



Shenzhen Properties Group

深房集团

**SHENZHEN SPECIAL ECONOMIC ZONE REAL ESTATE &
PROPERTIES (GROUP) CO., LTD.**

ANNUAL REPORT 2023

2024-009

【30 March 2024】

ANNUAL REPORT 2023

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 Special Economic Zone Real Estate & Properties (Group) Co., 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.

Tang Xiaoping, the Company’s General Manager, Wang Jianfei, the Company’s Chief Financial Officer, and Zhou Hongpu, 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.

Descriptions about the Company’s operating plans or work arrangements for the future mentioned in this Report and its summary, the implementation of which is subject to various factors, shall NOT be considered as promises to investors. Therefore, investors are reminded to exercise caution when making investment decisions.

The Company has no final 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.

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Documents Available for Reference

1. The financial statements with the personal signatures and stamps of the Company's general manager, Chief Financial Officer and head of the financial department;
2. The original of the Auditor's Report with the stamp of the CPA firm, as well as the personal signatures and stamps of the CPAs; and
3. The originals of all the documents and announcements disclosed by the Company on Securities Times, China Securities Journal and Ta Kung Pao during the Reporting Period.

Definitions

Term	Definition
“Shenzhen SASAC” or the “Municipal SASAC”	The State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal
SIHC	Shenzhen Investment Holdings Co., Ltd.
The “Company”, the “Group”, “SPG” or “we”	ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires
Shenzhen Property Management	Shenzhen Property Management Co., Ltd.
Petrel Hotel	Shenzhen Petrel Hotel Co., Ltd.
Zhentong Engineering	Shenzhen Zhentong Engineering Co., Ltd.
Huazhan Construction Supervision	Shenzhen Huazhan Construction Supervision Co., Ltd.
Jianbang Group	Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.
Chuanqi Real Estate Development	Shenzhen SPG Chuanqi Real Estate Development Co., Ltd.

Part II Corporate Information and Key Financial Information

I Corporate Information

Stock name	SPG, SPG-B	Stock code	000029, 200029
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	深圳经济特区房地产(集团)股份有限公司		
Abbr.	深房集团		
Company name in English (if any)	ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.		
Abbr. (if any)	SPG		
Legal representative	Tang Xiaoping		
Registered address	45/F-48/F, SPG Plaza, Renmin South Road, Luohu District, Shenzhen, Guangdong, P.R.China		
Zip code	518001		
Changes of the registered address	N/A		
Office address	47/F, SPG Plaza, Renmin South Road, Luohu District, Shenzhen, Guangdong, P.R.China		
Zip code	518001		
Company website	http://www.sfjt.com.cn		
Email address	spg@sfjt.sihc.com.cn		

II Contact Information

	Board Secretary	Securities Representative
Name	Luo Yi	Hong Lu
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Email address	spg@sfjt.sihc.com.cn	spg@sfjt.sihc.com.cn

III Media for Information Disclosure and Place where this Report Is Lodged

Stock exchange website where this Report is disclosed	Shenzhen Stock Exchange (http://www.szse.cn/)
Newspaper and website where this Report is disclosed	Domestic: Securities Times, China Securities Journal, and http://www.cninfo.com.cn Overseas: Ta Kung Pao (HK)
Place where this Report is lodged	47/F, SPG Plaza, 3005 Renmin South Road, Luohu District, Shenzhen, Guangdong, P.R.China

IV Change to Company Registered Information

Unified social credit code	91440300192179585N
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Change to principal activity of the Company since going public (if any)	No change
Every change of controlling shareholder since incorporation (if any)	On 24 March 1999, the controlling shareholder was changed from Shenzhen Investment Management Co., Ltd. to Shenzhen Construction Investment Holdings Co., Ltd. And on 14 February 2006, it was changed to Shenzhen Investment Holdings Co., Ltd.

V Other Information

The independent audit firm hired by the Company:

Name	Pan-China Certified Public Accounts LLP
Office address	128 Xixi Road, Lingyin Street, Xihu District, Hangzhou, Zhejiang Province, China
Accountants writing signatures	Wang Huansen, and Cai Xiaodong

The independent sponsor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

Applicable Not applicable

The independent financial advisor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

Applicable Not applicable

VI Key Financial Information

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

Yes No

	2023	2022	2023-over-2022 change (%)	2021
Operating revenue (RMB)	530,887,720.68	634,384,561.42	-16.31%	1,320,790,648.45
Net profit attributable to the listed company's shareholders (RMB)	-250,839,542.09	153,718,805.57	-263.18%	220,836,309.93
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	-267,984,286.36	21,160,405.11	-1,366.44%	208,306,710.37
Net cash generated from/used in operating activities (RMB)	1,045,037,248.19	-675,775,998.76	254.64%	-1,205,952,107.94
Basic earnings per share (RMB/share)	-0.2479	0.1519	-263.20%	0.2183
Diluted earnings per share (RMB/share)	-0.2479	0.1519	-263.20%	0.2183
Weighted average return on equity (%)	-6.52%	3.88%	-10.40%	5.72%
	31 December 2023	31 December 2022	Change of 31 December 2023 over 31 December 2022 (%)	31 December 2021
Total assets (RMB)	6,485,312,507.46	5,689,769,802.18	13.98%	6,182,498,050.43
Equity attributable to the listed company's shareholders (RMB)	3,691,082,484.20	4,004,240,547.70	-7.82%	3,938,260,291.97

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional

gains and losses was negative for the last three accounting years, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

Yes No

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative.

Yes No

Item	2023	2022	Remark
Operating revenue (RMB)	530,887,720.68	634,384,561.42	N/A
Amount deducted from operating revenue (RMB)	0.00	0.00	N/A
Operating revenue after deduction (RMB)	530,887,720.68	634,384,561.42	N/A

VII 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 under CAS and IFRS

Applicable Not applicable

Unit: RMB

	Net profit attributable to the listed company's shareholders		Equity attributable to the listed company's shareholders	
	2023	2022	Ending amount	Beginning amount
Under CAS	-250,839,542.09	153,718,805.57	3,691,082,484.20	4,004,240,547.70
Adjusted as per IFRS				
Under IFRS	-250,839,542.09	153,718,805.57	3,691,082,484.20	4,004,240,547.70

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

Applicable Not applicable

No difference for the Reporting Period.

3. Reasons for Accounting Data Differences Above

Applicable Not applicable

VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	109,155,515.74	154,461,263.33	90,700,026.78	176,570,914.83

Net profit attributable to the listed company's shareholders	-35,653,798.52	-1,464,384.29	686,777.00	-214,408,136.28
Net profit attributable to the listed company's shareholders before exceptional gains and losses	-37,833,791.48	-4,635,117.67	-1,532,526.34	-223,982,850.87
Net cash generated from/used in operating activities	-183,238,769.33	-8,902,178.71	128,807,540.45	1,108,370,655.78

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.

Yes No

IX Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	2023	2022	2021	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	9,940,254.23	161,542,599.57	-13,451.61	
Government grants recognised in current profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	440,049.96	559,803.19	1,669,479.40	
Gain or loss on assets entrusted to other entities for investment or management	7,985,840.50	9,129,650.51	13,024,710.91	
Reversed portions of impairment allowances for receivables which are tested individually for impairment	3,994,030.79		482,790.04	
Gain or loss on debt restructuring		2,610,128.31		
Non-operating income and expense other than the above	393,461.44	1,094,190.56	1,542,604.01	
Less: Income tax effects	5,639,314.23	41,451,680.41	4,176,533.19	
Non-controlling interests effects (net of tax)	-30,421.58	926,291.27		
Total	17,144,744.27	132,558,400.46	12,529,599.56	--

Details of other gains and losses that meet the definition of exceptional gain/loss:

Applicable Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item 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

Item	Amount involved (RMB)	Reason
Return of handling fee for personal income tax withheld	68,364.83	This item is recognised as a recurrent gain or loss because it occurs consistently from year to year and is not episodic in nature

Over-deduction in the calculation of VAT	58,857.60	This item is recognised as a recurrent gain or loss because it occurs consistently from year to year and is not episodic in nature
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Part III Management Discussion and Analysis

I Industry Overview for the Reporting Period

The Company is subject to the information disclosure requirements for the real estate industry in the Disciplinary and Regulatory Guideline No. 3 of the Shenzhen Stock Exchange for Listed Companies—Industry-specific Information Disclosure.

In 2023, due to geo-frictions and trade protectionism, the global supply chain sector faced a reshuffle, and the world economic growth slowed down. The policy of the real estate sector continued to be relaxed. Although the property market turnover picked up in the fourth quarter, the relationship between supply and demand has changed significantly. The market rebound was not sustainable and weak.

II Principal Activity of the Company in the Reporting Period

The Company is subject to the information disclosure requirements for the real estate industry in the Disciplinary and Regulatory Guideline No. 3 of the Shenzhen Stock Exchange for Listed Companies—Industry-specific Information Disclosure.

The Company primarily develops residential properties. Its available-for-sale projects are mainly located in Shenzhen, Huizhou and Shantou. They are: the Chuanqi Donghu Mingyuan project (sold out during 2023), the Cuilinyuan project, and the Guangmingli project (residential units sold out as soon as they became available for sale during 2023) in Shenzhen, the Linxinyuan project located in a place in Huizhou that is close to Shenzhen, and the Tianyuewan project, the Yuejing Dongfang project and the Jinyedao project in Shantou. In addition, the Company's under-construction projects are the Guangmingli project and the Linxinyuan project.

New additions to the land bank:

Name of land lot or project	Location	Planned use of land	Site area (m ²)	Floor area with plot ratio (m ²)	How the land is obtained	The Company's interest	Total land price (RMB'0,000)	Consideration of the Company's interest (RMB'0,000)

Cumulative land bank:

Name of project/area	Site area (0,000 m ²)	Floor area (0,000 m ²)	Floor area available for development (0,000 m ²)
Xinfeng Building in Shantou	0.59	2.66	2.66
Linxinyuan Phase II	2.57	7.72	7.72
Linxinyuan Phase III	4.31	9.57	9.57
Linxinyuan Phase IV	3.23	6.45	6.45
Total	10.70	26.40	26.40

Development status of major projects:

City /region	Name of project	Location	Status	The Company's interest	Time for commencement of construction	% developed	% constructed	Site area (m ²)	Planned floor area with plot ratio (m ²)	Floor area completed	Cumulative completion	Expected total investment (RMB'0,000)	Cumulative investment (RMB'0,000)

										the Current Period (m ²)	et floor area (m ²)		
Hui zhou	Linxiyu an Phase I	Hui yang	Frame work in construction	51%	11 June 2021	96%	96%	64,278	159,761	0	0	115,750	111,077
She nzh en	SPG Gua ngmingli	Gua ngming District	Frame work in construction	100%	19 January 2022	81%	81%	10,721	53,605	0	0	151,758	122,759

Sales status of major projects:

City /region	Name of project	Location	Status	The Company's interest	Floor area with plot ratio (m ²)	Floor area available for sale (m ²)	Cumulatively pre-sold/sold floor area (m ²)	Floor area pre-sold/sold in the Current Period (m ²)	Pre-sale/sales revenue generated in the Current Period (RMB'0,000)	Cumulatively settled floor area (m ²)	Floor area settled in the Current Period (m ²)	Pre-sale/sales revenue settled in the Current Period (RMB'0,000)
She nzh en	Chuanqi Donghu Mingyuan	Luo hu District	Ready for sale	100%	55,727	32,857	32,857	194	1,483	32,857	194	1,483
She nzh en	Cuilin yuan	Longgan g District	Ready for sale	100%	60,111	56,137	54,522	1,638	807	54,522	1,638	807
Sha nto u	Tianyue wan Phase I	Chaoyan g District	Ready for sale	100%	153,470	160,372	120,017	5,133	2,963	108,459	6,804	3,901
Sha nto u	Tianyue wan Phase II	Chaoyan g District	Ready for sale	100%	127,770	137,059	37,430	9,159	5,220	36,572	11,060	6,276
Hui zhou	Linxiyu an Phase I	Hui yang District	On pre-sale	51%	159,761	159,761	2,421					
She nzh en	SPG Guangmingli	Gua ngming District	On pre-sale	100%	53,605	51,975	29,973	29,973	133,703			

Rental status of major projects:

Name of project	Location	Use	The Company's interest	Rentable area (m ²)	Cumulative rented area (m ²)	Average occupancy rate
Real Estate Mansion	Shenzhen	Commercial	100.00%	3,413.88	3,413.88	100.00%
North Tower of Guoshang Mansion	Shenzhen	Commercial	100.00%	4,819.71	4,819.71	100.00%
Petrel Building	Shenzhen	Commercial	100.00%	22,475.47	22,475.47	100.00%
SPG Plaza	Shenzhen	Office building	100.00%	60,391.69	31,598.87	52.32%
Podium of SPG Plaza	Shenzhen	Commercial	100.00%	19,886.30	14,463.75	72.73%
Wenjin Garden	Shenzhen	Commercial	100.00%	3,531.60	3,531.60	100.00%

Primary land development:

Applicable Not applicable

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	21,343.43	3.7%-4.2%	3,400.13	11,715.82	12.52	6,214.97
Total	21,343.43	3.7%-4.2%	3,400.13	11,715.82	12.52	6,214.97

Development strategy and operating plan for the coming year:

Please refer to "XI Prospects" in this part of the Report.

Provision of guarantees for homebuyers on bank mortgages:

Applicable Not applicable

Project	Guarantee period	Guarantee amount (RMB'0,000)	Note
Shanglinyuan	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	47.25	
Cuilinyuan	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	935.87	
Chuanqi Donghu Mingyuan	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	1,087.97	
Tianyuewan	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	32,241.18	
Guangmingli	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	75,304.40	
Linxinyuan	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	1,034.00	
Total		110,650.67	

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 major source of investment):

Applicable Not applicable

Project	Type of investor	Investment amount (RMB)	As % of total investment	As % of the peak of project funds	Cumulative returns (RMB)	Disinvestment	Compatibility of actual investment and returns
Linxinyuan	Director, supervisor or senior management	8,950,000.00	39.25%	0.90%	0.00	N/A	N/A

	of the Company						
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III Core Competitiveness Analysis

As the earliest real estate developer founded in the Shenzhen Special Economic Zone, the Company helped build the early city, and has created a number of "first places" in the history of real estate development in China. For example, the first to use the paid state-owned land, the first to introduce the foreign investment for the cooperative land development, the first to raise development funds by means of pre-sale of buildings, the first to carry out public bidding for construction projects in accordance with international practices, the first to set up a property management company to the buildings and residences developed in an all-rounded manner, as well as winning the bid in the new China's first auction of land use rights held in the Shenzhen Special Economic Zone.

After more than 40 years of development, the Company has grown into a business group with real estate development and operation as its main business, integrating engineering and construction, project supervision, asset management and other diversified operations. It has paid great efforts to the establishment of a modern enterprise HR management system and works hard in building a professional and high-quality development team. It also keeps improving the management mechanism and processes for project development. As a result, its planning, construction, cost control, sales ability and brand image have been effectively improved. More importantly, its main business operation ability and core competitiveness have been greatly enhanced.

In the Reporting Period, the Company was awarded such honorary titles as the "2023 Brand Value Enterprise of Shenzhen Real Estate Development Industry", "2023 Shenzhen CSR Benchmarking Enterprise in Real Estate Development Industry", "2022 Shenzhen Willing Ox Award in Real Estate Industry", "Annual Contribution Award for Listed Companies in the Greater Bay Area", and "Top 20 Board Governance of listed companies in the Greater Bay Area".

IV Core Business Analysis

1. Overview

In 2023, in the face of many difficulties and challenges such as the industry lingering at the bottom, the spill-over of real estate enterprises that had just got off the risky list, entry of enterprise reform into a deep water zone, and deadlock in exploring future development yet to be broken, the leadership team of the Company conscientiously implemented the decisions and arrangements of the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal (Municipal SASAC) and Shenzhen Investment Holdings Co., Ltd. (SIHC), led the staff to carry forward fighting spirit, made all-out efforts to withstand the impact of external risks, overcame multiple internal difficulties, and thus solidly promoted sustainable development. Major work progress for the year is as follows:

First, anchoring the targets, the Company continued developing and consolidating the core business. For SPG Guangmingli project, the promotional housing sources were sold out on the property-opening day, and the annual sales targets were overfulfilled; for Donghu Mingyuan project, the properties were sold completely; for Shantou

Tianyuewan and other projects, good sales performance was achieved against the backdrop of the continuous downturn in the regional market; for SPG's self-owned properties, the overall investment operation was stable and improved, with the annual targets completed, and with the creation of "Buildings for Shenzhen-Hong Kong Medical and Healthcare Specialty Industry" of SPG Plaza constantly intensified.

Second, taking multiple measures simultaneously, the Company continued improving quality and efficiency. Zhentong Engineering overfulfilled the annual targets for its operating revenue and total profit; Petrel Hotel continued improving by expanding revenue and increasing profit; Shantou Company and Huazhan Construction Supervision operated stably. During the Reporting Period, the confirmation of the land rights of "Xinfeng Building" in Shantou, a task left over from history, continued being promoted, the deregistration of Xinfeng Real Estate was completed, the disposal of "non-core and non-advantageous business, and inefficient and ineffective assets" was orderly advanced, and good results were achieved in collecting historical arrears.

Third, attaching importance to synergy, the Company continued exploring future development. Through synergies between internal and external resources, the Company promoted future development, and concentrated on plan for new development "curves"; to integrate into the overall development strategy of SIHC, the Company reviewed and revised the "14th Five-Year" strategic plan; by continuously following the relevant measures of the China Securities Regulatory Commission (the CSRC) for adjusting and optimizing real estate enterprises' equity financing, the Company coordinated SIHC's system resources, and strove to study and explore the future development mode.

Fourth, acting proactively, the Company continued disposing of risks. Under the circumstances that enterprises in the industry constantly encountered risks, in combination with its project conditions, the Company made forward-looking studies and judgment and acted proactively, made every effort to prevent and dispose of operational risks, and held the bottom line of without systematic risks and derivative material public opinion events, thus sparing no effort in safeguarding the security of state-owned assets.

Fifth, consolidating its foundation, the Company continued boosting management and control. The Company completed the change of office terms of the Board of Directors and the Board of Supervisors, and the Company's ESG report rating was upgraded to BBB; we reestablished the bidding and purchasing system as well as the cost control system, and newly revised (formulated) 41 management policies; we thoroughly inspected and remedied hidden safety hazards, and by drawing inferences, remedied the problems identified in third-party tour inspections; SPG optimised the human resources system, and by externally attracting and internally training talent, optimised the structure of the staff team; the company also strengthened financial coordination and financing to effectively safeguard the demand for funds.

Sixth, strengthening its roots and consolidating its soul, the Company continued Party building. The Company promoted the action of "massive interview, discussion and revelation" and advanced achievement transformation. The Company's subordinate enterprises where Party organisations "should be established as much as possible" achieved the goal. The domestic legal person enterprises were fully covered with "putting Party building into regulations", signed a Party-building responsibility statement, strictly reported, reviewed and appraised duties, and continuously consolidated the "three foundations". The Company implemented the "two responsibilities", improved and was well versed in the "massive supervision" system, and thus intensified the development of clean

culture.

2. Revenue and Cost Analysis

(1) Breakdown of Operating Revenue

Unit: RMB

	2023		2022		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	530,887,720.68	100%	634,384,561.42	100%	-16.31%
By operating division					
Property sales	118,580,624.34	22.34%	309,331,841.57	48.76%	-61.67%
Engineering and construction	324,243,778.50	61.08%	236,949,097.45	37.35%	36.84%
Property management	3,491,329.17	0.66%	33,801,320.23	5.33%	-89.67%
Rental service	84,571,988.67	15.93%	54,302,302.17	8.56%	55.74%
By product category					
Residential units	108,943,731.16	20.52%	277,643,154.35	43.77%	-60.76%
Shops and parking lots	9,636,893.18	1.82%	31,688,687.22	5.00%	-69.59%
Other	412,307,096.34	77.66%	325,052,719.85	51.24%	26.84%
By operating segment					
Guangdong Province	530,197,455.57	99.87%	633,906,909.80	99.92%	-16.36%
Overseas	690,265.11	0.13%	477,651.62	0.08%	44.51%
By marketing model					
Principal operations	524,099,615.63	98.72%	628,832,520.51	99.12%	-16.66%
Other	6,788,105.05	1.28%	5,552,040.91	0.88%	22.26%

(2) 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 sales	118,580,624.34	80,235,849.12	32.34%	-61.67%	-43.19%	-50.94%
Engineering and construction	324,243,778.50	317,088,117.19	2.21%	36.84%	36.82%	0.05%
Rental service	84,571,988.67	44,847,244.30	46.97%	55.74%	7.97%	357.88%
By product category						
Residential units	108,943,731.16	74,609,765.94	31.52%	-60.76%	-41.00%	-42.13%
By operating segment						

Guangdong Province	530,197,455.57	455,342,654.97	14.12%	-17.23%	1.22%	-52.58%
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Core business data of the prior year restated according to the changed statistical caliber for the Reporting Period:

Applicable Not applicable

(3) Whether Revenue from Physical Sales Is Higher than Service Revenue

Yes No

Operating division	Item	Unit	2023	2022	Change (%)
Property sales	Sales volume	RMB'0,000	10,910	16,522	-33.97%
	Output	RMB'0,000	15,892	37,603	-57.74%
	Inventory	RMB'0,000	430,663	425,681	1.17%

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

Applicable Not applicable

Affected by the real estate market, the Company saw less-than-expected property sales carryforwards and existing property sales in 2023, resulting in a decrease in property investment and development.

(4) Execution Progress of Major Signed Sales or Purchase Contracts in the Reporting Period

Applicable Not applicable

(5) Breakdown of Cost of Sales

By operating division

Unit: RMB

Operating division	Item	2023		2022		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Property sales		80,235,849.12	18.04%	141,232,452.52	32.31%	-43.19%
Engineering and construction		317,088,117.19	71.29%	231,754,203.03	53.03%	36.82%
Property management		2,626,431.49	0.59%	19,780,268.70	4.53%	-86.72%
Rental service		44,847,244.30	10.08%	44,285,076.76	10.13%	1.27%
Total		444,797,642.10	100.00%	437,052,001.01	100.00%	1.77%

Note:

Affected by markets and development cycles, property sales experienced a year-on-year drop of 43.19%; and engineering and construction projects saw new breakthroughs in expansion, resulting in a year-on-year increase of 36.82% in sales.

(6) Changes in the Scope of Consolidated Financial Statements for the Reporting Period

Yes No

(7) Major Changes to the Business Scope or Product or Service Range in the Reporting Period

Applicable Not applicable

(8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	139,521,174.93
Total sales to top five customers as % of total sales of the Reporting Period (%)	26.28%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0.00%

Information about top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Legal person A	55,098,804.24	10.38%
2	Legal person B	26,869,725.62	5.06%
3	Legal person C	19,944,916.00	3.76%
4	Legal person D	19,271,404.07	3.63%
5	Legal person E	18,336,325.00	3.45%
Total	--	139,521,174.93	26.28%

Other information about major customers:

Applicable Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	135,980,783.49
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	94.52%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0.00%

Information about top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Legal person A	117,030,547.22	81.34%
2	Legal person B	10,654,310.21	7.41%
3	Legal person C	3,447,916.26	2.40%
4	Legal person D	3,088,209.80	2.15%
5	Legal person E	1,759,800.00	1.22%
Total	--	135,980,783.49	94.52%

Other information about major suppliers:

Applicable Not applicable

3. Expense

Unit: RMB

	2023	2022	Change (%)	Reason for any significant change
Selling expense	21,803,202.14	19,217,595.11	13.45%	Selling expenses on the Guangmingli project was newly added in the current year
Administrat	55,965,931.72	55,758,749.08	0.37%	

ive expense				
Finance costs	-5,231,991.59	-6,507,147.03	-19.60%	Decreased average bank balances and deposit interest income, as well as new bank loan interest in the current period

4. R&D Investments

Applicable Not applicable

5. Cash Flows

Unit: RMB

Item	2023	2022	Change (%)
Subtotal of cash generated from operating activities	1,950,984,549.76	668,449,932.34	191.87%
Subtotal of cash used in operating activities	905,947,301.57	1,344,225,931.10	-32.60%
Net cash generated from/used in operating activities	1,045,037,248.19	-675,775,998.76	254.64%
Subtotal of cash generated from investing activities	139,173,390.10	282,766,666.00	-50.78%
Subtotal of cash used in investing activities	601,475,412.00	713,537.29	84,194.88%
Net cash generated from/used in investing activities	-462,302,021.90	282,053,128.71	-263.91%
Subtotal of cash generated from financing activities	169,486,610.82	111,428,077.62	52.10%
Subtotal of cash used in financing activities	83,583,781.56	140,126,109.45	-40.35%
Net cash generated from/used in financing activities	85,902,829.26	-28,698,031.83	-399.33%
Net increase in cash and cash equivalents	668,781,343.87	-421,928,565.67	-258.51%

Explanation of why any of the data above varies significantly:

Applicable Not applicable

Cash generated from operating activities increased year on year primarily driven by the cash inflow from the SPG-Guangmingli project in the current period.

Cash used in operating activities decreased year on year primarily driven by the decreased development and construction of real estate projects.

Net cash generated from investing activities decreased year on year primarily driven by the increased purchase of currency fund in the current period.

Cash generated from financing activities increased year on year primarily driven by the new bank loan in the current period.

Cash used in financing activities decreased year on year primarily driven by the decreased dividend payout in the current period.

Reason for any big difference between the net operating cash flow and the net profit for this Reporting Period

Applicable Not applicable

There is a big difference between the net operating cash flow and the net profit for the year, primarily due to the long time span between property development, sales and revenue recognition.

V Analysis of Non-Core Businesses

Applicable Not applicable

VI Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	31 December 2023		1 January 2023		Change in percentage (%)	Reason for any significant change
	Amount	As a % of total assets	Amount	As a % of total assets		
Monetary assets	871,019,268.83	13.43%	197,663,949.74	3.47%	9.96%	Return of funds from sales of the SPG Guangmingli project
Accounts receivable	75,100,970.83	1.16%	63,580,422.16	1.12%	0.04%	
Contract assets	27,352,596.92	0.42%	0.00		0.42%	
Inventories	3,915,215,921.96	60.37%	4,257,109,614.31	74.82%	-14.45%	Impairment on the SPG Linxinyuan project
Investment property	541,542,136.17	8.35%	566,873,915.07	9.96%	-1.61%	
Long-term equity investments	0.00	0.00%	93,927.64	0.00%	0.00%	
Fixed assets	19,928,049.77	0.31%	21,425,475.05	0.38%	-0.07%	
Right-of-use assets	99,641.48	0.00%	232,496.72	0.00%	0.00%	
Short-term borrowings	3,550,000.00	0.05%	51,138,077.62	0.90%	-0.85%	
Contract liabilities	1,291,448,591.28	19.91%	43,533,467.29	0.77%	19.14%	Sales proceeds received in advance from the SPG Guangmingli project
Long-term borrowings	179,431,851.02	2.77%	54,261,000.00	0.95%	1.82%	New bank loans
Lease liabilities			53,885.23	0.00%	0.00%	
Held-for-trading financial assets	879,340,201.92	13.56%	408,154,361.42	7.17%	6.39%	Purchase of monetary funds
Accounts payable	443,259,768.78	6.83%	434,601,559.67	7.64%	-0.81%	
Taxes payable	40,908,986.48	0.63%	190,951,185.99	3.36%	-2.73%	Payment of land VAT of Donghu Mingyuan in the current period
Other payables	554,469,229.59	8.55%	574,331,340.84	10.09%	-1.54%	

Indicate whether overseas assets account for a high proportion of total assets.

 Applicable Not applicable

2. Assets and Liabilities at Fair Value

 Applicable Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount

				e for th e Re po rti ng Pe rio d				
Financial assets								
1. Held-for-trading financial assets (excluding derivative financial assets)	408,154,361.42	7,824,348.71			600,000,000.00	136,638,508.21		879,340,201.92
4. Investments in other equity instruments	13,839,235.57		485,175.78					14,324,411.35
Total of the above	421,993,596.99	7,824,348.71	485,175.78		600,000,000.00	136,638,508.21		893,664,613.27
Financial liabilities	0.00							0.00

Other change

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

Yes No

3. Restricted Asset Rights as at the Period-End

Item	Ending carrying value	Reasons for restriction
Monetary assets	5,817,217.78	Project of public facilities inside and surrounding the urban renewal project of Longgang District, Shenzhen-construction funds-land reclamation costs of SPG Guangmingli project
Monetary assets	5,943,085.18	Frozen in a lawsuit case
Monetary assets	50,000.00	Construction deposit
Monetary assets	62,552.52	Stop payments, suspend accounts
Accounts receivable	27,890,361.58	Pledged for short-term borrowings
Investment property	44,297,197.87	Mortgaged for borrowings
Total	84,060,414.93	

VII Investments Made

1. Total Investment Amount

Applicable Not applicable

Total investment amount in the Reporting Period (RMB)	Total investment amount in last year (RMB)	Change (%)
190,310,000.00	299,540,000.00	-36.47%

2. Significant 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

No such cases in the Reporting Period.

(2) Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

5. Use of Funds Raised

Applicable Not applicable

No such cases in the Reporting Period.

VIII 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

IX 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

Company name	Relationship with the Company	Main business scope	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	Subsidiary	Development of real estate	2,800,000.00	1,532,537,012.55	25,433,005.65	0.00	11,810,122.07	-9,736,449.82
Shenzhen SPG Chuanqi Real Estate Development Co., Ltd.	Subsidiary	Development of real estate	30,000,000.00	2,560,819,336.10	990,746,279.57	0.00	-4,609,281.60	-3,435,619.67
Shenzhen SPG Longgang Development Co., Ltd.	Subsidiary	Development of real estate	30,000,000.00	94,912,989.41	55,463,556.61	10,746,255.27	3,549,049.77	-2,138,802.00
Shantou SEZ, Wellam FTY, Building Development Co., Ltd.	Subsidiary	Development of real estate	91,226,120.44	85,426,747.46	35,280,380.10	1,243,939.83	55,021,858.71	55,024,437.34
Shantou Huafe Real Estate Development Co., Ltd.	Subsidiary	Development of real estate	80,000,000.00	780,373,794.48	12,827,733.61	94,905,140.68	5,194,367.78	-4,797,165.52

Ltd.								
Great Wall Estate Co., Inc. (U.S.)	Subsidiary	Development of real estate	2,051,146.00	19,964,537.33	91,827,313.73	690,265.11	-351,082.24	-351,082.24
Shenzhen Zhentong Engineering Co., Ltd.	Subsidiary	Installation and maintenance	10,000,000.00	139,385,580.38	21,570,554.27	328,544,298.00	872,314.59	1,402,095.23
Shenzhen Petrel Hotel Co., Ltd.	Subsidiary	Hotel service	30,000,000.00	48,536,863.21	38,928,638.00	17,925,482.71	2,218,886.38	2,004,316.15
Shenzhen Huazhan Construction Supervision Co., Ltd.	Subsidiary	Construction supervision	8,000,000.00	11,275,162.28	10,471,446.74	3,986,383.98	200,736.55	143,261.58
Xin Feng Enterprise Co., Ltd.	Subsidiary	Investment and management	502,335.00	337,330,256.33	230,256,448.73	0.00	-3,885,483.26	-3,885,483.26

Subsidiaries obtained or disposed in the Reporting Period:

Applicable Not applicable

Information about major majority- and minority-owned subsidiaries:

- In May 2021, through the payment of consideration of RMB450 million, the Group acquired 51% equity interest in Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. The project company will develop the Linxingyuan Project with a gross site area of 200,000 square meters and a total capacity building area of 0.4 million square meters, which will be developed in four phases. The Group has control over the project company, which will be included in the scope of consolidation in May 2021. As of 31 December 2023, eight residential buildings of Phase I have been capped, the basement of Phase II has been completed, the development of Phase III and Phase IV are to be initiated, and construction permit has not been granted for the school. There were no sales in 2023.
- In October 2021, the Company won the bid for a land plot in Guangming District and established the project company Shenzhen SPG Chuanqi Real Estate Development Co., Ltd. to be responsible for the development and construction of the land. In 2023, actual investment totaled RMB158.83 million.

On 22 September 2023, the Company obtained the pre-sale license for its SPG Guangmingli project and opened the sale of the properties on 28 September. In 2023, areas sold totaled 31,143.98 square meters, amount from sales increased by RMB1,389.02 million, and funds of RMB1,359.85 million were withdrawn.

- The subordinate subsidiaries engaged in real estate development also include: Shenzhen SPG Longgang Development Co., Ltd., Shantou SEZ, Wellam FTY, Building Development, Co., Ltd., Shantou Huafeng Real Estate Development Co., Ltd.

The Cuilinyuan project developed by Shenzhen SPG Longgang Development Co., Ltd. recorded the carryover revenue of RMB8.17

million (cumulative sales carry-over of 96%) in 2023.

Jinyedao and YuejingDongfang developed by Shantou SEZ, Wellam FTY, Building Development, Co., Ltd. left a few amount of remaining buildings for sale. And Shantou Huafeng Real Estate Development Co., Ltd. was responsible for the development of Tianyuewan project (divided into Phase I and Phase II). Tianyuewan Phase I was open for sale in October 2016 and completed in December 2019. The Phase II started construction in November 2018 and was completed at the end of June 2021. The overall sales progress is relatively slow with an accumulated sales rate of about 74% for Phase I and 26% for Phase II.

4. Shenzhen Zhentong Engineering Co., Ltd. was engaged in the business of building installation and maintenance with the 2023 operating revenues of RMB329 million and of 62% to the operating revenues of the Company.

5. The 2023 net profit of Xin Feng Enterprise Co., Ltd. was of RMB-3.89 million which mainly due to the changes of exchange rate and it conducts no business.

6. The 2024 net profit of Shenzhen Petrel Hotel Co., Ltd. was of RMB2 million, representing a return to profitability, which was mainly due to the fact that the market and business environment improved during the Reporting Period.

X Structured Bodies Controlled by the Company

Applicable Not applicable

XI Prospects

(I) Industry pattern and trends

Currently, the real estate industry will change from a high growth rate industry to a value-driven industry, and the market pattern is facing adjustments. The policy side is expected to continue playing its part, credit easing will be maintained, and market trend depends on the degree of recovery of home buyers' confidence; the "Three Major Projects", as a long-term mechanism and an important entry point to stabilize the market, will play a key role in future market expectations.

(II) Possible risks and countermeasures

1. Macroeconomic risks and countermeasures

In 2024, the world economy has insufficient growth momentum, the complexity, severity and uncertainty of the external environment rise, and the foundation for a sustained economic recovery and improvement is not yet steady. The basic trend of long-term upturn in China's economy has not changed, and opportunities will coexist with risks and challenges in future development, with more advantages than disadvantages. The Company will continue paying close attention to the international and domestic macroeconomic situations and proactively adjust its operation strategies.

2. Industry development risks and countermeasures

At this stage, in the real estate industry, although the financing environment has improved, and the regulatory policies are expected to ease, during an upcoming period, potential industry risks still exist, resources will continue flowing to leading quality enterprises, the industry competition pattern will present a new situation. The Company will continue deepening the research on industry policies, following national strategy, optimizing the development method, and innovating its operating model.

3. Business operating risks and countermeasures

The continuous downturn in the property market has led to increased difficulties in the sale of the Company's inventory projects, meanwhile, the Company's existing reserves of development land resources are insufficient, and the expansion of new business has not yet yielded substantial results, thus putting pressure on the enterprise for its operation and development. The Company will pay close attention to changes in the market and industry policies, focus on project construction and property sales, formulate targeted land expansion plans, consolidate the foundation of the core business, and proactively explore new paths in line with the actual development of the

Company.

(III) Development strategy and operating plan

In 2024, the Company's overall work requirements are to: Enhance cohesion and forge the soul by adhering to the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era; comprehensively act in the spirit of the Party's 20th National Congress; thoroughly implement the guiding principles of the Central Economic Work Conference; scientifically grasp the main keynote of "seeking progress while maintaining stability, reinforcing stability with progress, and establishing the new before abolishing the old"; resolutely implement the work arrangement of the controlling shareholders; base the Company on its own resource endowment and coordinate internal and external advantageous resources; focus on "developing and consolidating the core business, improving capabilities, preventing risks, and expanding new business"; and continuously improve value-creating ability.

1. With focus on consolidating the core business, the Company will make new strides in creating value. First, the Company will establish and improve the standardisation manual of real estate development, with the focus on optimizing core business operations; second, the Company will strengthen project quality control, with the focus on ensuring the progress of projects; third, the Company will spare no effort to intensify project sales, with the focus on promoting the sale of inventory; fourth, the Company will expand the influence of the brand, namely "Buildings for Shenzhen-Hong Kong Medical and Healthcare Specialty Industry" of SPG Plaza, with the focus on building a platform for gathering massive health industry and on boosting leasing operation.

2. With focus on improving capabilities, the Company will make greater strides in driving reform. First, the Company will optimise and improve the system of remuneration management and assessment and incentive, and build efficient teams, with the focus on enhancing "organisational capabilities"; second, the Company will optimise and improve the operation control system, and enhance the capabilities of efficient operation of the whole project, whole cycle and whole profession, with the focus on enhancing the "operational capabilities"; third, the Company will promote the informationisation development, and boost the effectiveness of internal management and synergy operation, with the focus on enhancing "digital intelligence capabilities".

3. With focus on preventing risks, the Company will make steadier strides in proactive action. First, the Company will pay close attention to changes in situation, timely adjust the strategies for disposing of and responding to project risks, and accelerate risk disposal, with the focus on disposing of project risks; second, the Company will improve and perfect the safety management system, and strengthen safety and quality management, with the focus on preventing safety risks; third, the Company will promote the development of the compliance management system, perform better in fund plan and cash flow management, and guard the bottom line of without systematic risks, with the focus on controlling operational risks.

4. With focus on expanding new business, the Company will take faster strides in exploring future development. First, the Company will make in-depth analysis, study and judgment, and by centring on strategic reviews and revisions, develop the strong points and avoid the weak points to pinpoint the main battlefield for future development; second, the Company will give play to synergistic effect, and by centring on the arrangements for reform in Shenzhen's state-owned assets and enterprises, and the strategy of SIHC, explore the future development path and tap into high-quality investment opportunities; third, the Company will pay close attention to market trends and set up a professional team of investment research to strive for the implementation of projects as soon as possible.

5. With focus on strong leadership, the Company will make more practical strides in party building integration. First, the Company will enhance political leadership, and identify the direction of high-quality development; second, the Company will enhance ideological leadership, consolidate and deepen the achievements of thematic education, and build the foundation of high-quality development; third, the Company will enhance the overall effectiveness of the development of the organisational system, strengthen the development of Party member team,

and forge the fortress of high-quality development. Fourth, the Company will explore new paths of integration of party building and business, and usher in motivating the vitality of high-quality development.

XII Communications with the Investment Community such as Researches, Inquiries and Interviews during the Reporting Period

Applicable Not applicable

Date of visit	Place of visit	Way of visit	Type of visitor	Visitor	Contents and materials provided	Index to main inquiry information
5 January 2023	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
11 January 2023	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
12 January 2023	The Company	By telephone	Individual	Individual investor	Inquired of business situation, and didn't offer written materials	N/A
8 February 2023	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
21 February 2023	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
24 February 2023	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
13 March 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
21 March 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
29 March 2023	The Company	By telephone	Individual	Individual investor	Inquired of business situation, and didn't offer written materials	N/A
11 April 2023	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
19 April 2023	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
21 April 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
26 April 2023	The Company	By telephone	Individual	Individual investor	Inquired of the land reserves and projects progress of the Company, and didn't offer written materials	N/A

28 April 2023	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
11 May 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
22 May 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
22 May 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of A-shareholders	N/A
1 June 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
1 June 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
1 June 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
12 June 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
12 June 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
25 June 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
26 June 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
3 July 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
11 July 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
21 July 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
31 July 2023	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A

	any	one				
1 August 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
2 August 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
7 August 2023	The Company	By telephone	Individual	Individual investor	Inquired of business situation, and didn't offer written materials	N/A
11 August 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
21 August 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
28 August 2023	The Company	By telephone	Individual	Individual investor	Inquired of horizontal competition of the Company, and didn't offer written materials	N/A
1 September 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
11 September 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
21 September 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
10 October 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
11 October 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
23 October 2023	The Company	Written inquiry	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
24 October 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
3 November 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
13 November 2023	The Company	Written	Individual	Individual investor	Enquire about the number of shareholders	N/A

	any	inquiry				
21 November 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
23 November 2023	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
29 November 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
30 November 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
1 December 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
7 December 2023	The Company	By telephone	Individual	Individual investor	Inquired of business situation and the future development plan of the Company, and didn't offer written materials	N/A
8 December 2023	The Company	By telephone	Individual	Individual investor	Inquired of construction in progress and litigation, and didn't offer written materials	N/A
11 December 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
12 December 2023	The Company	By telephone	Individual	Individual investor	Inquired of construction in progress and litigation, and didn't offer written materials	N/A
15 December 2023	The Company	By telephone	Individual	Individual investor	Inquired of litigation, and didn't offer written materials	N/A
19 December 2023	The Company	By telephone	Individual	Individual investor	Inquired of horizontal competition of the Company, and didn't offer written materials	N/A
21 December 2023	The Company	Written inquiry	Individual	Individual investor	Enquire about the number of shareholders	N/A
25 December 2023	The Company	By telephone	Individual	Individual investor	Inquired of the annual audit accountant of the Company, and didn't offer written materials	N/A
27 December 2023	The Company	By telephone	Individual	Individual investor	Inquired of changes in directors and supervisors of the Company, and didn't offer written materials	N/A

XIII Implementation of the Action Plan for “Dual Enhancement of Quality and Profitability”

Has the Company disclosed its Action Plan for “Dual Enhancement of Quality and Profitability”

Yes No

Part IV Corporate Governance

I Basic Situation of Corporate Governance

In accordance with the requirements of the Company Law, the Securities Law, the Code on the Governance of Listed Companies and other laws and regulations, the Company has been improving its governance structure continuously, adhering to standardized operation, and an operational mechanism featuring decision-making by the board of directors, execution by the management team, and supervision by the board of supervisors has been formed.

During the reporting period, the Company's governance institutions at all levels have carried out their responsibilities and authorities clearly and definitely and have performed their own functions. At the same time, they have checked and balanced each other in decision-making, implementation and supervision effectively, and have operated in a coordinated manner.

(1) Operation of the general meeting of shareholders

The preparation, holding of the annual and extraordinary general meetings of shareholders of the Company as well as disclosure of the resolutions made at the meetings have been carried out in strict accordance with the Company Law, the Rules of the General Meeting of Shareholders of Listed Companies of China Securities Regulatory Commission (CSRC), the Articles of Association and the Rules of Procedure of the General Meeting of Shareholders of the Company. The notification time of the meeting, the procedure of authorization, the procedure of convening, the convener, the qualification of the personnel attending the meeting and the voting procedure of the meeting have all been in line with relevant provisions. An on-site interaction for shareholders has been set at the shareholders' meeting to ensure that the shareholders, especially the small and medium-sized shareholders, can exercise their legitimate rights.

(2) Operation of the board of directors

The preparation and holding of the board meeting of the Company and the disclosure of the resolution made at the meeting have been carried out in strict accordance with the Company Law, the Self-regulation Guidelines for Listed Companies of Shenzhen Stock Exchange No. 1-Standardized Operation of Listed Companies on the Main Board, the Articles of Association and the Rules of Procedure of the Board Meeting of the Company. The number and manning of the board of directors have met the requirements of laws and regulations. The directors have worked diligently and responsibly, and the board of directors has worked hard in making decisions and setting the direction for the Company, and has exercised its power in accordance with the requirements for corporate governance.

(3) Operation of the supervisory committee

The number and manning of the board of supervisors have met the requirements of laws and regulations. All members of the board of supervisors of the Company have performed their duties diligently and conscientiously. They have supervised and inspected the important matters of the Company in strict accordance with the Company Law, the Self-regulation Guidelines for Listed Companies of Shenzhen Stock Exchange No. 1-Standardized Operation of Listed Companies on the Main Board, the Articles of Association and the Rules of Procedure of the Board of Supervisors of the Company, exercised the power of supervision effectively, gave a full play to the supervisory function, have played a substantial role in the operation and management of the Company, and have protected the legitimate rights and interests of the Company and the shareholders.

(4) Operation at manager level

The manager level of the Company has performed its duties in strict accordance with the Company Law, the Self-

regulation Guidelines for Listed Companies of Shenzhen Stock Exchange No. 1-Standardized Operation of Listed Companies on the Main Board, the Articles of Association and the Detailed Working Rules for the General Manager of the Company. The manager level is responsible for the production, operation and management of the Company all-roundly. They have performed their duties diligently and conscientiously, and have carried out the decisions of the board of directors effectively. The members at the manager level have had a clear division of labor among them, they have worked diligently and conscientiously, and there has not existed any situation of "control under insiders".

Indicate by tick market whether there is any material incompliance with laws, administrative regulations and regulations governing the governance of listed companies issued by the CSRC.

Yes No

No such cases in the Reporting Period.

II The Company's Independence from Its Controlling Shareholder and Actual Controller in Business, Personnel, Asset, Organization and Financial Affairs

(I) In respect of assets, the Company possessed independent and integrated assets and the property of the Company is transparent.

(II) In respect of personnel, the Company was absolutely independent in management of labor, personnel and salaries from the controlling shareholders. All the senior executives of the Company took no office title concurrently and drew no remunerations from the Shareholder Company.

(III) In respect of finance, the Company has independent financial department, independently accounted and paid taxes according to the law. The Company established a complete accounting system, financial accounting system and financial administrative systems. The Company opened independent bank accounts.

(IV) In respect of organization, the Board of Directors and the Supervisory Board operated independently. There existed no superior-inferior relationship between the controlling shareholder and its function department and the Company.

(V) In respect of business, the Company possessed independent production, supply and sales system.

III Horizontal Competition

Applicable Not applicable

Type	Relationship with the Company	Company name	Company nature	Course	Countermeasures	Progress and follow-up plan
Horizontal competition	Controlling shareholder	Shenzhen Investment Holdings Co., Ltd.	Other	The Company and ShenZhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as "SZPRD") are majority-owned subsidiaries of Shenzhen Investment Holdings Co., Ltd. The Company and SZPRD are operating real estate development and commercial property sales business, which belong to the same industry. There is horizontal competition.	For the Company's existing business that has horizontal competition with ShenZhen Properties & Resources Development (Group) Ltd., Shenzhen Investment Holdings Co., Ltd. will, within the scope permitted by laws and regulations, timely launch one or several of the following solutions that is practically feasible, and complete the implementation of the relevant solution(s) before 9 November 2024 to solve the existing horizontal	Refer to the Announcement on Receiving the Avoiding Horizontal Competition Commitment Letter from the Controlling Shareholder (No.: 2021-032) disclosed by the Company on 11 September 2021 and the Announcement on Resolutions of the 1 st Extraordinary General Meeting of 2021 (No.: 2021-34)

					competition problem: (1) Solve the horizontal competition between the two through asset sales or asset replacement; (2) Solve the horizontal competition between the two through equity transfer; (3) Take other measures that can effectively solve the problem of horizontal competition.	disclosed by ShenZhen Properties & Resources Development (Group) Ltd. on 27 September 2021 for details.
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IV Annual and Extraordinary General Meeting Convened during the Reporting Period

1. General Meetings Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
The 1 st Extraordinary General Meeting of 2023	Extraordinary General Meeting	62.31%	30 March 2023	31 March 2023	Resolutions of the 1 st Extraordinary General Meeting of 2023 disclosed on China Securities, Securities Times and www.cninfo.com.cn (No.: 2023-014)
The 2022 Annual General Meeting	Annual General Meeting	62.37%	28 April 2023	29 April 2023	Resolutions of 2022 Annual General Meeting disclosed on China Securities, Securities Times and www.cninfo.com.cn (No.: 2023-020)
The 2 nd Extraordinary General Meeting of 2023	Extraordinary General Meeting	62.99%	12 September 2023	13 September 2023	Resolutions of the 2 nd Extraordinary General Meeting of 2023 disclosed on China Securities, Securities Times and www.cninfo.com.cn (No.: 2023-033)
The 3 rd Extraordinary General Meeting of 2023	Extraordinary General Meeting	62.44%	30 November 2023	1 December 2023	Resolutions of the 3 rd Extraordinary General Meeting of 2023 disclosed on China Securities, Securities Times and www.cninfo.com.cn (No.: 2023-047)

2. Extraordinary General Meeting Convened at Request of Preference Shareholders with Resumed Voting Rights

Applicable Not applicable

V Directors, Supervisors and Senior Management

1. Basic Information

Name	Gender	Age	Office title	Incumbent/Former	Start of tenure	End of tenure	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Ending shareholding (share)	Reason for change
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Tang Xiaoping	Male	54	Chairman of the Board	Incumbent	30 March 2023		0	0	0	0	0	
Tang Xiaoping	Male	54	Director	Incumbent	31 December 2020		0	0	0	0	0	
Tang Xiaoping	Male	54	GM	Incumbent	14 December 2020		0	0	0	0	0	
Qian Zhong	Male	50	Director	Incumbent	12 September 2023		0	0	0	0	0	
Wang Jianfei	Male	51	Director	Incumbent	11 October 2021		0	0	0	0	0	
Wang Jianfei	Male	51	CFO	Incumbent	22 September 2021		0	0	0	0	0	
Sun Minghui	Male	43	Director	Incumbent	31 December 2020		0	0	0	0	0	
Zhang Manhua	Male	49	Director	Incumbent	30 March 2023		0	0	0	0	0	
Li Wenkun	Male	51	Director	Incumbent	30 November 2023		0	0	0	0	0	
Kang Xiaoyue	Male	60	Independent director	Incumbent	15 May 2018		0	0	0	0	0	
He Zuowen	Male	62	Independent director	Incumbent	30 June 2020		0	0	0	0	0	
Mi Xuming	Male	49	Independent director	Incumbent	30 June 2020		0	0	0	0	0	
Wang Jiangtao	Male	58	Chairman of the Supervisory Committee	Incumbent	17 May 2022		0	0	0	0	0	
Li Yufei	Female	46	Supervisor	Incumbent	17 April 2012		0	0	0	0	0	
Wei Junfeng	Male	45	Supervisor	Incumbent	30 November 2023		0	0	0	0	0	
Lin Jun	Female	55	Supervisor	Incumbent	27 April 2016		0	0	0	0	0	
Lu Haiyan	Female	47	Supervisor	Incumbent	28 March 2023		0	200	0	0	200	
Zhang Hongwei	Male	58	Vice GM	Incumbent	15 July 2020		0	0	0	0	0	
Huang Weijun	Male	52	Vice GM	Incumbent	29 July 2022		0	0	0	0	0	
Wu Zhiyong	Male	52	Vice GM	Incumbent	29 July 2022		0	0	0	0	0	
Luo Yi	Male	50	Secretary of the Board	Incumbent	31 December 2020		0	0	0	0	0	
Deng Kangcheng	Male	58	Director	Former	17 April 2012	12 September 2023	7,500	0	0	0	7,500	
Wen Li	Female	55	Director	Former	8 September 2006	30 March 2023	0	0	0	0	0	

	e											
Ren Wei	Male	44	Supervisor	Former	15 May 2018	30 November 2023	2,000	0	0	0	2,000	
Feng Hongwei	Male	53	Supervisor	Former	2 March 2017	28 March 2023	0	0	0	0	0	
Total	--	--	--	--	--	--	9,500	200	0	0	9,700	--

Indicate by tick mark whether any directors or supervisors left or any senior management were disengaged during the Reporting Period

Yes No

1. Due to the expiration of her term of office, Ms. Wen Li no longer holds the position of director of the Company and does not hold any other position in the Company either; Mr. Feng Hongwei no longer holds the position of supervisor, and still continues to hold other management positions in the Company. For details, please refer to the *Announcement No. 2023-017 on the Re-election of the Board of Directors and the Supervisory Committee* disclosed by the Company on 31 March 2023 on *China Securities Journal, Securities Times*, and Cninfo (www.cninfo.com.cn).

2. Due to job change, Mr. Deng Kangcheng no longer holds the position of director of the Company and does not hold any other position in the Company either. For details, please refer to the *Announcement on Change of Director* (Announcement No. 2023-034) disclosed by the Company on 13 September 2023 on *China Securities Journal, Securities Times*, and Cninfo (www.cninfo.com.cn).

3. Due to job change, Mr. Ren Wei no longer holds the position of supervisor of the Company and does not hold any other position in the Company either. For details, please refer to the *Announcement on Proposed Change of Supervisor* (Announcement No. 2023-045) disclosed by the Company on 14 November 2023 on *China Securities Journal, Securities Times*, and Cninfo (www.cninfo.com.cn).

Change of Directors, Supervisors and Senior Management

Applicable Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Tang Xiaoping	Chairman of the Board	Elected	30 March 2023	
Zhang Manhua	Director	Elected	30 March 2023	
Qian Zhong	Director	Elected	12 September 2023	
Li Wenkun	Director	Elected	30 November 2023	
Wen Li	Director	Left for expiration of term of office	30 March 2023	
Deng Kangcheng	Director	Left	12 September 2023	Job change
Lu Haiyan	Supervisor	Elected	28 March 2023	
Wei Junfeng	Supervisor	Elected	30 November 2023	
Feng Hongwei	Supervisor	Left for expiration of term of office	28 March 2023	
Ren Wei	Supervisor	Left	30 November 2023	Job change

2. Biographical Information

Professional backgrounds, major work experience and current duties in the Company of the incumbent directors, supervisors and senior management:

Tang Xiaoping: he ever act as CFO and finance minister of Shenzhen HRD Assets Management Company, minister of Financial Operations Management Department of Shenzhen Foreign Labor Service Co., Ltd. and executive director of Shenzhen Foreign Affairs Service Center, Manager of Financing Plan Department, deputy GM, secretary of the Board of the Company and deputy secretary of the CPC of the Company. He is currently the Chairman of the Board, GM and secretary of the CPC of the Company.

Qian Zhong: Previously, the Director of the Office of the Board of Directors (Strategy Research Office), a member of the Discipline Inspection Commission, and the Head of the Operation Management Department of ShenZhen Properties & Resources Development (Group) Ltd.; currently, a Director, a Deputy Secretary of the Party Committee, and the Chairman of the Trade Union Federation of the Company.

Wang Jianfei: he was once the minister of the Financial Management Department of Shenzhen Construction Development (Group) Company, vice GM of Hubei SIHC Investment Development Co., Ltd. And now he acts as the director and CFO of the Company.

Sun Minghui: Former the senior director of the Office of the Board of Directors of Shenzhen Investment Holdings Co., Ltd., and the deputy director of the Finance Department (Settlement Center); currently, he is the director of the Finance Department (Settlement Center) of Shenzhen Investment Holdings Co., Ltd. and a director of the Company.

Zhang Manhua: Previously, the Head of the Investment Department of Shenzhen Shenchao Technology Investment Co., Ltd., a Deputy Head of the Strategic Development Department, and Deputy Head of the Capital Operation Department of Shenzhen Investment Holdings Co., Ltd.; currently, the Director of the Legal and Risk Management Department of Shenzhen Investment Holdings Co., Ltd. and a Director of the Company.

Li Wenkun: Previously, a Deputy General Manager of Shenzhen Toukong Property Management Co., Ltd., a Director, a Deputy Secretary of the Party Committee, and the Secretary of the Discipline Inspection Commission of Shenzhen Shentou Environmental Protection Technology Co., Ltd., and a Director, and a Deputy Secretary of the Party Committee of Shenzhen Environmental Protection Technology Group Co., Ltd. (original name was Shenzhen Shentou Environmental Protection Technology Co., Ltd.); currently, a Director of Shenzhen Water Planning and Design Institute Co., Ltd., and a Director of the Company.

Kang Xiaoyue: he was once the staff member of Department of Justice of Jiangxi Province, a reporter, editor and head of Special Issue Department of Shenzhen Legal Newspaper. Chief Lawyer, senior partner of Guangdong New Century Law Firm (later renamed Guangdong Wancheng Law Firm). Now he serves as a senior partner of Beijing Weiheng (Shenzhen) Law Firm and the independent director of the Company.

He Zuowen: formerly associate professor of accounting, deputy director of teaching and research section and member of the Disciplinary Committee of Changsha University of Science & Technology, partner and deputy director of Shenzhen Huapeng Certified Public Accountants, director and vice GM of Beijing Zhongtian Huazheng Certified Public Accountants Co., Ltd. (Dahua Certified Public Accountants) as well as head of Shenzhen Branch of it, partner of BDO Certified Public Accountants; advisory expert of Internal Control Standard Committee of the Ministry of Finance (the 1st, 2nd and 4th), expert of Shenzhen Senior Accountant Review Committee, director of Shenzhen Institute of Certified Public Accountants, director of the Investigation Committee, member of the Shenzhen Municipal Social Organization Disciplinary Inspection Committee, member, Vice Secretary of CPC & Secretary of the Disciplinary Committee of CPC Shenzhen CPA Industry Committee, etc., Independent Director of Shenzhen Textile (Holdings) Co., Ltd., currently partner of Shenzhen Dahua International Certified Public Accountants, Secretary of CPC General Branch of Shenzhen Branch of Dahua Certified Public Accountants (Special General Partnership), Chairman of Shenzhen Tianye Tax Agent Co., Ltd., and also served as the independent director of Shenzhen Tongyi Industry Co., Ltd. and the Company. The main social positions are: external master tutor of Shenzhen University, member of Shenzhen CPA Industry Committee, director of Shenzhen Certified Tax Agents Association and Member of the Capital Market Advisory Expert Committee of the Xinjiang Regulatory Bureau of the China Securities Regulatory Commission, expert of the experts database of State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality, Development and Reform Commission of Shenzhen Municipality, Science and Technology Innovation Commission of Shenzhen Municipality, Shenzhen Bureau of Radio, Television, Culture, Tourism and Sports, Shenzhen United Property and Equity Exchange, etc.

Mi Xuming: Former lecturer and associate professor at Shenzhen University, post-doctor of post-doctoral mobile station for applied economics of School of Economics of Xiamen University, visiting scholar at the University of Exeter; currently professor and master tutor of Shenzhen University, and at the same time as the independent directors of Shenzhen Farben Information Technology Co., Ltd., OFILM Group Co., Ltd. and the Company.

Wang Jiangtao: Former Deputy General Manager and Secretary of the Party Branch of Shenzhen Foreign Economic and Trade Investment Company, Director, Secretary of the Disciplinary Committee, Secretary of CPC and Chairman of the Supervisory Committee, of Shenzhen Architecture Design General Research Institute; currently Chairman of the Supervisory Committee, Secretary of the Disciplinary Committee and member of CPC of the Company.

Li Yufei: she ever worked as the Assistant to the Manager of the Investment Department and Assistant to the Manager & Vice Manager of Assets Management Centre as well as the Senior Management Staff of Enterprise Department I and Enterprise Department II (Journal Center) in Shenzhen Investment Holdings Co., Ltd. Now, she serves as the deputy director of Discipline Inspection Office in Shenzhen Investment Holdings Co., Ltd. and the supervisor of the Company.

Wei Junfeng: Previously, a Senior Managing Officer of the Strategic Research Department (Office of the Board of Directors) of Shenzhen Investment Holdings Co., Ltd.; currently, a Deputy Head of the Strategic Research Department (Office of the Board of Directors) of Shenzhen Investment Holdings Co., Ltd. and a Supervisor of the Company.

Lin Jun: She once was the Vice Chief and Chief of the Party-Mass Work Department. And she has been acting as a supervisor of the Company, the Vice Discipline Inspection Secretary and Director of Discipline Inspection and Supervision Office (Office of the Board of Supervisors).

Lu Haiyan: Previously, a Deputy Head of the Financial Department and a Deputy Head of the Strategic Development Department (Office of the Board of Directors) of Shenzhen Foreign Service Group Co., Ltd.; currently, a supervisor and a deputy manager of the Audit Department (presiding over the work of the Audit Department) of the Company.

Zhang Hongwei: once served as GM of Shenzhen Urban Construction Investment Development Co., Ltd., Hefei Ruifa Urban Construction Investment Development Co., Ltd., manager of the Company's Development Department, Sales Department, Project II Department, Project Management Department; currently deputy GM of the Company, member of CPC, Chairman of Jianbang Group, and GM of Longgang Development Company.

Huang Weijun: Once served as a member of the Party Committee, Secretary of the Committee for Discipline Inspection and Deputy GM of Shenzhen Guangming Group Co., Ltd., a member of the Party Committee, Secretary of the Committee for Discipline Inspection and Deputy GM of Shenzhen OCT Vision Inc. (concurrently as an executive director of Shenzhen OCT International Media Performing Co., Ltd.), and now serving as the Deputy GM, member of the CPC of the Company.

Wu Zhiyong: Once served as the Chairman and GM of Shenzhen Petrel Hotel Co., Ltd. and Deputy Manager of Property Management Department and Asset Operation Center of the Company, and now serving as the Deputy GM, member of the CPC of the Company of the Company.

Luo Yi: He was once the Vice GM, Deputy Director of Board Secretariat and Securities Representative in the Shantou branch of the Company. And he now serves as the Board Secretary and Director of the Board Secretariat in the Company.

Offices held concurrently in shareholding entities:

Applicable Not applicable

Name	Shareholding entity	Office held in the shareholding entity	Start of tenure	End of tenure	Remuneration or allowance from the

					shareholding entity
Sun Minghui	Shenzhen Investment Holdings Co., Ltd	Chief of Financial Department (Settlement Center)	11 November 2020		Yes
Zhang Manhua	Shenzhen Investment Holdings Co., Ltd	Head of Legal and Risk Management	19 October 2018		Yes
Li Yufei	Shenzhen Investment Holdings Co., Ltd	Deputy Director of Discipline Inspection Office	9 July 2015		Yes
Wei Junfeng	Shenzhen Investment Holdings Co., Ltd	Deputy Director of Strategic Research Department (Office of the Board of Directors)	25 June 2018		Yes

Offices held concurrently in other entities:

Applicable Not applicable

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Sun Minghui	Shenzhen Highway Passenger Transportation Service Centre Co., Ltd.	Supervisor	16 June 2017		No
Sun Minghui	China Nanshan Development (Group) Co., Ltd.	Supervisor	17 October 2017		No
Sun Minghui	ULTRARICHINTERNATIONAL LIMITED	Director	11 November 2020		No
Sun Minghui	Hubei SIHC Investment Development Co., Ltd.	Director	11 November 2020		No
Sun Minghui	Shenzhen Textile (Holdings) Co., Ltd.	Director	10 February 2021		No
Sun Minghui	Hubei SIHC Investment Development Co., Ltd.	Director	30 June 2021		No
Sun Minghui	Shenzhen Textile (Holdings) Co., Ltd.	Director	18 October 2021		No
Sun Minghui	Guotai Junan Securities Co.,Ltd.	Director	26 October 2023		No
Sun Minghui	Guotai Junan Investment Management Co.,Ltd.	Director	26 October 2023		No
Zhang Manhua	Shenzhen Properties & Resources Development (Group) Ltd.	Supervisor	31 July 2014		No
Zhang Manhua	Shenzhen Architecture Design General Research Institute	Director	11 July 2017		No
Zhang Manhua	Shenzhen Asset Management Co., Ltd.	Director	23 April 2020		No
Zhang Manhua	Shenzhen Bay Area Urban Construction and Development Co., Ltd.	Director	16 August 2021		No
Zhang Manhua	Shenzhen High-Tech Zone Investment Development Group Co., Ltd.	Director	25 November 2022		No
Zhang Manhua	Shenzhen Corporate Compliance Association	Vice-president	9 January 2023		No
Li Wenkun	Shenzhen Water Planning and Design Institute Co., Ltd.	Director	4 September 2023		No
Li Yufei	Shenzhen Dapengwan Huaqiao Tomb	Director	19 November 2015		No
Li Yufei	Shenzhen Shentou Cultural Investment Co., Ltd.	Director	2 September 2022		No
Wei Junfeng	Shenzhen Environmental Protection Technology Group Co., Ltd.	Supervisor	17 October 2017		No
Wei Junfeng	Shenzhen Highway Passenger Transportation Service Centre Co., Ltd.	Director	24 August 2023		No

Punishments imposed in the recent three years by the securities regulator on the incumbent directors, supervisors and senior

management as well as those who left in the Reporting Period:

Applicable Not applicable

3. Remuneration of Directors, Supervisors and Senior Management

Decision-making procedure, determination basis and actual payments of remuneration for directors, supervisors and senior management:

The remuneration of the Company's directors, supervisors and senior managers shall be determined and implemented in accordance with the regulations of the Company's remuneration management system.

After the review and approval at the 2022 Annual General Meeting of Shareholders held on 28 April 2023, the allowance for independent directors has been adjusted to RMB10,000 (pre-tax) per person per month from RMB7000 (pre-tax) per person per month since May 2023, and independent directors will not receive any remuneration other than it from the Company.

Remuneration of directors, supervisors and senior management for the Reporting Period

Unit: RMB'0,000

Name	Gender	Age	Office title	Incumbent/Former	Total before-tax remuneration from the Company	Any remuneration from related party
Tang Xiaoping	Male	54	Chairman of the Board, GM	Incumbent	98.7	No
Qian Zhong	Male	50	Director	Incumbent	22.6	No
Wang Jianfei	Male	51	Director and CFO	Incumbent	107.7	No
Sun Minghui	Male	43	Director	Incumbent	0	Yes
Zhang Manhua	Male	49	Director	Incumbent	0	Yes
Li Wenkun	Male	51	Director	Incumbent	0	Yes
Kang Xiaoyue	Male	60	Independent director	Incumbent	10.8	No
He Zuowen	Male	62	Independent director	Incumbent	10.8	No
Mi Xuming	Male	49	Independent director	Incumbent	10.8	No
Wang Jiangtao	Male	58	Chairman of the Supervisory Committee	Incumbent	111.42	No
Li Yufei	Female	46	Supervisor	Incumbent	0	Yes
Wei Junfeng	Male	45	Supervisor	Incumbent	0	Yes
Lin Jun	Female	55	Supervisor	Incumbent	61.86	No
Lu Haiyan	Female	47	Supervisor	Incumbent	41.17	No
Zhang Hongwei	Male	58	Vice GM	Incumbent	87.05	No
Huang Weijun	Male	52	Vice GM	Incumbent	70.07	No
Wu Zhiyong	Male	52	Vice GM	Incumbent	81.5	No
Luo Yi	Male	50	Secretary of the Board	Incumbent	62.76	No
Deng Kangcheng	Male	58	Director	Former	0	Yes
Wen Li	Female	55	Director	Former	0	Yes
Ren Wei	Male	44	Supervisor	Former	0	Yes
Feng Hongwei	Male	53	Supervisor	Former	62.86	No
Total	--	--	--	--	840.09	--

Other notes

Applicable Not applicable

VI Performance of Duty by Directors in the Reporting Period

1. Board Meeting Convened during the Reporting Period

Meeting	Date of the meeting	Disclosure date	Index to disclosed information
The 77 th Meeting of the 7 th Board of Directors	19 January 2023	20 January 2023	Announcement on Resolutions of the 77 th Meeting of the 7 th Board of Directors (No.: 2023-003) disclosed on China Securities Journal, Securities Times and www.cninfo.com.cn .
The 78 th Meeting of the 7 th Board of Directors	17 March 2023	18 March 2023	Announcement on Resolutions of the 78 th Meeting of the 7 th Board of Directors (No.: 2023-007) disclosed on China Securities Journal, Securities Times and www.cninfo.com.cn .
The 1 st Meeting of the 8 th Board of Directors	30 March 2023	31 March 2023	Announcement on Resolutions of the 1 st Meeting of the 8 th Board of Directors (No.: 2023-015) disclosed on China Securities Journal, Securities Times and www.cninfo.com.cn .
The 2 nd Meeting of the 8 th Board of Directors	28 April 2023	29 April 2023	Announcement on Resolutions of the 2 nd Meeting of the 8 th Board of Directors (No.: 2023-021) disclosed on China Securities Journal, Securities Times and www.cninfo.com.cn .
The 3 rd Meeting of the 8 th Board of Directors	28 July 2023	29 July 2023	Announcement on Resolutions of the 3 rd Meeting of the 8 th Board of Directors (No.: 2023-026) disclosed on China Securities Journal, Securities Times and www.cninfo.com.cn .
The 4 th Meeting of the 8 th Board of Directors	25 August 2023	28 August 2023	Announcement on Resolutions of the 4 th Meeting of the 8 th Board of Directors (No.: 2023-028) disclosed on China Securities Journal, Securities Times and www.cninfo.com.cn .
The 5 th Meeting of the 8 th Board of Directors	18 October 2023	19 October 2023	Announcement on Resolutions of the 5 th Meeting of the 8 th Board of Directors (No.: 2023-035) disclosed on China Securities Journal, Securities Times and www.cninfo.com.cn .
The 6 th Meeting of the 8 th Board of Directors	27 October 2023	28 October 2023	Announcement on Resolutions of the 6 th Meeting of the 8 th Board of Directors (No.: 2023-036) disclosed on China Securities Journal, Securities Times and www.cninfo.com.cn .
The 7 th Meeting of the 8 th Board of Directors	29 December 2023	30 December 2023	Announcement on Resolutions of the 7 th Meeting of the 8 th Board of Directors (No.: 2023-050) disclosed on China Securities Journal, Securities Times and www.cninfo.com.cn .

2. Attendance of Directors at Board Meetings and General Meetings

Attendance of directors at board meetings and general meetings							
Director	Total number of board	Board meetings	Board meetings	Board meetings	Board meetings the	The director failed to	General meetings

	meetings the director was eligible to attend	attended on site	attended by way of telecommunication	attended through a proxy	director failed to attend	attend two consecutive board meetings (yes/no)	attended
Tang Xiaoping	9	7	2	0	0	No	4
Qian Zhong	3	1	2	0	0	No	1
Wang Jianfei	9	7	2	0	0	No	4
Sun Minghui	9	5	4	0	0	No	3
Zhang Manhua	7	4	3	0	0	No	3
Li Wenkun	1	0	1	0	0	No	0
Kang Xiaoyue	9	5	4	0	0	No	4
He Zuowen	9	6	3	0	0	No	4
Mi Xuming	9	6	3	0	0	No	3
Deng Kangcheng	6	6	0	0	0	No	3
Wen Li	2	1	1	0	0	No	0

Why any independent director failed to attend two consecutive board meetings:

Not applicable

3. Objections Raised by Directors on Matters of the Company

Indicate by tick mark whether any directors raised any objections on any matter of the Company.

Yes No

No such cases in the Reporting Period.

4. Other Information about the Performance of Duty by Directors

Indicate by tick mark whether any suggestions from directors were adopted by the Company.

Yes No

Suggestions from directors adopted or not adopted by the Company:

During the Reporting Period, all directors of the Company performed their duties diligently and conscientiously. They thoroughly mastered the Company's production and operation, internal control, and standardized operation, and put forward relevant opinions on the Company's major governance and operation decisions based on their professional advantages. These opinions were fully communicated and discussed among the directors before forming consensus, which effectively promoted scientific and objective decision-making by the Board of Directors, and helpfully safeguarded the legitimate rights and interests of the Company and all shareholders.

VII Performance of Duty by Specialized Committees under the Board in the Reporting Period

Committee	Members	Number of meetings	Convened date	Content	Important opinions and suggestions raised	Other information about the performance	Details about issues
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		convened			of duty	with objections (if any)
Audit Committee of the Board of Directors	He Zuowen, Sun Minghui, Mi Xumin	4	14 January 2023	Deliberation on the Company's 2022 financial statements	It is believed that the Company has chosen and applied appropriate accounting policies and made reasonable accounting estimates in accordance with the provisions of the new Accounting Standards for Business Enterprises. The Company has always been cautious about changes in accounting policies and accounting estimates. There is no use or abuse of changes in accounting policies or accounting estimates to adjust profits. The financial statements prepared by the Company are true and reliable with complete contents.	
			10 March 2023	Deliberation on the preliminary audit opinions of Grant Thornton China (LLP) on the Company's 2022 financial statements	It is believed that the Company's 2022 financial statements prepared by Grant Thornton China (LLP) comply with all provisions of the Accounting Standards for Business Enterprises, and truly and completely represent the Company's financial position as of 31 December 2022 and its operating results and cash flows for the year 2022 in all material respects.	
			17 March 2023	Deliberation on the summary of the 2022 audit service provided by Grant Thornton China (LLP) for the Company	It is believed that Grant Thornton China (LLP) has completed the audit of the Company's 2022 financial statements well.	
			19 October 2023	Deliberation on the proposed engagement of the audit firm for 2023	It is agreed to engage Pan-China Certified Public Accountant (LLP) as the auditor of the Company's financial statements and internal control for the year 2023, with the auditor's fee of RMB510,000 for the financial statements and RMB210,000 for the internal control.	
Remuneration and Appraisal Committee of the Board of Directors	Mi Xumin, Wang Jianfei, He Zuowen	6	17 March 2023	Deliberation on the annual remuneration of directors, supervisors and senior management as disclosed in the Company's 2022 annual report	It is believed that the remuneration decision-making procedures for the Company's directors, supervisors and senior management are compliant, the remuneration payment standards for the Company's directors, supervisors and senior management are in line with the regulations of the remuneration system, and that the remuneration disclosed in the 2022 annual report is true and accurate.	
			30 March 2023	Deliberation on the adjustment of the allowances for Independent Directors	It is considered that the Company's current adjustment of the allowances for Independent Directors has taken into account the standard of allowances for Independent Directors of listed companies in the same industry, and the level of economic development in the region, with the comprehensive consideration of the actual situation of the Company's operation and management, as well as the contributions made by the Independent Directors to the standardised operation and future development of the Company. As a result, the proposed adjustment of the allowances is reasonable.	

			23 July 2023	Deliberation on the Program for Assessing Group Deputy General Managers Huang Weijun and Wu Zhiyong During Probationary Period	It is agreed to adopt the <i>Program for Assessing Group Deputy General Managers Huang Weijun and Wu Zhiyong During Probationary Period</i> .		
			18 August 2023	Deliberation on the result for Assessing Group Deputy General Managers Huang Weijun and Wu Zhiyong During Probationary Period	It is agreed to adopt the assessment report and probationary assessment proposal of the assessment working group: Huang Weijun and Wu Zhiyong, Deputy General Managers of the Group, were identified to be "qualified" in the probationary assessment results, and were regularised on schedule.		
			12 October 2023	Deliberation on the adjustment of Implementation Plan for Performance Appraisal of Senior Management of the Company in 2022	It is considered that the adjusted Implementation Plan for Performance Appraisal of Senior Management in 2022 conforms to the actual situation of the Company, and the assessment indicators are set scientifically and reasonably.		
			19 October 2023	Review of the results of performance appraisal of senior management members of SPG in 2022 and the result application plan, the Implementation Plan for Performance Appraisal of Senior Management Members in 2023 and the 2023 Statement of Responsibility of Senior Management Members for Business Performance	It is held that: 1. The plan for performance assessment and application of the Company's Senior Management for the year 2022 conforms to the actual situation, and can be used to more accurately and comprehensively evaluate the assessment objects, without circumstances of jeopardizing the interests of the Company and its shareholders, especially those of the medium and small shareholders. 2. The <i>Implementation Plan for Performance Assessment of SPG's Senior Management for the Year 2023</i> satisfies the requirements put forward in the <i>Management Measures for Business Performance Appraisal and Remuneration Management of Senior Management Members</i> , and the assessment indicators are set scientifically and reasonably, without circumstances of jeopardizing the interests of the Company and its shareholders, especially those of the medium and small shareholders. 3. The responsibility statement of Senior Management for business performance for the year 2023 satisfies the requirements for the assessment indicators of business performance for the year 2023, is combined with the key work points for the year 2023 and the division of work among the members of the leading group, and is scientific and reasonable, without circumstances of jeopardizing the interests of the Company and its shareholders, especially those of the medium and small shareholders.		
Nomination Committee of the Board of Directors	Kang Xiaoyue, Deng Kangcheng, He Zuowen	2	13 January 2023	Deliberation on the Election of the Company's Board of Director	Tang Xiaoping, Deng Kangcheng, Wang Jianfei, Zhang Manhua and Sun Minghui are proposed as candidates for non-independent directors of the 8 th Board of Directors of the Company; Kang Xiaoyue, He Zuowen and Mi Xuming are proposed as candidates for independent directors of the 8 th Board of Directors of the Company.		
			18 August 2023	Deliberation on the nomination of Qian Zhong as a director of	It is agreed to recommend Qian Zhong as a director of the Company.		

ctors				the Company		
	Kan g Xiao yue, Qian Zho ng, He Zuo wen	1	19 October 2023	Deliberation on the nomination of Li Wenkun as a director of the Company	It is agreed to recommend Li Wenkun as a director of the Company.	

VIII Performance of Duty by the Supervisory Committee

Indicate by tick mark whether the Supervisory Committee found any risk to the Company during its supervision in the Reporting Period.

Yes No

The Supervisory Committee raised no objections in the Reporting Period.

IX Employees

1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent at the period-end	104
Number of in-service employees of major subsidiaries at the period-end	163
Total number of in-service employees at the period-end	267
Total number of paid employees in the Reporting Period	267
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	0
Functions	
Function	Employees
Production	127
Sales	21
Technical	15
Financial	24
Administrative	80
Total	267
Educational backgrounds	
Category	Number
Doctors	2
Masters	22
Bachelors	111
College graduates	67
Technical secondary school graduates	8
High school graduates and below	57
Total	267

2. Employee Remuneration Policy

The management personnel above vice general manager (including vice GM) of the Company conducted annual salary system, other employees conducted contacting the performance with the benefit salary system.

3. Employee Training Plans

The Company established annual training plan in line with Measures for the Management of Employee Training. The Company adopts internal training, hires experts give lectures to the Company or participate professional training, train the on job employees with job knowledge, professional skills, rules and regulations, the business process etc., which enrich and renew the professional knowledge, enhance the comprehensive quality and business skills of the employees.

4. Labor Outsourcing

Applicable Not applicable

X Profit Distributions (in the Form of Cash and/or Stock)

How the profit distribution policy, especially the cash dividend policy, was formulated, executed or revised in the Reporting Period:

Applicable Not applicable

Indicate by tick mark whether the Company fails to put forward a cash dividend proposal for shareholders despite the facts that the Company has made profits in the Reporting Period and the profits of the Company as the parent distributable to shareholders are positive.

Applicable Not applicable

Final Dividend Plan for the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

No such cases in the Reporting Period.

XII Establishment and Execution of the Internal Control System for the Reporting Period

1. Establishment and Execution of the Internal Control System

The Company has established a relatively complete and continuously effective internal control system, and has carried out internal control evaluation in accordance with the internal control matrix and documents. In accordance with the requirements of the standard system for enterprise internal control and relevant regulations, the Company has maintained effective internal control over financial reporting in all material respects. No major deficiencies in internal control not related to financial reporting have been found, and no factors affecting the evaluation conclusion of internal control effectiveness have occurred. At the same time, the Company attaches great importance to the regulation and steering role of the big supervision system. By holding joint supervision meetings and carrying out key supervision and inspection, the Company has promoted the standardization level improvement of relevant management work. No major violations of regulations and disciplines have been found. In the future, the Company will continue to develop internal control in a standardized manner and strengthen the supervision and inspection of internal control in order to promote the healthy and sustainable development of the Company.

2. Material Internal Control Weaknesses Identified for the Reporting Period

Yes No

XIII Management and Control over Subsidiaries by the Company for the Reporting Period

Subsidiary	Integration plan	Integration progress	Problem	Countermeasures taken	Settlement progress	Follow-up settlement plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

XIV Internal Control Evaluation Report or Independent Auditor's Report on Internal Control

1. Internal Control Evaluation Report

Disclosure date of the internal control self-evaluation report		30 March 2024
Index to the disclosed internal control self-evaluation report		2023 Internal Control Self-Evaluation Report on www.cninfo.com.cn
Evaluated entities' combined assets as % of consolidated total assets		83.94%
Evaluated entities' combined operating revenue as % of consolidated operating revenue		99.87%
Identification standards for internal control weaknesses		
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting
Nature standard	The Company in line with the actual situation, when the follows events or indications happen, which means there probably existing serious or important defects in the financial report; (1) the directors, supervisors and senior executives were fraud. (2) Certified Public Accountant find that there is a significant error in the financial report, however, the internal control did not discover it when conducting internal control; (3) The Audit Committee under the Board and Internal Audit Service's supervision to the internal control is invalid. (4) The accounting personnel were without necessary qualities to complete the preparation of financial statements.	The criterion of quality of the recognition of defects of internal control in the non-financial statements mainly were order of severity of defect involving business nature, the direct or potential negative influence nature and the influence scope and other factors. If the follows events or indicators occur, there may be serious or important defects of internal control in the non-financial statements:(1) Lack democratic decision-making process, if lack significant problem decision-making, important appointment and dismissal of cadres, significant project investment decision-making; usage of large capital (three important, one large); (2) Unscientific decision-making process, such as the major decision-making errors, has caused a serious property loss to the company; (3) Seriously violating state laws and regulations; (4) Loss of key management personnel or important talent; (5) Negative news media appear frequently and widely spread; (6) The results of the internal control evaluation especially large or significant defects have not been corrected. (7) Important business systems lack control rules, or systemic failure.
Quantitative standard	Serious defects: the defects, or defect group may lead to the financial results misstatement or potential losses >3% of net assets; important defects: 1% of net assets<the defects, or defect group may lead to the financial results misstatement or potential losses ≤ 3% of net assets; General defects: the defects, or defect group may lead to the financial results misstatement or potential losses ≤ 1% of net assets.	The criterion of quantity of the recognition of defects of internal control in the non-financial statements mainly were amount of direct economy losses, in line with the criterion of quantity of the recognition of defects of internal control in financial report of the Company.
Number of material weaknesses in internal control over financial reporting		0
Number of material weaknesses in internal control not related to financial reporting		0
Number of serious weaknesses in internal control over financial reporting		0
Number of serious weaknesses in		0

internal control not related to financial reporting	
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2. Independent Auditor's Report on Internal Control

Applicable Not applicable

Opinion paragraph in the independent auditor's report on internal control	
We believe that Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. maintained effective internal control of financial statements in all significant aspects on 31 December 2023 in accordance with Basic Standards for Internal Control and relevant regulations.	
Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	30 March 2024
Index to such report disclosed	Report on Internal Control disclosed on www.cninfo.com.cn .
Type of the auditor's opinion	Unmodified unqualified opinion
Material weaknesses in internal control not related to financial reporting	No

Indicate by tick mark whether any modified opinion is expressed in the independent auditor's report on the Company's internal control.

Yes No

Indicate by tick mark whether the independent auditor's report on the Company's internal control is consistent with the internal control self-evaluation report issued by the Company's Board.

Yes No

XV Rectifications of Problems Identified by Self-inspection in the Special Action for Listed Company Governance

1. The Company has completed the re-election of its Board of Directors and the Board of Supervisors.

On 30 March 2023, the Company held the 1st extraordinary general meeting of shareholders of 2023, at which the non-independent directors and independent directors of the 8th Board of Directors and the non-employee supervisors of the 8th Board of Supervisors were elected, and together with the employee representative supervisors who were elected by the workers' congress of the Company, formed the 8th Board of Directors and the 8th Board of Supervisors.

2. The Company has continuously improved the corporate governance system.

In 2023, in accordance with the requirements of such regulations as the Guidelines on the Articles of Association of Listed Companies, the Management Measures for Independent Directors of Listed Companies, the Rules for Stock Listing of Shenzhen Stock Exchange, and the Self-regulation Guidelines for Listed Companies of Shenzhen Stock Exchange No. 1-Standardized Operation of Listed Companies on the Main Board, the Company has completed the revisions of four governance policies of the Company, including the articles of association, investor relations management rules, the working system for independent directors, and the implementation rules for the Strategy Committee of the Board of Directors.

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 problems during the Reporting Period

Name	Reason	Case	Result	Influence on production and operation	Rectification measures
N/A	N/A	N/A	N/A	N/A	N/A

Other environmental information disclosed with reference to the heavily polluting business

The Company and its subsidiaries are not imposed any administrative penalties for environmental problems during the Reporting Period.

Measures taken to decrease carbon emission in the Reporting Period and corresponding effects

Applicable Not applicable

Reason for failure of disclosing other environmental information

The Company and its subsidiaries isn't a heavily polluting business identified by the environmental protection authorities of China.

II Social Responsibility

Adhering to the philosophy of "thinking of the source when drinking water", while pursuing economic benefits, the Company proactively practiced its role as a state-owned enterprise, fulfilled its social responsibility, and gave back to the society with practical action. For details, please refer to the 2023 Environmental, Social and Corporate Governance (ESG) Report disclosed on Cninfo (www.cninfo.com.cn).

III Consolidation and Expansion of Poverty Alleviation Outcomes, and Rural Revitalization

Paying close attention to rural development, the Company proactively implemented the national targeted poverty alleviation action, and continuously carried out consumer assistance and rural revitalisation tasks. For details, please refer to the 2023 Environmental, Social and Corporate Governance (ESG) Report disclosed on Cninfo (www.cninfo.com.cn).

Part VI Significant Events

I Fulfillment of Commitments

1. 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

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfillment
Other commitments made to minority interests	Shenzhen Investment Holdings Co., Ltd.	Avoiding horizontal competition	To avoid horizontal competition, Shenzhen Investment Holdings Co., Ltd. made such a commitment: For the Company's existing business that has horizontal competition with ShenZhen Properties & Resources Development (Group) Ltd., Shenzhen Investment Holdings Co., Ltd. will, within the scope permitted by laws and regulations, timely launch one or several of the following solutions that is practically feasible, and complete the implementation of the relevant solution(s) before 9 November 2024 to solve the existing horizontal competition problem: (1) Solve the horizontal competition between the two through asset sales or asset replacement; (2) Solve the horizontal competition between the two through equity transfer; (3) Take other measures that can effectively solve the problem of horizontal competition. Above commitment came into force upon the review and approval on the shareholders' meeting of ShenZhen Properties & Resources Development (Group) Ltd. (dated 27 September 2021).	10 September 2021	Before 9 November 2024	Ongoing
Fulfilled on time			Yes			
Specific reasons for failing to fulfill commitments on time and plans for next step (if any)			N/A			

2. Where there had been an earnings forecast for an asset or project and the Reporting Period was still within the forecast period, explain why the forecast has been reached for the Reporting Period.

Applicable Not applicable

II Occupation of the Company's Capital by the Controlling Shareholder or 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 Explanations Given by the Board of Directors Regarding the Latest “Modified Opinion” on the Financial Statements

Applicable Not applicable

V Explanations Given by the Board of Directors, the Supervisory Board and the Independent Directors (if any) Regarding the Independent Auditor's “Modified Opinion” on the Financial Statements of the Reporting Period

Applicable Not applicable

VI YoY Changes to Accounting Policies, Estimates or Correction of Material Accounting Errors

Applicable Not applicable

For details, see “(XXXII) Significant changes in accounting policies” under “III. Significant accounting policies and estimates” in “Part X Financial Statements”.

VII YoY Changes to the Scope of the Consolidated Financial Statements

Applicable Not applicable

No such cases in the Reporting Period.

VIII Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	Pan-China Certified Public Accountants (LLP)
The Company’s payment to the domestic independent auditor (RMB’0,000)	72
How many consecutive years the domestic independent auditor has provided audit service for the Company	1
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor’s report	Wang Huansen, Cai Xiaodong
How many consecutive years the certified public accountants from the domestic independent auditor have provided audit service for the Company	1

Indicate by tick mark whether the independent auditor was changed for the Reporting Period.

Yes No

Indicate by tick mark whether the independent auditor was changed in the audit period

Yes No

Indicate by tick mark whether the approval procedure for changing the independent auditor was performed

Yes No

Detailed explanation of the change of independent auditor

Grant Thornton China (LLP) has provided audit services for the Company for four consecutive years since 2019 and issued a standard unqualified audit report for the Company for each of the years. After comprehensive consideration and prudent study of the Company's needs for future business development, the Company has selected, through public bidding, Pan-China Certified Public Accountant (LLP) as the accounting firm for the year 2023.

The above-mentioned events have been respectively deliberated and adopted at the 6th Meeting of the 8th Board of Directors, the 4th Meeting of the 8th Supervisory Committee, and the 3rd Extraordinary General Meeting of 2023 of the Company, with the details seen in the *Resolutions of the 6th Meeting of the 8th Board of Directors* (Announcement No. 2023-036), the *Resolutions of the 4th Meeting of the 8th Supervisory Committee* (Announcement No. 2023-037), and the *Announcement on Proposed Engagement of Accounting Firm for the Year of 2023* (Announcement No. 2023-040), and the *Resolutions of the 3rd Extraordinary General Meeting of 2023* (Announcement No. 2023-047), dated 28 October and 1 December 2023 and disclosed on China Securities Journal, Securities Times, and Cninfo (www.cninfo.com.cn).

Independent auditor, financial advisor or sponsor engaged for the audit of internal controls:

Applicable Not applicable

During the Reporting Period, the Company engaged Pan-China Certified Public Accountant (LLP) to provide internal control and audit services for the Company at a service fee of RMB210,000.

IX Possibility of Delisting after Disclosure of this Report

Applicable Not applicable

X Insolvency and Reorganization

Applicable Not applicable

No such cases in the Reporting Period.

XI Major Legal Matters

Applicable Not applicable

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
Xi'an Project Lawsuit	2,154	No	In execution	① Xi'an Business Tourism Company Limited (hereinafter referred to as "Business Company") had to pay for the compensation RMB36.62 million and the relevant interest (from 14 September 1998 to the payment day) to Xi'an Fresh Peak Company within one month after the judgment entering into force. If the Business Company failed to pay in time, it had to pay double debt interests to Xi'an Fresh Peak	Shaanxi High People's Court Sold all assets of Business Company by auction in accordance with laws in 2004. The applicant has received RMB15.20 million. Now Business Company has no executable properties and Xi'an Joint Commission on Commerce has been refusing to execute the ruling. It is difficult to recover the rest.	28 August 2023	Interim Report 2023 (No.: 2023-031) on www.cninfo.com.cn

				Company for the overdue period; ② Xi'an Joint Commission on Commerce had jointly and severally obligation of the interests of the compensation; ③ Business Company shall bear RMB227,500 of the acceptance fee and the security fee.			
Lawsuit of bill dispute	17,715.14	No	Judgment was rendered in the first instance	As Jianbang Group is incapable of paying the commercial bills due in January 2022, which total RMB177,151,400, Huizhou Mingxiang Economic Information Consulting Co., Ltd., Huizhou Huiyang Hongfa Industry & Trade Co., Ltd. and Huizhou Jinlongsheng Industrial Co., Ltd. brought a lawsuit on the bill dispute to the People's Court of Huiyang District. The Huiyang District Court ruled at first instance in March 2023 that Jianbang should pay the acceptance bill amount and interest.	SPG is actively negotiating with Jianbang and the plaintiffs for an all-inclusive solution.	28 August 2023	Interim Report 2023 (No.: 2023-031) on www.cninfo.com.cn
Contractual disputes over loans	39,568.85	No	The verdict has been rendered in the first instance	In January 2024, the Company received a civil judgment of the first instance issued by the Shenzhen Luohu District People's Court.	The verdict has been rendered in the first instance	3 February 2024	Announcement on the Progress of Litigation Matters (No.: 2024-003) on www.cninfo.com.cn
Joint venture and cooperative real estate development contract disputes	74,357.5	No	The first trial has been held	The case was heard in February 2024 and has not yet been decided.	The first trial has been held	8 December 2023	Announcement on Litigation Matters (No.: 2023-048) on www.cninfo.com.cn
Contractual disputes over loans	41,952.29	No	The first trial has been held	The case was heard in March 2024 and has not yet been decided.	The first trial has been held	13 January 2024	Announcement on Litigation Matters (No.: 2024-001) on www.cninfo.com.cn

XII Punishments and Rectifications

Applicable Not applicable

No such cases in the Reporting Period.

XIII Credit Quality of the Company as well as Its Controlling Shareholder and Actual Controller

Applicable Not applicable

XIV Major Related-Party Transactions

1. Continuing Related-Party Transactions

Applicable Not applicable

No such cases in the Reporting Period.

2. Related-Party Transactions Regarding Purchase or Sales of Assets or Equity Interests

Applicable Not applicable

No such cases in the Reporting Period.

3. Related Transactions Regarding Joint Investments in Third Parties

Applicable Not applicable

No such cases in the Reporting Period.

4. Amounts Due to and from Related Parties

Applicable Not applicable

No such cases in the Reporting Period.

5. Transactions with Related Finance Companies

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 or any other related parties.

6. Transactions with Related Parties by Finance Companies Controlled by the Company

Applicable Not applicable

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

7. Other Major Related-Party Transactions

Applicable Not applicable

No such cases in the Reporting Period.

XV Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

Applicable Not applicable

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	Disclose 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 as the parent for its subsidiaries										
Obligor	Disclose 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 SPG Chuanqi Real Estate Develop	18 March 2022	50,000	17 June 2022	15,047	Pledge	100% equity interests of Shenzhen		From the date of signing the guarantee	Not	Not

ment Co., Ltd.						n SPG Chuanqi Real Estate Develop ment Co., Ltd. held by the Compan y		contract to the date when all guarante ed debts are uncondit ionally and irrevoca bly paid off in full.		
Total approved line for such guarantees in the Reporting Period (B1)					50,000	Total actual amount of such guarantees in the Reporting Period (B2)				15,047
Total approved line for such guarantees at the end of the Reporting Period (B3)					50,000	Total actual balance of such guarantees at the end of the Reporting Period (B4)				15,047
Guarantees provided between subsidiaries										
Obligor	Disclose re date of the guarante e line announc ement	Line of guarante e	Actual occurren ce date	Actual guarante e amount	Type of guarante e	Collatera l (if any)	Counter guarante e (if any)	Term of guarante e	Having expired or not	Guarante e for a related party or not
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)					50,000	Total actual guarantee amount in the Reporting Period (A2+B2+C2)				15,047
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)					50,000	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)				15,047
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets							4.08%			
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)							0			
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)							0			
Total of the three amounts above (D+E+F)							0			

Compound guarantees

3. Cash Entrusted to Other Entities for Management

(1) Cash Entrusted for Wealth Management

Applicable Not applicable

Overview of cash entrusted for wealth management in the Reporting Period

Unit: RMB'0,000

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount	Unrecovered overdue amount with provision for impairment
Others	Self-owned funds	87,934.02	87,934.02	0	0
Total		87,934.02	87,934.02	0	0

High-risk entrusted wealth management with significant single amount or low security and poor liquidity:

Applicable Not applicable

Whether there is the case where the principal cannot be recovered at maturity or other case which may cause impairment for entrusted wealth management

Applicable Not applicable

(2) Entrusted Loans

Applicable Not applicable

No such cases in the Reporting Period.

4. Other Major Contracts

Applicable Not applicable

No such cases in the Reporting Period.

XVI Other Significant Events

Applicable Not applicable

No such cases in the Reporting Period.

XVII 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 (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
1. Restricted shares	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
1.1 Shares held by the state	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
1.2 Shares held by state-owned Legal-person	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
1.3 Shares held by other domestic investors	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Among which: shares held by domestic legal person	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Shares held by domestic natural person	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
1.4 Oversea shareholdings	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Among which: shares held by oversea legal person	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Shares held by oversea	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

natural person									
2. Unrestricted shares	1,011,660,000.00	100.00%	0.00	0.00	0.00	0.00	0.00	1,011,660,000.00	100.00%
2.1 RMB ordinary shares	891,660,000.00	88.14%	0.00	0.00	0.00	0.00	0.00	891,660,000.00	88.14%
2.2 Domestically listed foreign shares	120,000,000.00	11.86%	0.00	0.00	0.00	0.00	0.00	120,000,000.00	11.86%
2.3 Oversea listed foreign shares	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
2.4 Other	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
3. Total shares	1,011,660,000.00	100.00%	0.00	0.00	0.00	0.00	0.00	1,011,660,000.00	100.00%

Reasons for share changes:

Applicable Not applicable

Approval of share changes:

Applicable Not applicable

Transfer of share ownership:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Changes in Restricted Shares

Applicable Not applicable

II. Issuance and Listing of Securities

1. Securities (Exclusive of Preferred Shares) Issued in the Reporting Period

Applicable Not applicable

2. Changes to Total Shares, Shareholder Structure and Asset and Liability Structures

Applicable Not applicable

3. Existing Staff-Held Shares

Applicable Not applicable

III Shareholders and Actual Controller

1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Number of ordinary shareholders	43,107	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	42,079	Number of preferred shareholders with resumed voting rights	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report	0	
Shareholding of ordinary shareholders holding more than 5% shares or the top 10 of ordinary shareholders (exclusive of shares lent in refinancing)								
Name of shareholder	Nature of shareholder	Holding percentage (%)	Number of shareholding at the end of the Reporting Period	Increase and decrease of shares during Reporting Period	Number of restricted shares	Number of unrestricted shares	Pledged, marked or frozen shares	
							Status of shares	Amount
Shenzhen Investment Holdings Co., Ltd	State-owned legal person	55.78%	564,353,838	0	0	564,353,838	N/A	0
Shenzhen State-owned Equity Management Co., Ltd.	Domestic non-state-owned legal person	6.35%	64,288,426	0	0	64,288,426	N/A	0
Yang Jianmin	Domestic natural person	1.10%	11,136,977	1,917,300	0	11,136,977	N/A	0
Zhang Xiujuan	Domestic natural person	0.47%	4,760,400	659,200	0	4,760,400	N/A	0
Wang Yulan	Domestic natural person	0.44%	4,427,191	1,023,300	0	4,427,191	N/A	0
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	0.41%	4,146,803	2,754,770	0	4,146,803	N/A	0
Pan Jun	Domestic natural person	0.41%	4,129,376	-1,059,424	0	4,129,376	N/A	0
He Qiao	Domestic natural person	0.38%	3,888,886	-116,400	0	3,888,886	N/A	0
Wang Zhengying	Domestic natural person	0.29%	2,918,100		0	2,918,100	N/A	0
Zhang Zi	Domestic natural person	0.26%	2,584,700	1,214,400	0	2,584,700	N/A	0
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue			None					
Related or acting-in-concert parties among the shareholders above			Among the top 10 shareholders of the Company, Shenzhen State-owned Equity Management Co., Ltd. is a wholly-owned subsidiary of Shenzhen Investment Holdings Co., Ltd. The Company does not know whether there exists associated relationship among the other shareholders, or whether they are persons acting in concert as prescribed in the Administrative Measures					

	for the Acquisition of Listed Companies.		
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights	None		
Special account for share repurchases among the top 10 shareholders	None		
Top 10 unrestricted shareholders			
Name of shareholder	Unrestricted shares held at the period-end	Shares by type	
		Type	Shares
Shenzhen Investment Holdings Co., Ltd	564,353,838	RMB ordinary shares	564,353,838
Shenzhen State-owned Equity Management Co., Ltd.	64,288,426	RMB ordinary shares	64,288,426
Yang Jianmin	11,136,977	RMB ordinary shares	11,136,977
Zhang Xiujuan	4,760,400	RMB ordinary shares	4,760,400
Wang Yulan	4,427,191	RMB ordinary shares	4,427,191
Hong Kong Securities Clearing Company Ltd.	4,146,803	RMB ordinary shares	4,146,803
Pan Jun	4,129,376	RMB ordinary shares	4,129,376
He Qiao	3,888,886	RMB ordinary shares	3,732,000
		Domestically listed foreign shares	156,886
Wang Zhengying	2,918,100	RMB ordinary shares	2,918,100
Zhang Zi	2,584,700	RMB ordinary shares	2,584,700
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	Among the top 10 unrestricted public shareholders of the Company, Shenzhen State-owned Equity Management Co., Ltd. is a wholly-owned subsidiary of Shenzhen Investment Holdings Co., Ltd. The Company does not know whether there exists associated relationship among the other shareholders, or whether they are persons acting in concert as prescribed in the <i>Administrative Measures for the Acquisition of Listed Companies</i> .		
Top 10 ordinary shareholders involved in securities margin trading	Among the top 10 shareholders of the Company, the third, fourth, eighth, ninth and 10th shareholders held 9,804,200 shares, 4,760,400 shares, 3,732,000 shares, 2,918,100 shares, and 2,496,600 shares in their respective credit securities accounts.		

Top 10 shareholders involved in refinancing shares lending

Applicable Not applicable

Changes in top 10 shareholders compared with the prior period

Applicable Not applicable

Unit: share

Changes in top 10 shareholders compared with the end of the prior period					
Full name of shareholder	Newly added or existing from top 10 shareholders in the Reporting Period	Shares lent in refinancing and not yet returned at the period-end		Shares in the common account and credit account plus shares lent in refinancing and not yet returned at the period-end	
		Total shares	As % of total share capital	Total shares	As % of total share capital
Hong Kong Securities Clearing Company Ltd.	Newly added	0	0.00%	0	0.00%
Wang Zhengying	Newly added	0	0.00%	0	0.00%
Zhang Zi	Newly added	0	0.00%	0	0.00%
Cao Benming	Exiting	0	0.00%	0	0.00%
Lin Weirong	Exiting	0	0.00%	0	0.00%
China International Capital Corporation Limited	Exiting	0	0.00%	0	0.00%

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.

2. Controlling Shareholder

Nature of the controlling shareholder: Controlled by a local state-owned legal person

Type of the controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Shenzhen Investment Holdings Co., Ltd.	He Jianfeng	13 October 2004	767566421	Investment in equities on behalf of the government and management of those investments; development and operation of government-allocated land; and investment in and provision of services for strategic emerging industries
Controlling shareholder's holdings in other listed companies at home or abroad in the Reporting Period	301,410,000 shares in SZPRD A (000011), representing a stake of 50.57%; 234,070,000 shares in STHC (000045), representing a stake of 46.21%; 8,210,000 shares in Shenzhen Universe A (000023), representing a stake of 5.91%; 962,720,000 shares in Ping An (601318), representing a stake of 5.27%; 3,223,110,000 shares in Guosen Securities (002736), representing a stake of 33.53%; 609,430,000 of A shares and 103,370,000 of H shares in Guotai Junan (601211), representing a stake of 8%; 195,030,000 shares in Telling Holding (000829), representing a stake of 19.03%; 1,059,082,500 shares in Shenzhen International (00152), representing a stake of 44.25%; 604,820,000 shares in BEAUTYSTAR (002243), representing a stake of 49.96%; 315,830,000 shares in Infinova (002528), representing a stake of 26.35%; 601,673,300 shares in EA (002183), representing a stake of 23.17%; 64,350,000 shares in SWPD (301038), representing a stake of 37.50%; 6,770,000 shares in Shenzhen Energy (000027), representing a stake of 0.14%; 9,520,000 shares in BOCOM (601328), representing a stake of 0.01%; 113,980,000 shares in Techand Ecology (300197), representing a stake of 4.04%; 77,270,000 shares in Vanke (02202), representing a stake of 0.66%; 696,160,000 shares in SEG (000058), representing a stake of 56.54%; 325,721,500 shares in SDGI (000070), representing a stake of 36.18%; 205,341,600 shares in TELLUS A (000025), representing a stake of 31.79%; 80,739,800 shares in SDGS (300917), representing a stake of 47.78%; 72,000,000 shares in MICROGATE (300319), representing a stake of 6.49%; 456,121,900 shares in CHINA MERCHANT'S SHEKOU HOLDINGS (001979), representing a stake of 5.03%.			

Change of the controlling shareholder in the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

3. Actual Controller and Its Acting-in-Concert Parties

Nature of the actual controller: Local institution for state-owned assets management

Type of the actual controller: legal person

Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
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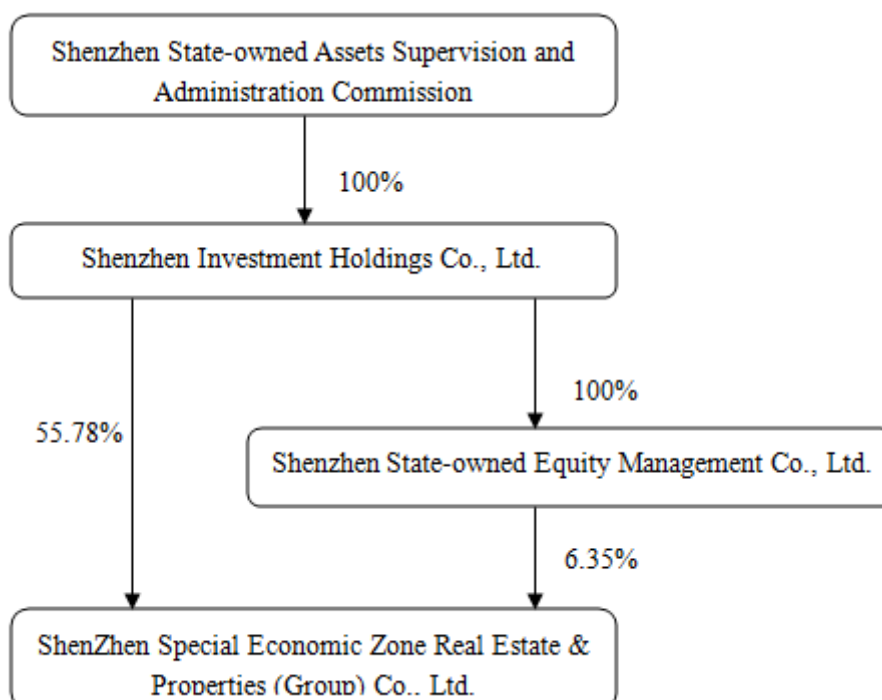
Shenzhen State-owned Assets Supervision and Administration Commission	Wang Yongjian	31 July 2004	K3172806-7	Perform the responsibilities of investor on behalf of the state, and supervise and manage the authorized state-owned assets legally.
Other listed companies at home or abroad controlled by the actual controller in the Reporting Period	In addition to the Company controlling shareholder - Shenzhen Investment Holding Co., Ltd. Other domestic and overseas listed companies whose equity held by the actual controllers did not rank among the top ten shareholders of the Company.			

Change of the actual controller during the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

Ownership and control relations between the actual controller and the Company:



Indicate by tick mark whether the actual controller controls the Company via trust or other ways of asset management.

Applicable Not applicable

4. Number of Accumulative Pledged Shares held by the Company's Controlling Shareholder or the Largest Shareholder as well as Its Acting-in-Concert Parties Accounts for 80% of all shares of the Company held by Them

Applicable Not applicable

5. Other 10% or Greater Corporate Shareholders

Applicable Not applicable

6. Limitations on Shareholding Decrease by the Company's Controlling Shareholder, Actual Controller, Reorganizer and Other Commitment Makers

Applicable Not applicable

IV Specific Implementation of Share Repurchase during the Reporting Period

Progress on any share repurchase:

Applicable Not applicable

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

Applicable Not applicable

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

Type of the audit opinion	Unmodified unqualified opinion
Date of signing this report	29 March 2024
Name of the audit institution	Pan-China Certified Public Accountant (LLP)
Number of the audit report	PCCPAAR [2024] No. 7-160
Name of the certified public accountants	Wang Huansen, Cai Xiaodong

Text of the Auditor's Report

Auditor's Report

PCCPAAR [2024] No. 7-160

To the Shareholders of Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.:

I. Audit Opinion

We have audited the financial statements of Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. (the "Company"), which comprise the consolidated and parent company balance sheets as at December 31, 2023, the consolidated and parent company income statements, consolidated and parent company cash flow statements, and consolidated and parent company statements of changes in equity for the year then ended, as well as notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises.

II. Basis for Audit Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Certified Public Accountant's Responsibilities for the Audit of the Financial Statements section of our

report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

(I) Revenue recognition

1. Key audit matters

Please refer to section III (XXV) and V (II) 1 of notes to the financial statements for details.

The Company is mainly engaged in real estate sales, engineering construction, and property leasing business. In 2023, the operating revenue amounted to 530,887,720.68 yuan, of which, 118,580,624.34 yuan was from the real estate sales, accounting for 22.34%, and 324,243,778.50 yuan was from engineering construction, accounting for 61.08%.

As operating revenue is one of the key performance indicators of the Company, there might be inherent risks that the Company's management (the "Management") adopts inappropriate revenue recognition to achieve specific goals or expectations, and revenue recognition involves significant judgment of the Management, we have identified revenue recognition as a key audit matter.

2. Responsive audit procedures

Our main audit procedures for revenue recognition are as follows:

- (1) We obtained understandings of key internal controls related to revenue recognition, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of the operation;
- (2) We checked main sales contracts and lease contracts, and assessed whether the revenue recognition method was appropriate;
- (3) We performed analysis procedure on operating revenue and gross margin by month, business type, etc., so as to identify whether there are significant or abnormal fluctuations and find out the reason;
- (4) We checked supporting documents related to selected items, including sales

contracts, housing delivery notices, lease contracts, sales invoices, etc.

(5) We selected items to check the documents including cost budget, purchase contracts, subcontract agreements, etc. which were taken as the basis for estimating total cost, so as to test whether the performance progress and the revenue recognized based on performance progress were accurately measured by the Management, and evaluated the reasonableness of the performance progress determined by the Management in combination with documents including supervision reports, progress confirmation sheets, customer statements, as well as the on-site observation on inventory counting;

(6) We performed confirmation procedures on sales amount of selected items in combination with confirmation procedure of accounts receivable and contract assets;

(7) We performed cut-off tests to check whether the revenue was recognized in the appropriate period; and

(8) We checked whether information related to operating revenue had been presented appropriately in the financial statements.

(II) Net realizable value of inventories

1. Key audit matters

Please refer to section III (XIII) and V (I) 7 of notes to the financial statements for details.

As of December 31, 2023, the book balance of inventories amounted to 4,306,986,320.68 yuan, with provision for inventory write-down of 391,770,398.72 yuan, and the carrying amount amounted to 3,915,215,921.96 yuan.

Inventories are measured at the lower of cost and net realizable value. The net realizable value is determined by the Management based on the amount of the estimated selling price less the cost to be incurred upon completion, estimated selling expenses and relevant taxes and surcharges. As the amount of inventories is significant and determination of net realizable value involves significant judgment of the Management, we have identified net realizable value of inventories as a key audit matter.

2. Responsive audit procedures

Our main audit procedures for net realizable value of inventories are as follows:

- (1) We obtained understandings of key internal controls related to net realizable value of inventories, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of the operation;
- (2) We reviewed the outcome of the Management's previous estimates on the net realizable value or their subsequent re-estimations;
- (3) We selected items to assess the reasonableness of the estimated selling price, and reviewed whether the estimated selling price was consistent with sales contract price, market selling price, historical data, etc.;
- (4) We assessed the reasonableness of estimation on cost to be incurred upon completion, selling expenses and relevant taxes and surcharges made by the Management;
- (5) We tested whether the calculation of net realizable value of inventories made by the Management was accurate;
- (6) We identified whether there existed situations such as projects with slow development or sales progress, in combination with observation on inventory counting, and assessed the reasonableness of estimations on net realizable value of inventories made by the Management; and
- (7) We checked whether information related to net realizable value of inventories had been presented appropriately in the financial statements.

IV. Other Information

The Management is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for preparing and presenting fairly the financial statements in accordance with China Accounting Standards for Business Enterprises, as well as designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

VI. Certified Public Accountant's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit performed in accordance with China Standards on Auditing. We also:

(I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(II) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(IV) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(V) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(VI) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain sole responsibility for our audit opinion.

We communicate with those charged with governance regarding the planned audit scope, time schedule and significant audit findings, including any deficiencies in internal control of concern that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Pan-China Certified Public Accountants LLP Chinese Certified Public Accountant: 王焕森
(Engagement Partner)

Hangzhou · China Chinese Certified Public Accountant: 蔡晓东

Date of Report: March 29, 2024

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and financial performance and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.
 Consolidated balance sheet as at December 31, 2023
 (Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	December 31, 2022
Current assets:			
Cash and bank balances	1	871,019,268.83	197,663,949.74
Settlement funds			
Loans to other banks			
Held-for-trading financial assets	2	879,340,201.92	408,154,361.42
Derivative financial assets			
Notes receivable	3		1,536,150.00
Accounts receivable	4	75,100,970.83	63,580,422.16
Receivables financing			
Advances paid	5	409,192.07	1,163,612.24
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Other receivables	6	15,893,736.28	42,105,050.33
Financial assets under reverse repo			
Inventories	7	3,915,215,921.96	4,257,109,614.31
Contract assets	8	27,352,596.92	
Assets held for sale			
Non-current assets due within one year			
Other current assets	9	87,175,263.06	36,778,641.42
Total current assets		5,871,507,151.87	5,008,091,801.62
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	10		93,927.64
Other equity instrument investments	11	14,324,411.35	13,839,235.57
Other non-current financial assets			
Investment property	12	541,542,136.17	566,873,915.07
Fixed assets	13	19,928,049.77	21,425,475.05
Construction in progress			
Productive biological assets			
Oil & gas assets			
Right-of-use assets	14	99,641.48	232,496.72
Intangible assets	15		
Development expenditures			
Goodwill			
Long-term prepayments	16	1,598,305.56	2,176,221.53
Deferred tax assets	17	36,312,811.26	77,036,728.98
Other non-current assets			
Total non-current assets		613,805,355.59	681,678,000.56
Total assets		6,485,312,507.46	5,689,769,802.18

Legal representative: 唐小平 Officer in charge of accounting: 汪健飞 Head of accounting department: 周宏普

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.
 Consolidated balance sheet as at December 31, 2023 (continued)
 (Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	December 31, 2022
Current liabilities:			
Short-term borrowings	19	3,550,000.00	51,138,077.62
Central bank loans			
Loans from other banks			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	20	443,259,768.78	434,601,559.67
Advances received	21	420,724.30	5,465,343.96
Contract liabilities	22	1,291,448,591.28	43,533,467.29
Financial liabilities under repo			
Absorbing deposit and interbank deposit			
Deposits for agency security transaction			
Deposits for agency security underwriting			
Employee benefits payable	23	22,247,017.36	35,724,203.78
Taxes and rates payable	24	40,908,986.48	190,951,185.99
Other payables	25	554,469,229.59	574,331,340.84
Handling fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	26	34,056,347.93	6,188,794.43
Other current liabilities	27	136,364,529.76	3,882,817.68
Total current liabilities		2,526,725,195.48	1,345,816,791.26
Non-current liabilities:			
Insurance policy reserve			
Long-term borrowings	28	179,431,851.02	54,261,000.00
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	29		53,885.23
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income			
Deferred tax liabilities	17	3,012,566.54	3,096,348.02
Other non-current liabilities			
Total non-current liabilities		182,444,417.56	57,411,233.25
Total liabilities		2,709,169,613.04	1,403,228,024.51
Equity:			
Share capital	30	1,011,660,000.00	1,011,660,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	31	978,244,910.11	978,244,910.11
Less: Treasury shares			
Other comprehensive income	32	25,319,459.44	25,926,720.85
Special reserve			
Surplus reserve	33	275,253,729.26	275,253,729.26
General risk reserve			
Undistributed profit	34	1,400,604,385.39	1,713,155,187.48
Total equity attributable to the parent company		3,691,082,484.20	4,004,240,547.70
Non-controlling interest		85,060,410.22	282,301,229.97
Total equity		3,776,142,894.42	4,286,541,777.67
Total liabilities & equity		6,485,312,507.46	5,689,769,802.18

Legal representative: 唐小平 Officer in charge of accounting: 汪健飞 Head of accounting department: 周宏普

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.
 Parent company balance sheet as at December 31, 2023
 (Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	December 31, 2022
Current assets:			
Cash and bank balances		116,977,480.94	92,377,124.60
Held-for-trading financial assets		879,340,201.92	408,154,361.42
Derivative financial assets			
Notes receivable			
Accounts receivable	1	9,750,885.01	11,706,678.21
Receivables financing			
Advances paid		200,000.00	200,000.00
Other receivables	2	1,723,164,380.70	1,711,880,332.45
Inventories		315,818.69	4,854,703.53
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		810,142.59	1,138,065.43
Total current assets		2,730,558,909.85	2,230,311,265.64
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	3	1,323,365,748.39	1,582,275,489.49
Other equity instrument investments		14,324,411.35	13,839,235.57
Other non-current financial assets			
Investment property		433,172,839.90	455,917,024.15
Fixed assets		12,683,997.76	14,046,375.35
Construction in progress			
Productive biological assets			
Oil & gas assets			
Right-of-use assets			
Intangible assets			
Development expenditures			
Goodwill			
Long-term prepayments		1,170,295.66	1,381,401.99
Deferred tax assets		792,735.07	29,502,067.58
Other non-current assets			
Total non-current assets		1,785,510,028.13	2,096,961,594.13
Total assets		4,516,068,937.98	4,327,272,859.77

Legal representative: 唐小平 Officer in charge of accounting: 汪健飞 Head of accounting department: 周宏普

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.
Parent company balance sheet as at December 31, 2023 (continued)
(Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	December 31, 2022
Current liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		17,535,100.83	17,666,752.61
Advances received			
Contract liabilities		88,985.71	184,985.71
Employee benefits payable		13,431,614.17	21,167,813.42
Taxes and rates payable		28,060,321.09	178,147,095.75
Other payables		759,312,118.85	184,614,308.51
Liabilities held for sale			
Non-current liabilities due within one year		375,269.30	
Other current liabilities		4,449.29	9,249.29
Total current liabilities		818,807,859.24	401,790,205.29
Non-current liabilities:			
Long-term borrowings		62,398,851.02	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income			
Deferred tax liabilities		3,012,566.54	3,096,348.02
Other non-current liabilities			
Total non-current liabilities		65,411,417.56	3,096,348.02
Total liabilities		884,219,276.80	404,886,553.31
Equity:			
Share capital		1,011,660,000.00	1,011,660,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve		964,711,931.13	964,711,931.13
Less: Treasury shares			
Other comprehensive income		1,743,308.51	1,379,426.68
Special reserve			
Surplus reserve		252,124,115.85	252,124,115.85
Undistributed profit		1,401,610,305.69	1,692,510,832.80
Total equity		3,631,849,661.18	3,922,386,306.46
Total liabilities & equity		4,516,068,937.98	4,327,272,859.77

Legal representative: 唐小平 Officer in charge of accounting: 汪健飞 Head of accounting department: 周宏普

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.
Consolidated income statement for the year ended December 31, 2023
(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Total operating revenue		530,887,720.68	634,384,561.42
Including: Operating revenue	1	530,887,720.68	634,384,561.42
Interest income			
Premiums earned			
Revenue from handling fees and commissions			
II. Total operating cost		588,334,716.73	587,304,689.71
Including: Operating cost	1	444,797,642.10	437,052,001.01
Interest expenses			
Handling fees and commissions			
Surrender value			
Net payment of insurance claims			
Net provision of insurance policy reserve			
Premium bonus expenditures			
Reinsurance expenses			
Taxes and surcharges	2	70,999,932.36	81,783,491.54
Selling expenses	3	21,803,202.14	19,217,595.11
Administrative expenses	4	55,965,931.72	55,758,749.08
R&D expenses			
Financial expenses	5	-5,231,991.59	-6,507,147.03
Including: Interest expenses		1,258,720.92	
Interest income		4,804,313.09	5,315,817.53
Add: Other income	6	567,272.39	559,803.19
Investment income (or less: losses)	7	10,546,418.38	164,986,548.17
Including: Investment income from associates and joint ventures		-93,927.64	-178,240.64
Gains from derecognition of financial assets at amortized cost			
Gains on foreign exchange (or less: losses)			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)	8	7,824,348.71	8,970,031.50
Credit impairment loss	9	579,514.02	-6,516,237.34
Assets impairment loss	10	-392,577,463.42	-532,397.57
Gains on asset disposal (or less: losses)	11	-1,000.00	
III. Operating profit (or less: losses)		-430,507,905.97	214,547,619.66
Add: Non-operating revenue	12	386,425.53	1,534,651.38
Less: Non-operating expenditures	13	530,564.09	478,942.74
IV. Profit before tax (or less: total loss)		-430,652,044.53	215,603,328.30
Less: Income tax expenses	14	17,012,113.07	66,026,457.35
V. Net profit (or less: net loss)		-447,664,157.60	149,576,870.95
(I) Categorized by the continuity of operations			
1. Net profit from continuing operations (or less: net loss)		-447,664,157.60	139,931,713.54
2. Net profit from discontinued operations (or less: net loss)			9,645,157.41
(II) Categorized by the portion of equity ownership			
1. Net profit attributable to owners of parent company (or less: net loss)		-250,839,542.09	153,718,805.57
2. Net profit attributable to non-controlling shareholders (or less: net loss)		-196,824,615.51	-4,141,934.62
VI. Other comprehensive income after tax		-1,023,465.65	-1,338,182.69
Items attributable to the owners of the parent company		-607,261.41	1,287,530.16
(I) Not to be reclassified subsequently to profit or loss		780,086.07	-1,314,647.75
1. Remeasurements of the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments		780,086.07	-1,314,647.75
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss		-1,387,347.48	2,602,177.91
1. Items under equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve		-1,387,347.48	2,602,177.91
7. Others			
Items attributable to non-controlling shareholders		-416,204.24	-2,625,712.85
VII. Total comprehensive income		-448,687,623.25	148,238,688.26
Items attributable to the owners of the parent company		-251,446,803.50	155,006,335.73
Items attributable to non-controlling shareholders		-197,240,819.75	-6,767,647.47
VIII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)		-0.2479	0.1519
(II) Diluted EPS (yuan per share)		-0.2479	0.1519

Legal representative: 唐小平 Officer in charge of accounting: 汪健飞 Head of accounting department: 周宏普

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.
 Parent company income statement for the year ended December 31, 2023
 (Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Operating revenue	1	80,149,443.14	207,149,569.13
Less: Operating cost	1	33,500,490.21	66,761,336.83
Taxes and surcharges		10,031,959.33	34,857,919.27
Selling expenses		1,232,057.79	1,693,651.82
Administrative expenses		32,052,637.87	31,384,870.71
R&D expenses			
Financial expenses		-31,995,210.76	-57,765,779.16
Including: Interest expenses		1,258,720.92	
Interest income		29,254,205.70	42,340,594.39
Add: Other income		417,143.48	290,331.32
Investment income (or less: losses)	2	9,434,264.74	280,973,270.14
Including: Investment income from associates and joint ventures		-93,927.64	-178,240.64
Gains from derecognition of financial assets at amortized cost			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)		7,824,348.71	8,970,031.50
Credit impairment loss		-19,236,221.85	-402,823.92
Assets impairment loss		-258,815,813.46	
Gains on asset disposal (or less: losses)			
II. Operating profit (or less: losses)		-225,048,769.68	420,048,378.70
Add: Non-operating revenue		355,127.30	350,103.89
Less: Non-operating expenditures		52,058.53	308,559.95
III. Profit before tax (or less: total loss)		-224,745,700.91	420,089,922.64
Less: Income tax expenses		4,443,566.20	79,001,179.37
IV. Net profit (or less: net loss)		-229,189,267.11	341,088,743.27
(I) Net profit from continuing operations (or less: net loss)		-229,189,267.11	341,088,743.27
(II) Net profit from discontinued operations (or less: net loss)			
V. Other comprehensive income after tax		363,881.83	5,472.49
(I) Not to be reclassified subsequently to profit or loss		363,881.83	5,472.49
1. Remeasurements of the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments		363,881.83	5,472.49
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss			
1. Items under equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve			
7. Others			
VI. Total comprehensive income		-228,825,385.28	341,094,215.76
VII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)			
(II) Diluted EPS (yuan per share)			

Legal representative: 唐小平 Officer in charge of accounting: 汪健飞 Head of accounting department: 周宏普

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.
Consolidated cash flow statement for the year ended December 31, 2023
(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:			
Cash receipts from sale of goods or rendering of services		1,893,492,865.50	511,011,815.61
Net increase of client deposit and interbank deposit			
Net increase of central bank loans			
Net increase of loans from other financial institutions			
Cash receipts from original insurance contract premium			
Net cash receipts from reinsurance			
Net increase of policy-holder deposit and investment			
Cash receipts from interest, handling fees and commissions			
Net increase of loans from others			
Net increase of repurchase			
Net cash receipts from agency security transaction			
Receipts of tax refund		1,186,861.59	132,838,815.39
Other cash receipts related to operating activities	2 (1)	56,304,822.67	24,599,301.34
Subtotal of cash inflows from operating activities		1,950,984,549.76	668,449,932.34
Cash payments for goods purchased and services received		491,021,430.05	641,103,390.35
Net increase of loans and advances to clients			
Net increase of central bank deposit and interbank deposit			
Cash payments for insurance indemnities of original insurance contracts			
Net increase of loans to others			
Cash payments for interest, handling fees and commissions			
Cash payments for policy bonus			
Cash paid to and on behalf of employees		86,966,612.34	89,495,463.28
Cash payments for taxes and rates		250,127,861.30	540,305,543.96
Other cash payments related to operating activities	2 (2)	77,831,397.88	73,321,533.51
Subtotal of cash outflows from operating activities		905,947,301.57	1,344,225,931.10
Net cash flows from operating activities		1,045,037,248.19	-675,775,998.76
II. Cash flows from investing activities:			
Cash receipts from withdrawal of investments			
Cash receipts from investment income	1 (1)	699,091.79	10,527,896.61
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	1 (2)	29,475.62	2,907.50
Net cash receipts from the disposal of subsidiaries & other business units	1 (3)	1,644,822.69	157,395,480.90
Other cash receipts related to investing activities	2 (3)	136,800,000.00	114,840,380.99
Subtotal of cash inflows from investing activities		139,173,390.10	282,766,666.00
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	1 (4)	1,475,412.00	713,537.29
Cash payments for investments			
Net increase of pledged borrowings			
Net cash payments for the acquisition of subsidiaries & other business units			
Other cash payments related to investing activities	2 (4)	600,000,000.00	
Subtotal of cash outflows from investing activities		601,475,412.00	713,537.29
Net cash flows from investing activities		-462,302,021.90	282,053,128.71
III. Cash flows from financing activities:			
Cash receipts from absorbing investments			
Including: Cash received by subsidiaries from non-controlling shareholders as investments			
Cash receipts from borrowings		169,486,610.82	111,428,077.62
Other cash receipts related to financing activities			
Subtotal of cash inflows from financing activities		169,486,610.82	111,428,077.62
Cash payments for the repayment of borrowings		16,200,400.38	50,440,116.24
Cash payments for distribution of dividends or profits and for interest expenses		67,383,381.18	89,685,993.21
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit			
Other cash payments related to financing activities			
Subtotal of cash outflows from financing activities		83,583,781.56	140,126,109.45
Net cash flows from financing activities		85,902,829.26	-28,698,031.83
IV. Effect of foreign exchange rate changes on cash and cash equivalents		143,288.32	492,336.21
V. Net increase in cash and cash equivalents		668,781,343.87	-421,928,565.67
Add: Opening balance of cash and cash equivalents		190,365,069.48	612,293,635.15
VI. Closing balance of cash and cash equivalents		859,146,413.35	190,365,069.48

Legal representative: 唐小平 Officer in charge of accounting: 汪健飞 Head of accounting department: 周宏普

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.
 Parent company cash flow statement for the year ended December 31, 2023
 (Expressed in Renminbi Yuan)

Items	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	86,415,239.73	49,012,283.37
Receipts of tax refund	1,143,272.60	76,682,094.30
Other cash receipts related to operating activities	689,725,513.49	45,702,753.43
Subtotal of cash inflows from operating activities	777,284,025.82	171,397,131.10
Cash payments for goods purchased and services received	3,283,183.54	14,097,081.25
Cash paid to and on behalf of employees	48,032,030.43	41,433,458.97
Cash payments for taxes and rates	150,255,838.40	506,294,532.81
Other cash payments related to operating activities	79,379,092.98	48,529,139.31
Subtotal of cash outflows from operating activities	280,950,145.35	610,354,212.34
Net cash flows from operating activities	496,333,880.47	-438,957,081.24
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income	12,516,011.35	10,042,199.78
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		2,907.50
Net cash receipts from the disposal of subsidiaries & other business units		196,676,700.00
Other cash receipts related to investing activities	136,800,000.00	114,840,380.99
Subtotal of cash inflows from investing activities	149,316,011.35	321,562,188.27
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	578,736.10	458,195.93
Cash payments for investments		
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities	619,280,000.00	
Subtotal of cash outflows from investing activities	619,858,736.10	458,195.93
Net cash flows from investing activities	-470,542,724.75	321,103,992.34
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		
Cash receipts from borrowings	62,586,610.82	
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	62,586,610.82	
Cash payments for the repayment of borrowings	62,586.60	
Cash payments for distribution of dividends or profits and for interest expenses	62,138,698.60	89,026,080.00
Other cash payments related to financing activities		
Subtotal of cash outflows from financing activities	62,201,285.20	89,026,080.00
Net cash flows from financing activities	385,325.62	-89,026,080.00
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	26,176,481.34	-206,879,168.90
Add: Opening balance of cash and cash equivalents	90,800,999.60	297,680,168.50
VI. Closing balance of cash and cash equivalents	116,977,480.94	90,800,999.60

Legal representative: 唐小平 Officer in charge of accounting: 汪健飞 Head of accounting department: 周宏普

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.
 Consolidated statement of changes in equity for the year ended December 31, 2023
 (Expressed in Renminbi Yuan)

Items	Current period cumulative												
	Equity attributable to parent company											Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
	Preferred shares	Perpetual bonds	Others										
I. Balance at the end of prior year	1,011,660,000.00				978,244,910.11		25,926,720.85		275,253,729.26		1,713,155,187.48	282,301,229.97	4,286,541,777.67
Add: Cumulative changes of accounting policies													
Error correction of prior period													
Business combination under common control													
Others													
II. Balance at the beginning of current year	1,011,660,000.00				978,244,910.11		25,926,720.85		275,253,729.26		1,713,155,187.48	282,301,229.97	4,286,541,777.67
III. Current period increase (or less: decrease)							-607,261.41				-312,550,802.09	-197,240,819.75	-510,398,883.25
(I) Total comprehensive income							-607,261.41				-250,839,542.09	-197,240,819.75	-448,687,623.25
(II) Capital contributed or withdrawn by owners													
1. Ordinary shares contributed by owners													
2. Capital contributed by holders of other equity instruments													
3. Amount of share-based payment included in equity													
4. Others													
(III) Profit distribution											-61,711,260.00		-61,711,260.00
1. Appropriation of surplus reserve													
2. Appropriation of general risk reserve													
3. Appropriation of profit to shareholders											-61,711,260.00		-61,711,260.00
4. Others													
(IV) Internal carry-over within equity													
1. Transfer of capital reserve to capital													
2. Transfer of surplus reserve to capital													
3. Surplus reserve to cover losses													
4. Changes in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings													
6. Others													
(V) Special reserve													
1. Current period appropriation													
2. Current period use													
(VI) Others													
IV. Balance at the end of current period	1,011,660,000.00				978,244,910.11		25,319,459.44		275,253,729.26		1,400,604,385.39	85,060,410.22	3,776,142,894.42

Legal representative: 唐小平

Officer in charge of accounting: 汪健飞

Head of accounting department: 周宏普

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Consolidated statement of changes in equity for the year ended December 31, 2023 (continued)

(Expressed in Renminbi Yuan)

Items	Preceding period comparative												
	Equity attributable to parent company											Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
	Preferred shares	Perpetual bonds	Others										
I. Balance at the end of prior year	1,011,660,000.00				978,244,910.11		36,088,963.95		241,144,854.93		1,671,121,562.98	289,068,877.44	4,227,329,169.41
Add: Cumulative changes of accounting policies													
Error correction of prior period													
Business combination under common control													
Others													
II. Balance at the beginning of current year	1,011,660,000.00				978,244,910.11		36,088,963.95		241,144,854.93		1,671,121,562.98	289,068,877.44	4,227,329,169.41
III. Current period increase (or less: decrease)							-10,162,243.10		34,108,874.33		42,033,624.50	-6,767,647.47	59,212,608.26
(I) Total comprehensive income							1,287,530.16				153,718,805.57	-6,767,647.47	148,238,688.26
(II) Capital contributed or withdrawn by owners													
1. Ordinary shares contributed by owners													
2. Capital contributed by holders of other equity instruments													
3. Amount of share-based payment included in equity													
4. Others													
(III) Profit distribution									34,108,874.33		-123,134,954.33		-89,026,080.00
1. Appropriation of surplus reserve									34,108,874.33		-34,108,874.33		
2. Appropriation of general risk reserve													
3. Appropriation of profit to shareholders											-89,026,080.00		-89,026,080.00
4. Others													
(IV) Internal carry-over within equity							-11,449,773.26				11,449,773.26		
1. Transfer of capital reserve to capital													
2. Transfer of surplus reserve to capital													
3. Surplus reserve to cover losses													
4. Changes in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings													
6. Others							-11,449,773.26				11,449,773.26		
(V) Special reserve													
1. Current period appropriation													
2. Current period use													
(VI) Others													
IV. Balance at the end of current period	1,011,660,000.00				978,244,910.11		25,926,720.85		275,253,729.26		1,713,155,187.48	282,301,229.97	4,286,541,777.67

Legal representative: 唐小平

Officer in charge of accounting: 汪健飞

Head of accounting department: 周宏普

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.
 Parent company statement of changes in equity for the year ended December 31, 2023
 (Expressed in Renminbi Yuan)

Items	Current period cumulative										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	1,011,660,000.00				964,711,931.13		1,379,426.68		252,124,115.85	1,692,510,832.80	3,922,386,306.46
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	1,011,660,000.00				964,711,931.13		1,379,426.68		252,124,115.85	1,692,510,832.80	3,922,386,306.46
III. Current period increase (or less: decrease)							363,881.83			-290,900,527.11	-290,536,645.28
(I) Total comprehensive income							363,881.83			-229,189,267.11	-228,825,385.28
(II) Capital contributed or withdrawn by owners											
1. Ordinary shares contributed by owners											
2. Capital contributed by holders of other equity instruments											
3. Amount of share-based payment included in equity											
4. Others											
(III) Profit distribution										-61,711,260.00	-61,711,260.00
1. Appropriation of surplus reserve											
2. Appropriation of profit to shareholders										-61,711,260.00	-61,711,260.00
3. Others											
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Others											
(V) Special reserve											
1. Current period appropriation											
2. Current period use											
(VI) Others											
IV. Balance at the end of current period	1,011,660,000.00				964,711,931.13		1,743,308.51		252,124,115.85	1,401,610,305.69	3,631,849,661.18

Legal representative: 唐小平

Officer in charge of accounting: 汪健飞

Head of accounting department: 周宏普

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Parent company statement of changes in equity for the year ended December 31, 2023 (continued)

(Expressed in Renminbi Yuan)

Items	Preceding period comparative										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	1,011,660,000.00				964,711,931.13		1,373,954.19		218,015,241.52	1,474,557,043.86	3,670,318,170.70
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	1,011,660,000.00				964,711,931.13		1,373,954.19		218,015,241.52	1,474,557,043.86	3,670,318,170.70
III. Current period increase (or less: decrease)							5,472.49		34,108,874.33	217,953,788.94	252,068,135.76
(I) Total comprehensive income							5,472.49			341,088,743.27	341,094,215.76
(II) Capital contributed or withdrawn by owners											
1. Ordinary shares contributed by owners											
2. Capital contributed by holders of other equity instruments											
3. Amount of share-based payment included in equity											
4. Others											
(III) Profit distribution									34,108,874.33	-123,134,954.33	-89,026,080.00
1. Appropriation of surplus reserve									34,108,874.33	-34,108,874.33	
2. Appropriation of profit to shareholders										-89,026,080.00	-89,026,080.00
3. Others											
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Others											
(V) Special reserve											
1. Current period appropriation											
2. Current period use											
(VI) Others											
IV. Balance at the end of current period	1,011,660,000.00				964,711,931.13		1,379,426.68		252,124,115.85	1,692,510,832.80	3,922,386,306.46

Legal representative: 唐小平

Officer in charge of accounting: 汪健飞

Head of accounting department: 周宏普

**Shenzhen Special Economic Zone
Real Estate & Properties (Group) Co., Ltd.**

Notes to Financial Statements

For the year ended December 31, 2023

Monetary unit: RMB Yuan

I. Company profile

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. (the “Company”) was established under the approval of General Office of the Shenzhen Municipal People’s Government, and was reorganized into a limited liability company by shares on the basis of the former Shenzhen Special Economic Zone Real Estate and Properties Corporation. The Company was registered at Shenzhen Administration for Industry and Commerce in July 1993 and headquartered in Shenzhen City, Guangdong Province. The Company currently holds a business license with unified social credit code of 91440300192179585N, with registered capital of 1,011,660,000.00 yuan, total share of 1,011,660,000 shares (each with par value of one yuan), of which, 891,660,000 shares and 120,000,000 shares are unrestricted outstanding A shares and B shares, respectively. The Company’s shares were listed on the Shenzhen Stock Exchange respectively on September 15, 1993 and January 10, 1994.

Shenzhen Investment Holdings Co., Ltd. is a wholly state-owned limited liability company established on October 13, 2004 through the merger of its original major shareholder Shenzhen Construction Investment Holdings Co., Ltd. and two other municipal asset management companies according to the “Decision on the Establishment of Shenzhen Investment Holdings Co., Ltd.” (Shen Guo Zi Wei [2004] No. 223) issued by State-owned Assets Supervision and Management Commission of Shenzhen Municipal People’s Government. The Company’s equity transfer thereof was approved by the document numbered Guo Zi Chan Quan [2005] 689 issued by State-owned Assets Supervision and Administration Commission of the State Council, and the corresponding obligation of tender offer was exempted under the approval of the document numbered Zhen Jian Gong Si Zi [2005] 116 issued by China Securities Regulatory Commission, and it was registered at China Securities Depository and Clearing Co., Ltd. Shenzhen Branch on February 15, 2006. As of the balance sheet date, Shenzhen Investment Holdings Co., Ltd. held 564,353,838 shares of the Company (accounting for 55.78% of the total share capital of the Company), all of which were unrestricted shares.

The Company belongs to the real estate industry and is mainly engaged in real estate development and commercial housing sales, property leasing and management, commodity retail and trade, hotel business, equipment installation and maintenance, construction, interior decoration, etc.

The financial statements were approved and authorized for issue by the eighth meeting of the eighth session of the Board of Directors dated March 29, 2024.

II. Preparation basis of the financial statements

(I) Preparation basis

The financial statements have been prepared on the basis of going concern.

(II) Assessment of the ability to continue as a going concern

The Company has no events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern within the 12 months after the balance sheet date.

III. Significant accounting policies and estimates

Important note: The Company has set up accounting policies and estimates on transactions or events such as impairment of financial instruments, inventories, depreciation of fixed assets, construction in progress, intangible assets, revenue recognition, etc., based on the Company's actual production and operation features.

(I) Statement of compliance

The financial statements have been prepared in accordance with the requirements of China Accounting Standards for Business Enterprises (CASBEs), and present truly and completely the financial position, financial performance and cash flows of the Company.

(II) Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian calendar.

(III) Operating cycle

The Company has a relatively short operating cycle for its business, an asset or a liability is classified as current if it is expected to be realized or due within 12 months. The operating cycle for real estate industry starts from the development of property and ends at sales, which normally extends over 12 months and is subject to specific projects, therefore, an asset or a liability is classified as current if it is expected to be realized or due within such operating cycle.

(IV) Functional currency

The functional currency of the Company and its subsidiaries in Hong Kong SAR is Renminbi (RMB) Yuan, while the functional currency of subsidiary Great Wall Estate Company, Inc. engaged in overseas operations is the currency of the primary economic environment in which they operate. The currency used by the Company in the preparation of the financial statements is RMB yuan.

(V) Determination method and basis for selection of materiality

The Company prepares and discloses financial statements in compliance with the principle of

materiality. The items disclosed in notes to the financial statements involving materiality judgements, determination method and basis for selection of materiality are as follows:

Disclosed items involving materiality judgements	Note No.	Determination method and basis for selection of materiality
Significant accounts receivable with provision for bad debts made on an individual basis	V (I) 4 (2)	Accounts receivable with single amount in excess of 0.1% of total assets are identified as significant accounts receivable with provision made on an individual basis.
Significant provisions for bad debts of accounts receivable collected or reversed	V (I) 4 (3)	Provisions for bad debts of accounts receivable reversed with single amount in excess of 0.1% of total assets are identified as significant provisions for bad debts of accounts receivable collected or reversed.
Significant other receivables with provision for bad debts made on an individual basis	V (I) 6 (3)	Other receivables with single amount in excess of 0.1% of total assets are identified as significant other receivables with provision made on an individual basis.
Significant accounts payable with age over one year	V (I) 20	Accounts payable with age over one year with single amount in excess of 0.1% of total assets are identified as significant accounts payable with age over one year.
Significant other payables with age over one year	V (I) 25 (3)	Other payables with age over one year with single amount in excess of 0.1% of total assets are identified as significant other payables with age over one year.
Significant cash flows from investing activities	V (III) 1	Cash flows from investing activities with single amount in excess of 0.1% of total assets are identified as significant cash flows from investing activities.
Significant subsidiaries, not wholly-owned subsidiaries	VI (I) 2 and VI (III) 1	Subsidiaries with total assets/total revenue/profit before tax in excess of 0.1% of the group's total assets/total revenue/profit before tax are identified as significant subsidiaries/significant not wholly-owned subsidiaries.
Significant contingencies	XI (II)	Contingencies with single amount in excess of 0.1% of total assets are identified as significant contingencies.
Significant events subsequent to the balance sheet date	XII (I)	Events subsequent to the balance sheet date with single amount in excess of 0.1% of total assets are identified as significant events subsequent to the balance sheet date.

(VI) Accounting treatments of business combination under and not under common control

1. Accounting treatment of business combination under common control

Assets and liabilities arising from business combination are measured at carrying amount of the combined party included in the consolidated financial statements of the ultimate controlling party at the combination date. Difference between carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party and that of the

combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

2. Accounting treatment of business combination not under common control

When combination cost is in excess of the fair value of identifiable net assets obtained from the acquiree at the acquisition date, the excess is recognized as goodwill; otherwise, the fair value of identifiable assets, liabilities and contingent liabilities, and the measurement of the combination cost are reviewed, then the difference is recognized in profit or loss.

(VII) Judgement criteria for control and compilation method of consolidated financial statements

1. Judgement of control

An investor controls an investee if and only if the investor has all the following: (1) power over the investee; (2) exposure, or rights, to variable returns from its involvement with the investee; and (3) the ability to use its power over the investee to affect the amount of the investor's returns.

2. Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are compiled by the parent company according to "CASBE 33 – Consolidated Financial Statements", based on relevant information and the financial statements of the parent company and its subsidiaries.

(VIII) Classification of joint arrangements and accounting treatment of joint operations

1. Joint arrangements include joint operations and joint ventures.

2. When the Company is a joint operator of a joint operation, it recognizes the following items in relation to its interest in a joint operation:

- (1) its assets, including its share of any assets held jointly;
- (2) its liabilities, including its share of any liabilities incurred jointly;
- (3) its revenue from the sale of its share of the output arising from the joint operation;
- (4) its share of the revenue from the sale of the assets by the joint operation; and
- (5) its expenses, including its share of any expenses incurred jointly.

(IX) Recognition criteria of cash and cash equivalents

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

(X) Foreign currency translation

1. Translation of transactions denominated in foreign currency

Transactions denominated in foreign currency are translated into RMB yuan at the spot exchange rate at the transaction date at initial recognition. At the balance sheet date, monetary items

denominated in foreign currency are translated at the spot exchange rate at the balance sheet date with difference, except for those arising from the principal and interest of exclusive borrowings eligible for capitalization, included in profit or loss; non-cash items carried at historical costs are translated at the spot exchange rate at the transaction date, with the RMB amounts unchanged; non-cash items carried at fair value in foreign currency are translated at the spot exchange rate at the date when the fair value was determined, with difference included in profit or loss or other comprehensive income.

2. Translation of financial statements measured in foreign currency

The assets and liabilities in the balance sheet are translated into RMB at the spot exchange rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot exchange rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at the approximate exchange rate similar to the spot exchange rate at the transaction date. The difference arising from the aforementioned foreign currency translation is included in other comprehensive income.

(XI) Financial instruments

1. Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories when initially recognized: (1) financial assets 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 are classified into the following four categories when initially recognized: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; (3) financial guarantee contracts not fall within the above categories (1) and (2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category (1); (4) financial liabilities at amortized cost.

2. Recognition criteria, measurement method and derecognition of financial assets and financial liabilities

(1) Recognition criteria and measurement method of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, at initial recognition, for accounts receivable that do not contain a significant financing component or in circumstances where the Company does not consider the financing components in contracts within one year, they are measured at the transaction price in accordance with “CASBE 14 – Revenues”.

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

The Company measures its financial assets at the amortized costs using effective interest method. Gains or losses on financial assets that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial assets are derecognized, reclassified, amortized using effective interest method or recognized with impairment loss.

2) Debt instrument investments at fair value through other comprehensive income

The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

3) Equity instrument investments at fair value through other comprehensive income

The Company measures its equity instrument investments at fair value. Dividends obtained (other than those as part of investment cost recovery) shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

4) Financial assets at fair value through profit or loss

The Company measures its financial assets at fair value. Gains or losses arising from changes in fair value (including interests and dividends) shall be included into profit or loss, except for financial assets that are part of hedging relationships.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. The Company measures such kind of liabilities at fair value. The amount of changes in the fair value of the financial liabilities that are attributable to changes in the Company's own credit risk shall be included into other comprehensive income, unless such treatment would create or enlarge accounting mismatches in profit or loss. Other gains or losses on those financial liabilities (including interests, changes in fair value that are attributable to reasons other than changes in the Company's own credit risk) shall be included into profit or loss, except for financial liabilities that are part of hedging relationships. Accumulated gains or losses that originally recognized as other comprehensive income should be transferred out into retained earnings when the financial liabilities are derecognized.

2) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies

The Company measures its financial liabilities in accordance with “CASBE 23 – Transfer of Financial Assets”.

3) Financial guarantee contracts not fall within the above categories 1) and 2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1)

The Company measures its financial liabilities at the higher of: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized in accordance with “CASBE 14 – Revenues”.

4) Financial liabilities at amortized cost

The Company measures its financial liabilities at amortized cost using effective interest method. Gains or losses on financial liabilities that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial liabilities are derecognized and amortized using effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

- a. the contractual rights to the cash flows from the financial assets expire; or
- b. the financial assets have been transferred and the transfer qualifies for derecognition in accordance with “CASBE 23 – Transfer of Financial Assets”.

2) Only when the underlying present obligations of a financial liability are relieved totally or partly may the financial liability be derecognized accordingly.

3. Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: (1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; (2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items is included in profit or loss: (1) the carrying amount of the transferred financial asset as of the date of derecognition; (2) the sum of consideration received from the transfer of the financial asset, and the accumulative amount of the changes of the fair value originally included in other comprehensive income proportionate to the transferred financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If the transfer of financial asset partially satisfies the conditions for derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items is included into profit or loss: (1) the carrying amount of the portion which is derecognized; (2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

4. Fair value determination method of financial assets and liabilities

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data and information are available to measure fair value. The inputs to valuation techniques used to measure fair value are arranged in the following hierarchy and used accordingly:

(1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date;

(2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals; market-corroborated inputs;

(3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, financial forecast developed using the Company's own data, etc.

5. Impairment of financial instruments

The Company, on the basis of expected credit loss, recognizes loss allowances of financial assets at amortized cost, debt instrument investments at fair value through other comprehensive income, contract assets, leases receivable, loan commitments other than financial liabilities at fair value through profit or loss, financial guarantee contracts not belong to financial liabilities at fair value

through profit or loss or financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Expected credit losses refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Among which, purchased or originated credit-impaired financial assets are discounted at the credit-adjusted effective interest rate.

At the balance sheet date, the Company shall only recognize the cumulative changes in the lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

For leases receivable, and accounts receivable and contract assets resulting from transactions regulated in “CASBE 14 – Revenues”, the Company chooses simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial assets other than the above, on each balance sheet date, the Company shall assess whether the credit risk on the financial instrument has increased significantly since initial recognition. The Company shall measure the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition; otherwise, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Considering reasonable and supportable forward-looking information, the Company compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition, so as to assess whether the credit risk on the financial instrument has increased significantly since initial recognition.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have relatively low credit risk at the balance sheet date.

The Company shall estimate expected credit risk and measure expected credit losses on an individual or a collective basis. When the Company adopts the collective basis, financial instruments are grouped with similar credit risk features.

The Company shall remeasure expected credit loss on each balance sheet date, and increased or reversed amounts of loss allowance arising therefrom shall be included into profit or loss as impairment losses or gains. For a financial asset measured at amortized cost, the loss allowance reduces the carrying amount of such financial asset presented in the balance sheet; for a debt

investment measured at fair value through other comprehensive income, the loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of such financial asset.

6. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, the Company offsets a financial asset and a financial liability and presents the net amount in the balance sheet when, and only when, the Company: (1) currently has a legally enforceable right to set off the recognized amounts; and (2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

For a transfer of a financial asset that does not qualify for derecognition, the Company does not offset the transferred asset and the associated liability.

(XII) Recognition criteria and accrual method for expected credit losses of receivables and contract assets

1. Receivables and contract assets with expected credit losses measured on a collective basis using similar credit risk features

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
Bank acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Trade acceptance receivable		
Accounts receivable – Portfolio grouped with balances due from related parties within the consolidation scope	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Accounts receivable – Portfolio grouped with property sales receivable		
Accounts receivable – Portfolio grouped with balances due from other customers		
Other receivables – Portfolio grouped with government funds receivable	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Portfolio grouped with employee petty cash receivable		
Other receivables – Portfolio grouped with advances received and paid on behalf of others		
Other receivables – Portfolio grouped with other intercompany balances		

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
receivable		
Other receivables – Portfolio grouped with balances due from related parties receivable		
Contract assets – Portfolio grouped with product sales	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Contract assets – Portfolio grouped with engineering construction		

2. Recognition criteria for receivables and contract assets with expected credit losses measured on an individual basis

For receivables and contract assets whose credit risk is significantly different from that of portfolios, the Company accrues expected credit losses on an individual basis.

(XIII) Inventories

1. Classification of inventories

Inventories include development land held for sale or consumption during development and operations, developed products, developed products held for sale but temporarily leased out, etc., as well as development cost during development.

2. Accounting method for dispatched inventories

(1) Materials and equipment dispatched from storage are accounted for with specific identification method.

(2) During project development, the development cost of land is calculated and allocated based on the area occupied by the developed products and the grade coefficient of occupied land.

(3) Developed products dispatched from storage are accounted for with cost coefficient allocation method.

(4) Developed products held for sale but temporarily leased out and revolving houses are evenly amortized based on the estimated useful life of similar fixed assets of the Company.

(5) If the public supporting facilities are completed earlier than the relevant developed products, the development cost is calculated and allocated based on the construction area of the relevant development projects after the completion settlement of the public supporting facilities; if the public supporting facilities are completed later than the relevant developed products, the public supporting facility fees shall be accrued, and after the completion settlement of the public supporting facilities, the relevant development product costs shall be adjusted based on the difference between the actual cost incurred and cost accrued.

3. Inventory system

Physical inventory counting method is adopted.

4. Amortization method of low-value consumables and packages

(1) Low-value consumables

Low-value consumables are amortized with usage times.

(2) Packages

Packages are amortized with usage times.

5. Provision for inventory write-down

At the balance sheet date, inventories are measured at the lower of cost and net realizable value; provisions for inventory write-down are made on the excess of its cost over the net realizable value. The net realizable value of inventories held for sale is determined based on the amount of the estimated selling price less the estimated selling expenses and relevant taxes and surcharges in the ordinary course of business; the net realizable value of inventories to be processed is determined based on the amount of the estimated selling price less the estimated costs of completion, selling expenses and relevant taxes and surcharges in the ordinary course of business; at the balance sheet date, when only part of the same item of inventories have agreed price, their net realizable value are determined separately and are compared with their costs to set the provision for inventory write-down to be made or reversed.

(XIV) Long-term equity investments

1. Judgment of joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

2. Determination of investment cost

(1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash, transfers non-cash assets, assumes its liabilities or issues equity securities, on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the investment. The difference between the initial cost of the long-term equity investments and the carrying amount of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When long-term equity investments are obtained through business combination under common control achieved in stages, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment.

If it is not a “bundled transaction”, on the date of combination, investment cost is initially recognized at the share of the carrying amount of net assets of the combined party included the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments at the acquisition date and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

(2) For business combination not under common control, investment cost is initially recognized at the acquisition-date fair value of considerations paid.

When long-term equity investments are obtained through business combination not under common control achieved in stages, the Company determined whether they are stand-alone financial statements or consolidated financial statements in accounting treatment:

1) In the case of stand-alone financial statements, investment cost is initially recognized at the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity.

2) In the case of consolidated financial statements, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, the carrying amount of the acquirer’s previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer’s previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

(3) Long-term equity investments obtained through ways other than business combination: the initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity securities issued; that obtained through debt restructuring is determined according to “CASBE 12 – Debt Restructuring”; and that obtained through non-cash assets exchange is determined according to “CASBE 7 – Non-cash Assets Exchange”.

3. Subsequent measurement and recognition method of profit or loss

For a long-term equity investment with control relationship, it is accounted for with cost method; for a long-term equity investment with joint control or significant influence relationship, it is accounted for with equity method.

4. Disposal of a subsidiary in stages resulting in the Company's loss of control

(1) Judgement principles of "bundled transaction"

For disposal of a subsidiary in stages resulting in the Company's loss of control, the Company determines whether it is a "bundled transaction" based on the agreement terms for each stage, disposal consideration obtained separately, object of the equity sold, disposal method, disposal time point, etc. If the terms, conditions and economic effect of each transaction meet one or more of the following conditions, these transactions are usually considered as a "bundled transaction":

- 1) these transactions are entered into at the same time or in contemplation of each other;
- 2) these transactions form a single transaction designed to achieve an overall commercial effect;
- 3) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; and
- 4) one transaction considered on its own is not economically justified, but it is economically justified when considered together with other transactions.

(2) Accounting treatments of non-bundled transactions

1) Stand-alone financial statements

The difference between the carrying amount of the disposed equity and the consideration obtained thereof is recognized in profit or loss. If the disposal does not result in the Company's loss of significant influence or joint control, the remained equity is accounted for with equity method; however, if the disposal results in the Company's loss of control, joint control, or significant influence, the remained equity is accounted for according to "CASBE 22 – Financial Instruments: Recognition and Measurement".

2) Consolidated financial statements

Before the Company's loss of control, the difference between the disposal consideration and the proportionate share of net assets in the disposed subsidiary from acquisition date or combination date to the disposal date is adjusted to capital reserve (capital premium), if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When the Company loses control, the remained equity is remeasured at the loss-of-control-date fair value. The aggregated value of disposal consideration and the fair value of the remained equity, less the share of net assets in the disposed subsidiary held before the disposal from the acquisition date or combination date to the disposal date is recognized in investment income in the period when the Company loses control over such subsidiary, and meanwhile goodwill is offset correspondingly. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company's loss of control.

(3) Accounting treatment of bundled transaction

1) Stand-alone financial statements

Stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control over a subsidiary, the difference between the disposal consideration at each stage and the carrying amount of long-term equity investments corresponding to the disposed investments is recognized as other comprehensive income at the stand-alone financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

2) Consolidated financial statements

Stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control over a subsidiary, the difference between the disposal consideration at each stage and the proportionate share of net assets in the disposed subsidiary is recognized as other comprehensive income at the consolidated financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

(XV) Investment property

1. Investment property includes land use right of leased-out property and of property held for capital appreciation and buildings that have been leased out.
2. The initial measurement of investment property is based on its cost, and subsequent measurement is made using the cost model, the depreciation or amortization method is the same as that of fixed assets and intangible assets.

(XVI) Fixed assets

1. Recognition principles of fixed assets

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

2. Depreciation method of different categories of fixed assets

Categories	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	30	5.00	3.17
Transport facilities	Straight-line method	6	5.00	15.83
Electronic equipment and others	Straight-line method	5	5.00	19.00

(XVII) Construction in progress

1. Construction in progress is recognized if, and only if, it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be

measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

2. Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress is not finished while reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

(XVIII) Borrowing costs

1. Recognition principle of borrowing costs capitalization

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 is capitalized and included in the costs of relevant assets; other borrowing costs are recognized as expenses on the basis of the actual amount incurred, and are included in profit or loss.

2. Borrowing costs capitalization period

(1) The borrowing costs are not capitalized unless the following requirements are all met: 1) the asset disbursements have already incurred; 2) the borrowing costs have already incurred; and 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) Suspension of capitalization: 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 is suspended; the borrowing costs incurred during such period are recognized as expenses, and are included in profit or loss, till the acquisition and construction or production of the asset restarts.

(3) Ceasing of capitalization: when the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs is ceased.

3. Capitalization rate and capitalized amount of borrowing costs

For borrowings exclusively for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests is determined in light of the actual interest expenses incurred (including amortization of premium or discount based on effective interest method) of the special borrowings in the current period less the interest income on the unused borrowings as a deposit in the bank or as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company calculates and determines the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the excess of the accumulative capital disbursements over the special borrowings by the capitalization rate of the general borrowing used.

(XIX) Intangible assets

1. Intangible assets include software, etc. The initial measurement of intangible assets is based on its cost.

2. For intangible assets with finite useful lives, their amortization amounts are amortized within their useful lives systematically and reasonably, if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method with details as follows:

Items	Useful life and determination basis	Amortization method
Software	Expected realization method of economic benefits related to intangible assets, 3-5 years	Straight-line method

3. Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (2) its intention to complete the intangible asset and use or sell it; (3) how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

(XX) Impairment of part of long-term assets

For long-term assets such as long-term equity investments, investment property at cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, etc., if at the balance sheet date there is indication of impairment, the recoverable amount is to be estimated. For goodwill recognized in business combination and intangible assets with indefinite useful lives, no matter whether there is indication of impairment, impairment test is performed annually. Impairment test on goodwill is performed on related asset group or asset group portfolio.

When the recoverable amount of such long-term assets is lower than their carrying amount, the difference is recognized as provision for assets impairment through profit or loss.

(XXI) Long-term prepayments

Long-term prepayments are expenses that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

(XXII) Employee benefits

1. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

2. Short-term employee benefits

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

3. Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

(1) The Company recognizes in the accounting period in which an employee provides service the contribution payable to a defined contribution plan as a liability, with a corresponding charge to profit or loss or the cost of a relevant asset.

(2) Accounting treatment by the Company for defined benefit plan usually involves the following steps:

1) In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the periods to which the obligations are attributed. Meanwhile, the Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

2) When a defined benefit plan has assets, the Company recognizes the deficit or surplus by deducting the fair value of defined benefit plan assets from the present value of the defined benefit plan obligation as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

3) At the end of the period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. changes as a result of remeasurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

4. Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following

dates: (1) when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or (2) when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

5. Other long-term employee benefits

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plan. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: (1) service cost; (2) net interest on the net liability or net assets of other long-term employee benefits; and (3) changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

(XXIII) Accounting method for maintenance funds

Pursuant to the relevant regulations of the place in which the development project located, the maintenance funds shall be collected from the buyer or included into the development costs of relevant developed products by the Company during the sales (pre-sale) of developed products, and shall be uniformly handed over to the maintenance funds management department.

(XXIV) Accounting method for quality guarantee deposits

The quality guarantee deposits shall be reserved from the engineering funds of construction unit in accordance with the provisions of the construction contract. The maintenance costs incurred during the warranty period of the developed products shall be offset against the quality guarantee deposits; at the expiration of the agreed warranty period for developed products, the balance of the quality guarantee deposits shall be refunded to the construction unit.

(XXV) Revenue

1. Revenue recognition principles

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance obligation is satisfied at a point in time: (1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; (2) the customer can control goods as they are created by the Company's performance; (3) goods created during the Company's performance have irreplaceable uses and the Company has an enforceable right to the payments for performance

completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the customer obtains control of relevant goods or services. To determine whether the customer has obtained control of goods, the Company shall consider the following indications: (1) the Company has a present right to payments for the goods, i.e., the customer is presently obliged to pay for the goods; (2) the Company has transferred the legal title of the goods to the customer, i.e., the customer has legal title to the goods; (3) the Company has transferred physical possession of the goods to the customer, i.e., the customer has physically possessed the goods; (4) the Company has transferred significant risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained significant risks and rewards of ownership of the goods; (5) the customer has accepted the goods; (6) other evidence indicating the customer has obtained control over the goods.

2. Revenue measurement principle

(1) Revenue is measured at the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer.

(2) If the consideration promised in a contract includes a variable amount, the Company shall confirm the best estimate of variable consideration at expected value or the most likely amount. However, the transaction price that includes the amount of variable consideration only to the extent that it is high probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period.

(4) For contracts containing two or more performance obligations, the Company shall determine the stand-alone selling price at contract inception of the distinct good underlying each

performance obligation and allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

3. Revenue recognition method

(1) Sales of real estate development

Real estate sales business is a performance obligation satisfied at a point in time, and revenue is recognized if, and only if, the following conditions are all met: (1) the developed products have been completed and accepted; (2) the Company have signed sales contract and fulfilled obligations under the contract; (3) the Company have delivered property to the owner or the contractual delivery date has expired after a notice or announcement of occupation has been sent to the owner; and (4) the Company has collected the full payments for the real estate and related costs incurred or to be incurred can be measured reliably.

(2) Rendering of property management services

Rendering of property management services is a performance obligation satisfied over time. Revenue from property management services is recognized by the progress towards complete satisfaction of that performance obligation, which is determined based on the time progress.

(3) Construction services

The Company provides construction services. Since the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs, and the Company has an enforceable right to the payments for performance completed to date during the whole contract period, construction services are performance obligations satisfied over time. Revenue from construction services is recognized by the percentage of completion of the performance obligations, which is determined by input method. In the circumstance that the percentage of completion cannot be measured reasonably, but the incurred costs are expected to be recovered, the Company recognizes revenue only to the extent of the incurred costs until it can reasonably measure the percentage of completion.

(4) Others

Other revenues include revenue from hotel operation, etc. For revenue from rendering of hotel room services, as the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs, the Company recognizes it as a performance obligation to be performed over time, and revenue is recognized based on the percentage of completion of the performance obligation during the accounting period when services are provided. For revenue from rendering of other services, it is recognized when the customer has obtained the control over related goods, and the Company has collected the payments or has obtained the right to the payments according to relevant contract and agreement.

(XXVI) Costs of obtaining a contract and costs to fulfill a contract

The Company recognizes as an asset the incremental costs of obtaining a contract if those costs

are expected to be recovered.

If the costs incurred in fulfilling a contract are not within the scope of standards related to inventories, fixed assets or intangible assets, etc., the Company shall recognize the costs to fulfill a contract as an asset if all the following criteria are satisfied:

1. The costs relate directly to a contract or to an anticipated contract, including direct labor, direct materials, manufacturing overhead cost (or similar cost), cost that are explicitly chargeable to the customer under the contract, and other costs that are only related to the contract;
2. The costs enhance resources of the Company that will be used in satisfying performance obligations in the future; and
3. The costs are expected to be recovered.

An asset related to contract costs shall be amortized on a systematic basis that is consistent with related goods or services, with amortization included into profit or loss.

The Company shall make provision for impairment and recognize an impairment loss to the extent that the carrying amount of an asset related to contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates less the costs expected to be incurred. The Company shall recognize a reversal of an impairment loss previously recognized in profit or loss when the impairment conditions no longer exist or have improved. The carrying amount of the asset after the reversal shall not exceed the amount that would have been determined on the reversal date if no provision for impairment had been made previously.

(XXVII) Contract assets, contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

(XXVIII) Government grants

1. Government grants shall be recognized if, and only if, the following conditions are all met: (1) the Company will comply with the conditions attaching to the grants; (2) the grants will be received. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value, and can be measured at nominal amount

in the circumstance that fair value cannot be assessed.

2. Government grants related to assets

Government grants related to assets are government grants with which the Company purchases, constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets. They offset carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. Those measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

3. Government grants related to income

Government grants related to income are government grants other than those related to assets. For government grants that contain both parts related to assets and parts related to income, in which those two parts are blurred, they are thus collectively classified as government grants related to income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant cost during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset relevant cost.

4. Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

5. Policy interest subvention

(1) In the circumstance that government appropriates interest subvention to lending bank, who provides loans for the Company with a policy subsidised interest rate, borrowings are carried at the amount received, with relevant borrowings cost computed based on the principal and the policy subsidised interest rate.

(2) In the circumstance that government directly appropriates interest subvention to the Company, the subsidised interest shall offset relevant borrowing cost.

(XXIX) Deferred tax assets/Deferred tax liabilities

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax

base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence indicating that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

4. The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: (1) business combination; and (2) the transactions or items directly recognized in equity.

5. Deferred tax assets and deferred tax liabilities shall offset each other and be presented on a net basis when the following conditions are all met: (1) the Company has the legal right to settle off current tax assets against current tax liabilities; (2) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on either: 1) the same taxable entity; or 2) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(XXX) Leases

1. The Company as lessee

At the commencement date, the Company recognizes a lease that has a lease term of 12 months or less as a short-term lease, which shall not contain a purchase option; the Company recognizes a lease as a lease of a low-value asset if the underlying asset is of low value when it is new. If the Company subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset.

For all short-term leases and leases of low-value assets, lease payments are recognized as cost or profit or loss with straight-line method over the lease term.

Apart from the above-mentioned short-term leases and leases of low-value assets with simplified approach, the Company recognizes right-of-use assets and lease liabilities at the commencement

date.

(1) Right-of-use assets

The right-of-use asset is measured at cost and the cost shall comprise: 1) the amount of the initial measurement of the lease liabilities; 2) any lease payments made at or before the commencement date, less any lease incentives received; 3) any initial direct costs incurred by the lessee; and 4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Company depreciates the right-of-use asset using the straight-line method. If it is reasonable to be certain that the ownership of the underlying asset can be acquired by the end of the lease term, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

(2) Lease liabilities

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate shall be used. Unrecognized financing expenses, calculated at the difference between the lease payment and its present value, are recognized as interest expenses over the lease term using the discount rate which has been used to determine the present value of lease payment and included in profit or loss. Variable lease payments not included in the measurement of lease liabilities are included in profit or loss in the periods in which they are incurred.

After the commencement date, if there is a change in the following items: 1) actual fixed payments; 2) amounts expected to be payable under residual value guarantees; 3) an index or a rate used to determine lease payments; 4) assessment result or exercise of purchase option, extension option or termination option, the Company remeasures the lease liability based on the present value of lease payments after changes, and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset is reduced to zero but there shall be a further reduction in the lease liability, the remaining amount shall be recognized into profit or loss.

2. The Company as lessor

At the commencement date, the Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, it is classified as an operating lease.

(1) Operating lease

Lease receipts are recognized as lease income with straight-line method over the lease term. Initial

direct costs incurred shall be capitalized, amortized on the same basis as the recognition of lease income, and included into profit or loss by installments. Variable lease payments related to operating lease which are not included in the lease payment are charged as profit or loss in the periods in which they are incurred.

(2) Finance lease

At the commencement date, the Company recognizes the finance lease payment receivable based on the net investment in the lease (sum of the present value of unguaranteed residual value and lease receipts that are not received at the commencement date, discounted by the interest rate implicit in the lease), and derecognizes assets held under the finance lease. The Company calculates and recognizes interest income using the interest rate implicit in the lease over the lease term.

Variable lease payments not included in the measurement of the net investment in the lease are charged as profit or loss in the periods in which they are incurred.

(XXXI) Segment reporting

Operating segments are determined based on the structure of the Company's internal organization, management requirements and internal reporting system. An operating segment is a component of the Company:

1. that engages in business activities from which it may earn revenues and incur expenses;
2. whose financial performance is regularly reviewed by the Management to make decisions about resource to be allocated to the segment and to assess its performance; and
3. for which accounting information regarding financial position, financial performance and cash flows is available through analysis.

(XXXII) Significant changes in accounting policies

Changes in accounting policies arising from changes in CASBEs

The Company has adopted the regulations about accounting for deferred tax related to assets and liabilities arising from a single transaction to which the initial recognition exemption does not apply in the "Interpretation of China Accounting Standards for Business Enterprises No. 16" issued by the Ministry of Finance since January 1, 2023, and makes adjustments on such single transactions occurring between the beginning of the earliest comparative period and the first adoption date accordingly. Such change in accounting policies has no impact on the Company's financial statements.

IV. Taxes**(I) Main taxes and tax rates**

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax calculated based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period	9%, 6%, 5%, 3%
Land appreciation tax	The incremental amount arising from the transfer of state-owned land use right and the buildings and structures that are constructed on the land	Progressive tax rates based on exceeding proportion of value-added amount
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of lease income	1.2%, 12%
Urban maintenance and construction tax	Turnover tax actually paid	7%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%
Enterprise income tax	Taxable income	25%, 16.5%

Different enterprise income tax rates applicable to different taxpayers:

Taxpayers	Income tax rate
Shenzhen Huazhan Construction Supervision Co., Ltd. (the “Huazhan Supervision”) and Shantou Special Economic Zone Xiangshan Real Estate Development Co., Ltd. (the “Shantou Songshan Company”)	20%
Subsidiaries registered in Hong Kong SAR	16.5%
Taxpayers other than the above-mentioned	25%

(II) Tax preferential policies

Pursuant to the “Announcement of the Ministry of Finance and the State Taxation Administration on the Enterprise Income Tax Preferential Policies for Small Enterprises with Meager Profit and Individually-owned Businesses” (Announcement [2023] No. 6 of the Ministry of Finance and the State Taxation Administration), from January 1, 2023 to December 31, 2024, enterprise income tax for the portion of the taxable income within 1 million yuan of small enterprises with meager profit is levied at 20% based on 25% of that portion of income. The Company’s subsidiaries Huazhan Supervision and Shantou Songshan Company are subject to a preferential tax rate of 20% as small enterprises with meager profit.

V. Notes to items of consolidated financial statements**(I) Notes to items of the consolidated balance sheet****1. Cash and bank balances****(1) Details**

Items	Closing balance	Opening balance
Cash on hand	18,414.04	4,549.61
Cash in bank	838,926,014.14	163,083,275.13
Other cash and bank balances	32,074,840.65	34,576,125.00
Total	871,019,268.83	197,663,949.74
Including: Deposited overseas	5,230,453.64	5,840,173.03

(2) Other remarks

Closing balance of cash in bank with use restrictions totaled 11,872,855.48 yuan, including funds frozen due to lawsuits of 5,943,085.18 yuan, suspended accounts and stopped payments of 62,552.52 yuan, funds for construction of public facilities in and around the urban renewal project of Longgang District, Shenzhen City of 5,674,439.78 yuan, land reclamation costs of the Guangming Lane project of 142,778.00 yuan, and deposits for fixed-term engineering of 50,000.00 yuan.

At the balance sheet date, closing balance of other cash and bank balances of 32,074,840.65 yuan was seven-day notice deposit.

2. Held-for-trading financial assets

Items	Closing balance	Opening balance
Financial assets classified as at fair value through profit or loss	879,340,201.92	408,154,361.42
Including: Fund	879,340,201.92	408,154,361.42
Total	879,340,201.92	408,154,361.42

3. Notes receivable**(1) Details**

Items	Closing balance	Opening balance
Bank acceptance		
Trade acceptance		1,536,150.00
Total		1,536,150.00

(2) Provision for bad debts

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision for bad debts made on a collective basis	1,617,000.00	100.00	80,850.00	5.00	1,536,150.00
Including: Bank acceptance					
Trade acceptance	1,617,000.00	100.00	80,850.00	5.00	1,536,150.00
Total	1,617,000.00	100.00	80,850.00	5.00	1,536,150.00

(3) Changes in provision for bad debts

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision for bad debts made on an individual basis						
Receivables with provision for bad debts made on a collective basis	80,850.00		80,850.00			
Total	80,850.00		80,850.00			

4. Accounts receivable

(1) Age analysis

Ages	Closing book balance	Opening book balance
Within 1 year	71,406,321.18	64,697,535.13
1-2 years	9,482,461.05	8,701,822.68
2-3 years	7,444,786.11	290,567.01
3-4 years	169,754.01	5,093,814.79
4-5 years	3,027,934.33	
Over 5 years	18,050,798.87	18,825,122.29
Total	109,582,055.55	97,608,861.90

(2) Provision for bad debts

1) Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision for bad debts made on an individual basis	24,983,383.25	22.80	24,983,383.25	100.00	
Receivables with provision for bad debts made on a collective basis	84,598,672.30	77.20	9,497,701.47	11.23	75,100,970.83
Total	109,582,055.55	100.00	34,481,084.72	31.47	75,100,970.83

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision for bad debts made on an individual basis	36,722,640.73	37.62	32,006,890.24	87.16	4,715,750.49
Receivables with provision for bad debts made on a collective basis	60,886,221.17	62.38	2,021,549.50	3.32	58,864,671.67
Total	97,608,861.90	100.00	34,028,439.74	34.86	63,580,422.16

2) Significant accounts receivable with provision made on an individual basis

Debtors	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion (%)	Basis for provision
Payments for goods of agency import and export business	11,574,556.00	11,574,556.00	11,574,556.00	11,574,556.00	100.00	Expected to be irrecoverable
Long-term unrecovered property sales	10,020,587.91	10,020,587.91	10,084,109.60	10,084,109.60	100.00	Expected to be irrecoverable
Accounts receivable due from revoked subsidiaries	2,328,158.40	2,328,158.40	2,314,755.46	2,314,755.46	100.00	Expected to be irrecoverable
Shenzhen Hongteng Investment Management Co., Ltd.	11,789,376.23	7,073,625.74				
Balances due from other customers	1,009,962.19	1,009,962.19	1,009,962.19	1,009,962.19	100.00	Expected to be irrecoverable
Subtotal	36,722,640.73	32,006,890.24	24,983,383.25	24,983,383.25	100.00	

3) Accounts receivable with provision for bad debts made on a collective basis

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with balances due from other customers	84,598,672.30	9,497,701.47	11.23
Subtotal	84,598,672.30	9,497,701.47	11.23

(3) Changes in provision for bad debts

1) Details

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision for bad debts made on an individual basis	32,006,890.24		3,994,030.79		-3,029,476.20	24,983,383.25
Receivables with provision for bad debts made on a collective basis	2,021,549.50	4,446,675.77			3,029,476.20	9,497,701.47
Total	34,028,439.74	4,446,675.77	3,994,030.79			34,481,084.72

2) Significant provisions for bad debts collected or reversed

Debtors	Amount collected or reversed	Reasons for reversal	Ways of collection	Basis and reasonableness for recognition of original provision for bad debts
Shenzhen Hongteng Investment Management Co., Ltd.	3,994,030.79	Project funds have been recovered.	Bank transfer	In the preceding period, provisions were made thereon on an individual basis as the recoverability was expected to be relatively low. In the current period, the provisions were reversed as the balances have been recovered.
Subtotal	3,994,030.79			

(4) Details of the top 5 debtors with largest balances of accounts receivable and contracted asset

Debtors	Closing book balance			Proportion to the total balance of accounts receivable and contract assets (%)	Provision for bad debts of accounts receivable and provision for impairment of contract assets
	Accounts receivable	Contract assets	Subtotal		
Shenzhen Hongteng Investment Management Co., Ltd.	11,882,292.92		11,882,292.92	8.62	3,032,263.70
Shenzhen Jiangong Group Co., Ltd.	8,708,474.59	1,952,557.21	10,661,031.80	7.74	336,492.92
Hubei Chuheng Property Co., Ltd.	9,725,542.05	318,968.15	10,044,510.20	7.29	301,335.30
Wuhan Yutian Xingye Land Co., Ltd.	8,962,707.76	498,737.47	9,461,445.23	6.87	323,003.75
China Construction Xinjiang Construction	4,227,690.55	3,951,814.32	8,179,504.87	5.94	245,385.15

Debtors	Closing book balance			Proportion to the total balance of accounts receivable and contract assets (%)	Provision for bad debts of accounts receivable and provision for impairment of contract assets
	Accounts receivable	Contract assets	Subtotal		
Engineering (Group) Co., Ltd.					
Subtotal	43,506,707.87	6,722,077.15	50,228,785.02	36.46	4,238,480.82

(5) Other remarks

As of December 31, 2023, the balance of factoring receivables already transferred but not yet derecognized was 24,340,361.58 yuan.

5. Advances paid

(1) Age analysis

Ages	Closing balance			
	Book balance	% to total	Provision for impairment	Carrying amount
Within 1 year	12,271.61	3.00		12,271.61
1-2 years				
2-3 years	196,920.46	48.12		196,920.46
Over 3 years	200,000.00	48.88		200,000.00
Total	409,192.07	100.00		409,192.07

(Continued)

Ages	Opening balance			
	Book balance	% to total	Provision for impairment	Carrying amount
Within 1 year	626,155.65	53.80		626,155.65
1-2 years	336,699.64	28.94		336,699.64
2-3 years	206.95	0.02		206.95
Over 3 years	200,550.00	17.24		200,550.00
Total	1,163,612.24	100.00		1,163,612.24

(2) Details of the top 5 debtors with largest balances

Debtors	Book Balance	Proportion to the total balance of advances paid (%)
Guangdong Legal Shengbang (Shenzhen) Law Firm	200,000.00	48.88
Huizhou Huiyang Power Supply Bureau of Guangdong Power Grid Co., Ltd.	98,840.29	24.15
China Telecom Co., Ltd.	9,493.70	2.32
Guangdong Yuetong Card Information Technology Service Co., Ltd.	7,850.79	1.92
Guangdong Shenzhen Petroleum Branch of Sinopec Sales Corporation	2,777.91	0.68

Debtors	Book Balance	Proportion to the total balance of advances paid (%)
Subtotal	318,962.69	77.95

6. Other receivables

(1) Other receivables categorized by nature

Nature of receivables	Closing book balance	Opening book balance
Portfolio grouped with balances due from related parties	161,393,309.25	156,470,188.49
Portfolio grouped with government funds receivable	165,460.00	165,460.00
Portfolio grouped with employee petty cash receivable	841,714.00	147,810.19
Portfolio grouped with advances received and paid on behalf of others	360,901.91	689,317.63
Portfolio grouped with other intercompany balances receivable	44,888,290.81	79,862,906.45
Total	207,649,675.97	237,335,682.76

(2) Age analysis

Ages	Closing book balance	Opening book balance
Within 1 year	6,047,963.14	48,019,676.18
1-2 years	15,390,258.93	1,185,433.74
2-3 years	103,956.68	18,023.00
3-4 years	200.00	1,628,670.73
4-5 years	100.00	18,120,785.56
Over 5 years	186,107,197.22	168,363,093.55
Total	207,649,675.97	237,335,682.76

(3) Provision for bad debts

1) Details on categories

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	191,444,224.06	92.20	191,075,243.86	99.81	368,980.20
Receivables with provision made on a collective basis	16,205,451.91	7.80	680,695.83	4.20	15,524,756.08
Subtotal	207,649,675.97	100.00	191,755,939.69	92.35	15,893,736.28

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	193,705,873.51	81.62	193,705,873.51	100.00	
Receivables with provision made on a collective basis	43,629,809.25	18.38	1,524,758.92	3.49	42,105,050.33
Subtotal	237,335,682.76	100.00	195,230,632.43	82.26	42,105,050.33

2) Significant other receivables with provision made on an individual basis

Debtors	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion (%)	Basis for provision
Canada Great Wall (Vancouver) Co., Ltd.	89,035,748.07	89,035,748.07	89,035,748.07	89,035,748.07	100.00	Expected to be irrecoverable
Paklid Limited	19,390,888.26	19,390,888.26	19,393,335.84	19,393,335.84	100.00	Expected to be irrecoverable
Australia Berkton Property Limited	12,559,290.58	12,559,290.58	12,559,290.58	12,559,290.58	100.00	Expected to be irrecoverable
Guangdong Huizhou Luofushan Mineral Water Beverage Co., Ltd.	10,465,168.81	10,465,168.81	10,465,168.81	10,465,168.81	100.00	Expected to be irrecoverable
Xi'an Xinfeng Property Trading Co., Ltd.	8,419,205.19	8,419,205.19	8,419,205.19	8,419,205.19	100.00	Expected to be irrecoverable
Shenzhen Shenxi Building Decoration Co., Ltd.	7,660,529.37	7,660,529.37	7,660,529.37	7,660,529.37	100.00	Expected to be irrecoverable
Beijing SPG Property Management Co., Ltd.	6,905,673.69	6,533,817.09	6,905,673.69	6,533,817.09	94.62	Expected to be irrecoverable
Bao'an Shopping Center	6,343,030.65	6,343,030.65	6,343,030.65	6,343,030.65	100.00	Expected to be irrecoverable
Shenzhen Nanyang Hotel Co., Ltd.	3,168,721.00	3,168,721.00	3,168,721.00	3,168,721.00	100.00	Expected to be irrecoverable
Shenzhen Runhua Automobile Trading Co., Ltd.	3,072,764.42	3,072,764.42	3,072,764.42	3,072,764.42	100.00	Expected to be irrecoverable
Shenzhen Local Building Materials Co., Ltd.	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	100.00	Expected to be irrecoverable
Jun Xin He Co., Ltd.	2,800,000.00	2,800,000.00	2,800,000.00	2,800,000.00	100.00	Expected to be irrecoverable

Debtors	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion (%)	Basis for provision
Harbin City Power District Xinle Feed Processing Plant	1,970,000.00	1,970,000.00	1,970,000.00	1,970,000.00	100.00	Expected to be irrecoverable
Newmore Co., Ltd.	1,868,735.45	1,868,735.45	1,868,735.45	1,868,735.45	100.00	Expected to be irrecoverable
Subtotal	176,659,755.49	176,287,898.89	176,662,203.07	176,290,346.47	99.79	

3) Other receivables with provision made on a collective basis

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with balances due from related parties	1,580,607.43		
Portfolio grouped with government funds receivable	165,460.00		
Portfolio grouped with employee petty cash receivable	841,714.00		
Portfolio grouped with advances received and paid on behalf of others	360,901.91	18,045.10	5.00
Portfolio grouped with other intercompany balances receivable	13,256,768.57	662,650.73	5.00
Subtotal	16,205,451.91	680,695.83	4.20

(4) Changes in provision for bad debts

Items	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	2,004,832.46	18,194.53	193,207,605.44	195,230,632.43
Opening balance in the current period	—	—	—	
--Transferred to stage 2	-259,933.63	259,933.63		
--Transferred to stage 3		-5,182.20	5,182.20	
--Reversed to stage 2				
--Reversed to stage 1				
Provision made in the current period	-1,566,981.03	101,233.86	527,332.37	-938,414.80
Provision recovered or reversed in the current period				
Provision written off in the current period				
Other changes			-2,536,277.94	-2,536,277.94
Closing balance	177,917.80	374,179.82	191,203,842.07	191,755,939.69

Items	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Provision proportion (%)	3.46	4.98	98.05	92.35

(5) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Closing book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts at the end of the period
Canada Great Wall (Vancouver) Co., Ltd.	Balances due from related parties	89,035,748.07	Over 5 years	42.88	89,035,748.07
Paklid Limited	Balances due from related parties	19,393,335.84	Over 5 years	9.34	19,393,335.84
Australia Berkton Property Limited	Balances due from related parties	12,559,290.58	Over 5 years	6.05	12,559,290.58
Guangdong Huizhou Luofushan Mineral Water Beverage Co., Ltd.	Balances due from related parties	10,465,168.81	Over 5 years	5.04	10,465,168.81
Xi'an Xinfeng Property Trading Co., Ltd.	Balances due from related parties	8,419,205.19	Over 5 years	4.05	8,419,205.19
Subtotal		139,872,748.49		67.36	139,872,748.49

7. Inventories

(1) Details

Items	Closing balance		
	Book balance	Provision for write-down/impairment	Carrying amount
Development costs	3,572,697,115.80	391,731,506.81	3,180,965,608.99
Developed products	733,935,274.64		733,935,274.64
Raw materials	49,504.00		49,504.00
Goods on hand	304,426.24	38,891.91	265,534.33
Total	4,306,986,320.68	391,770,398.72	3,915,215,921.96

(Continued)

Items	Opening balance		
	Book balance	Provision for write-down/impairment	Carrying amount
Development costs	3,413,963,261.85		3,413,963,261.85
Developed products	842,847,684.33		842,847,684.33
Raw materials	8,458.34		8,458.34

Items	Opening balance		
	Book balance	Provision for write-down/ impairment	Carrying amount
Goods on hand	329,101.70	38,891.91	290,209.79
Total	4,257,148,506.22	38,891.91	4,257,109,614.31

(2) Provision for inventory write-down/provision for impairment of costs to fulfill a contract

1) Details

Items	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Reversal or write-off	Others	
Development costs		391,731,506.81				391,731,506.81
Goods on hand	38,891.91					38,891.91
Total	38,891.91	391,731,506.81				391,770,398.72

2) Determination basis of net realizable value and reasons for the reversal or write-off of provision for inventory write-down

Items	Determination basis of net realizable value	Reasons for reversal of provision for inventory write-down	Reasons for write-off of provision for inventory write-down
Development costs	Estimated selling price of inventories less costs to be incurred upon completion, estimated selling expenses, and relevant taxes and surcharges		
Developed products	Net realizable value is determined based on the estimated selling price of developed products less costs, estimated selling expenses, and relevant taxes and surcharges		
Goods on hand	Net realizable value is determined based on the estimated selling price of goods on hand less costs, estimated selling expenses, and relevant taxes and surcharges		

(3) Capitalization of borrowing cost

Items	Closing capitalized amount of borrowing cost	Calculation criteria and basis of capitalized amount
Shenfang Linxin Community	40,384,162.95	Based on the interest rate agreed upon in the loan contract
Shenfang Guangming Lane	5,503,824.56	Based on the interest rate agreed upon in the loan contract
Subtotal	45,887,987.51	

(4) Other remarks

1) Inventories - development costs

Projects	Start time	Estimated completion time	Estimated total investments (in ten thousand yuan)	Opening balance	Closing balance	Closing balance of provision for write-down
Shenfang Linxin Community	2021	2024	300,000.00	2,290,805,229.96	2,310,161,672.58	391,731,506.81
Shenfang Guangming Lane	2022	2024	152,060.00	1,094,866,123.78	1,234,243,535.11	
Shantou Xinfeng Building	/	/	/	28,291,908.11	28,291,908.11	
Subtotal			452,060.00	3,413,963,261.85	3,572,697,115.80	391,731,506.81

2) Inventories - developed products

Projects	Completion time	Opening balance	Increase	Decrease	Closing balance	Closing balance of provision for write-down
Tianyue Bay Phase II	2021	512,790,161.79		48,563,878.57	464,226,283.22	
Tianyue Bay Phase I	2017	225,653,522.83		27,153,581.49	198,499,941.34	
Golden Leaf Island Haitian Pavilion Multi-Story Apartment	1997	39,546,392.27	188,371.60		39,734,763.87	
Shenfang Cuilin Community	2018	45,617,437.79		28,572,790.54	17,044,647.25	
Yue King Oriental Project	2014	6,476,404.76		355,377.69	6,121,027.07	
Golden Leaf Island Phase X	2010	5,696,007.25		54,728.71	5,641,278.54	
Golden Leaf Island Phase XI	2008	2,333,281.42		110,505.12	2,222,776.30	
Beijing Xinfeng Building		304,557.05			304,557.05	
Whampoa New Village		140,000.00			140,000.00	
Chuanqi East Lake Community	2019	4,289,919.17		4,289,919.17		
Subtotal		842,847,684.33	188,371.60	109,100,781.29	733,935,274.64	

8. Contract assets

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Quality guarantee deposit receivable	28,198,553.53	845,956.61	27,352,596.92			
Total	28,198,553.53	845,956.61	27,352,596.92			

(2) Details on provision for impairment

1) Details on categories

Categories	Closing balance				Carrying amount
	Book balance		Provision for impairment		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on a collective basis	28,198,553.53	100.00	845,956.61	3.00	27,352,596.92
Total	28,198,553.53	100.00	845,956.61	3.00	27,352,596.92

2) Contract assets with provision for impairment made on a collective basis

Portfolios	Closing balance		
	Book balance	Provision for impairment	Provision proportion (%)
Portfolio grouped with engineering constructions	28,198,553.53	845,956.61	3.00
Subtotal	28,198,553.53	845,956.61	3.00

(3) Changes in provision for impairment

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
On a collective basis		845,956.61				845,956.61
Total		845,956.61				845,956.61

9. Other current assets

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Overpaid or prepaid enterprise income taxes	6,212,008.00		6,212,008.00	1,692,386.28		1,692,386.28
Prepaid VAT	1,974,376.95		1,974,376.95	1,620,352.66		1,620,352.66
Costs to obtain a contract	6,815,071.01		6,815,071.01	1,212,848.49		1,212,848.49
Input VAT to be credited	64,189,088.61		64,189,088.61	29,247,467.16		29,247,467.16
Land appreciation tax	3,472,045.32		3,472,045.32	1,813,337.72		1,813,337.72
Business tax	195,546.35		195,546.35	250,719.98		250,719.98
Others	4,317,126.82		4,317,126.82	941,529.13		941,529.13

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Total	87,175,263.06		87,175,263.06	36,778,641.42		36,778,641.42

(2) Costs to obtain a contract

Items	Opening balance	Increase	Amortization	Provision for impairment	Closing balance
Shenfang Guangming Lane		5,417,176.01			5,417,176.01
Linxin Community	1,212,848.49	185,046.51			1,397,895.00
Subtotal	1,212,848.49	5,602,222.52			6,815,071.01

10. Long-term equity investments

(1) Categories

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in joint ventures	19,424,671.47	19,424,671.47		19,424,671.47	19,424,671.47	
Investments in associates	32,898,465.09	32,898,465.09		32,992,392.73	32,898,465.09	93,927.64
Other equity investments	167,761,564.39	167,761,564.39		167,761,564.39	167,761,564.39	
Total	220,084,700.95	220,084,700.95		220,178,628.59	220,084,700.95	93,927.64

(2) Details

Investees	Opening balance		Increase/Decrease			
	Carrying amount	Provision for impairment	Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Joint ventures						
Guangdong Huizhou Luofushan Mineral Water Beverage Co., Ltd.		9,969,206.09				
Fengkai Xinghua Hotel		9,455,465.38				
Subtotal		19,424,671.47				
Associates						
Shenzhen Ronghua Electromechanical Engineering Co., Ltd.	93,927.64	1,076,954.64			-93,927.64	
Shenzhen Runhua Automobile Trading Co., Ltd.		1,445,425.56				
Dongyi Properties Co., Ltd.		30,376,084.89				
Subtotal	93,927.64	32,898,465.09			-93,927.64	

Investees	Opening balance		Increase/Decrease			
	Carrying amount	Provision for impairment	Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Other equity investments						
Paklid Limited		201,100.00				
Berkton Australia Co., Ltd.		906,630.00				
Shenzhen Shenfang Department Store Co., Ltd.		10,000,000.00				
Shantou Xinfeng Building		58,547,652.25				
Guangdong Fengkai Lianfeng Cement Manufacturing Co., Ltd.		56,228,381.64				
Jiangmen Xinjiang Real Estate Co., Ltd.		9,037,070.89				
Xi'an Xinfeng Property Trading Co., Ltd.		32,840,729.61				
Subtotal		167,761,564.39				
Total	93,927.64	220,084,700.95			-93,927.64	

(Continued)

Investees	Increase/Decrease				Closing balance	
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others	Carrying amount	Provision for impairment
Joint ventures						
Guangdong Huizhou Luofushan Mineral Water Beverage Co., Ltd.						9,969,206.09
Fengkai Xinghua Hotel						9,455,465.38
Subtotal						19,424,671.47
Associates						
Shenzhen Ronghua Electromechanical Engineering Co., Ltd.						1,076,954.64
Shenzhen Runhua Automobile Trading Co., Ltd.						1,445,425.56
Dongyi Properties Co., Ltd.						30,376,084.89
Subtotal						32,898,465.09
Other equity investments						
Paklid Limited						201,100.00
Berkton Australia Co., Ltd.						906,630.00
Shenzhen Shenfang Department Store Co., Ltd.						10,000,000.00

Investees	Increase/Decrease				Closing balance	
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others	Carrying amount	Provision for impairment
Shantou Xinfeng Building						58,547,652.25
Guangdong Fengkai Lianfeng Cement Manufacturing Co., Ltd.						56,228,381.64
Jiangmen Xinjiang Real Estate Co., Ltd.						9,037,070.89
Xi'an Xinfeng Property Trading Co., Ltd.						32,840,729.61
Subtotal						167,761,564.39
Total						220,084,700.95

Note: Other equity investments refer to equity of subsidiaries not brought into the consolidation scope of the Company. As these subsidiaries have completed the revocation procedures but the Company has not written off corresponding long-term equity investments, or they ceased operations many years ago and no longer physically exists, the Company is no longer able to exercise effective control over them. Please refer to section VI of notes to the financial statements for details.

11. Other equity instrument investments

Items	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Gains or losses included into other comprehensive income in the current period	Others
Shantou SME Financing Guarantee Co., Ltd.	13,839,235.57			485,175.78	
Beijing SPG Property Management Co., Ltd.					
Total	13,839,235.57			485,175.78	

(Continued)

Items	Closing balance	Dividend income recognized in the current period	Accumulated gains or losses included into other comprehensive income at the end of the period
Shantou SME Financing Guarantee Co., Ltd.	14,324,411.35	537,600.00	6,035,775.78
Beijing SPG Property Management Co., Ltd.			
Total	14,324,411.35	537,600.00	6,035,775.78

12. Investment property

Items	Buildings and structures	Land use right	Total
Cost			
Opening balance	1,044,744,895.39	107,350,053.05	1,152,094,948.44
Increase		1,820,354.54	1,820,354.54
1) Acquisition			
2) Others (exchange rate changes)		1,820,354.54	1,820,354.54
Decrease			
1) Disposal			
2) Other transfer-out			
Closing balance	1,044,744,895.39	109,170,407.59	1,153,915,302.98
Accumulated depreciation and amortization			
Opening balance	482,985,291.20		482,985,291.20
Increase	25,658,083.53		25,658,083.53
1) Accrual or amortization	25,658,083.53		25,658,083.53
2) Others (exchange rate changes)			
Decrease			
1) Disposal			
2) Other transfer-out			
Closing balance	508,643,374.73		508,643,374.73
Provision for impairment			
Opening balance	14,128,544.62	88,107,197.55	102,235,742.17
Increase		1,494,049.91	1,494,049.91
1) Accrual			
2) Others (exchange rate changes)		1,494,049.91	1,494,049.91
Decrease			
1) Disposal			
2) Other transfer-out			
Closing balance	14,128,544.62	89,601,247.46	103,729,792.08
Carrying amount			
Closing balance	521,972,976.04	19,569,160.13	541,542,136.17
Opening balance	547,631,059.57	19,242,855.50	566,873,915.07

13. Fixed assets

Items	Buildings and structures	Transport facilities	Electronic equipment and others	Total
Cost				
Opening balance	100,422,074.10	8,307,455.41	7,403,998.70	116,133,528.21
Increase		377,300.00	930,351.56	1,307,651.56
1) Acquisition		377,300.00	930,351.56	1,307,651.56
2) Others				
Decrease		1,569,625.80	250,931.87	1,820,557.67
1) Disposal/ Scrapping		1,569,625.80	250,931.87	1,820,557.67
2) Others				
Closing balance	100,422,074.10	7,115,129.61	8,083,418.39	115,620,622.10
Accumulated depreciation				
Opening balance	81,649,438.77	7,111,284.47	5,947,329.92	94,708,053.16
Increase	2,166,952.87	256,900.46	340,177.55	2,764,030.88
1) Accrual	2,166,952.87	256,900.46	340,177.55	2,764,030.88
2) Others				
Decrease		1,546,753.88	232,757.83	1,779,511.71
1) Disposal/ Scrapping		1,546,753.88	232,757.83	1,779,511.71
2) Others				
Closing balance	83,816,391.64	5,821,431.05	6,054,749.64	95,692,572.33
Provision for impairment				
Opening balance				
Increase				
1) Accrual				
2) Others				
Decrease				
1) Disposal/ Scrapping				
2) Others				
Closing balance				
Carrying amount				
Closing balance	16,605,682.46	1,293,698.56	2,028,668.75	19,928,049.77
Opening balance	18,772,635.33	1,196,170.94	1,456,668.78	21,425,475.05

14. Right-of-use assets

Items	Buildings and structures	Total
Cost		
Opening balance	431,779.61	431,779.61
Increase		
1) Leased in		
Decrease		
1) Disposal		
Closing balance	431,779.61	431,779.61
Accumulated depreciation		
Opening balance	199,282.89	199,282.89
Increase	132,855.24	132,855.24
1) Accrual	132,855.24	132,855.24
Decrease		
1) Disposal		
Closing balance	332,138.13	332,138.13
Provision for impairment		
Opening balance		
Increase		
1) Accrual		
Decrease		
1) Disposal		
Closing balance		
Carrying amount		
Closing balance	99,641.48	99,641.48
Opening balance	232,496.72	232,496.72

15. Intangible assets

Items	Software	Total
Cost		
Opening balance	2,192,000.00	2,192,000.00
Increase		
1) Acquisition		
Decrease		
1) Disposal		
Closing balance	2,192,000.00	2,192,000.00

Items	Software	Total
Accumulated amortization		
Opening balance	2,192,000.00	2,192,000.00
Increase		
1) Accrual		
Decrease		
1) Disposal		
Closing balance	2,192,000.00	2,192,000.00
Provision for impairment		
Opening balance		
Increase		
1) Accrual		
Decrease		
1) Disposal		
Closing balance		
Carrying amount		
Closing balance		
Opening balance		

16. Long-term prepayments

Items	Opening balance	Increase	Amortization	Other decreases	Closing balance
Renovation costs	1,719,057.99	167,760.44	577,677.49		1,309,140.94
Others	457,163.54		167,998.92		289,164.62
Total	2,176,221.53	167,760.44	745,676.41		1,598,305.56

17. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets before offset

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	16,963,840.11	4,225,272.58	12,026,682.71	3,006,670.68
Deductible losses	43,152,112.49	10,788,028.12	69,038,992.71	17,259,748.18
Land appreciation tax accrued	2,140,368.96	535,092.24	117,245,335.26	29,311,333.82
Unrealized profit from internal transactions	80,397,191.40	20,099,297.85	86,124,778.41	21,531,194.60
Provisional cost of contracts	2,660,481.88	665,120.47	23,711,126.84	5,927,781.70

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Total	145,313,994.84	36,312,811.26	308,146,915.93	77,036,728.98

(2) Deferred tax liabilities before offset

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Changes in fair value of held-for-trading financial assets	7,824,348.72	1,956,087.18	8,970,031.50	2,242,507.88
Undue interest	1,901,506.08	475,376.52	1,576,125.00	394,031.25
Changes in fair value of other equity instrument investments	2,324,411.36	581,102.84	1,839,235.57	459,808.89
Total	12,050,266.16	3,012,566.54	12,385,392.07	3,096,348.02

(3) Details of unrecognized deferred tax assets

Items	Closing balance	Opening balance
Deductible temporary difference	927,951,667.74	519,864,173.99
Deductible losses	68,296,307.42	54,027,120.82
Total	996,247,975.16	573,891,294.81

(4) Maturity years of deductible losses of unrecognized deferred tax assets

Maturity years	Closing balance	Opening balance	Remarks
Year 2023		4,085,485.24	
Year 2024	688,456.49	688,456.49	
Year 2025	1,629.25	1,629.25	
Year 2026	346,891.06	346,891.06	
Year 2027	48,904,614.38	48,904,658.78	
Year 2028	18,354,716.24		
Total	68,296,307.42	54,027,120.82	

18. Assets with title or use right restrictions

(1) Details

1) Details on assets with restrictions at the balance sheet date

Items	Closing book balance	Closing carrying amount	Type of restrictions	Reasons for restrictions
Cash and bank balances	5,817,217.78	5,817,217.78	Seized	Construction funds for urban renewal projects and surrounding public facilities projects in Longgang District, Shenzhen City; land reclamation expenses for Shenfeng Guangming Lane Project
Cash and bank balances	5,943,085.18	5,943,085.18	Frozen	Frozen due to litigation
Cash and bank balances	50,000.00	50,000.00	Seized	Deposits for construction
Cash and bank balances	62,552.52	62,552.52	Seized	Payments have been stopped and the account has been suspended.
Accounts receivable	27,890,361.58	27,890,361.58	Pledged	Pledged for short-term borrowings
Investment property	103,165,591.84	44,297,197.87	Mortgaged	Mortgaged for borrowings
Total	142,928,808.90	84,060,414.93		

2) Details on assets with restrictions at the beginning of the period

Items	Opening book balance	Opening carrying amount	Type of restrictions	Reasons for restrictions
Cash and bank balances	5,674,439.78	5,674,439.78	Seized	Construction funds for urban renewal projects and surrounding public facilities projects in Longgang District, Shenzhen City
Cash and bank balances	48,315.48	48,315.48	Frozen	Frozen due to litigation
Accounts receivable	51,138,077.62	51,138,077.62	Pledged	Pledged for short-term borrowings
Inventories	965,000,000.00	965,000,000.00	Mortgaged	Land mortgaged for project development loans
Total	1,021,860,832.88	1,021,860,832.88		

19. Short-term borrowings

Items	Closing balance	Opening balance
Factoring of accounts receivable	3,550,000.00	51,138,077.62
Total	3,550,000.00	51,138,077.62

20. Accounts payable

(1) Details

Items	Closing balance	Opening balance
Engineering funds	442,529,992.29	432,902,243.31
Others	729,776.49	1,699,316.36

Items	Closing balance	Opening balance
Total	443,259,768.78	434,601,559.67

(2) Significant accounts payable with age over one year

Items	Closing balance	Reasons for unsettlement
China Railway Second Bureau Group Co., Ltd.	104,922,084.43	Not yet settled
Huizhou Jinlongsheng Industry Co., Ltd.	84,950,000.00	Not yet settled
Huizhou Huiyang Hongfa Industry & Trade Co., Ltd.	50,350,000.00	Not yet settled
Huizhou Mingxiang Economic Information Consulting Co., Ltd.	41,851,375.00	Not yet settled
Guangzhou Mingji Construction Co., Ltd.	12,572,856.16	Not yet settled
Subtotal	294,646,315.59	

21. Advances received

Items	Closing balance	Opening balance
Payments for goods of agency import and export business	214,630.00	4,218,370.69
Others	206,094.30	1,246,973.27
Total	420,724.30	5,465,343.96

22. Contract liabilities

(1) Details

Items	Closing balance	Opening balance
Payments for house sale received in advance	1,290,868,600.78	43,431,327.09
Room charges received in advance	56,197.55	102,140.20
Payments for goods received in advance	351,328.33	
Engineering funds received in advance	172,464.62	
Total	1,291,448,591.28	43,533,467.29

(2) Reasons for significant changes in the carrying amount of contract liabilities in the current period

Items	Amount of changes	Reasons for changes
Payments for house sale received in advance	1,247,437,273.69	Pre-sale of Shenfang Guangming Lane Real Estate Project in the current period
Subtotal	1,247,437,273.69	

(3) Receipts from significant projects of pre-sale real estate

Items	Closing balance	Opening balance	Estimated completion date	Proportion of pre-sales (%)
Shenfang Guangming Lane	1,247,568,338.53		At the end of 2024	86.41
Subtotal	1,247,568,338.53			

23. Employee benefits payable

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	35,672,352.37	62,983,861.06	76,461,955.28	22,194,258.15
Post-employment benefits - defined contribution plan	51,851.41	9,560,744.06	9,559,836.26	52,759.21
Total	35,724,203.78	72,544,605.12	86,021,791.54	22,247,017.36

(2) Details of short-term employee benefits

Items	Opening balance	Increase	Decrease	Closing balance
Wage, bonus, allowance and subsidy	35,211,378.77	49,975,207.75	63,235,706.50	21,950,880.02
Employee welfare fund	220,742.00	2,730,234.83	2,800,976.83	150,000.00
Social insurance premium		3,654,435.09	3,654,435.09	
Including: Medicare premium		3,376,353.73	3,376,353.73	
Occupational injuries premium		68,212.91	68,212.91	
Maternity premium		209,868.45	209,868.45	
Security fund for the disabled		51,939.70	51,939.70	
Housing provident fund		5,458,412.13	5,458,412.13	
Trade union fund and employee education fund	240,231.60	1,113,631.56	1,260,485.03	93,378.13
Subtotal	35,672,352.37	62,983,861.06	76,461,955.28	22,194,258.15

(3) Details of defined contribution plan

Items	Opening balance	Increase	Decrease	Closing balance
Basic endowment insurance premium		6,002,162.13	6,002,162.13	
Unemployment insurance premium		67,304.44	67,304.44	
Company annuity payment	51,851.41	3,491,277.49	3,490,369.69	52,759.21
Subtotal	51,851.41	9,560,744.06	9,559,836.26	52,759.21

24. Taxes and rates payable

Items	Closing balance	Opening balance
VAT	6,952,681.57	3,843,704.80
Enterprise income tax	25,379,573.98	61,927,050.99

Items	Closing balance	Opening balance
Individual income tax withheld for tax authorities	666,822.33	1,611,643.13
Urban maintenance and construction tax	1,379,662.47	734,949.61
Land appreciation tax	4,646,137.48	121,891,472.74
Housing property tax	250,796.18	287,141.98
Education surcharge	592,022.63	316,008.58
Local education surcharge	382,272.44	197,568.44
Others	659,017.40	141,645.72
Total	40,908,986.48	190,951,185.99

25. Other payable

(1) Details

Items	Closing balance	Opening balance
Interest payable	16,535,277.94	16,535,277.94
Other payables	537,933,951.65	557,796,062.90
Total	554,469,229.59	574,331,340.84

(2) Interest payable

1) Details

Items	Closing balance	Opening balance
Interest of borrowings from non-financial institutions (interest payable to parent company)	16,535,277.94	16,535,277.94
Subtotal	16,535,277.94	16,535,277.94

2) Significant interest payable overdue but unpaid

Creditors	Amount overdue	Reasons for overdue
Shenzhen Investment Holdings Co., Ltd.	16,535,277.94	Not yet paid
Subtotal	16,535,277.94	

(3) Other payables

1) Details

Items	Closing balance	Opening balance
Balances due to non-related parties	177,620,294.46	166,065,259.07
Balances due to related parties	234,129,312.99	232,502,015.42
Deposits	27,861,196.50	28,723,844.16
Others	98,323,147.70	130,504,944.25
Subtotal	537,933,951.65	557,796,062.90

2) Significant other payables with age over one year

Items	Closing balance	Reasons for unsettlement
Guangzhou Bopi Enterprise Management Consulting Co., Ltd.	206,903,717.13	Not yet settled
Huizhou Guirong Investment Information Consulting Co., Ltd.	102,197,564.38	Not yet settled
Huizhou Huiyang Hongfa Industry & Trade Co., Ltd.	26,894,095.89	Not yet settled
Huizhou Mingxiang Economic Information Consulting Co., Ltd.	26,131,960.68	Not yet settled
Subtotal	362,127,338.08	

26. Non-current liabilities due within one year

Items	Closing balance	Opening balance
Long-term borrowings due within one year	34,001,293.81	6,105,770.99
Lease liabilities due within one year	55,054.12	83,023.44
Total	34,056,347.93	6,188,794.43

27. Other current liabilities

Items	Closing balance	Opening balance
Output VAT to be recognized	115,574,168.18	2,265,817.68
Factoring of accounts receivable	20,790,361.58	
Endorsed but undue notes not yet derecognized		1,617,000.00
Total	136,364,529.76	3,882,817.68

28. Long-term borrowings

Items	Closing balance	Opening balance
Mortgaged borrowings	213,433,144.83	60,366,770.99
Less: Long-term borrowings due within one year	34,001,293.81	6,105,770.99
Total	179,431,851.02	54,261,000.00

29. Lease liabilities

Items	Closing balance	Opening balance
Lease payments	55,054.12	136,908.67
Less: Lease liabilities due within one year	55,054.12	83,023.44
Total		53,885.23

30. Share capital

Items	Opening balance	Movements (less: decrease)					Closing balance
		Issue of new shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	
Total	1,011,660,000.00						1,011,660,000.00

31. Capital reserve

Items	Opening balance	Increase	Decrease	Closing balance
Share/capital premium	557,433,036.93			557,433,036.93
Other capital reserve	420,811,873.18			420,811,873.18
Total	978,244,910.11			978,244,910.11

32. Other comprehensive income (OCI)

Items	Opening balance	Current period cumulative						Closing balance
		Net OCI after tax					Less: OCI previously recognized but transferred to retained earnings in the current period (attributable to parent company after tax)	
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in the current period	Less: Income tax expenses	Attributable to parent company	Attributable to non-controlling shareholders		
Items not to be reclassified subsequently to profit or loss	1,379,426.68	1,040,114.76		260,028.69	780,086.07		2,159,512.75	
Including:								
Remeasurements of the defined benefit plan								
OCI not to be transferred to profit or loss under equity method								
Changes in fair value of other equity instrument investments	1,379,426.68	1,040,114.76		260,028.69	780,086.07		2,159,512.75	
Changes in fair value of the Company's own credit risk								
Items to be reclassified subsequently to profit or loss	24,547,294.17	-1,803,551.72			-1,387,347.48	-416,204.24	23,159,946.69	
Including: OCI to be transferred to profit or loss under equity method								
Changes in fair value of other debt investments								
OCI arising from financial assets reclassification								
Provision for credit impairment loss of other debt investments								
Cash flow hedging reserves								

Items	Opening balance	Current period cumulative						Closing balance
		Net OCI after tax					Less: OCI previously recognized but transferred to retained earnings in the current period (attributable to parent company after tax)	
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in the current period	Less: Income tax expenses	Attributable to parent company	Attributable to non-controlling shareholders		
Translation reserves	24,547,294.17	-1,803,551.72			-1,387,347.48	-416,204.24	23,159,946.69	
Total	25,926,720.85	-763,436.96		260,028.69	-607,261.41	-416,204.24	25,319,459.44	

33. Surplus reserve

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	275,253,729.26			275,253,729.26
Total	275,253,729.26			275,253,729.26

34. Undistributed profit

Items	Current period cumulative	Preceding period comparative
Balance before adjustment at the end of preceding period	1,713,155,187.48	1,671,121,562.98
Add: Increase due to adjustment (or less: decrease)		
Opening balance after adjustment	1,713,155,187.48	1,671,121,562.98
Add: Net profit attributable to owners of the parent company	-250,839,542.09	153,718,805.57
Less: Appropriation of statutory surplus reserve		34,108,874.33
Dividend payable on ordinary shares	61,711,260.00	89,026,080.00
Others		-11,449,773.26
Closing balance	1,400,604,385.39	1,713,155,187.48

(II) Notes to items of the consolidated income statement

1. Operating revenue/Operating cost

(1) Details

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	524,099,615.63	442,138,382.34	628,832,520.51	434,304,905.37
Other operations	6,788,105.05	2,659,259.76	5,552,040.91	2,747,095.64
Total	530,887,720.68	444,797,642.10	634,384,561.42	437,052,001.01
Including: Revenue from contracts with customers	446,315,732.01	399,950,397.80	580,082,259.25	392,766,924.25

(2) Breakdown of revenue

1) Breakdown of revenue from contracts with customers by goods or services

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Real estates	118,580,624.34	80,235,849.12	309,331,841.57	141,232,452.52
Engineering and construction	324,243,778.50	317,088,117.19	236,949,097.45	231,754,203.03
Property management	3,491,329.17	2,626,431.49	33,801,320.23	19,780,268.70
Subtotal	446,315,732.01	399,950,397.80	580,082,259.25	392,766,924.25

2) Breakdown of revenue from contracts with customers by operating regions

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Guangdong Province	445,625,466.90	399,950,397.80	579,604,607.63	392,766,924.25
The United States	690,265.11		477,651.62	
Subtotal	446,315,732.01	399,950,397.80	580,082,259.25	392,766,924.25

3) Breakdown of revenue from contracts with customers by time of transferring goods or rendering services

Items	Current period cumulative	Preceding period comparative
Recognized at a point in time	118,580,624.34	309,331,841.57
Recognized over time	327,735,107.67	270,750,417.68
Subtotal	446,315,732.01	580,082,259.25

2. Taxes and surcharges

Items	Current period cumulative	Preceding period comparative
Land appreciation tax	59,631,025.69	68,994,085.35
Housing Property tax	5,921,317.90	7,527,796.10
Urban maintenance and construction tax	2,033,111.82	1,984,035.04
Education surcharge	805,738.62	845,915.69
Local education surcharge	603,255.93	563,479.01
Land use tax	1,078,003.07	987,303.57
Stamp duty and other taxes	927,479.33	880,876.78
Total	70,999,932.36	81,783,491.54

3. Selling expenses

Items	Current period cumulative	Preceding period comparative
Sales agency fees and commissions	6,411,581.44	9,153,738.82
Employee benefits	3,456,886.44	3,840,229.00
Property management fees	2,885,601.45	
Business expenses	399,643.39	1,381,173.87
Advertising costs	8,162,439.28	4,350,998.80
Others	487,050.14	491,454.62
Total	21,803,202.14	19,217,595.11

4. Administrative expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	41,241,958.09	39,755,710.03
Agency fees	2,496,191.21	2,752,109.58
Business entertainment fees	1,705,735.91	2,425,452.83
Depreciation	2,558,956.30	2,785,592.23
Office expenses	1,600,402.92	1,849,010.18
Repairing costs	390,746.46	336,048.95
Business travelling expenses	463,694.27	520,782.12
Other amortizations	399,870.13	481,562.84
Utilities	347,076.86	359,004.64
Others	4,761,299.57	4,493,475.68
Total	55,965,931.72	55,758,749.08

5. Financial expenses

Items	Current period cumulative	Preceding period comparative
Interest expenses	1,258,720.92	
Including: Bank loans	1,258,720.92	
Less: Interest income	4,804,313.09	5,315,817.53
Including: Deposits in financial institutions	4,804,313.09	5,315,817.53
Gains and losses on foreign exchange	-1,846,042.29	-1,384,499.52
Handling fees	159,642.87	193,170.02
Total	-5,231,991.59	-6,507,147.03

6. Other income

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Government grants related to income	440,049.96	266,152.38	440,049.96
Refund of handling fees for withholding individual income tax	68,364.83	225,814.59	
VAT extra deductions	58,857.60	67,836.22	
Total	567,272.39	559,803.19	440,049.96

7. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	-93,927.64	-178,240.64
Investment income from disposal of long-term equity investments	9,941,254.23	161,581,081.50
Investment income from held-for-trading financial assets	161,491.79	159,619.01
Dividend income from other equity instrument investments	537,600.00	813,960.00
Investment income from debt restructuring		2,610,128.30
Total	10,546,418.38	164,986,548.17

8. Gains on changes in fair value

Items	Current period cumulative	Preceding period comparative
Held-for-trading financial assets	7,824,348.71	8,970,031.50
Including: Gains on changes in fair value of derivative financial instruments		
Gains on changes in fair value of financial assets designated as at fair value through profit or loss	7,824,348.71	8,970,031.50
Total	7,824,348.71	8,970,031.50

9. Credit impairment loss

Items	Current period cumulative	Preceding period comparative
Bad debts on accounts receivable	-439,750.78	-3,434,265.84
Bad debts on other receivables	938,414.80	-5,865,350.35
Bad debts on notes receivable	80,850.00	2,783,378.85
Total	579,514.02	-6,516,237.34

10. Assets impairment loss

Items	Current period cumulative	Preceding period comparative
Inventory write-down loss	-391,731,506.81	-532,397.57
Impairment loss of contract assets	-845,956.61	
Total	-392,577,463.42	-532,397.57

11. Gains on asset disposal

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Gains on disposal of fixed assets	-1,000.00		-1,000.00
Total	-1,000.00		-1,000.00

12. Non-operating revenue

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Gains on damage or retirement of non-current assets	1,269.60		1,269.60
Exempted payments	362,451.86	1,156,843.63	362,451.86
Fines, default income	4,000.00	370,000.00	4,000.00
Others	18,704.07	7,807.75	18,704.07
Total	386,425.53	1,534,651.38	386,425.53

13. Non-operating expenditures

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Donation expenditures	30,000.00	306,474.53	30,000.00
Losses on damage or retirement of non-current assets	18,906.04	38,481.92	18,906.04
Compensation costs	96,000.00		96,000.00
Overdue fines and penalties	302,110.62		302,110.62
Others	83,547.43	133,986.29	83,547.43
Total	530,564.09	478,942.74	530,564.09

14. Income tax expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Current period income tax expenses	-23,506,729.22	-20,528,623.91
Deferred income tax expenses	40,518,842.29	86,555,081.26
Total	17,012,113.07	66,026,457.35

(2) Reconciliation of accounting profit to income tax expenses

Items	Current period cumulative	Preceding period comparative
Profit before tax	-430,652,044.53	215,603,328.30
Income tax expenses based on tax rate applicable to the parent company	-107,663,011.13	53,900,832.08
Effect of different tax rate applicable to subsidiaries	472,597.65	148,585.06
Effect of prior income tax reconciliation	2,575,454.03	-6,828,454.83
Effect of non-taxable income	-4,485,954.26	-187,757.40
Effect of non-deductible costs, expenses and losses	651,725.02	621,871.15
Effect of utilization of deductible losses not previously recognized as deferred tax assets	-155,580.87	-598,646.13
Effect of deductible temporary differences or deductible losses not recognized as deferred tax assets in the current period	125,616,882.63	18,970,027.42
Income tax expenses	17,012,113.07	66,026,457.35

15. Other comprehensive income, net of income tax

Please refer to section V (I) 32 of notes to the financial statements for details.

(III) Notes to items of the consolidated cash flow statement

1. Cash receipts or payments related to significant investing activities

(1) Cash receipts from investment income

Items	Current period cumulative	Preceding period comparative
Dividend income from other equity instrument investments	537,600.00	10,527,896.61
Investment income from held-for-trading financial assets	161,491.79	
Subtotal	699,091.79	10,527,896.61

(2) Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets

Items	Current period cumulative	Preceding period comparative
Disposal of long-term assets	29,475.62	2,907.50
Subtotal	29,475.62	2,907.50

(3) Net cash receipts from the disposal of subsidiaries & other business units

Items	Current period cumulative	Preceding period comparative
Cash and cash equivalents received in the current period for subsidiary disposal in the current period		214,862,911.00
Including: Shenzhen Property Management Co., Ltd.		196,676,700.00
Less: Cash and cash equivalents held by subsidiaries at the loss-of-control date		57,467,430.10
Including: Shenzhen Property Management Co., Ltd.		57,467,430.10
Add: Cash and cash equivalents received in the current period for subsidiary disposal in prior periods	1,644,822.69	
Including: Shenzhen Property Management Co., Ltd.	1,644,822.69	
Net cash receipts from disposal of subsidiaries in the current period	1,644,822.69	157,395,480.90

(4) Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets

Items	Current period cumulative	Preceding period comparative
Acquisition of fixed assets	1,475,412.00	713,537.29
Subtotal	1,475,412.00	713,537.29

2. Other cash receipts or payments related to operating activities, investing activities and financing activities

(1) Other cash receipts related to operating activities

Items	Current period cumulative	Preceding period comparative
Interest income	4,804,313.09	5,315,817.53
Intercompany balances and others	51,500,509.58	19,283,483.81
Total	56,304,822.67	24,599,301.34

(2) Other cash payments related to operating activities

Items	Current period cumulative	Preceding period comparative
Handling fees	156,436.95	192,970.02
Out-of-pocket expenses	27,059,079.63	28,511,217.46
Intercompany balances and others	50,615,881.30	44,617,346.03
Total	77,831,397.88	73,321,533.51

(3) Other cash receipts related to investing activities

Items	Current period cumulative	Preceding period comparative
Fund management products	136,800,000.00	114,840,380.99
Total	136,800,000.00	114,840,380.99

(4) Other cash payments related to investing activities

Items	Current period cumulative	Preceding period comparative
Fund management products	600,000,000.00	
Total	600,000,000.00	

3. Supplementary information to the cash flow statement

Supplementary information	Current period cumulative	Preceding period comparative
(1) Reconciliation of net profit to cash flows from operating activities:		
Net profit	-447,664,157.60	149,576,870.95
Add: Provision for assets impairment	391,997,949.40	7,048,634.91
Depreciation of fixed assets, oil and gas assets, productive biological assets	28,422,114.41	28,470,523.13
Depreciation of right-of-use assets	132,855.24	132,855.25
Amortization of intangible assets		
Amortization of long-term prepayments	745,676.41	716,814.19
Losses on disposal of fixed assets, intangible assets and other long-term assets (Less: gains)	1,000.00	
Fixed assets retirement loss (Less: gains)	17,636.44	38,481.92
Losses on changes in fair value (Less: gains)	-7,824,348.71	-8,970,031.50
Financial expenses (Less: gains)	1,258,720.92	492,336.21
Investment losses (Less: gains)	-10,546,418.38	-164,986,548.17
Decrease of deferred tax assets (Less: increase)	40,723,917.72	92,983,372.80
Increase of deferred tax liabilities (Less: decrease)	-205,075.43	-6,428,291.54
Decrease of inventories (Less: increase)	-49,837,814.46	-222,176,051.69
Decrease of operating receivables (Less: increase)	-104,577,562.13	-15,439,705.92
Increase of operating payables (Less: decrease)	1,202,392,754.36	-537,235,259.30
Others		
Net cash flows from operating activities	1,045,037,248.19	-675,775,998.76
(2) Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets leased in under finance leases		
(3) Net changes in cash and cash equivalents:		
Cash at the end of the period	859,146,413.35	190,365,069.48
Less: Cash at the beginning of the period	190,365,069.48	612,293,635.15
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		

Supplementary information	Current period cumulative	Preceding period comparative
Net increase of cash and cash equivalents	668,781,343.87	-421,928,565.67

4. Composition of cash and cash equivalents

(1) Details

Items	Closing balance	Opening balance
1) Cash	859,146,413.35	190,365,069.48
Including: Cash on hand	18,414.04	4,549.61
Cash in bank on demand for payment	829,127,999.31	157,360,519.87
Other cash and bank balances on demand for payment	30,000,000.00	33,000,000.00
Central bank deposit on demand for payment		
Deposit in other banks		
Loans to other banks		
2) Cash equivalents		
Including: Bond investments maturing within three months		
3) Cash and cash equivalents at the end of the period	859,146,413.35	190,365,069.48
Including: Cash and cash equivalents of parent company or subsidiaries with use restrictions		

(2) Cash and cash equivalents with use restrictions

Items	Closing balance	Opening balance	Reasons for use restrictions and for considered as cash and cash equivalents
Cash and bank balances	5,817,217.78	5,674,439.78	Construction funds for urban renewal projects and surrounding public facilities projects in Longgang District, Shenzhen City
Cash and bank balances	5,943,085.18	48,315.48	Frozen due to litigation
Cash and bank balances	50,000.00		Deposits for construction
Cash and bank balances	62,552.52		Payments have been stopped and the account has been suspended.
Subtotal	11,872,855.48	5,722,755.26	

5. Changes in liabilities related to financing activities

Items	Opening balance	Increase		Decrease		Closing balance
		Changes in cash	Changes in non-cash	Changes in cash	Changes in non-cash	
Short-term borrowings	51,138,077.62				47,588,077.62	3,550,000.00
Long-term borrowings (including long-term borrowings due within one year)	60,366,770.99	169,486,610.82	34,001,293.81	16,781,586.60	33,639,944.19	213,433,144.83
Lease liabilities (including lease liabilities due)	136,908.67		55,054.12	89,555.32	47,353.35	55,054.12

Items	Opening balance	Increase		Decrease		Closing balance
		Changes in cash	Changes in non-cash	Changes in cash	Changes in non-cash	
within one year)						
Subtotal	111,641,757.28	169,486,610.82	34,056,347.93	16,871,141.92	81,275,375.16	217,038,198.95

(IV) Others

1. Monetary items in foreign currencies

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period
Cash and bank balances			5,325,942.57
Including: USD	24,472.95	7.0827	173,334.56
HKD	5,685,824.65	0.90622	5,152,608.01
Accounts receivable			233,729.10
Including: USD	33,000.00	7.0827	233,729.10
Other receivables			18,140,929.57
Including: HKD	20,018,240.13	0.90622	18,140,929.57
Other payables			8,531,588.80
Including: USD	722,044.70	7.0827	5,114,026.00
HKD	3,771,228.62	0.90622	3,417,562.80

2. Leases

(1) The Company as lessee

1) Please refer to section V (I) 14 of notes to the financial statements for details on right-of-use assets.

2) Please refer to section III (XXX) of notes to the financial statements for details on the Company's accounting policies on short-term leases and leases for which the underlying asset is of low value. The amounts of short-term leases and low-value asset leases included into profit or loss are as follows:

Items	Current period cumulative	Preceding period comparative
Expense relating to short-term leases	1,001,337.95	443,919.05
Total	1,001,337.95	443,919.05

3) Profit or loss and cash flows related to leases

Items	Current period cumulative	Preceding period comparative
Interest expenses on lease liabilities	6,548.09	10,987.90
Total cash outflows related to leases	1,142,112.85	556,823.00

4) Please refer to section VIII (II) of notes to the financial statements for details on maturity

analysis of lease liabilities and related liquidity risk management.

(2) The Company as lessor

1) Operating lease

a. Lease income

Items	Current period cumulative	Preceding period comparative
Lease income	60,531,148.28	46,657,985.12
Including: Income relating to variable lease payments not included in the measurement of the lease liabilities		

b. Assets leased out under operating leases

Items	Closing balance	December 31, 2022
Investment property	541,542,136.17	566,873,915.07
Subtotal	541,542,136.17	566,873,915.07

c. Undiscounted lease payments to be received arising from non-cancellable leases based on the lease contract signed with lessee

Remaining years	Closing balance	December 31, 2022
Within 1 year	56,542,470.24	61,340,377.67
1-2 years	52,190,140.08	56,542,470.24
2-3 years	33,173,087.70	52,190,140.08
3-4 years	18,585,822.03	33,173,087.70
4-5 years	10,612,435.91	18,585,822.03
Over 5 years	17,600,507.53	10,612,435.91
Total	188,704,463.49	232,444,333.63

VI. Interest in other entities

(I) Composition of the consolidation scope

1. The Company has brought 13 subsidiaries including Shenzhen SPG Longgang Development Co., Ltd. and Great Wall Estate Company, Inc. into the consolidation scope.

2. Basic information of significant subsidiaries

Subsidiaries	Registered capital (in ten thousand yuan)	Main operating place and place of registration	Business nature	Holding proportion (%)		Acquisition method
				Direct	Indirect	
Shenzhen SPG Longgang Development Co., Ltd.	3,000.00	Shenzhen	Real estate	95.00	5.00	Establishment
Great Wall Estate Company, Inc.	USD 500,000	U.S.	Real estate	70.00		Establishment
Shenzhen Petrel Hotel Co., Ltd.	3,000.00	Shenzhen	Hotel services	68.10	31.90	Establishment
Shenzhen Zhentong	1,000.00	Shenzhen	Construction	73.00	27.00	Establishment

Subsidiaries	Registered capital (in ten thousand yuan)	Main operating place and place of registration	Business nature	Holding proportion (%)		Acquisition method
				Direct	Indirect	
Engineering Co., Ltd.						
Shenzhen Huazhan Construction Supervision Co., Ltd.	800.00	Shenzhen	Construction	75.00	25.00	Establishment
Shenzhen Lianhua Enterprise Co., Ltd.	1,000.00	Shenzhen	Construction	95.00	5.00	Establishment
Xinfeng Real Estate Co., Ltd.		Hong Kong SAR	Investment and management	100.00		Establishment
Xinfeng Enterprise Co., Ltd.	TWD 5.00 million	Hong Kong SAR	Investment and management	100.00		Establishment
Shenzhen SPG Free Trading Co., Ltd.	500.00	Shenzhen	Import and export trade	95.00	5.00	Establishment
Shenzhen SPG Investment Co., Ltd.	1,000.00	Shenzhen	Investment	90.00	10.00	Establishment
Beijing Xinfeng Real Estate Management & Development Co., Ltd.	USD 10.00 million	Beijing	Real estate	75.00	25.00	Establishment
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	280.00	Huizhou	Real estate	51.00		Business combination not under common control
Shenzhen SPG Chuanqi Real Estate Development Co., Ltd.	3,000.00	Shenzhen	Real estate	100.00		Establishment

(2) Other remarks

The Company has brought the following 3 subsidiaries which have been suspended for a long time and whose business license has been revoked but not cancelled into the consolidation scope: Guangzhou Huangpu Xincun Real Estate Development Co., Ltd., Xinfeng Real Estate Development and Construction (Wuhan) Co., Ltd. and Beijing Xinfeng Real Estate Development & Management Co., Ltd. The above subsidiaries have been presented as discontinued operations, with full provision for impairment on their creditor's right to debtors beyond the consolidation scope of the Company.

(II) Changes in the consolidation scope due to other reasons

Entities excluded from the consolidation scope

Entities	Equity disposal method	Equity disposal date	Disposal-date net assets	Net profit from the period beginning to the disposal date
Beijing SPG Property Management Co., Ltd.	Loss of control	January 1, 2023	-8,121,334.67	

(III) Significant not wholly-owned subsidiaries

1. Details

Subsidiaries	Holding proportion of non-controlling shareholders	Non-controlling shareholders' profit or loss	Dividend declared to non-controlling shareholders	Closing balance of non-controlling interest
Great Wall Estate Company, Inc.	30.00%	-105,324.87		-22,809,939.62
Xinfeng Investment Co., Ltd.	45.00%	5.09		-116,179,868.81
Baiwei Real Estate Co., Ltd.	20.00%	3.03		-3,892,111.41
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	49.00%	-196,719,298.76		227,942,330.06

2. Main financial information of significant not wholly-owned subsidiaries

(1) Assets and liabilities

Subsidiaries	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Great Wall Estate Company, Inc.	395,377.20	19,569,160.13	19,964,537.33	111,791,851.06		111,791,851.06
Xinfeng Investment Co., Ltd.	69,786.71	36,016.90	105,803.61	258,283,372.85		258,283,372.85
Baiwei Real Estate Co., Ltd.	1,061.18		1,061.18	32,920,988.91		32,920,988.91
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	1,525,466,547.38	7,070,465.17	1,532,537,012.55	1,557,970,018.20		1,557,970,018.20

(Continued)

Subsidiaries	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Great Wall Estate Company, Inc.	157,276.13	19,242,855.50	19,400,131.63	109,489,015.64		109,489,015.64
Xinfeng Investment Co., Ltd.	4,814.12	36,016.90	40,831.02	258,218,411.56		258,218,411.56
Baiwei Real Estate Co., Ltd.	1,046.02		1,046.02	32,920,988.91		32,920,988.91
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	1,480,299,811.47	5,502,260.78	1,485,802,072.25	1,501,444,742.85	53,885.23	1,501,498,628.08

(2) Profit or loss and cash flows

Subsidiaries	Current period cumulative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Great Wall Estate Company, Inc.	690,265.11	-351,082.24	-1,738,429.72	10,516.97
Xinfeng Investment Co., Ltd.		11.30	11.30	
Baiwei Real Estate Co., Ltd.		15.16	15.16	

Subsidiaries	Current period cumulative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.		-9,736,449.82	-9,736,449.82	-26,899,080.84
(Continued)				
Subsidiaries	Preceding period comparative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Great Wall Estate Company, Inc.	477,651.62	-431,973.10	-431,973.10	-384,413.25
Xinfeng Investment Co., Ltd.		1,141.56	1,141.56	
Baiwei Real Estate Co., Ltd.		-12,025.38	-12,025.38	
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.		-8,184,594.48	-8,184,594.48	-161,865,625.76

(IV) Interest in joint ventures or associates

1. Aggregated financial information of insignificant joint ventures and associates

Items	Closing balance/Current period cumulative	Opening balance/Preceding period comparative
Joint ventures		
Total carrying amount of investments		
Proportionate shares in the following items		
Net profit		
Other comprehensive income		
Total comprehensive income		
Associates		
Total carrying amount of investments		93,927.67
Proportionate shares in the following items		
Net profit	-93,927.67	-178,240.64
Other comprehensive income		
Total comprehensive income	-93,927.67	-178,240.64

2. Excess losses incurred by joint ventures or associates

Joint ventures or associates	Accumulated unrecognized losses in prior periods	Unrecognized losses in the current period (net profit shared in the current period)	Unrecognized losses at the balance sheet date
Shenzhen Xinfeng Real Estate Consulting Co., Ltd.	2,217,955.89		2,217,955.89

VII. Government grants

(I) Government grants increased in the current period

Items	Amount
Government grants related to income	440,049.96
Including: Included into other income	440,049.96
Total	440,049.96

(II) Government grants included into profit or loss

Items	Current period cumulative	Preceding period comparative
Government grants included into other income	440,049.96	266,152.38
Total	440,049.96	266,152.38

VIII. Risks related to financial instruments

In risk management, the Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance, so as to maximize the profits of shareholders and other equity investors. Based on such risk management objectives, the Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits on a timely and reliable basis.

The Company has exposure to the following risks from its use of financial instruments, which mainly include: credit risk, liquidity risk, and market risk. The Management has deliberated and approved policies concerning such risks, and details are:

(I) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

1. Credit risk management practice

(1) Evaluation method of credit risk

At each balance sheet date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When assessing whether the credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, which is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk rating, and forward-looking information. The Company determines the changes in default risk of financial instruments during the estimated lifetime through comparison of the default risk at the balance sheet date and the initial recognition date, on an individual basis or a collective basis.

The Company considers the credit risk on a financial instrument has increased significantly when

one or more of the following qualitative and quantitative standards are met:

1) Quantitative standard mainly relates to the scenario in which, at the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition;

2) Qualitative standard mainly relates to significant adverse changes in the debtor's operation or financial position, present or expected changes in technology, market, economy or legal environment that will have significant adverse impact on the debtor's repayment ability;

(2) Definition of default and credit-impaired assets

A financial instrument is defined as defaulted when one or more following events have occurred, of which the standard is consistent with that for credit-impairment:

1) significant financial difficulty of the debtor;

2) a breach of binding clause of contract;

3) it is very likely that the debtor will enter bankruptcy or other financial reorganization;

4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor would not otherwise consider.

2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss given default, and exposure to default risk. The Company develops a model of the probability of default, loss given default, and exposure to default risk on the basis of quantitative analysis of historical data (e.g., counterparty rating, guarantee measures and collateral type, payment method, etc.) and forward-looking information.

3. Please refer to section V (I) 3, 4, 6 and 8 of notes to the financial statements for details on the reconciliation table of opening balance and closing balance of provision for losses of financial instrument.

4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to cash and bank balances and receivables. In order to control such risks, the Company has taken the following measures:

(1) Cash and bank balances

The Company deposits its bank balances and other cash and bank balances in financial institutions with relatively high credit levels, hence, its credit risk is relatively low.

(2) Receivables and contract assets

The Company performs credit assessment on customers using credit settlement on a regular basis. The Company selects credible and well-reputed customers based on credit assessment result, and

conducts ongoing monitoring on balance of receivables, to avoid significant risks in bad debts.

As the Company's credit risks fall into several business partners and customers, the Company manages credit risk aggregated by customers. As of December 31, 2023, the Company has certain concentration of credit risk, and 36.46% (December 31, 2022: 55.65%) of the total accounts receivable and contract assets was due from the five largest customers of the Company. The Company held no collateral or other credit enhancement on balance of receivables or contract assets.

The maximum amount of exposure to credit risk of the Company is the carrying amount of each financial asset at the balance sheet.

(II) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement, which is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparties of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company comprehensively utilizes financing tools such as notes settlement, bank borrowings, etc. and adopts long-term and short-term financing methods to optimize financing structures, and finally maintains a balance between financing sustainability and flexibility. The Company has obtained credit limit from several commercial banks to meet working capital requirements and expenditures.

1. Financial liabilities classified based on remaining time period till maturity

Items	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Short-term borrowings	3,550,000.00	3,683,125.00	3,683,125.00		
Accounts payable	443,259,768.78	443,259,768.78	443,259,768.78		
Other payables	554,469,229.59	554,469,229.59	554,469,229.59		
Non-current liabilities due within one year	34,056,347.93	41,741,101.03	41,741,101.03		
Other current liabilities	20,790,361.58	20,790,361.58	20,790,361.58		
Long-term borrowings	179,431,851.02	187,773,026.94		122,834,289.80	64,938,737.14
Subtotal	1,235,557,558.90	1,251,716,612.92	1,063,943,585.98	122,834,289.80	64,938,737.14

(Continued)

Items	December 31, 2022				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Short-term borrowings	51,138,077.62	53,055,755.53	53,055,755.53		
Accounts payable	434,601,559.67	434,601,559.67	434,601,559.67		
Other payables	574,331,340.84	574,331,340.84	574,331,340.84		
Non-current liabilities due within one year	6,188,794.43	8,693,727.50	8,693,727.50		
Long-term borrowings	54,261,000.00	56,719,813.11		56,719,813.11	
Lease liabilities	53,885.23	53,885.23	53,885.23		
Subtotal	1,120,574,657.79	1,127,456,081.88	1,070,736,268.77	56,719,813.11	

(III) Market risk

Market risk is the risk that the Company may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market price. Market risk mainly includes interest risk and foreign currency risk.

1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market interest rates. The Company's fair value interest risks arise from fixed-rate financial instruments, while the cash flow interest risks arise from floating-rate financial instruments. The Company determines the proportion of fixed-rate financial instruments and floating-rate financial instruments based on the market environment, and maintains a proper financial instruments portfolio through regular review and monitoring. The Company's interest risk in cash flows relates mainly to bank borrowings with floating interest rate. As of December 31, 2023, balance of borrowings with interest accrued at floating interest rate totaled 62,398,851.02 yuan (December 31, 2022: 0 yuan). If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's gross profit and equity will not be significantly affected.

2. Foreign currency risk

Foreign currency risk is the risk arising from changes in fair value or future cash flows of financial instrument resulted from changes in exchange rate. The Company's foreign currency risk relates mainly to foreign currency monetary assets and liabilities. When short-term imbalance occurred to foreign currency assets and liabilities, the Company may trade foreign currency at market exchange rate when necessary, in order to maintain the net risk exposure within an acceptable level.

The exchange rate risk mainly refers to the impact of foreign exchange rate fluctuations on the financial condition and cash flow of the Company. Except for subsidiaries established in Hong

Kong SAR that hold assets denominated in Hong Kong dollars, the Company only engages in small-scale Hong Kong market investment business. The proportion of foreign currency assets and liabilities held by the Company to the overall assets and liabilities is insignificant, hence, the Company considers that the exposure to exchange rate risk is not material.

Please refer to section V (IV) 1 of notes to the financial statements for details on foreign currency financial assets and liabilities at the end of the period.

IX. Fair value disclosure

(I) Details of fair value of assets and liabilities at fair value at the balance sheet date

Items	Fair value as at the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
1. Held-for-trading financial assets and other non-current financial assets	879,340,201.92			879,340,201.92
(1) Financial assets classified as at fair value through profit or loss				
Fund management	879,340,201.92			879,340,201.92
(2) Financial assets designated as at fair value through profit or loss				
Debt instrument investments				
2. Other equity instrument investments			14,324,411.35	14,324,411.35
Total assets at recurring fair value measurement	879,340,201.92		14,324,411.35	893,664,613.27

(II) Basis for determining level 1 fair value at recurring and non-recurring fair value measurement

Held-for-trading financial assets of the Company are fund management products purchased from China Construction Bank Co., Ltd., and the Company can obtain unadjusted quotes for the same assets in active markets on the balance sheet date.

(III) Qualitative and quantitative information of valuation technique(s) and key input(s) for level 2 fair value at recurring and non-recurring fair value measurement

None.

(IV) Qualitative and quantitative information of valuation technique(s) and key input(s) for level 3 fair value at recurring and non-recurring fair value measurement

For receivables financing not traded in active markets, the remaining maturity is short and the carrying amount is similar to the fair value, so the carrying amount is adopted as its fair value. For other equity instrument investments not traded in active markets, the investment amount is small and there is little change in the net assets of the investees, and the carrying amount is similar to the fair value, so the carrying amount is adopted as its fair value.

(V) Items for level 3 recurring fair value measurement, a reconciliation from the opening balances to the closing balances, and sensitive analysis on unobservable inputs

None.

(VI) Items at recurring fair value measurement with inter-level transfer, and reasons and policies for determining inter-level transfer time

None.

(VII) Changes in valuation techniques in the current period and reasons for changes

None.

(VIII) Fair value of financial assets and liabilities not at fair value

The Company's financial assets and liabilities measured at amortized costs mainly include: cash and bank balances, notes receivable, accounts receivable, other receivables, short-term borrowings, accounts payable, other payables, long-term borrowings, lease liabilities, etc.

The difference between the carrying amount and fair value of financial assets and liabilities not measured at fair value is very small.

X. Related party relationships and transactions

(I) Related party relationships

1. Parent company

(1) Details

Parent company	Place of registration	Business nature	Registered capital (in ten thousand yuan)	Holding proportion over the Company (%)	Voting right proportion over the Company (%)
Shenzhen Investment Holdings Co., Ltd.	Shenzhen, Guangdong	Investment, real estate development, guarantee	3,235,900.00	55.78	55.78

(2) The Company's ultimate controlling party is the State-owned Assets Supervision and Management Commission of the of Shenzhen Municipal People's Government.

2. Please refer to section VI of notes to the financial statements for details on the Company's subsidiaries.

3. Joint ventures and associates of the Company

(1) Joint ventures and associates of the Company

Please refer to section VI of notes to the financial statements for details on the Company's significant joint ventures and associates.

4. Other related parties of the Company

Related parties	Relationships with the Company
Shenzhen Jian'an (Group) Co., Ltd.	Controlling subsidiary of the parent company
Shenzhen Oriental New World Department Store Co., Ltd.	Investee
Shenzhen Shenxi Building Decoration Co., Ltd.	Revoked but not canceled controlling subsidiary not brought into the consolidation scope
Shenzhen Zhentong New Electromechanical Industrial Development Co., Ltd.	Long-term discontinued controlling subsidiary not brought into the consolidation scope
Shenzhen Nanyang Hotel Co., Ltd.	Revoked but not canceled controlling subsidiary not brought into the consolidation scope
Shenzhen Real Estate Electromechanical Management Co., Ltd.	Revoked but not canceled controlling subsidiary not brought into the consolidation scope
Shenzhen Longgang Henggang Huagang Industrial Co., Ltd.	Revoked but not canceled controlling subsidiary not brought into the consolidation scope
Guangzhou Bopi Enterprise Management Consulting Co., Ltd.	Shareholder of subsidiaries
Shenzhen Property Management Co., Ltd.	Controlling subsidiary of the parent company
Guoren Property Insurance Co., Ltd.	Controlling subsidiary of the parent company
Shenzhen Water Planning and Design Institute Co., Ltd.	Controlling subsidiary of the parent company
Shenzhen General Institute of Architectural Design and Research Co., Ltd.	Controlling subsidiary of the parent company
Shenzhen SPG Property Cleaning Co., Ltd.	Controlling subsidiary of the parent company
Shenzhen Property Management Co., Ltd. Shantou Branch	Controlling subsidiary of the parent company
Shenzhen Guomao Property Management Co., Ltd.	Controlling subsidiary of the parent company
Shenzhen Xinfeng Real Estate Consulting Co., Ltd.	Investee
Guangdong Huizhou Luofushan Mineral Water Beverage Co., Ltd.	Investee
Shenzhen Runhua Automobile Trading Co., Ltd.	Investee
Canada Great Wall (Vancouver) Co., Ltd.	Investee
Australia Berkton Property Limited	Investee
Paklid Limited	Investee
Shenzhen Shenfang Department Store Co., Ltd.	Investee
Shenzhen Ronghua Electromechanical Engineering Co., Ltd.	Investee
Xi'an Xinfeng Property Trading Co., Ltd.	Investee
Fengkai Lianfeng Cement Manufacturing Co., Ltd.	Investee
Beijing SPG Property Management Co., Ltd.	Investee

(II) Related party transactions

1. Purchase and sale of goods, rendering and receiving of services

(1) Details

1) Purchase of goods and receiving of services

Related parties	Content of transactions	Current period cumulative	Preceding period comparative
Shenzhen Water Planning and Design Institute Co., Ltd.	Testing services	678,902.77	554,056.60
Shenzhen General Institute of Architectural Design and Research Co., Ltd.	Design services	622,641.51	5,329,811.33
Guoren Property Insurance Co., Ltd.	Insurance services	80,263.00	
Guoren Property Insurance Co., Ltd.	Leasing services		283,018.87
Shenzhen Property Management Co., Ltd.	Property services	6,482,286.26	11,530,169.32
Shenzhen SPG Property Cleaning Co., Ltd.	Cleaning services		459,622.70
Shenzhen Property Management Co., Ltd. Shantou Branch	Property services	2,789,916.70	2,668,895.66
Subtotal		10,654,010.24	20,825,574.48

2) Sale of goods and rendering of services

Related parties	Content of transactions	Current period cumulative	Preceding period comparative
Guoren Property Insurance Co., Ltd.	Leasing services	843,039.96	812,102.75
Shenzhen Property Management Co., Ltd.	Leasing services	2,663,510.39	4,290,671.33
Shenzhen SPG Property Cleaning Co., Ltd.	Leasing services	39,999.97	37,142.83
Subtotal		3,546,550.32	5,139,916.91

2. Related party leases

(1) Details

The Company as the lessor

Lessees	Types of assets leased	Lease income for the current period	Lease income for the preceding period
Shenzhen Property Management Co., Ltd.	Buildings and structures	2,663,510.39	4,290,671.33
Shenzhen SPG Property Cleaning Co., Ltd.	Buildings and structures	39,999.97	37,142.83
Guoren Property Insurance Co., Ltd.	Buildings and structures	843,039.96	812,102.75
Subtotal		3,546,550.32	5,139,916.91

3. Call loans between related parties

Related parties	Amount	Commencement date	Maturity date	Remarks
Call loans from related parties				
Guangzhou Bopi Enterprise Management Consulting Co., Ltd.		May 20, 2021	May 20, 2023	Interest accrued for the current period was 3,638,451.63 yuan.

4. Assets transfer and debt restructuring of the related parties

Related parties	Content of related party transactions	Current period cumulative	Preceding period comparative
Shenzhen Guomao Property Management Co., Ltd.	Transfer of property management company		196,676,700.00

5. Key management's emoluments

Unit: in ten thousand yuan

Items	Current period cumulative	Preceding period comparative
Key management's emoluments	967.69	812.36

6. Other related party transactions

In order to advocate core employees to share the operating results of market-oriented projects and assumption of operational risks, stimulate their internal motivation to enhance efficiency and increase benefits, improve asset management efficiency and achieve the preservation and appreciation of state-owned assets, the Company has formulated the "Management Measures for Employee's Co-investment in the SPG Linxi County Project". Pursuant to the aforementioned document, the co-investment matter will constitute a joint investment of related party transactions with certain directors, supervisors and senior executives of the Company. As of December 31, 2023, the Company's directors, supervisors and senior executives have jointly invested 8.95 million yuan in the SPG Linxin Community Project.

(III) Balances due to or from related parties

1. Balances due from related parties

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable					
	Shenzhen Xinfeng Real Estate Consulting Co., Ltd.	1,215,543.75	1,215,543.75	1,201,345.82	1,201,345.82
Subtotal		1,215,543.75	1,215,543.75	1,201,345.82	1,201,345.82
Other receivables					

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Guangdong Huizhou Luofushan Mineral Water Beverage Co., Ltd.	10,465,168.81	10,465,168.81	10,465,168.81	10,465,168.81
	Shenzhen Runhua Automobile Trading Co., Ltd.	3,072,764.42	3,072,764.42	3,072,764.42	3,072,764.42
	Canada Great Wall (Vancouver) Co., Ltd.	89,035,748.07	89,035,748.07	89,035,748.07	89,035,748.07
	Australia Berkton Property Limited	12,559,290.58	12,559,290.58	12,559,290.58	12,559,290.58
	Paklid Limited	19,393,335.84	19,393,335.84	18,689,545.58	18,689,545.58
	Shenzhen Shenfang Department Store Co., Ltd.	237,648.82	237,648.82	237,648.82	237,648.82
	Shenzhen Ronghua Electromechanical Engineering Co., Ltd.	475,223.46	475,223.46	475,223.46	475,223.46
	Xi'an Xinfeng Property Trading Co., Ltd.	8,419,205.19	8,419,205.19	8,419,205.19	8,419,205.19
	Shenzhen Shenxi Building Decoration Co., Ltd.	7,660,529.37	7,660,529.37	7,660,529.37	7,660,529.37
	Shenzhen Nanyang Hotel Co., Ltd.	3,168,721.00	3,168,721.00	3,168,721.00	3,168,721.00
	Beijing SPG Property Management Co., Ltd.	6,905,673.69	6,533,817.09		
Subtotal		161,393,309.25	161,021,452.65	153,783,845.30	153,783,845.30

2. Balances due to related parties

Items	Related parties	Closing balance	Opening balance
Interest payable			
	Shenzhen Investment Holdings Co., Ltd.	16,535,277.94	16,535,277.94
Subtotal		16,535,277.94	16,535,277.94
Accounts payable			
	Shenzhen Jian'an (Group) Co., Ltd.		10,654,310.21
	Shenzhen Property Management Co., Ltd.	17,053,636.61	11,053,366.80
Subtotal		17,053,636.61	21,707,677.01
Other payables			
	Shenzhen Property Management Co., Ltd.	358,178.26	148,908.08
	Shenzhen Oriental New World Department Store Co., Ltd.	902,974.64	902,974.64
	Fengkai Lianfeng Cement Manufacturing Co., Ltd.	1,867,348.00	1,867,348.00
	Shenzhen Real Estate Electromechanical	14,981,420.99	14,981,420.99

Items	Related parties	Closing balance	Opening balance
	Management Co., Ltd.		
	Shenzhen Zhentong New Electromechanical Industrial Development Co., Ltd.	8,310,832.50	8,310,832.50
	Shenzhen Shenfeng Department Store Co., Ltd.	639,360.38	639,360.38
	Shenzhen Longgang Henggang Huagang Industrial Co., Ltd.	165,481.09	165,481.09
	Guangzhou Bopi Enterprise Management Consulting Co., Ltd.	206,903,717.13	203,345,881.60
Subtotal		234,129,312.99	230,362,207.28

XI. Commitments and contingencies

(I) Significant commitments

As of December 31, 2023, the Company has signed a capital commitment of 273,712,730.19 yuan, which has not yet been recognized in the financial statements.

(II) Contingencies

1. Contingent liabilities incurred by pending lawsuit/arbitration and the financial effect

Plaintiffs	Defendants	Cause of action	Court seized of the case	Amount of subject	Remarks
Xi'an Xinfeng Property Trading Co., Ltd.	Xi'an Municipal Commission of Commerce and Trade, Xi'an Commerce and Tourism Co., Ltd.	Dispute over investment compensation	Shaanxi Provincial High People's Court	21.54 million yuan and interest thereof	Progress of the case: under execution; Details: [Note 1]
Huizhou Mingxiang Economic Information Consulting Co., Ltd., Huizhou Hongfa Industry and Trade Co., Ltd. and Huizhou Jinlongsheng Industrial Co., Ltd.	Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	Dispute over bill payment claim	People's Court of Huiyang District, Huizhou City	Principal of 177.15 million yuan and interest of 2.85 million yuan	Progress of the case: judgment completed, pending execution; Details: [Note 2]
The Company	Guangzhou Bopi Enterprise Management Consulting Co., Ltd., Evergrande Real Estate Company Pearl River Delta Real Estate Development Co., Ltd., Shenzhen Qijin Investment Co., Ltd., with Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. as the third party	Dispute over joint venture and cooperative real estate development contracts	Intermediate People's Court of Huizhou City, Guangdong Province	743.58 million yuan	Case progress: the case was heard and currently in the first instance; Details: [Note 3]
The Company	Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	Loan contract dispute	People's Court of Luohu District, Shenzhen City	Principal and interest totaling 395.69 million yuan	Case progress: First instance judgment completed; Details: [Note 4]
The Company	Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd., Guangzhou Bopi Enterprise Management Consulting Co., Ltd., Evergrande Real Estate Company Pearl River Delta Real Estate Development Co., Ltd., Shenzhen Qijin Investment Co., Ltd.	Loan contract dispute	People's Court of Huiyang District, Huizhou City	Principal and interest totaling 419.52 million yuan	Case progress: the case was heard and currently in the first instance; Details: [Note 5]

Note 1: Xi'an Xinfeng Property Trading Co., Ltd. (the "Xi'an Xinfeng Company") is a joint venture with overseas investments co-established in Xi'an by the Company's wholly-owned subsidiary Xinfeng Enterprise Co., Ltd. with shareholding of 67% with cash contribution, by

Xi'an Commerce and Trade Building, a subsidiary of Xi'an Municipal Commission of Commerce and Trade (the "Xi'an MCCT"), with shareholding of 16% with land use rights contribution, and by Hong Kong Dadiwang Industrial Investment Co., Ltd. with shareholding of 17%. The joint venture is mainly engaged in real estate development and its development project is Xi'an Commerce and Trade Building. The project started construction on November 28, 1995, but was forced to be suspended in 1996 due to serious disagreements between the cooperating parties on project management policies. In 1997, the Xi'an Municipal People's Government forcibly withdrew the investments made by Xi'an Commerce and Trade Building from Xi'an Xinfeng Company and transferred the investments to Xi'an Commerce and Tourism Co., Ltd. (the "Commerce and Tourism Company"), an affiliated entity of Xi'an MCCT. However, a lawsuit regarding the investments compensation arose therefor. On December 19, 2001, the Shaanxi Provincial High People's Court issued a judgment numbered 2000 Shaan Jing Yi Chu Zi 25: a. the Commerce and Tourism Company should pay a compensation of 36.62 million yuan and interest thereof to Xi'an Xinfeng Company one month after the judgment came into effect. In case of overdue performance, the debt interest during the delayed performance period should be doubled; b. the Xi'an MCCT should bear joint and several liability for the interest on the aforementioned compensation.

The assets of the Commerce and Tourism Company were auctioned off in this case, and 15.20 million yuan has been recovered through execution. Based on the property clues obtained, the Company submitted multiple applications to the Shaanxi Provincial High People's Court for resumption of execution. As of December 31, 2023, this case is in the execution stage.

As of December 31, 2023, the Company's book balance of long-term equity investments of Xi'an Xinfeng Company was 32,840,729.61 yuan, with full provision for impairment made. The book balance of creditor's right was 8,419,205.19 yuan, with full provision for impairment made.

Note 2: Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. ("Jianbang Company") is a subsidiary of the Company with shareholding of 51%. Due to Jianbang Company's inability to redeem trade acceptance due in January 2022 totaling 177.15 million yuan, the plaintiffs filed a lawsuit on dispute over the bill payment claim with the People's Court of Huiyang District, Huizhou City. The judgement was completed on March 14, 2023 and Jianbang Company was ordered to pay trade acceptance and overdue interests to three plaintiffs within 15 days (including bearing litigation and preservation costs of approximately 1.03 million yuan).

As of December 31, 2023, Building 2 and Building 4 of the first phase of the Linxin Community project with an estimated registered price of 220 million yuan, totaling 153 units, were seized. Jianbang Company is currently negotiating a settlement with the plaintiff.

Note 3: On April 30, 2021, the Company signed the "Cooperative Development Agreement" and "Entrusted Management Agreement" with Guangzhou Bopi Enterprise Management Consulting

Co., Ltd. (the “Guangzhou Bopi”), Evergrande Real Estate Company Pearl River Delta Real Estate Development Co., Ltd. (the “Evergrande Pearl River Delta”) and Jianbang Company. Guangzhou Bopi promised that Jianbang Company shall achieve cumulative net profits no less than 1.25 billion yuan from 2021 to 2025. If Guangzhou Bopi fails to fulfill its profit commitment, it shall make up for the difference. On June 30, 2021, due to the acquisition of 51% of equity of Guangzhou Bopi by Shenzhen Qijin Investment Co., Ltd. (the “Shenzhen Qijin”), the Company, Guangzhou Bopi, Evergrande Pearl River Delta, and Shenzhen Qijin jointly signed Supplementary Agreement I to the “Cooperative Development Agreement”, stipulating that Shenzhen Qijin shall bear joint and several liability with Evergrande Pearl River Delta for Guangzhou Bopi’s profit commitment to the Company and balance replenishment matters stipulated in the “Cooperative Development Agreement”. Due to the fundamental breach of contract by Guangzhou Bopi and Evergrande Pearl River Delta and their actual loss of performance ability, causing the failure to achieve the purpose and expected benefits of the contract, the Company filed a lawsuit. This case was heard in February 2024 and is currently in the first instance.

Note 4: In 2021, the Company acquired 51% of the defendant’s equity held by the person other than involved in the case and agreed to provide interest-bearing loans to Jianbang Company based on the holding proportion. Later, Jianbang Company made borrowings from the Company in two installments and signed the “Loan Agreement”. After the agreement was signed, the Company provided borrowings to Jianbang Company in accordance with the agreement and fulfilled its lending obligations. Both borrowings have already expired, but have not been repaid by Jianbang Company, which constitutes a breach of contract. As a state-owned listed company, the Company filed a lawsuit to protect state-owned assets from losses. The first instance judgment of this case was made in December 2023. In January 2024, the Company received a civil judgment made by the People’s Court of Luohu District, Shenzhen City, Guangdong Province, stating that Jianbang Company shall repay the principal of borrowings of 344,696,200.26 yuan and pay interest to the Company within ten days from the effective date of the judgment; Jianbang Company shall pay liquidated damages to the Company within ten days from the effective date of the judgment.

Note 5: In 2021, the Company acquired 51% equity of Jianbang Company held by Guangzhou Bopi, and agreed to provide interest bearing borrowings to Jianbang Company based on the holding proportion. Later, five parties signed an agreement, stipulating that the Company will provide borrowings to Jianbang Company, and the latter will provide corresponding collateral. At the same time, Guangzhou Bopi, Evergrande Pearl River Delta and Shenzhen Qijin shall bear joint and several guarantee responsibilities for 49% of the total borrowing amount as well as interest and liquidated damages. After the agreement was signed, the Company provided borrowings to Jianbang Company in accordance with the agreement and fulfilled its lending obligations. However, Jianbang Company was unable to repay the borrowings. As a state-owned listed company, the Company filed a lawsuit to protect state-owned assets from losses. This case was

heard in March 2024 and is currently in the first instance.

2. Contingent liabilities incurred by providing debt guarantees for other entities and the financial effect

As of December 31, 2023, the Company provided mortgaged guarantees of 1106.51 million yuan for purchasers of commercial housing in accordance with real estate business practices.

Guaranteed parties	Financial institutions granting borrowings	Amount of borrowings guaranteed (in ten thousand yuan)	Maturity date of guarantees	Remarks
Homebuyer	China Construction Bank	47.25	Until the mortgage registration of the property certificate is completed and handed over to the bank for safekeeping	Shanglin Community
Homebuyer	China Construction Bank and Agricultural Bank of China	935.87	Until the mortgage registration of the property certificate is completed and handed over to the bank for safekeeping	Cuilin Community
Homebuyer	China Construction Bank, Industrial and Commercial Bank of China	1,087.97	Until the mortgage registration of the property certificate is completed and handed over to the bank for safekeeping	Chuanqi Donghu Garden
Homebuyer	China Construction Bank, Bank of Communications, Industrial and Commercial Bank of China, Bank of China, China Everbright Bank, Postal Savings Bank of China	32,241.18	Until the mortgage registration of the property certificate is completed and handed over to the bank for safekeeping	Tianyue Bay
Homebuyer	Industrial and Commercial Bank of China, Huaxia Bank, Agricultural Bank of China, Postal Savings Bank of China, China Merchants Bank, Bank of China	75,304.40	Until the mortgage registration of the property certificate is completed and handed over to the bank for safekeeping	Guangming Lane
Homebuyer	China Merchants Bank and Bank of China	1,034.00	Until the mortgage registration of the property certificate is completed and handed over to the bank for safekeeping	Linxin Community
Subtotal		110,650.67		

XII. Events after the balance sheet date

Significant non-adjusting events

Items	Contents	Effects on financial position and operating results	Reasons for effects being unable to be estimated
Disposal of subsidiaries	In January 2024, the Company cancelled its subsidiary Xinfeng Real Estate Co., Ltd.		Not applicable

XIII. Other significant events

Segment information

The Company's main business is development, construction, and sales of real estate products, collection of lease and management fees for properties leased out, with its operating results managed and evaluated on an integral basis. Therefore, the Company is not required to disclose segment information. Please refer to section V (II) 1 of notes to the financial statements for details on the Company's revenues.

XIV. Notes to items of parent company financial statements

(I) Notes to items of parent company balance sheet

1. Accounts receivable

(1) Age analysis

Ages	Closing book balance	Opening book balance
Within 1 year	15,636,256.41	12,426,543.02
Over 5 years	4,450,138.62	9,653,566.27
Total	20,086,395.03	22,080,109.29

(2) Provision for bad debts

1) Details on categories

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	10,084,109.60	50.20	10,084,109.60	100.00	
Receivables with provision made on a collective basis	10,002,285.43	49.80	251,400.42	2.51	9,750,885.01
Total	20,086,395.03	100.00	10,335,510.02	51.46	9,750,885.01

(Continued)

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	10,020,587.91	45.38	10,020,587.91	100.00	
Receivables with provision made on a collective basis	12,059,521.38	54.62	352,843.17	2.93	11,706,678.21
Total	22,080,109.29	100.00	10,373,431.08	46.98	11,706,678.21

2) Significant accounts receivable with provision made on an individual basis

Debtors	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion (%)	Basis for provision
Long-term unrecovered property sales	10,020,587.91	10,020,587.91	10,084,109.60	10,084,109.60	100.00	Expected to be irrecoverable
Subtotal	10,020,587.91	10,020,587.91	10,084,109.60	10,084,109.60	100.00	

3) Accounts receivable with provision for bad debts made on a collective basis

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with property sales receivable	5,028,008.59	251,400.42	5.00
Portfolio grouped with balances due from related parties within the consolidation scope	4,974,276.84		
Subtotal	10,002,285.43	251,400.42	2.51

(3) Changes in provision for bad debts

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision for bad debts made on an individual basis	10,020,587.91	63,521.69				10,084,109.60
Receivables with provision for bad debts made on a collective basis	352,843.17	-101,442.75				251,400.42
Total	10,373,431.08	-37,921.06				10,335,510.02

(4) Details of the top 5 debtors with largest balances of accounts receivable and contract assets

Debtors	Closing book balance			Proportion to the total balance of accounts receivable and contract assets (%)	Provision for bad debts of accounts receivable and provision for impairment of contract assets
	Accounts receivable	Contract assets	Subtotal		
Shenzhen Petrel Hotel Co., Ltd.	4,974,276.84		4,974,276.84	24.76	
Daxing Auto Parts Co., Ltd.	2,059,090.42		2,059,090.42	10.25	2,059,090.42
Shenzhen Xinfeng Real Estate Consulting Co., Ltd.	1,215,543.75		1,215,543.75	6.05	1,215,543.75
Wang Weidong	1,200,000.00		1,200,000.00	5.97	1,200,000.00
Wang Guodong	913,820.47		913,820.47	4.55	913,820.47
Subtotal	10,362,731.48		10,362,731.48	51.58	5,388,454.64

2. Other receivables

(1) Details

Items	Closing balance	Opening balance
Dividend receivable	29,222,722.88	39,222,722.88
Other receivables	1,693,941,657.82	1,672,657,609.57
Total	1,723,164,380.70	1,711,880,332.45

(2) Dividend receivable

1) Details

Items	Closing balance	Opening balance
Shenzhen SPG Longgang Development Co., Ltd.	29,222,722.88	39,222,722.88
Subtotal	29,222,722.88	39,222,722.88

2) Significant balance with age over one year

Items	Closing balance	Ages	Reasons for balances	Whether impaired and judgement basis
Shenzhen SPG Longgang Development Co., Ltd.	29,222,722.88	1-2 years	The payment is postponed temporarily.	No
Subtotal	29,222,722.88			

(3) Other receivables

1) Other receivables categorized by nature

Nature of receivables	Closing book balance	Opening book balance
Portfolio grouped with balances due from related parties	2,371,906,725.11	2,466,661,819.14
Portfolio grouped with government funds receivable	165,460.00	165,460.00
Portfolio grouped with employee petty cash receivable	62,454.80	39,400.00
Portfolio grouped with advances received and paid on behalf of others	67,200.00	21,733.60
Portfolio grouped with other intercompany balances receivable	142,185,626.87	6,940,862.88
Subtotal	2,514,387,466.78	2,473,829,275.62

2) Age analysis

Ages	Closing book balance	Opening book balance
Within 1 year	92,173,735.70	347,340,209.70
1-2 years	333,456,337.77	475,880,860.11
2-3 years	456,845,625.71	105,934,643.85
3-4 years	104,875,297.41	77,979,518.30
4-5 years	70,181,566.47	137,618,682.95

Ages	Closing book balance	Opening book balance
Over 5 years	1,456,854,903.72	1,329,075,360.71
Total	2,514,387,466.78	2,473,829,275.62

3) Provision for bad debts

a. Details on categories

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	820,414,389.79	32.63	820,414,389.79	100.00	
Receivables with provision made on a collective basis	1,693,973,076.99	67.37	31,419.17		1,693,941,657.82
Subtotal	2,514,387,466.78	100.00	820,445,808.96	32.63	1,693,941,657.82

(Continued)

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	816,573,394.13	33.01	800,992,839.69	98.09	15,580,554.44
Receivables with provision made on a collective basis	1,657,255,881.49	66.99	178,826.36	0.01	1,657,077,055.13
Subtotal	2,473,829,275.62	100.00	801,171,666.05	32.39	1,672,657,609.57

b. Other receivables with provision made on a collective basis

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with balances due from related parties	1,693,116,778.79		
Portfolio grouped with government funds receivable	165,460.00		
Portfolio grouped with employee petty cash receivable	62,454.80		
Portfolio grouped with advances received and paid on behalf of others	67,200.00	3,360.00	5.00
Portfolio grouped with other intercompany balances receivable	561,183.40	28,059.17	5.00
Subtotal	1,693,973,076.99	31,419.17	

4) Changes in provision for bad debts

Items	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	139,907.19		801,031,758.86	801,171,666.05
Opening balance in the current period	—	—	—	
--Transferred to stage 2				
--Transferred to stage 3				
--Reversed to stage 2				
--Reversed to stage 1				
Provision made in the current period	-139,907.19		19,414,050.10	19,274,142.91
Provision recovered or reversed in the current period				
Provision written off in the current period				
Other changes				
Closing balance			820,445,808.96	820,445,808.96
Provision proportion (%)			100.00	32.63

5) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Closing book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts at the balance sheet date
Shantou Huafeng Real Estate Development Co., Ltd.	Balances due from subsidiaries	754,160,642.87	Within 1 year, over 5 years	29.99	
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	Balances due from subsidiaries	822,043,317.96	2-3 years	32.69	
Xinfeng Enterprise Co., Ltd.	Balances due from subsidiaries	535,782,669.79	Over 5 years	21.31	535,782,669.79
Great Wall Estate Company, Inc.	Balances due from subsidiaries	104,981,769.07	Over 5 years	4.18	104,981,769.07
Hualin Co., Ltd.	Balances due from subsidiaries	90,686,884.30	3-4 years	3.61	
Subtotal		2,307,655,283.99		91.78	640,764,438.86

3. Long-term equity investments

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	1,715,520,833.00	392,155,084.61	1,323,365,748.39	1,716,020,833.00	133,839,271.15	1,582,181,561.85
Investments in associates and joint ventures	11,977,845.58	11,977,845.58		12,071,773.22	11,977,845.58	93,927.64
Total	1,727,498,678.58	404,132,930.19	1,323,365,748.39	1,728,092,606.22	145,817,116.73	1,582,275,489.49

(2) Investments in subsidiaries

Investees	Opening balance		Increase/Decrease				Closing balance	
	Carrying amount	Provision for impairment	Investments increased	Investments decreased	Provision for impairment	Others	Carrying amount	Provision for impairment
Shenzhen Petrel Hotel Co., Ltd.	20,605,047.50						20,605,047.50	
Shenzhen SPG Investment Co., Ltd.	9,000,000.00						9,000,000.00	
Xinfeng Enterprise Co., Ltd.	556,500.00						556,500.00	
Xinfeng Real Estate Co., Ltd.	22,717,697.73						22,717,697.73	
Shenzhen Zhentong Engineering Co., Ltd.	11,332,321.45						11,332,321.45	
Great Wall Estate Company, Inc.	1,435,802.00						1,435,802.00	
Shenzhen SPG Free Trading Co., Ltd.	4,750,000.00						4,750,000.00	
Shenzhen Huazhan Construction Supervision Co., Ltd.	6,000,000.00						6,000,000.00	
Beijing SPG Property Management Co., Ltd.		500,000.00						
Shenzhen Lianhua Enterprise Co., Ltd.	13,458,217.05						13,458,217.05	
Shenzhen SPG Longgang Development Co., Ltd.	30,850,000.00						30,850,000.00	
Beijing Xinfeng Real Estate Management & Development Co., Ltd.		64,183,888.90						64,183,888.90
Shantou Huafeng Real Estate Development Co., Ltd.	16,467,021.02						16,467,021.02	
Paklid Limited		201,100.00						201,100.00
Australia Berkton Property Limited		906,630.00						906,630.00
Shenzhen Shenfang Department Store Co., Ltd.		9,500,000.00						9,500,000.00
Shantou Xinfeng Building		58,547,652.25						58,547,652.25
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	450,000,000.00				258,815,813.46		191,184,186.54	258,815,813.46
Shenzhen SPG Chuanqi Real	995,000,000.00						995,000,000.00	

Investees	Opening balance		Increase/Decrease				Closing balance	
	Carrying amount	Provision for impairment	Investments increased	Investments decreased	Provision for impairment	Others	Carrying amount	Provision for impairment
Estate Development Co., Ltd.								
Hualin Co., Ltd.	8,955.10						8,955.10	
Subtotal	1,582,181,561.85	133,839,271.15			258,815,813.46		1,323,365,748.39	392,155,084.61

(3) Investments in associates and joint ventures

Investees	Opening balance		Increase/Decrease			
	Carrying amount	Provision for impairment	Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Joint ventures						
Fengkai Xinghua Hotel		9,455,465.38				
Subtotal		9,455,465.38				
Associates						
Shenzhen Ronghua Electromechanical Engineering Co., Ltd.	93,927.64	1,076,954.64			-93,927.64	
Shenzhen Runhua Automobile Trading Co., Ltd.		1,445,425.56				
Subtotal	93,927.64	2,522,380.20			-93,927.64	
Total	93,927.64	11,977,845.58			-93,927.64	

(Continued)

Investees	Increase/Decrease				Closing balance	
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others	Carrying amount	Provision for impairment
Joint ventures						
Fengkai Xinghua Hotel						9,455,465.38
Subtotal						9,455,465.38
Associates						
Shenzhen Ronghua Electromechanical Engineering Co., Ltd.						1,076,954.64
Shenzhen Runhua Automobile Trading Co., Ltd.						1,445,425.56
Subtotal						2,522,380.20
Total						11,977,845.58

(4) Impairment test on long-term equity investments

1) Recoverable amount determined based on the fair value less costs of disposal

Items	Carrying amount	Recoverable amount	Provision for impairment in the current period
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	450,000,000.00	191,184,186.54	258,815,813.46
Subtotal	450,000,000.00	191,184,186.54	258,815,813.46

(Continued)

Items	Determination method of fair value and costs of disposal	Key parameters and determination basis
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	The fair value is determined by the assets-based method, and the relevant costs of disposal are determined by the estimated costs of disposal rate.	Estimated selling price, sales volume, costs of production and other related expenses.
Subtotal		

2) Other remarks

At the end of reporting period, the Company performed an impairment test on Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. with signs of impairment, and made provision for impairment on assets that may suffer losses based on the principle of prudence.

(II) Notes to items of the parent company income statement

1. Operating revenue/Operating cost

(1) Details

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	80,116,913.98	33,500,490.21	207,117,745.27	66,761,336.83
Other operations	32,529.16		31,823.86	
Total	80,149,443.14	33,500,490.21	207,149,569.13	66,761,336.83
Including: Revenue from contracts with customers	14,830,961.90	886,697.76	161,658,149.52	27,249,452.24

(2) Breakdown of revenue from contracts with customers

1) Breakdown of revenue by goods or services

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Real estates	14,830,961.90	886,697.76	161,658,149.52	27,249,452.24
Subtotal	14,830,961.90	886,697.76	161,658,149.52	27,249,452.24

2) Breakdown of revenue by operating regions

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Guangdong Province	14,830,961.90	886,697.76	161,658,149.52	27,249,452.24
Subtotal	14,830,961.90	886,697.76	161,658,149.52	27,249,452.24

3) Breakdown of revenue by time of transferring goods or rendering services

Items	Current period cumulative	Preceding period comparative
Recognized at a point in time	14,830,961.90	161,658,149.52
Subtotal	14,830,961.90	161,658,149.52

2. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	-93,927.64	-178,240.64
Investment income from long-term equity investments under cost method	7,012,181.03	76,727,761.73
Investment income from disposal of long-term equity investments	1,816,919.56	203,360,562.19
Investment income from held-for-trading financial assets	161,491.79	159,619.01
Dividend income from other equity instrument investments	537,600.00	813,960.00
Investment income from debt restructuring		89,607.85
Total	9,434,264.74	280,973,270.14

XV. Other supplementary information

(I) Non-recurring profit or loss

1. Schedule of non-recurring profit or loss

(1) Details

Items	Amount	Remarks
Gains on disposal of non-current assets, including write-off of provision for impairment	9,940,254.23	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, enjoyed based on certain standards, and continuously affecting gains or losses of the Company)	440,049.96	
Gains on changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains from disposal of financial assets and financial liabilities, excluding those arising from hedging business		

Items	Amount	Remarks
related to operating activities		
Fund possession charge from non-financial entities and included in profit or loss		
Gains on assets consigned to the third party for investment or management	7,985,840.50	
Gains on designated loans		
Losses on assets incurred due to force majeure such as natural disasters		
Reversed provision for impairment of receivables based on impairment testing on an individual basis	3,994,030.79	
Gains on acquisition of subsidiaries, joint ventures and associates due to the surplus of acquisition-date fair value of net identifiable assets in acquiree over the acquisition cost		
Net profit on subsidiaries acquired through business combination under common control from the beginning of the period to the combination date		
Gains on non-cash assets exchange		
Gains on debt restructuring		
One-off expenses incurred due to the discontinuation of relevant operating activities, such as severance payments		
One-off effects on profit or loss due to amendments of laws and regulations on taxation, accounting, etc.		
Share-based payments recognized at one time due to cancellation or modification of equity incentive plan		
Gains arising from changes in the fair value of employee benefits payable after the vesting date for cash-settled share-based payment		
Gains on changes in fair value of investment properties with subsequent measurement using the fair value model		
Gains on transactions with unfair value		
Contingent gains on non-operating activities		
Management charges for consigned operations		
Other non-operating revenue or expenditures	393,461.44	
Other profit or loss satisfying the definition of non-recurring profit or loss		
Subtotal	22,753,636.92	
Less: Enterprise income tax affected	5,639,314.23	
Non-controlling interest affected (after tax)	-30,421.58	
Net non-recurring profit or loss attributable to shareholders of the parent company	17,144,744.27	

2. Remarks on the exception that the Company recognized non-recurring profit or loss as listed in the “Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss (2023 Edition)” as recurring profit or loss based on relevant definition and principle are as follows:

Items	Amount	Reasons
Refund of handling fees for withholding individual income tax	68,364.83	As it occurs continuously from year to year and is not accidental, it is recognized as recurring profit or loss.
VAT extra deductions	58,857.60	As it occurs continuously from year to year and is not accidental, it is recognized as recurring profit or loss.

3. Effect on non-recurring profit or loss in 2022 due to implementation of “Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss (2023 Edition)”

Items	Amount
Net non-recurring profit or loss attributable to the owner of the parent company in 2022	132,558,400.46
Net non-recurring profit or loss attributable to the owner of the parent company calculated based on the “Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss (2023 Edition)” in 2022	132,264,749.65
Difference	293,650.81

(II) ROE and EPS

1. Details

Profit of the reporting period	Weighted average ROE (%)	EPS (yuan/share)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	-6.52	-0.2479	-0.2479
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	-6.96	-0.2649	-0.2649

2. Calculation process of weighted average ROE

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	-250,839,542.09
Non-recurring profit or loss	B	17,144,744.27
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	-267,984,286.36
Opening balance of net assets attributable to shareholders of ordinary shares	D	4,004,240,547.70
Net assets attributable to shareholders of ordinary shares increased due to offering of new shares or conversion of debts into shares	E	
Number of months counting from the next month when the net assets were increased to the end of the reporting period	F	
Net assets attributable to shareholders of ordinary shares decreased due to share repurchase or cash dividends appropriation	G	61,711,260.00

Items	Symbols	Current period cumulative
Number of months counting from the next month when the net assets were decreased to the end of the reporting period	H	6
Others	Others	-607,261.41
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J
Number of months in the reporting period	K	12
Weighted average net assets	$L = D + A/2 + E \times F/K - G \times H/K \pm J/K$	3,847,661,515.95
Weighted average ROE	$M = A/L$	-6.52%
Weighted average ROE after deducting non-recurring profit or loss	$N = C/L$	-6.96%

3. Calculation process of basic EPS and diluted EPS

(1) Calculation process of basic EPS

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	-250,839,542.09
Non-recurring profit or loss	B	17,144,744.27
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	$C = A - B$	-267,984,286.36
Opening balance of total shares	D	1,011,660,000.00
Number of shares increased due to conversion of reserve to share capital or share dividend appropriation	E	
Number of shares increased due to offering of new shares or conversion of debts into shares	F	
Number of months counting from the next month when the shares were increased to the end of the reporting period	G	
Number of shares decreased due to share repurchase	H	
Number of months counting from the next month when the shares were decreased to the end of the reporting period	I	
Number of shares decreased in the reporting period	J	
Number of months in the reporting period	K	12
Weighted average of outstanding ordinary shares	$L = D + E + F \times G/K - H \times I/K - J$	1,011,660,000.00
Basic EPS	$M = A/L$	-0.2479
Basic EPS after deducting non-recurring profit or loss	$N = C/L$	-0.2649

(2) Calculation process of diluted EPS

The calculation process of diluted EPS is the same as that of basic EPS.

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

March 30, 2024