94	109,157.94
(1) Withdrawal				109,157.94	109,157.94
3. Decreased amount of the period					
(1) Disposal					
4. Ending balance				861,496.09	861,496.09
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				372,891.57	372,891.57
2. Beginning carrying value				482,049.51	482,049.51

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

## (2) Land Use Right Failed to Accomplish Certification of Property

Unit: RMB

Item	Carrying value	Reason
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Other notes:

## 27. Development Costs

Unit: RMB

Item	Beginning balance	Increase			Decrease			Ending balance
		Internal development	Other		Recognized as intangible assets	Transfer to current gains and losses		
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 business 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
		Withdrawn		Disposal		
Total						

Information on the assets group or combination of assets groups which goodwill belongs to

Notes of the testing process of goodwill impairment, 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	Increase	Amortization amount of the period	Other decreased amount	Ending balance
Renovation costs	11,862,716.14	8,358,643.42	2,189,487.04		18,031,872.52
Total	11,862,716.14	8,358,643.42	2,189,487.04		18,031,872.52

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	159,561,501.79	38,148,368.00	152,217,586.91	36,392,566.23
Unrealized profit of internal transactions	78,108,204.86	19,527,051.16	28,484,507.52	7,121,126.86
Deductible losses	1,299,573,666.39	324,242,526.68	1,340,927,414.29	334,560,251.68
Accrued land VAT	2,708,258,608.51	677,064,652.12	1,979,350,706.70	494,837,676.67
Estimated profit calculated at pre-sale revenue of property enterprises	467,066,803.38	116,766,700.85	307,175,110.51	76,793,777.63
Advertising expenses	732,916.52	183,229.13	1,272,210.76	318,052.69
Other accrued expenses	2,177,598.37	314,903.23	4,548,732.57	657,793.74
Total	4,715,479,299.82	1,176,247,431.17	3,813,976,269.26	950,681,245.50

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

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
The carrying value of fixed assets was larger than the tax basis	1,048.80	262.20	1,048.80	262.20
Total	1,048.80	262.20	1,048.80	262.20

**(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		1,176,247,431.17		950,681,245.50
Deferred income tax liabilities		262.20		262.20

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

Unit: RMB

Item	Ending balance	Beginning balance
Deductible temporary difference		61,255,144.06
Deductible losses	216,487,018.16	201,769,872.08
Total	216,487,018.16	263,025,016.14

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

Unit: RMB

Years	Ending amount	Beginning amount	Note
Y2020			
Y2021			
Y2022	50,009,689.70	55,165,608.46	The deductible losses of 2017
Y2024	124,830,194.64	124,830,194.64	The deductible losses of 2019

Y2025	21,774,068.98	21,774,068.98	The deductible losses of 2020
Y2026	19,873,064.84		The deductible losses of 2021
Total	216,487,018.16	201,769,872.08	--

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	3,155,763.35		3,155,763.35	867,619.10		867,619.10
Other				696,455.24		696,455.24
Total	3,155,763.35		3,155,763.35	1,564,074.34		1,564,074.34

Other notes:

### 32. Short-term Borrowings

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

Unit: RMB

Item	Ending balance	Beginning balance
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Notes of short-term borrowings category:

#### (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

Entity	Ending balance	Interest rate	Overdue time	Overdue charge rate
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Other notes:

### 33. Trading Financial Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Of which:		

Of which:		
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Other notes:

### 34. Derivative Financial Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
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Other notes:

### 35. Notes Payable

Unit: RMB

Item	Ending balance	Beginning balance
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The total amount of notes payable due but unpaid was RMB XXX.

### 36. Accounts Payable

#### (1) List of Accounts Payable

Unit: RMB

Item	Ending balance	Beginning balance
Engineering construction expense payable	195,384,051.27	334,297,738.31
Accrued expenses	106,295,342.47	46,894,644.22
Other	63,905,015.39	87,077,303.12
<b>Total</b>	<b>365,584,409.13</b>	<b>468,269,685.65</b>

#### (2) Significant Accounts Payable Aged over 1 Year

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason
China Construction Fourth Engineering Division Corp., Ltd.	56,604,763.90	Unsettled
Shenzhen Planning Bureau of Land Resources	25,000,000.00	Historical problems
Shanghai Mingpeng Construction Group Co., Ltd.	5,976,705.79	Unsettled
Shenzhen Design Decoration Engineering Co., Ltd.	2,389,324.51	Unsettled

Jinchen Group Co.,Ltd.	1,940,067.98	Quality guarantee deposit for project
Total	91,910,862.18	--

Other notes:

### 37. Advances from Customers

#### (1) List of Advances from Customers

Unit: RMB

Item	Ending balance	Beginning balance
Rent	774,178.01	473,274.48
Total	774,178.01	473,274.48

#### (2) Significant Advances from Customers Aged over 1 Year

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason

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 proceeds information of top five advance sale amount:

Unit: RMB

S/N	Name of project	Beginning balance	Ending balance	Estimated date of completion	Advance sale proportion

### 38. Contract Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
House payment in advance	821,379,428.89	633,340,922.42
Property fee in advance	13,178,919.50	13,124,519.01
Other payment in advance	18,809,046.24	20,428,188.29
Total	853,367,394.63	666,893,629.72

Significant changes in amount of carrying value and the reason in the Reporting Period

Unit: RMB

Item	Amount changed	Reason
Golden Collar's Resort Building B/C	182,074,684.09	Net increase in pre-collected housing payments after deducting carry-over income

Banshan Yujing Phase I	-20,523,809.52	Meet the carryover income condition
Hupan Yujing Phase II	17,207,099.09	Net increase in pre-collected housing payments after deducting carry-over income
Total	178,757,973.66	——

### 39. Payroll Payable

#### (1) List of Payroll Payable

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
I. Short-term salary	175,382,038.91	314,226,010.00	340,253,887.24	149,354,161.67
II. Post-employment benefit-defined contribution plans	1,808,158.45	32,788,971.01	32,190,820.13	2,406,309.33
III. Termination benefits		418,411.40	418,411.40	
Total	177,190,197.36	347,433,392.41	372,863,118.77	151,760,471.00

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

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Salary, bonus, allowance, subsidy	160,923,367.59	275,539,585.61	300,139,266.36	136,323,686.84
2. Employee welfare	1,769,666.63	13,248,861.01	13,505,290.79	1,513,236.85
3. Social insurance	223,040.80	9,885,347.58	9,872,331.58	236,056.80
Of which: Medical insurance premiums	223,040.80	8,541,794.91	8,530,476.51	234,359.20
Work-related injury insurance		356,470.68	356,470.68	
Maternity insurance		445,181.11	443,483.51	1,697.60
4. Housing fund	509,510.97	9,565,906.97	9,634,205.97	441,211.97
5. Labor union budget and employee education budget	11,956,452.92	5,986,308.83	7,102,792.54	10,839,969.21
Total	175,382,038.91	314,226,010.00	340,253,887.24	149,354,161.67

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

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Basic pension benefits		28,126,710.25	28,006,278.31	120,431.94
2. Unemployment insurance		672,338.73	672,338.73	
3. Annuity	1,808,158.45	3,989,922.03	3,512,203.09	2,285,877.39
Total	1,808,158.45	32,788,971.01	32,190,820.13	2,406,309.33

Other notes:

**40. Taxes Payable**

Unit: RMB

Item	Ending balance	Beginning balance
VAT	17,435,173.60	47,751,975.47
Corporate income tax	258,424,851.25	448,111,036.28
Personal income tax	4,558,253.24	4,826,634.10
Urban maintenance and construction tax	1,129,080.01	3,165,158.73
Land VAT	2,708,394,207.00	1,979,388,881.01
Property tax	4,546,267.75	447,199.94
Land use tax	1,549,041.66	941,099.10
Education surcharge	518,996.60	1,372,723.27
Local education surcharge	341,128.17	918,545.34
Other	41,697.53	289,726.13
Total	2,996,938,696.81	2,487,212,979.37

Other notes:

**41. Other Payables**

Unit: RMB

Item	Ending balance	Beginning balance
Dividends payable	12,202,676.04	12,202,676.04
Other Payables	898,163,208.62	834,939,937.05
Total	910,365,884.66	847,142,613.09

**(1) Interest payable**

Unit: RMB

Item	Ending balance	Beginning balance
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List of the significant overdue unpaid interest:

Unit: RMB

Entity	Overdue amount	Overdue reason
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Other notes:

**(2) Dividends payable**

Unit: RMB

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

Other notes, including significant dividends payable unpaid for over 1 year, the unpaid reason shall be disclosed:

Item	Amount unpaid	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
Total	12,202,676.04	

**(3) Other Payables****1) Other Payables Listed by Nature**

Unit: RMB

Item	Ending balance	Beginning balance
Margin	252,654,782.18	236,714,842.73
Cash deposit	15,218,526.29	18,041,272.10
Collection on behalf	14,349,624.86	12,818,680.31



Intercourse fund	445,523,812.86	426,354,105.87
Accrued expenses	144,871,649.35	93,276,622.77
Payments on behalf	13,685,621.41	14,038,360.90
Other	11,859,191.67	33,696,052.37
<b>Total</b>	<b>898,163,208.62</b>	<b>834,939,937.05</b>

## 2) Significant Other Payables Aged over 1 Year

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason
Shenzhen Pason Aluminum Technology Co., Ltd.	198,352,106.44	Project cooperation funds, the project has not been completed
Shenzhen Real Estate Jifa Warehousing Co., Ltd.	38,796,665.14	Come-and-go accounts without specific payment term
Shenzhen Tian'an International Mansion Property Administration Co., Ltd.	5,214,345.90	Come-and-go accounts without specific payment term
Shenzhen Social Commonweal Foundation	3,323,202.00	Did not submit the payment application
Rainbow Co., Ltd.	2,380,000.00	Margin within the leasing period
<b>Total</b>	<b>248,066,319.48</b>	--

Other notes

## 42. Held-for-sale Liabilities

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

## 43. Current Portion of Non-current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Current portion of long-term borrowings	67,002,418.07	36,722,824.88
<b>Total</b>	<b>67,002,418.07</b>	<b>36,722,824.88</b>

Other notes:

## 44. Other Current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Taxes to be written off	53,141,477.75	43,354,691.51
<b>Total</b>	<b>53,141,477.75</b>	<b>43,354,691.51</b>

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
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Other notes:

## 45. Long-term Borrowings

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

Unit: RMB

Item	Ending balance	Beginning balance
Pledged borrowings	2,999,500,000.00	2,999,600,000.00
Mortgage loan	3,000,000.00	3,000,000.00
Credit borrowings	554,400,000.00	585,200,000.00
<b>Total</b>	<b>3,556,900,000.00</b>	<b>3,587,800,000.00</b>

Notes to the category of long-term borrowings:

Other notes, including the interval of interest rate:

The pledged 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 mortgage borrowings at the period-end were used for the daily operating activities of ShenZhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as the Company) with the duration from 27 November 2020 to 27 November 2023, applying a floating interest rate. The first-phase execution interest rate was 4.655%, and the pledge was the land use right of Fumin New Village in Futian District of the Company.

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 2025, 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
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**(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

**47. Lease Liabilities**

Unit: RMB

Item	Ending balance	Beginning balance
Long-term lease liabilities	13,025,535.53	14,992,421.49
Total	13,025,535.53	14,992,421.49

Other notes

**48. Long-term Payables**

Unit: RMB

Item	Ending balance	Beginning balance
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**(1) Long-term Payables Listed by Nature**

Unit: RMB

Item	Ending balance	Beginning balance
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Other notes:

**(2) Specific Payables**

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Reason for formation
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Other notes:

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

Unit: RMB

Item	Ending balance	Beginning balance
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**(2) Changes in Defined Benefit Plans**

Obligation present value of defined benefit plans:

Unit: RMB

Item	Reporting period	Same period of last year
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Plan assets:

Unit: RMB

Item	Reporting period	Same period of last year
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Net liabilities (net assets) of defined benefit plans:

Unit: RMB

Item	Reporting period	Same period of last year
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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:

**50. Provisions**

Unit: RMB

Item	Ending balance	Beginning balance	Reason for formation
Pending litigation	2,396,947.00	2,396,947.00	Cai Baolin's lawsuit on the residual value of decoration
Total	2,396,947.00	2,396,947.00	--

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
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
Other notes:								

**52. Other Non-current Liabilities**

Unit: RMB

Item	Ending balance	Beginning balance
Utility specific fund	237,163.63	490,603.18
Housing principle fund	16,381,903.25	16,825,921.62
House warming deposit	6,557,020.08	6,925,380.49
Electric Equipment Maintenance fund	4,019,415.44	4,019,415.44
Deputed maintenance fund	35,418,419.28	34,453,351.12
Follow-up investment of employees for Guanlan Bangling project	40,000,000.00	40,000,000.00
Other	5,091,701.45	6,063,655.60
Total	107,705,623.13	108,778,327.45

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:

**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
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Other notes, including changes and reason of change:

**57. Other Comprehensive Income**

Unit: RMB

Item	Beginning balance	Reporting Period						Ending balance
		Income before taxation in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period	Less: Recorded into other comprehensive income in prior period and transferred in retained earnings in the Current period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
I. Other comprehensive income that may not be reclassified to profit or loss	-2,545,45 1.19	-265,25 8.45				-265,25 8.45		-2,810, 709.64
Changes in fair value of other equity instrument investment\	-2,545,45 1.19	-265,25 8.45				-265,25 8.45		-2,810, 709.64
II. Other comprehensive income that may subsequently be reclassified to profit or loss	-4,204,13 8.22	-553,43 9.16				-553,43 9.16		-4,757, 577.38
Differences arising from translation of foreign currency denominated financial statements	-4,204,13 8.22	-553,43 9.16				-553,43 9.16		-4,757, 577.38
Total of other comprehensive income	-6,749,58 9.41	-818,69 7.61				-818,69 7.61		-7,568, 287.02

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
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Other notes, including changes and reason of change:

## 59. Surplus Reserves

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Statutory surplus reserves	19,205,979.63			19,205,979.63
Total	19,205,979.63			19,205,979.63

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	3,038,993,912.43	2,457,119,795.39
Beginning balance of retained earnings after adjustments	3,038,993,912.43	2,457,119,795.39
Add: Net profit attributable to owners of the Company as the parent	676,375,523.75	798,572,121.74
Less: Appropriate statutory surplus reserve		2,802,342.02
Dividend of ordinary shares payable	244,351,427.72	214,552,473.12
Other		-656,810.44
Ending retained earnings	3,471,018,008.46	3,038,993,912.43

List of adjustment of beginning retained earnings:

- 1) RMBXXX beginning retained earnings was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- 2) RMBXXX beginning retained earnings was affected by changes in accounting policies.
- 3) RMBXXX beginning retained earnings was affected by correction of significant accounting errors.
- 4) RMBXXX beginning retained earnings was affected by changes in combination scope arising from same control.
- 5) RMBXXX 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	2,497,241,031.93	745,670,023.16	1,388,266,376.69	596,935,670.85
Other operations	43,624,107.32	8,615,003.08	32,811,391.14	14,759,272.95
Total	2,540,865,139.25	754,285,026.24	1,421,077,767.83	611,694,943.80

Relevant information of revenue:

Unit: RMB

Category of contracts	Segment 1	Segment 2		Total
Of which:				



Real estate business	1,897,026,889.73			1,897,026,889.73
Leasing operation	102,026,517.70			102,026,517.70
Property management	541,811,731.82			541,811,731.82
Of which:				
Shenzhen	2,327,869,659.69			2,327,869,659.69
Others	212,995,479.56			212,995,479.56
Of which:				
Of which:				
Of which:				
Of which:				
Of which:				

Information related to performance obligations:

On 30 June 2021, the transaction price assigned to unfulfilled (or partially unfulfilled) performance obligations was estimated to RMB853 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 year 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 RMB853,367,394.63 at the period-end, among which RMB853,367,394.63 was expected to be recognized in 2021, RMBXXX in XXX year 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, C	1,849,123,912.29
2	Banshan Yujing Phase I	21,000,000.00
3	Hupan Yujing Phase II	9,404,349.57
4	Xinhua Town	3,669,619.99
5	Songhu Langyuan	947,032.39

## 62. Taxes and Surtaxes

Unit: RMB

Item	Reporting Period	Same period of last year
Urban maintenance and construction tax	8,573,235.69	4,909,118.92

Education Surcharge	3,679,377.59	2,190,590.78
Property tax	4,969,986.40	4,767,394.20
Land use tax	723,179.43	416,264.69
Stamp duty	1,234,895.15	349,634.68
Local education surtax	2,453,237.62	1,342,087.15
Land VAT	792,335,513.52	380,741,616.91
Other taxes	12,625.49	26,773.28
<b>Total</b>	<b>813,982,050.89</b>	<b>394,743,480.61</b>

Other notes:

### 63. Selling Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Agency fee	1,623,764.43	2,151,630.50
Consultancy and sales service charges	583,313.72	3,853,286.19
Promotion and advertising fee	4,348,607.25	914,173.18
Employee benefits	2,806,347.15	2,569,826.33
Other	1,055,184.02	2,055,143.99
<b>Total</b>	<b>10,417,216.57</b>	<b>11,544,060.19</b>

Other notes:

### 64. Administrative Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Employee benefits	72,212,753.03	63,277,704.59
Administrative office cost	6,146,316.18	4,730,219.94
Assets amortization and depreciation expense	7,692,453.61	5,064,453.12
Litigation costs	162,113.87	521,647.00
Other	18,700,886.92	14,838,979.70
<b>Total</b>	<b>104,914,523.61</b>	<b>88,433,004.35</b>

Other notes:

### 65. Development Expense

Unit: RMB

Item	Reporting Period	Same period of last year
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Other notes:

## 66. Finance Costs

Unit: RMB

Item	Reporting Period	Same period of last year
Interest expense	38,497,817.45	84,859,496.80
Less: Interest income	-38,205,027.20	-31,227,361.24
Foreign exchange gains or losses	39,617.59	100,514.83
Other	787,470.65	-286,332.01
<b>Total</b>	<b>1,119,878.49</b>	<b>53,446,318.38</b>

Other notes:

## 67. Other Income

Unit: RMB

Sources	Reporting Period	Same period of last year
Government grants related to income	226,082.01	82,514.69
Government grants related to assets		24,375.69
Commission charges return of deductible income tax	198,544.06	196,952.96
Additional deduction of VAT	1,979,065.73	2,618,150.17
<b>Total</b>	<b>2,403,691.80</b>	<b>2,921,993.51</b>

## 68. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	3,218,483.17	157,061.79
<b>Total</b>	<b>3,218,483.17</b>	<b>157,061.79</b>

Other notes:

## 69. Net Gain on Exposure Hedges

Unit: RMB

Item	Reporting Period	Same period of last year
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Other notes:

**70. Gain on Changes in Fair Value**

Unit: RMB

Sources	Reporting Period	Same period of last year
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Other notes:

**71. Credit Impairment Loss**

Unit: RMB

Item	Reporting Period	Same period of last year
Bad debt loss	-6,797,536.40	1,115,927.46
Total	-6,797,536.40	1,115,927.46

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	-33,715.66	1,832.91
Total	-33,715.66	1,832.91

Other notes:

**73. Asset Disposal Income**

Unit: RMB

Sources	Reporting Period	Same period of last year
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**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	
Confiscated income	1,071,282.94	313,043.22	1,071,282.94
Demolition compensation	7,293,820.40		7,293,820.40
Gains on damage and scrap of non-current assets	7,000.00	14,826.92	7,000.00
Other	1,500,368.85	327,567.57	1,500,368.85
Total	9,872,472.19	4,244,175.90	9,872,472.19

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

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	
Total loss from disposal of non-current assets	21,448.90		21,448.90
Litigation expenses	114,571.79		114,571.79
Penalty and fine for delaying payment	1,039,219.45	27,535.95	1,039,219.45
Other	765,028.41	341,951.75	765,028.41
Total	1,940,268.55	2,399,487.70	1,940,268.55

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	419,748,343.11	97,681,962.31
Deferred income tax expense	-225,504,829.05	-8,287,946.60
Total	194,243,514.06	89,394,015.71

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

Unit: RMB

Item	Reporting Period
Profit before taxation	862,869,570.00

Current income tax expense accounted at statutory/applicable tax rate	215,717,392.50
Influence of applying different tax rates by subsidiaries	1,103,668.34
Influence of income tax before adjustment	-22,781,705.32
Influence of non-deductible costs, expenses and losses	596,340.96
The effect of using deductible losses of deferred income tax assets that have not been recognized in the previous period	45,068.31
Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax in the Reporting Period	-437,250.73
Income tax expense	194,243,514.06

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	58,249,073.49	274,561,798.03
Interest income	58,110,890.94	20,729,921.32
Net margins, security deposit and various special funds received	8,180,874.28	2,825,399.61
Various types of collection and payment received	36,171,818.34	32,970,968.51
Other small receivables	1,912,443.42	2,631,928.91
Total	162,625,100.47	333,720,016.38

Notes:

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

Unit: RMB

Item	Reporting Period	Same period of last year
Paying administrative expense in cash	23,081,730.53	20,150,492.86
Paying selling expense in cash	5,789,812.13	20,841,852.20
Large intercourse funds paid	43,547,353.05	48,968,020.00

Other small payments	2,103,448.69	1,265,190.63
<b>Total</b>	<b>74,522,344.40</b>	<b>91,225,555.69</b>

Notes:

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

Unit: RMB

Item	Reporting Period	Same period of last year
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Notes:

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

Unit: RMB

Item	Reporting Period	Same period of last year
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Notes:

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

Unit: RMB

Item	Reporting Period	Same period of last year
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Notes:

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

Unit: RMB

Item	Reporting Period	Same period of last year
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Notes:

**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	668,626,055.94	177,863,448.66
Add: Provision for impairment of assets	6,831,252.06	-1,117,760.37
Depreciation of fixed assets, oil-gas assets, and productive living assets	27,471,506.96	24,423,533.46
Depreciation of right assets	2,234,883.36	

Amortization of intangible assets	109,157.94	109,162.21
Amortization of long-term prepaid expenses	2,189,487.04	1,555,086.14
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains: negative)		0.00
Losses on scrap of fixed assets (gains: negative)	14,448.90	-14,826.92
Loss from fair value change (gains: negative)		
Finance costs (gains: negative)	38,497,817.45	84,859,496.80
Investment loss (gains: negative)	-3,218,483.17	-157,061.79
Decrease in deferred income tax assets (gains: negative)	-225,566,185.67	-8,287,946.60
Increase in deferred income tax liabilities (“-” means decrease)	0.00	0.00
Decrease in inventory (gains: negative)	22,875,129.38	-455,620,688.15
Decrease in accounts receivable generated from operating activities (gains: negative)	-114,622,713.69	32,911,883.76
Increase in accounts payable used in operating activities (decrease: negative)	712,128,424.23	-1,479,706,466.10
Other		
Net cash generated from/used in operating activities	1,137,570,780.73	-1,623,182,138.90
2. Significant investing and financing activities without involvement of cash receipts and payments	--	--
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		
3. Net increase/decrease of cash and cash equivalent:	--	--
Ending balance of cash	4,953,289,643.97	3,056,069,770.97
Less: Beginning balance of cash	4,168,154,911.83	3,285,345,233.47
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	785,134,732.14	-229,275,462.50



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

Unit: RMB

	Amount
Of which:	--
Of which:	--
Of which:	--

Other notes:

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

Unit: RMB

	Amount
Of which:	--
Of which:	--
Of which:	--

Other notes:

**(4) Cash and Cash Equivalents**

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	4,953,289,643.97	4,168,154,911.83
Including: Cash on hand	123,973.10	164,191.19
Bank deposit on demand	4,952,496,226.44	3,043,214,965.74
Other monetary assets on demand	669,444.43	12,690,614.04
III. Ending balance of cash and cash equivalents	4,953,289,643.97	4,168,154,911.83
Including: Cash and cash equivalents of the Company as the parent or subsidiaries of the Group with restrictions on use	0.00	0.00

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:

**81. Assets with Restricted Ownership or Right of Use**

Unit: RMB

Item	Ending carrying value	Reason for restriction
Monetary assets	17,754,631.22	Note (1)-(6)
Land use right of Fumin New Village, Futian District	542,507,314.43	Note (7)
Total	560,261,945.65	--

Other notes:

(1) In terms of monetary assets with restricted right to use at the period-end, there was limited capital of frozen account with RMB11,031.58 in the subsidiary company Shenzhen Huazhengpeng Property Management Co., Ltd.

(2) In terms of monetary assets with restricted right to use at the period-end, there was escrow margin amount with RMB44,554.35 in the catering branch of the subsidiary company Shandong Shengguomao Real Estate Management Co., Ltd.

(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 RMB1,148,647.30 according to real estate business practices.

(4) In terms of monetary assets with restricted right to use at the period-end, there was payment guarantee of RMB 11,213,310.06 signed by the Company's subsidiary SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd. and Jiangsu Hanjian Group Co., Ltd. on 1 June 2020, of which the principal was RMB 11,075,002.60 and the interest was RMB 138,307.46. The number of the payment guarantee was Xingyin Xubao (2020) 25.

(5) In terms of monetary assets with restricted right to use at the period-end, there was interest of fixed time deposit of RMB4,937,087.93 undue but withdrawn at the period-end.

(6) In terms of monetary assets with restricted right to use at the period-end, there was letter of guarantee of RMB 400,000.00 issued by Shenzhen Property Engineering and Construction Supervision Co., Ltd. for project bidding for supervision service of Shenzhen Rongyao Real Estate Development Co., Ltd. phase II urban renewal unit project of Bangling Area, Guanlan Street, Longhua District in 2020.

(7) Due to the needs of daily business activities, the company applied for loan from Bank of Communications, Shenzhen Branch to mortgage the land use right of Fumin New Village, Futian District. The term of the loan was from 27 November 2020 to 27 November 2023. The interest rate of the loan was floating, and the first execution interest rate was 4.655%.

**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	60,073,369.82	0.8416	50,557,748.04

Accounts receivable	--	--	
Of which: USD			
EUR			
HKD			
Long-term borrowings	--	--	
Of which: USD			
EUR			
HKD			

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:

### 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	20,977.78	Other income	20,977.78
Stable post subsidy	205,104.23	Other income	205,104.23
Total	226,082.01		226,082.01

**(2) Return of Government Grants**

Applicable  Not applicable

Other notes:

**85. Other****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 gaining the equity	Cost of gaining the equity	Proportion of equity	Way to gain the equity	Purchase date	Recognition basis of purchase date	Income of acquiree from the purchase date to period-end	Net profits of acquiree from 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**

**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 combination date	Income from the period-begin to the combination date of the acquiree	Net profits from the period-begin to the combination date of the acquiree	Income of the acquiree during the period of comparison	Net profits of the acquiree during the period of comparison

Other notes:

**(2) Combination Cost**

Unit: RMB

Combination cost

Contingent liabilities and changes thereof:

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:

**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:

#### 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 newly establishment or liquidation of subsidiaries, etc.) and relevant information:

Name of company	Way to gain equity	Time and place of gaining equity	Capital contribution	Proportion
Xiamen Shenguo Industry City Smart Service Co., Ltd.	Newly-established subsidiary	17 March 2021	No actual contribution yet	51.00%
Shenzhen SZPRD Swallow Lake Development Co., Ltd.	Newly-established subsidiary	1 February 2021	10,000,000.00	100.00%
Vietnam Shenguo Real Estate Management Co., Ltd.	Newly-established subsidiary	5 January 2021	VND4.64 million (approximately equivalent to USD200,000)	100.00%

#### 6. Other

### 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
Shenzhen Wuhe Industry Investment Development Co., Ltd.	Shenzhen	Shenzhen	Real estate	100.00%		Set-up
PRD Group Xuzhou Dapeng Real Estate	Xuzhou	Xuzhou	Real estate	100.00%		Set-up

Development Co., Ltd.						
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 Guomao Meishenghuo Service Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Set-up
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	Shenzhen	Shenzhen	Service		100.00%	Set-up

Technology Co., Ltd.						
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 Commercial Operation Co., Ltd.	Shenzhen	Shenzhen	Service	100.00%		Set-up
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	Yangzhou	Yangzhou	Real estate		51.00%	Set-up



Property Development Co., Ltd.						
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., Ltd.	Shenzhen	Shenzhen	Real estate		51.00%	Set-up
Shenzhen Rongyao Real Estate Development Co., Ltd.	Shenzhen	Shenzhen	Real estate	69.00%		Business combination not under the same control
Shenzhen Guomao Science and Technology Park Service 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	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control

Co., Ltd.						
SZPRD Urban Renewal 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 Limited Liability Company	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Meilong Industrial Development Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Business combination under the same control
Shenzhen Guomao Shenlv Garden 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	Shenzhen	Shenzhen	Real estate		90.00%	Business combination under the same control

Co., Ltd.						
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
SZPRD Fuyuantai Development Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Set-up
Shenzhen SZPRD Swallow Lake Development Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Set-up
Xiamen Shenguomao Industry City Smart Service Co., Ltd.	Xiamen	Xiamen	Real estate		51.00%	Set-up
Vietnam Shenguomao Real Estate	Vietnam	Haiphong	Real estate		100.00%	Set-up

Management Co., Ltd.						
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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%	-8,865,098.74		30,042,727.34

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 liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Rongyao Real Estate Development Co., Ltd.	4,471,992.94	122,665,937.02	4,594,658,878.35	259,246,854.68	4,238,500,000.00	4,497,746,854.68	4,265,252,715.28	114,182,786.33	4,379,435,501.61	224,326,385.22	4,029,600,000.00	4,253,926,385.22

Unit: RMB

Name	Reporting Period	Same period of last year
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	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen Rongyao Real Estate Development Co., Ltd.	0.00	-28,597,092.72	-28,597,092.72	-128,433,288.91	0.00	-107,760,717.87	-107,760,717.87	-386,770,711.35

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

#### (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

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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., Ltd.	Shenzhen	Shenzhen	Warehouse service	50.00%		Equity method

Tian'an International Building Property Management Company of Shenzhen	Shenzhen	Shenzhen	Property management	50.00%		Equity method
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Notes to holding proportion of joint venture or associated enterprise different from voting proportion:

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	6,213,512.64	56,097,390.28	5,408,927.72	56,100,422.58
Of which: Cash and cash equivalents	5,913,628.39	35,276,287.69	5,408,401.36	35,387,944.60
Non-current assets	81,016,675.52	64,884.81	75,370,802.09	49,234.16
Total assets	87,230,188.16	56,162,275.09	80,779,729.81	56,149,656.74
Current liabilities	2,842,873.98	26,494,743.63	2,671,881.97	26,716,095.36
Non-current liability		16,194,507.11		16,120,967.63
Total liabilities	2,842,873.98	42,689,250.74	2,671,881.97	42,837,062.99
Equity of non-controlling interests	84,387,314.18	13,473,024.35	78,107,847.84	13,312,593.75
Equity attributable To shareholders of the Company as the parent	42,193,657.09	6,736,512.18	39,053,923.92	6,656,296.88
Portion of net assets calculated according to proportion of shareholdings	42,193,657.09	6,736,512.18	39,053,923.92	6,656,296.88
Carrying value of equity investment to joint ventures	42,193,657.09	6,736,512.18	39,053,923.92	6,656,296.88
Operating revenue	11,266,137.60	8,738,744.08	2,523,193.69	8,588,350.29

Finance expense	-268,242.57	-23,928.26	-2,946.63	24,599.52
Income tax expense	2,093,155.45	53,570.28	29,207.88	75,648.84
Net profit	6,279,466.34	160,430.60	87,623.63	226,946.50
Total comprehensive income	6,279,466.34	160,430.60	87,623.63	226,946.50

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

**(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

**(5) Note to the Significant Restrictions on the Ability of Joint Ventures or Associated Enterprises to Transfer Funds to the Company****(6) The Excess Loss of Joint Ventures or Associated Enterprises**

Unit: RMB

Name	The cumulative recognized losses in previous accumulatively derecognized	The derecognized losses (or the share of net profit) in Reporting Period	The accumulative unrecognized losses in Reporting Period

Other notes

**(7) The Unrecognized Commitment Related to Investment to Joint Ventures****(8) Contingent Liabilities Related to Investment to Joint Ventures or Associated Enterprises****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

**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:

**6. Other****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.

**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 VI (1), VI (2), VI (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 2021, there are certain credit concentration risks, and 53.73% of accounts receivable of the Company (55.41% on 31 December 2020) 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 balance sheet.

#### **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	3,556,900,000.00	4,189,654,287.20	247,390,194.73	491,931,024.39	3,450,333,068.08
Accounts payable	365,584,409.13	365,584,409.13	365,584,409.13		
Other payables	898,163,208.62	898,163,208.62	898,163,208.62		
Current portion of other non-current liabilities	67,002,418.07	67,002,418.07	67,002,418.07		
Subtotal	4,887,650,035.82	5,520,404,323.02	1,578,140,230.55	491,931,024.39	3,450,333,068.08

(Continued)

Item	Beginning balance				
	Carrying value	Undiscounted contract amount	Within 1 year	1 to 3 years	Over 3 years
Bank loans	3,587,800,000.00	4,314,545,187.20	184,013,456.59	499,101,299.39	3,631,430,431.22
Accounts payable	468,269,685.65	468,269,685.65	468,269,685.65		
Other payables	834,939,937.05	834,939,937.05	834,939,937.05		
Current portion of other non-current liabilities	36,722,824.88	36,722,824.88	36,722,824.88		
Subtotal	4,927,732,447.58	5,654,477,634.78	1,523,945,904.17	499,101,299.39	3,631,430,431.22

**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 2021, under the assumption of fixed variables with 50 basis points changed in interest rate, the bank loan with RMB3,618,700,000.00 (RMB3,618,800,000.00 on 31 December 2020) 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 RMB. Thus, the foreign exchange market risk undertaken is insignificant for the Company.

## 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	773,704.00			773,704.00
Total amount of liabilities at fair value	773,704.00			773,704.00
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 2021 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	RMB28,009 million	56.96%	56.96%

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 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
Wholly-owned subsidiary of Shenzhen Bay Technology Development Co., Ltd.	Wholly-owned subsidiary of Shenzhen Bay Technology Development Co., Ltd.
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 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
Hebei Shenbao Investment Development Co., Ltd.	Parent company's grandson company
Shenzhen General Institute of Architectural Design and Research Co., Ltd.	Wholly-owned subsidiary of the parent company
Shenzhen Bay Area Urban Construction Development Co., Ltd.	Wholly-owned subsidiary of the parent company
VCEP	Wholly-owned subsidiary of the Company as the parent of the Company
Shenzhen Infinova Limited	Subsidiary of the Company as the parent of the Company
GUOREN PROPERTY AND CASUALTY INSURANCE CO.,LTD.	Subsidiary of the Company as the parent of the Company
Guosen Securities Co.,Ltd.	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 fee	36,898,826.16	80,000,000.00	Not	33,458,508.93
Shenzhen General Institute of Architectural Design and Research Co., Ltd.	Project architectural design plan	2,951,039.53			0.00
Shenzhen Infinova Limited	Information management system	611,563.48			
GUOREN PROPERTY AND CASUALTY INSURANCE CO.,LTD.	Premiums for property insurance	112,834.59			

Information of sales of goods and provision of labor service

Unit: RMB

Related party	Content	Reporting Period	Same period of last year
Shenzhen Hi-tech Zone Development Construction Co., Ltd	Property service fee	741,984.34	669,509.81
Shenzhen Bay Technology Development Co., Ltd.	Property service fee	28,502,992.03	18,958,078.79
Hebei Shenbao Investment Development Co., Ltd.	Property service fee	2,805,356.45	0.00
Shenzhen Bay Area Urban Construction Development Co., Ltd.	Property service fee	986,445.32	713,736.06
VCEP	Property service fee	3,126,797.59	0.00
Guosen Securities Co.,Ltd.	Property service fee	766,960.89	0.00

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 Properties & Resources Development (Group) Ltd.	Investment property	6 November 2019	5 November 2025	Market pricing	31,245,224.31

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
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Notes:

Not applicable

## (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
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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	194,163.30	190,340.58

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
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The Company was secured party

Unit: RMB

Guarantor:	Guarantee amount	Start date	End date	Execution accomplished or not
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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
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### (7) Information on Remuneration for Key Management Personnel

Unit: RMB

Item	Reporting period	Same period of last year
Remuneration for key management personnel	5,087,564.50	6,604,773.44

### (8) Other Related-party Transactions

Not applicable

## 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.,	91,137,483.11	2,734,124.49	60,785,586.79	1,823,567.60



	Ltd.				
	Hebei Shenbao Investment Development Co., Ltd.	1,475,498.61	44,264.96	1,465,286.24	43,958.59
	Shenzhen Hi-tech Zone Development Construction Co., Ltd.	1,412,291.35	42,368.74	583,120.29	17,493.61
	Shenzhen Investment Holdings Co., Ltd.	0.00	0.00	8,357,589.14	250,727.67
Total		94,025,273.07	2,820,758.19	71,191,582.75	2,135,747.48
Other receivables	Shenzhen Xinhai Holding Co., Ltd.	401,499,990.18	0.00	401,499,990.18	0.00
	Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.	330,472,932.33	0.00	330,472,932.33	0.00
	Shenzhen Wufang Ceramics Industrial Co., Ltd.	1,747,264.25	1,747,264.25	1,747,264.25	1,747,264.25
	Shenzhen Hi-tech Zone Development Construction Co., Ltd.	138,689.46	110,951.57	138,689.46	110,951.57
	Shenzhen Investment Holdings Co., Ltd.	109,148.44	46,829.92	109,148.44	46,829.92
	Shenzhen Bay Technology Development Co., Ltd.	6,953,684.90	208,610.55	931,784.90	27,953.55
Total		740,921,709.56	2,113,656.29	734,899,809.56	1,932,999.29

**(2) Accounts Payable**

Unit: RMB

Item	Related party	Ending carrying amount	Beginning carrying amount
Accounts payable	Shenzhen Shentou Property	2,224,538.17	1,338,025.92

	Development Co., Ltd.		
Total		2,224,538.17	1,338,025.92
Other payables	Shenzhen Shentou Property Development Co., Ltd.	18,606,526.07	14,781,098.23
	Shenzhen Bay Technology Development Co., Ltd.	67,127,452.96	29,944,314.56
	Shenzhen Bay Area Urban Construction and Development Co., Ltd.	360,752.18	360,752.18
	Shenzhen Real Estate Jifa Warehousing Co., Ltd.	38,796,665.14	35,796,665.14
	Shenzhen Tian'an International Mansion Property Administration Co., Ltd.	5,214,345.90	5,214,345.90
Total		132,330,280.42	86,097,176.01

## 7. Commitments of Related Party

According to the overall plan of the Shenzhen Municipal Government on the restructuring of the state-owned assets management system, the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal decided to establish Shenzhen Investment Holdings Co., Ltd. (SIHC), merging Shenzhen Investment Holdings Co., Ltd., Shenzhen Management-Investment Company and Shenzhen Trade Investment Holdings Co., Ltd. As a result, SIHC inherited 63.82% of the equity interests in the listed company ShenZhen Properties & Resources Development (Group) Ltd. (SZPRD) held by Shenzhen Investment Holdings Co., Ltd. and Shenzhen Management-Investment Company in accordance with the law. On 19 October 2018, SIHC obtained the *Confirmation of Securities Transfer Registration regarding the equity interest of SZPRD* and completed the transfer of the equity interest in SZPRD. In view of the fact that Shenzhen Urban Construction Development (Group) Co. Ltd., Shenzhen Special Economic Zone Real Estate & Properties (Group) Co. Ltd. and SZPRD, all wholly-owned subsidiaries of SIHC, are operating real estate development and commercial property sales business, which belong to the same industry, and there is competition in the same industry. So, in order to avoid competition in the same industry, SIHC has made relevant commitments, as detailed in III Fulfillment of Commitments of Part V of the Annual Report 2020.

## 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

Item	Reporting period	Same period of last year
Signed but derecognized in financial statements — Large amount contract	204,632,733.45	147,758,430.24

### 2. Contingency

#### (1) Important Contingencies Existing on the Balance Sheet Date

(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 October 31, 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 appealed against the ruling. On April 29, 2019, the Guangdong Provincial Higher People’s Court ruled to reject the Company’s appeal and maintain the original ruling. As of the issuance date of the report, there is no new progress in the case.

(2) The contentious matters involved with all renovations, decorations, equipment and facilities in the floors 5-8 of Haiwai Lianyi Building

In 2008, Shenzhen Hailian Guest House, a subsidiary of the Company, signed the Internal Contract of Hailian Guest House, House Leasing Contract with Cai Baolin, obtained the use right of the rooms in the floors 5-8 of Haiwai Lianyi Building accordingly and further established Shenzhen Hailian Hotel Co., Ltd. for business operation of the rooms. For the above-mentioned contracts were terminated, Cai Baolin brought a civil lawsuit against Shenzhen Hailian Guest House, Shenzhen Jinhailian Property Management Co., Ltd. (“Jinhailian”) on all of the renovation, decoration, equipment and facilities made and installed in the rooms. The People’s Court at Luohu District, Shenzhen City issued the civil judgment (2019) Yue 0303 Min Chu 4458 on December 26, 2019 and ordered Jinhailian to accept the renovation, decoration, equipment and facilities remaining in the floors 5-8 of Haiwai Lianyi Building by the plaintiff Cai Baolin within ten days after the judgment became effective, and Jinhailian should pay the residual value RMB 2,396,947.00 and Cai Baolin had no right to the above assets. In this year, the estimated liabilities RMB 2,396,947.00 shall be accrued for Jinhailian according to the amount of compensation payable.

**(3) Phase I arbitration case of High-tech Zone Branch Software Park**

On 22 February 2021, ITC Technology Park Hi-tech Zone Branch, a subsidiary of the Company, received a notice of arbitration from Shenzhen Court of International Arbitration in relation to a dispute over a property service contract between the owners' committee and the Branch, in which the applicant requested an award for the Hi-tech Zone Branch to return all operating income balances relating to public sites and premises for the period from 2007 to 2020 in the amount of RMB31,077,017.59 and RMB635,929.44 for fund occupation fee, RMB288,641.00 for arbitration fee and RMB300,000.00 for attorney fee, totaling RMB32,301,588.03. The first session of the arbitration has been concluded, and the parties to the arbitration have disputed the number of amounts involved and have applied for an audit by a third-party auditor, and are currently waiting for the audit to be carried out.

**(4) Phase I arbitration case of ITC Technology Park Hi-tech Zone Branch**

In March 2021, ITC Technology Park Hi-tech Zone Branch, a subsidiary of the Company, received a notice of arbitration from Shenzhen Court of International Arbitration in relation to a dispute over a property service contract between the owners' committee and the Branch, in which the applicant requested for an award to return to the owners' committee the principal amount of RMB9,893,677.82 of the operating income balance for the period from 2007 to 2012 and the fund occupation fee of RMB3,272,665.99 (based on 9,893,677.82, from 1 July 2012, at an annual interest rate of 3.85%, provisionally calculated until 13 January 2021, actually calculated until the date of liquidation of the respondent), totaling RMB13,166,343.81. The arbitration fees in this case shall be borne by the Branch; the attorney's fees of RMB30,000.00 shall be borne by the Sci-tech Park. The above amounts totaled RMB13,196,343.81. The first session of the arbitration has been concluded, and the parties to the arbitration have disputed the number of amounts involved and have applied for an audit by a third-party auditor, and are currently waiting for the audit to be carried out.

**(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**

As a real estate developer, the Company provides mortgage loan guarantees for commercial housing purchasers according to the operation practice of real estate industry and pays loan deposit for them. By 30 June 2021, the balance of deposit not discharged with guarantee was RMB190,666,780.00, which guarantee will be discharged when the mortgage loan is paid off.

**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****4. Notes to Other Events after Balance Sheet Date****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
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**(2) Prospective Application**

Content	Processing program	Reason for adopting prospective application
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**2. Debt Restructuring****3. Assets Replacement****(1) Non-monetary Assets Exchange****(2) Other Assets Replacement****4. Pension Plans****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
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Other notes

## 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	Property management	Leasing business	Offset among segment	Total
Operation revenue	1,897,026,889.73	541,811,731.82	102,026,517.70		2,540,865,139.25
Operation cost	256,248,450.98	451,542,753.54	46,493,821.72		754,285,026.24
Total assets	11,489,316,868.42	1,262,501,191.47	531,862,648.48		13,283,680,708.37
Total liabilities	8,054,816,541.98	845,103,655.07	179,043,100.87		9,078,963,297.92

**(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

## 8. Other

## XVII. Notes of Main Items in the Financial Statements of the Company as the Parent

### 1. Notes 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	96,702,	95.89	96,702,	100.00	0.00	96,702,	97.25%	96,702,	100.00	0.00

receivable for which bad debt provision separately accrued	269.40	%	269.40	%		269.40		269.40	%	
Of which:										
Accounts receivable withdrawal of bad debt provision by group	4,149,112.75	4.11%	133,021.15	3.21%	4,016,091.60	2,735,781.29	2.75%	111,280.87	4.07%	2,624,500.42
Of which:										
Total	100,851,382.15	100.00%	96,835,290.55	96.02%	4,016,091.60	99,438,050.69	100.00%	96,813,550.27	97.36%	2,624,500.42

Accounts receivable for which bad debt provision separately accrued: 96702269.40

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 Industrial Co., Ltd.	2,836,561.00	2,836,561.00	100.00%	Long aging and expected unrecoverable
Luohu District Economic Development Company	54,380.35	54,380.35	100.00%	Long aging and expected 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

Withdrawal of bad debt provision by group: 133021.15

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Portfolio of credit risk features	4,149,112.75	133,021.15	3.21%

Total	4,149,112.75	133,021.15	--
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Notes to the determination basis for the group:

For details, please refer to Part XII Financial Statement.

Withdrawal of bad debt provision by group: 133021.15

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Within 1 year	4,027,001.80	120,810.05	3.00%
1 to 2 years	122,110.95	12,211.10	10.00%
Total	4,149,112.75	133,021.15	--

Notes to the determination basis for the group:

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 accounts receivable.

Applicable  Not applicable

Disclosed by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	4,027,001.80
1 to 2 years	122,110.95
Over 3 years	96,702,269.40
Over 5 years	96,702,269.40
Total	100,851,382.15

## (2) Bad Debt Provision Withdrawal, Reversed or Recovered in the Reporting Period

Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period				Ending balance
		Withdrawal	Reversal or recovery	Write-off	Withdrawal	
Bad debt provision withdrawn separately	96,702,269.40					96,702,269.40



Bad debt provision withdrawn by group	111,280.87	21,740.28				133,021.15
<b>Total</b>	<b>96,813,550.27</b>	<b>21,740.28</b>				<b>96,835,290.55</b>

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

Unit: RMB

Name of entity	Amount reversed or recovered	Way of recovery
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### (3) Accounts Receivable with Actual Verification during the Reporting Period

Unit: RMB

Item	Amount verified
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Of which the verification of significant accounts receivable:

Unit: RMB

Name of entity	Nature	Amount verified	Reason for verification	Verification procedures performed	Whether generated from connected transactions
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Notes to verification of accounts receivable:

### (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	93.02%	93,811,328.05
Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	2.81%	2,836,561.00
Shenzhen Meige Xiazi Catering Management Co., Ltd.	813,549.60	0.81%	24,406.49
Shenzhen Feihuang Industrial Co., Ltd.	694,630.00	0.69%	20,838.90
State Grain Supply Chain (Shenzhen) Co., Ltd.	156,145.00	0.15%	4,684.35
<b>Total</b>	<b>98,312,213.65</b>	<b>97.48%</b>	

**(5) Accounts Receivable Derecognized due to the Transfer of Financial Assets****(6) The Amount of Assets and Liabilities Generated from the Transfer and the Continued Involvement of Accounts Receivable**

Other notes:

**2. Other Accounts Receivable**

Unit: RMB

Item	Ending balance	Beginning balance
Other accounts receivable	151,322,779.82	145,325,697.20
Total	151,322,779.82	145,325,697.20

**(1) Interest Receivable****1) Category of Interest Receivable**

Unit: RMB

Item	Ending balance	Beginning balance
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**2) Significant Overdue Interest**

Entity	Ending balance	Overdue time	Overdue reason	Whether occurred impairment and its judgment basis
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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
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**2) Significant Dividends Receivable Aging over 1 Year**

Unit: RMB

Item (or investees)	Ending balance	Aging	Reason	Whether occurred
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				impairment and its judgment basis
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### 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
Guarantee deposit	1,552,160.00	2,201,527.00
Petty cash	170,000.00	
Payment on behalf		19,510.00
External intercourse funds	23,851,692.45	23,305,386.85
Intercourse funds to subsidiary	158,099,632.47	151,970,155.85
Total	183,673,484.92	177,496,579.70

##### 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 2021	8,812,171.77		23,358,710.73	32,170,882.50
Balance of 1 January 2021 in the current period	—	—	—	—
Withdrawal of the current period	33,975.00		145,847.60	179,822.60
Balance of 30 June 2021	8,846,146.77		23,504,558.33	32,350,705.10

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)	158,306,643.86
1 to 2 years	69,600.00
2 to 3 years	50,000.00
Over 3 years	25,247,241.06
3 to 4 years	54,945.84
4 to 5 years	2,016.98
Over 5 years	25,190,278.24
Total	183,673,484.92

### 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	23,358,710.73	145,847.60				23,504,558.33
Bad debt provision withdrawn by group	8,812,171.77	33,975.00				8,846,146.77
Total	32,170,882.50	179,822.60				32,350,705.10

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	102,374,340.25	Over 5 years	55.74%	7,022,616.20
SZPRD Yangzhou Real Estate Development Co., Ltd.	Intercourse funds to subsidiary	23,417,665.20	1-2 years	12.75%	0.00
SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.	Intercourse funds to subsidiary	18,147,317.91	Within 1 year	9.88%	0.00
SZPRD Real Estate Development Co., Ltd.	Intercourse funds to subsidiary	9,200,000.00	Within 1 year	5.01%	0.00
Shanghai Yutong Real Estate Co., Ltd.	External intercourse funds	5,676,000.00	Over 5 years	3.09%	5,676,000.00
Total	--	158,815,323.36	--	86.47%	12,698,616.20

### 6) Accounts Receivable Involving Government Subsidies

Unit: RMB

Name of the entity	Project of government subsidies	Ending balance	Ending aging	Estimated recovering time, amount and basis
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### 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:

**3. Long-term Equity Investment**

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserve	Carrying value	Carrying amount	Depreciation reserve	Carrying value
Investment to subsidiaries	1,093,829,880.39	68,364,000.00	1,025,465,880.39	1,093,829,880.39	68,364,000.00	1,025,465,880.39
Investment to joint ventures and associated enterprises	67,912,318.10	18,983,614.14	48,928,703.96	64,693,834.93	18,983,614.14	45,710,220.79
Total	1,161,742,198.49	87,347,614.14	1,074,394,584.35	1,158,523,715.32	87,347,614.14	1,071,176,101.18

**(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	
Shenzhen Wuhe Industry Investment Development Co., Ltd.	30,950,000.00					30,950,000.00	
SZPRD Yangzhou Real Estate Development Co., Ltd.	50,000,000.00					50,000,000.00	
Dongguan ITC Changsheng Real Estate Development Co., Ltd.	20,000,000.00					20,000,000.00	

Shenzhen International Trade Center Property Management Co., Ltd.	24,704,758.06					24,704,758.06	
Shenzhen Property Construction Supervision Co., Ltd.	3,000,000.00					3,000,000.00	
SZPRD Commercial Operation Co., Ltd.	62,821,767.90					62,821,767.90	
Zhanjiang Shenzhen Real Estate Development Co., Ltd.	0.00						2,530,000.00
Shum Yip Properties Development Co., Ltd.	0.00						15,834,000.00
SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.	0.00						50,000,000.00
Shenzhen Rongyao Real Estate Development Co., Ltd.	508,000,000.00					508,000,000.00	
Shenzhen Guomao Science and Technology Park Service Co., Ltd.	163,553,254.89				7,767,190.70	171,320,445.59	
SZPRD Urban Renewal Co.,	126,883,427.61				-7,767,190.70	119,116,236.91	

Ltd.							
Total	1,025,465,88 0.39					0.00 0.39	1,025,465,88 68,364,000.0 0

**(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 Warehouse using Co., Ltd.	39,053,923.92			3,139,733.17							42,193,657.09	
Tian'an International Building Property Management Company of Shenzhen	6,656,296.87			78,750.00							6,735,046.87	
Subtotal	45,710,220.79			3,218,483.17							48,928,703.96	
<b>II. Associated enterprises</b>												
Shenzhen												18,983,



en Wufang Cerami cs Industri al Co., Ltd.											614.14
Subtotal											18,983, 614.14
Total	45,710, 220.79			3,218,4 83.17						48,928, 703.96	18,983, 614.14

### (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	31,762,623.21	17,990,848.30	25,828,330.02	15,835,977.53
Other operations	10,538,272.14	659,988.00		
Total	42,300,895.35	18,650,836.30	25,828,330.02	15,835,977.53

Relevant information of revenue:

Unit: RMB

Category of contracts	Segment 1	Segment 2	Total
Of which:			
House leasing business	42,300,895.35		42,300,895.35
Of which:			
Shenzhen	42,300,895.35		42,300,895.35
Of which:			
Of which:			
Of which:			
Of which:			

Information related to performance obligations:

The income of the parent company in this period was all income from leasing business.

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 RMBXXX 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	3,218,483.17	157,061.79
Interest income from holding of investments in other debt obligations	59,818,841.72	62,416,928.73
Total	63,037,324.89	62,573,990.52

## 6. Other

## 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	-14,448.90	
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	226,082.01	
Gains and losses arising from contingencies unrelated to the normal operation of the company's business	-114,571.79	Litigation compensation
Other non-operating income and expense other than the above	8,061,224.33	Mainly received as compensation for demolition
Less: Income tax effects	1,836,539.53	
Non-controlling interests effects	-195,286.42	
Total	6,517,032.54	--

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	16.98%	1.1349	1.1349
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	16.81%	1.1240	1.1240

## 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