



Shenzhen Properties Group

**深房集团**

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

**ANNUAL REPORT 2024**

2025-005

**[22 March 2025]**

# ANNUAL REPORT 2024

## 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.

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

## 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	Floors A46-A48 and B46-B48, SPG Plaza, No. 3005 Renmin South Road, Jiabei Community, Nanhu Subdistrict, Luohu District, Shenzhen		
Zip code	518001		
Changes of the registered address	N/A		
Address	Floors A46-A48, SPG Plaza, No. 3005 Renmin South Road, Shenzhen		
Zip code	518001		
Company website	<a href="http://www.sfjt.com.cn">http://www.sfjt.com.cn</a>		
Email address	spg@sfjt.sihc.com.cn		

### II Contact Information

	Board Secretary	Securities Representative
Name	Luo Yi	Hong Lu
Address	47/F, SPG Plaza, Renmin South Road, Shenzhen, Guangdong, P.R. China	47/F, SPG Plaza, Renmin South Road, Shenzhen, Guangdong, P.R. China
Tel.	(86 755)25108897	(86 755)25108837
Fax	(86 755)82294024	(86 755)82294024
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 ( <a href="http://www.szse.cn/">http://www.szse.cn/</a> )
Newspaper and website where this Report is disclosed	Domestic: <i>Securities Times</i> , <i>China Securities Journal</i> , and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> Overseas: <i>Ta Kung Pao</i> (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
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

	2024	2023	2024-over-2023 change (%)	2022
Operating revenue (RMB)	407,022,191.44	530,887,720.68	-23.33%	634,384,561.42
Net profit attributable to the listed company's shareholders (RMB)	-176,710,947.65	-250,839,542.09	29.55%	153,718,805.57
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	-197,979,921.69	-267,984,286.36	26.12%	21,160,405.11
Net cash generated from/used in operating activities (RMB)	-127,403,949.79	1,045,037,248.19	-112.19%	-675,775,998.76
Basic earnings per share (RMB/share)	-0.1747	-0.2479	29.53%	0.1519
Diluted earnings per share (RMB/share)	-0.1747	-0.2479	29.53%	0.1519
Weighted average return on equity (%)	-4.91%	-6.52%	24.69%	3.88%
	31 December 2024	31 December 2023	Change of 31 December 2024 over 31 December 2023 (%)	31 December 2022
Total assets (RMB)	5,987,780,656.67	6,485,312,507.46	-7.67%	5,689,769,802.18
Equity attributable to the listed company's shareholders (RMB)	3,512,112,493.42	3,691,082,484.20	-4.85%	4,004,240,547.70

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	2024	2023	Remark
Operating revenue (RMB)	407,022,191.44	530,887,720.68	N/A
Amount deducted from operating revenue (RMB)	0.00	0.00	N/A
Operating revenue after deduction (RMB)	407,022,191.44	530,887,720.68	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

There was no difference of the net profits and the net assets that were disclosed in the financial statement under the IFRSs with those under the PRC GAAP during the Reporting Period.

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

Applicable  Not applicable

No difference for the Reporting Period.

## VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	59,214,773.99	75,010,345.44	74,007,078.57	198,789,993.44
Net profit attributable to the listed company's shareholders	1,896,582.37	3,726,209.02	-604,146.31	-181,729,592.73
Net profit attributable to the listed company's shareholders before exceptional gains and losses	-3,975,227.45	-1,221,900.10	-5,743,682.96	-187,039,111.18
Net cash generated from/used in operating activities	-90,276,362.78	-18,173,169.28	-29,202,502.65	10,248,084.92

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	2024	2023	2022	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	740,874.42	9,940,254.23	161,542,599.57	
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)	753,298.54	440,049.96	559,803.19	
Gain or loss on assets entrusted to other entities for investment or management	18,461,736.59	7,985,840.50	9,129,650.51	Changes in fair values arising from investment in monetary fund
Reversed portions of impairment allowances for receivables which are tested individually for impairment		3,994,030.79		
Gain or loss on debt restructuring			2,610,128.31	
Non-operating income and expense other than the above	2,170,518.43	393,461.44	1,094,190.56	
Less: Income tax effects	863,081.95	5,639,314.23	41,451,680.41	
Non-controlling interests effects (net of tax)	-5,628.01	-30,421.58	926,291.27	
Total	21,268,974.04	17,144,744.27	132,558,400.46	--

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	86,280.28	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	2,627.57	This item is recognised as a recurrent gain or loss because it occurs consistently from year to year and is not episodic in nature

## 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*.

During the reporting period, the adverse impact brought by changes in the external environment continued to deepen. In response to multiple difficulties and challenges, China has taken proactive and effective measures to strengthen the implementation of existing policies and optimize macro-control measures in a timely manner. In 2024, China's overall economic performance was stable and making progress while maintaining stability. The main goals and tasks of economic and social development for the whole year were successfully completed, high-quality development was promoted solidly, and the new productive force developed steadily. From the prospective of industry, the national new housing market has continued to adjust as a whole. Driven by the "price-for-volume" approach, the pre-owned home market has maintained a certain scale of transactions, but the overall slow recovery momentum of market also poses many challenges.

### 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 is specialised in residential real estate development, with on-sale projects mainly distributed in Shenzhen, Huizhou, and Shantou. These include Cuilinyuan and Guangmingli in Shenzhen, Linxinyuan close to Shenzhen in Huizhou, and Tianyuewan in Shantou. The project under construction is Linxinyuan.

New additions to the land bank:

Name of land lot or project	Location	Planned use of land	Site area (m <sup>2</sup> )	Floor area with plot ratio (m <sup>2</sup> )	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 <sup>2</sup> )	Floor area (0,000 m <sup>2</sup> )	Floor area available for development (0,000 m <sup>2</sup> )
Shantou Xinfeng Building	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	10.7	26.4	26.4

Development status of major projects:

City/region	Name of project	Location	Status	The Company's interest	Time for commencement	% developed	% constructed	Site area (m <sup>2</sup> )	Planned floor area	Floor area completed	Cumulative completion	Expected total investment	Cumulative investment

				st	ent of constr uction				with plot ratio (m <sup>2</sup> )	in the Curre nt Period (m <sup>2</sup> )	eted floor area (m <sup>2</sup> )	ment (RMB '0,000 )	(RMB '0,000 )
Huizhou	Linxi nyuan Phase I	Huiyan g	Frame work in constr uction	51.00 %	11 June 2021	Under constr uction	96.00 %	64278	15976 1	0	0	115,7 50	111,9 05
Shenzhen	Guan gming li	Guan gming Distri ct	Comp letion	100.0 0%	19 Januar y 2022	100%	100.0 0%	10721	53605	53657 .1	53657 .1	151,7 58	153,4 55.98

## Sales status of major projects:

City/regio n	Name of project	Locatio n	Status	The Compa ny's interest	Floor area with plot ratio (m <sup>2</sup> )	Floor area availabl e for sale (m <sup>2</sup> )	Cumula tively pre-sold /sold floor area (m <sup>2</sup> )	Floor area pre-sold /sold in the Current Period (m <sup>2</sup> )	Pre-sale /sales revenue generat e in the Current Period (RMB' 0,000)	Cumula tively settled floor area (m <sup>2</sup> )	Floor area settled in the Current Period (m <sup>2</sup> )	Pre-sale /sales revenue settled in the Current Period (RMB' 0,000)
Shenzhen	Cuilinyuan	Longga ng District	Ready for sale	100.00 %	60111	56137	54393.3 8	1171.52	2,084.7 6	54393.3 8	1171.52	1,969.2 2
Shantou	Tianyue wan Phase I	Chaoya ng District	Ready for sale	100.00 %	153470	160372	120678. 54	1413.04	846	120147. 47	1729.57	971.74
Shantou	Tianyue wan Phase II	Chaoya ng District	Ready for sale	100.00 %	127770	137059	42113.4 2	5400	2,935	41859.8 7	5288.17	2,628.0 4
Huizhou	Linxi nyuan Phase I	Huiyan g	On pre-sale	51.00%	159761	159761						
Shenzhen	Guang mingli	Guang ming District	Ready for sale	100.00 %	53605	51975	34572	4599	10,669	4603.18	4603.18	9,787.6 8

## Rental status of major projects:

Name of project	Location	Status	The Company's interest	Rentable area (m <sup>2</sup> )	Cumulative rented area (m <sup>2</sup> )	Average occupancy rate
Real Estate Mansion	Shenzhen	Commercial	100.00%	3413.88	3413.88	100.00%
North Tower of Guoshang Mansion	Shenzhen	Commercial	100.00%	4819.71	4819.71	100.00%
Petrel Building	Shenzhen	Commercial	100.00%	22475.47	22475.47	100.00%
SPG Plaza	Shenzhen	Office building	100.00%	58971.9	29504.48	50.03%
Podium of SPG Plaza	Shenzhen	Commercial	100.00%	19886.3	14463.75	72.73%
Wenjin Garden	Shenzhen	Commercial	100.00%	3531.6	3531.6	100.00%

Primary land development:

Applicable  Not applicable

Financing channels:

Financing channels:	Ending balance of financings (RMB'0,000)	Financing cost range/average financing cost (RMB'0,000)	Maturity structure			
			Within 1 year	1-2 years	2-3 years	Over 3 years
Bank loans	9,587.86	3.5%-4.2%	3,360.50	12.52	12.52	6,202.33
Total	9,587.86		3,360.50	12.52	12.52	6,202.33

Development strategy and operating plan for the coming year:

Provision of guarantees for homebuyers on bank mortgages:

Applicable  Not applicable

Guaranteed unit	Financial institutions for loans	Guaranteed borrowing amount (RMB'0,000)	Expiry date of guarantee	Remark
Homebuyer	China Construction Bank	43.50	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	Shanglinyuan
Homebuyer	Agricultural Bank of China	11,911.65	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	Cuilinyuan
Homebuyer	Agricultural Bank of China	1,998.68	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	Chuanqi Donghu Mingyuan
Homebuyer	China Construction Bank, Bank of Communications, Industrial and Commercial Bank of China, Bank of China, China Everbright Bank, Postal Savings Bank	2,407.00	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	Tianyuewan
Homebuyer	Industrial and Commercial Bank of China, Huaxia Bank, Rural Commercial Bank, Agricultural Bank of China, Postal Savings Bank of China, China Merchants Bank, Bank of China	48,581.04	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	Guangmingli

Subtotal		64,941.87	
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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

Name of 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	Directors, supervisors or senior management of the Company	8,950,000.00	39.25%	0.90%	0.00	N/A	N/A

### 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.

During the reporting period, the Company successively won the titles of "Star Enterprise for High-Quality Development in Luohu District" and "2024 Brand Value Enterprise of Shenzhen Real Estate Development Industry", and was listed in the "Top 20 Bay Area Listed Companies for Green Governance 2024". The Guangmingli project won honors such as "Excellent Site for Safety Production and Civilized Construction in Shenzhen" and "Demonstration Site for Safety and Civilized Construction in Guangming District".

### IV Core Business Analysis

#### 1. Overview

In 2024, facing an increasingly complex external environment and challenging reform and development tasks, the Company's Board of Directors earnestly implemented the decisions and deployments of the State-owned Assets Supervision of Shenzhen Municipality and Shenzhen Investment Holdings Co., Ltd. All employees united as one, maintaining determination and striving forward, resulting in certain achievements across various areas of work.

**i. Achieving good performance in the core business with targeted and joint efforts.** The Guangmingli project strictly controlled the progress of key points, ensured safety and quality. With a focus on customer needs, the

project was continuously optimized from the perspectives of green construction and landscape. As a result, the residential properties were sold out on the opening day and were delivered ahead of schedule. Additionally, existing projects such as Cuilinyuan and Tianyuewan achieved 108 new sales. The Group's leasing business completed 106.4% of its annual target.

**ii. Achieving positive results in risk prevention and resolution by securing the baseline and concentrating on tackling tough issues.** The series of litigation cases concerning Linxinyuan made breakthroughs, effectively safeguarding the Company's legitimate rights and interests. Throughout the year, a total of 97 safety production inspections were conducted, with all identified hazards rectified and closed out in strict accordance with established processes and standards. During the reporting period, no major petition or public opinion incidents occurred within the Group, creating a harmonious and stable environment for enterprise development.

**iii. Focusing on goals and expanding initiatives to deliver encouraging results in potential tapping and growth expansion.** Petrel Hotel has achieved annual predetermined objectives in revenue and profits, while Huazhan Construction Supervision successfully turned losses into profits. Zhentong Engineering met its annual revenue objectives, and the Shantou branch completed the tax refund for the Jinyedao project. During the reporting period, the Company efficiently use storage resources, completed the transformation and upgrade of the Shantou Zhongshan Eastern Market. Properties such as Jinyedao and Haitiangge, as well as Shenzhen Jinghua Optoelectronic Device Factory, have been listed for sale on the stock exchange. A new round of U.S. land sale efforts was restarted. The disposal work of "two non two assets" progressed smoothly, and the deregistration of Fresh Peak Real Estate Company was completed.

**(IV) Strengthening foundations and focusing control to achieve significant improvements in capabilities.** The Company has revised the governance systems including the *Articles of Association* and *Rules of Procedures for the General Meeting of Shareholders*, formulated the "Three Majors and One Large" decision-making management method, and deepened the development of the compliance system. The ESG report has achieved regular disclosure, which effectively enhances the Company's governance capabilities. The Company enhanced its full-chain talent management mechanism of "Attracting, Cultivating, Employing, Retaining" talent. It completed optimization of organizational structure and fixed-position establishment for affiliated enterprises, and continuously improved human resource management levels. It completed the preparation of the *Real Estate Development Manual (Trial)*, and is working to promote the establishment of the "Good House" information database, the Group's historical real estate database, resulting in a steady improvement in professional capabilities.

**(V) Raising awareness and focusing on planning to promote continuous exploration and promotion of future development.** The Company always maintains a high level of attention to the listing regulatory rules and capital market policy dynamics. It actively strengthens communication with controlling shareholders, capital platforms within the system, and professional intermediary institutions. By striving to expand high-quality project resources with feasibility and high potential, the Company focuses on planning, and steadily advances the future sustainable development of the enterprise, with an aim of seizing opportunities in a complex and changeable market environment.

**vi. The guiding and orienting role is more prominent with party building as guidance and integrated efforts.** The Company adheres to high-quality party building to lead enterprise development. Over the year, it held 34 party committee meetings, in which 180 major matters were reviewed and pre-studied, effectively playing the leadership role of "guiding the direction, controlling the overall situation, and ensuring implementations". The Company promoted a two-way integration of party building and business development, collaborating with local streets, communities, and the Luohu District Bureau of Commerce to explore new models for integrating party building with business operations. Furthermore, it deepened the comprehensive strict governance of the party, carried out in-depth study and education on party discipline, and created a fair, just and upright environment for entrepreneurship and innovation.

## 2. Revenue and Cost Analysis

### (1) Breakdown of Operating Revenue

Unit: RMB

	2024		2023		Change (%)
	Operating revenue	As % of total operating revenue	Operating revenue	As % of total operating revenue	

		(%)		(%)	
Total	407,022,191.44	100%	530,887,720.68	100%	-23.33%
By operating division					
Shenzhen	162,523,053.49	39.93%	118,580,624.34	22.34%	37.06%
Engineering and construction	162,184,666.12	39.85%	324,243,778.50	61.08%	-49.98%
Property management	3,644,981.08	0.90%	3,491,329.17	0.66%	4.40%
Rental service	78,669,490.75	19.33%	84,571,988.67	15.93%	-6.98%
By product category					
Residential units	142,671,853.48	35.05%	108,943,731.16	20.52%	30.96%
Shops and parking lots	19,851,200.01	4.88%	9,636,893.18	1.82%	105.99%
Other	244,499,137.95	60.07%	412,307,096.34	77.66%	-40.70%
By operating segment					
Guangdong Province	406,326,508.54	99.83%	530,197,455.57	99.87%	-23.36%
Overseas	695,682.90	0.17%	690,265.11	0.13%	0.78%
By marketing model					
Principal operations	399,806,208.89	98.23%	524,099,615.63	98.72%	-23.72%
Other	7,215,982.55	1.77%	6,788,105.05	1.28%	6.30%

**(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						
Shenzhen	162,523,053.49	127,086,267.87	21.80%	37.06%	58.39%	-32.59%
Engineering and construction	162,184,666.12	156,523,068.19	3.49%	-49.98%	-50.64%	57.92%
Rental service	78,669,490.75	46,310,276.88	41.13%	-6.98%	3.26%	-12.43%
By product category						
Residential units	142,671,853.48	117,534,359.69	17.62%	30.96%	57.53%	-44.10%
By operating segment						
Guangdong Province	406,326,508.54	331,635,385.19	18.38%	-23.36%	-27.17%	30.17%
By marketing model						

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	2024	2023	Change (%)
Property sales	Sales volume	RMB'0,000	22,881.00	10,910.00	109.73%
	Output	RMB'0,000	22,206.96	15,892.00	39.74%
	Inventory	RMB'0,000	440,320.07	430,663.00	2.24%

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

Applicable  Not applicable

Compared to 2023, there have been new increases and breakthroughs in real estate development, sales, and investment.

#### (4) Execution Progress of major signed sales or purchase contracts in the Reporting Period

Applicable  Not applicable

#### (5) Breakdown of Cost of Sales

Operating division

Unit: RMB

Operating division	Item	2024		2023		Change (%)
		Operating revenue	As % of total cost of sales (%)	Operating revenue	As % of total cost of sales (%)	
Shenzhen		127,086,267.87	38.24%	80,235,849.12	18.04%	58.39%
Engineering and construction		156,523,068.19	47.10%	317,088,117.19	71.29%	-50.64%
Property management		2,406,037.36	0.72%	2,626,431.49	0.59%	-8.39%
Rental service		46,310,276.88	13.94%	44,847,244.30	10.08%	3.26%

Note

The sales volume increased by 58.39% year-on-year, mainly due to the increase in real estate sales; affected by the market, the construction workload decreased year-on-year.

#### (6) Changes in the scope of consolidated financial statements for the Reporting Period

Yes  No

For details on changes in the scope of consolidation during the reporting period, please see "VI Changes in the Scope of Consolidation" of "Part X Financial Statements"

#### (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)	91,301,629.97
Total sales to top five customers as % of total sales of the Reporting Period (%)	22.43%
Total sales to related parties among top five customers as % of	0.00%



total sales of the Reporting Period (%)	
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Information about top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Legal person A	43,254,820.30	10.63%
2	Legal person B	18,155,976.05	4.46%
3	Legal person C	14,915,485.72	3.66%
4	Legal person D	7,920,319.31	1.95%
5	Legal person E	7,055,028.59	1.73%
Total	--	91,301,629.97	22.43%

Other information about major customers:

Applicable  Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	304,853,933.15
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	70.21%
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	227,853,187.23	52.48%
2	Legal person B	31,576,276.31	7.27%
3	Legal person C	24,711,750.43	5.69%
4	Legal person D	11,995,638.77	2.76%
5	Legal person E	8,717,080.41	2.01%
Total	--	304,853,933.15	70.21%

Other information about major suppliers:

Applicable  Not applicable

### 3. Expense

Unit: RMB

	2024	2023	Change (%)	Reason for any significant change
Selling expense	13,164,672.93	21,803,202.14	-39.62%	Mainly because the Guangmingli project is almost sold out, reducing marketing expenses.
Administrative expense	70,118,532.01	55,965,931.72	25.29%	Mainly due to the completion of projects, leading to labour costs for engineering project being expensed.
Finance costs	-5,502,747.12	-5,231,991.59	-5.17%	

#### 4. R&D Investments

Applicable  Not applicable

#### 5. Cash Flows

Unit: RMB

Item	2024	2023	Change (%)
Subtotal of cash generated from operating activities	475,123,495.05	1,950,984,549.76	-75.65%
Subtotal of cash used in operating activities	602,527,444.84	905,947,301.57	-33.49%
Net cash generated from/used in operating activities	-127,403,949.79	1,045,037,248.19	-112.19%
Subtotal of cash generated from investing activities	1,866,393.80	139,173,390.10	-98.66%
Subtotal of cash used in investing activities	91,547,315.83	601,475,412.00	-84.78%
Net cash generated from/used in investing activities	-89,680,922.03	-462,302,021.90	80.60%
Subtotal of cash generated from financing activities	1,563,000.00	169,486,610.82	-99.08%
Subtotal of cash used in financing activities	122,813,684.41	83,583,781.56	46.93%
Net cash generated from/used in financing activities	-121,250,684.41	85,902,829.26	-241.15%
Net increase in cash and cash equivalents	-338,236,158.91	668,781,343.87	-150.57%

Explanation of why any of the data above varies significantly:

Applicable  Not applicable

Cash inflow from operating activities decreased year-on-year mainly driven by property sales.

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

Net cash flow from investing activities increased year-on-year mainly driven by decreased purchase of financial products.

Cash inflow from financing activities decreased year-on-year mainly driven by decreased new bank borrowing raised this period.

Cash outflow from financing activities increased year-on-year mainly driven by repaying bank borrowings in this 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 2024		1 January 2024		Change in percentage (%)	Reason for any significant change
	Operating revenue	As a % of total assets	Operating revenue	As a % of total assets		
Monetary assets	529,242,725.36	8.84%	871,019,268.83	13.43%	-4.59%	Mainly driven by repaying bank borrowings this year.
Accounts receivable	56,672,795.52	0.95%	75,100,970.83	1.16%	-0.21%	
Contract assets	30,888,723.09	0.52%	27,352,596.92	0.42%	0.10%	
Inventories	3,636,840,229.34	60.74%	3,915,215,921.96	60.37%	0.37%	
Investment property	515,925,116.54	8.62%	541,542,136.17	8.35%	0.27%	
Long-term equity investments		0.00%		0.00%	0.00%	
Fixed assets	17,489,207.57	0.29%	19,928,049.77	0.31%	-0.02%	
Construction in progress		0.00%		0.00%	0.00%	
Right-of-use assets		0.00%	99,641.48	0.00%	0.00%	
Short-term borrowings	1,563,000.00	0.03%	3,550,000.00	0.05%	-0.02%	
Contract liabilities	1,298,146,232.35	21.68%	1,291,448,591.28	19.91%	1.77%	Mainly driven by the revenue from the transfer of advanced sales proceeds from property sales.
Long-term borrowings	62,273,677.82	1.04%	179,431,851.02	2.77%	-1.73%	Mainly driven by repaying bank borrowings this year.
Lease liabilities		0.00%		0.00%	0.00%	
Held-for-trading financial assets	987,801,938.51	16.50%	879,340,201.92	13.56%	2.94%	Mainly driven by the purchase of money market funds.
Accounts payable	464,488,982.30	7.76%	443,259,768.78	6.83%	0.93%	
Taxes payable	27,554,810.01	0.46%	40,908,986.48	0.63%	-0.17%	
Other payables	561,016,653.17	9.37%	554,469,229.59	8.55%	0.82%	

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	Gain/loss	Cumulative	Impairment	Purchased	Sold in the	Other	Ending
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	amount	on fair-value changes in the Reporting Period	fair-value changes charged to equity	allowance for the Reporting Period	in the Reporting Period	Reporting Period	changes	amount
Financial assets								
Held-for-trading financial assets (excluding derivative financial assets)	879,340,201.92	18,461,736.59			90,000,000.00			987,801,938.51
Investments in other equity instruments	14,324,411.35		372,929.83					14,697,341.18
Total of the above	893,664,613.27	18,461,736.59	372,929.83	0.00	90,000,000.00	0.00	0.00	1,002,499,279.69
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	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	Construction funds for public facility projects within and around the urban renewal project in Longgang District, Shenzhen, as well as the land reclamation costs associated with the Guangmingli project.
Monetary assets	2,306,548.48	Frozen in a lawsuit case
Monetary assets	50,155.58	Construction deposit
Monetary assets	158,549.08	Stop payments, suspend accounts
Accounts receivable	4,770,702.79	Pledged for short-term borrowings
Investment property	38,505,029.10	Mortgaged for borrowings
Inventories	161,509,611.70	Supplier litigation preservation
Total	213,117,814.51	

## 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 (%)
284,195,236.43	190,310,000.00	49.33%

## 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)	Subsidiary	Property sales	2800000	1,553,009,687.38	56,049,220.17	0.00	-409,672,748.93	-409,694,614.91

Industrial Co., Ltd.								
Shenzhen SPG Chuanqi Real Estate Development Co., Ltd.	Subsidiary	Property sales	30000000	2,571,224,134.35	997,928,385.72	97,876,806.41	12,152,332.94	7,182,106.15
Shenzhen SPG Longgang Development Co., Ltd.	Subsidiary	Property sales	30000000	108,760,036.68	63,721,350.71	21,667,635.63	9,090,392.13	8,257,794.10
Shantou SEZ, Wellam FTY, Building Development, Co., Ltd.	Subsidiary	Property sales	91226120.44	92,308,874.96	40,068,722.24	449,756.73	-1,434,992.27	4,788,342.14
Shantou Huafeng Real Estate Development Co., Ltd.	Subsidiary	Property sales	80000000	721,718,179.26	-47,558,549.01	36,425,552.67	-59,711,762.32	-60,386,282.62
Great Wall Estate Co., Inc. (U.S.)	Subsidiary	Property sales	2051146	20,196,652.16	-93,558,993.43	695,682.90	-351,389.23	-351,389.23
Shenzhen Zhentong Engineering Co., Ltd.	Subsidiary	Installation and maintenance	10000000	121,967,870.01	15,470,829.07	200,720,288.29	-8,088,979.47	-6,099,725.20
Shenzhen Petrel Hotel Co., Ltd.	Subsidiary	Hotel service	30000000	60,455,700.01	41,385,380.60	19,954,558.42	2,547,123.39	2,456,742.60
Shenzhen Huazhan Construction Supervision Co., Ltd.	Subsidiary	Construction supervision	8000000	11,255,389.52	10,637,471.67	3,208,299.12	197,086.31	166,024.93
Xin Feng Enterprise Co., Ltd.	Subsidiary	Investment and management	502335	342,333,058.67	-237,763,922.26	0.00	-2,222,490.10	-2,222,490.10

Subsidiaries obtained or disposed in the Reporting Period:

Applicable  Not applicable

Company name	Means of acquisition and disposal of subsidiary during the Reporting Period	Effect on overall business operation and results
Xin Feng Enterprise Co., Ltd.	Liquidation and cancellation	This enterprise has no actual business and has no impact on the operation and performance of the Company.

Information about major majority- and minority-owned subsidiaries:

1. In May 2021, the Company acquired 51% equity interest in Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. through the payment of consideration of RMB450 million. This project company will develop the Lin Xinyuan project, with a total 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 30 June 2024, eight residential buildings of Phase I have been capped, the basement of Phase II is completed, the development of Phases III and IV are to be initiated, and construction permit has not been granted for the school. There were no sales in 2024.

2. 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 November 2024, the Company completed the acceptance of the construction project, with a cumulative sales rate of 99% for residential buildings. The carryover revenue reached RMB97.88 million, accounting for 60.22% revenue from the Group's real estate sector and 24.05% of the Group's operating income.

3. The subordinate subsidiaries engaged in real estate development also include: Shenzhen SPG Longgang Development Co., Ltd., Shantou SEZ, Wellam FTY, Building Development, Co., Ltd., and Shantou Huafeng Real Estate Development Co., Ltd. The Cuilinyuan project developed by Shenzhen SPG Longgang Development Co., Ltd. recorded a RMB21.66 million in 2024. 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 Company was responsible for the development of the Tianyuewan project (divided into Phases 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. As of 31 December 2024, the accumulated sales rate for Tianyuewan Phase I was 74.96%, and for Phase II, it was 29.84%.

4. Shenzhen Zhentong Engineering Co., Ltd. was engaged in the business of building installation and maintenance, with operating revenues of RMB200.72 million in 2024, accounting for 49.31% of the Group's total operating revenue.

The net profit of Xin Feng Enterprise Co., Ltd. was of RMB-2,222,500 in 2024, which mainly due to the depreciation and amortization of investment property.

## **X Structured bodies controlled by the Company**

Applicable  Not applicable

## **XI Prospects**

### **(I) Industry pattern and trends**

Currently, with the continuous release of policy effectiveness and the market self-recovery, the real estate market is showing a trend of differentiation, where the core cities and economically developed regions are expected to lead the recovery momentum. As the market resources are continuously gathering towards advantageous enterprises, and the integration of the industry chain is accelerating, the real estate industry is presented with new opportunities and challenges.

### **(II) Possible risks and countermeasures**

#### **1. Macroeconomic risks and countermeasures**

Currently, the adverse effects of changes in the external environment are deepening, posing many difficulties and challenges to China's economic operation. However, the fundamentals of China's economy remain stable, with many advantages, strong resilience, and significant potential, and the long-term supportive conditions and basic trends for improvement have not changed. The real estate industry has a greater correlation with the macroeconomy and is more influenced by the macroeconomic cycle. 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 present, as existing policies continue to take effect, incremental policies are effectively implemented, and policy combination effects are continuously released, the real estate market is expected to stop declining and stabilize. But in the near future, the real estate industry still faces multiple risks and potential hazards, and the market competition landscape is also presenting a new scenario. The Company will closely monitor industry policies, align with national strategic directions, continuously optimize business development paths, and actively explore new operating models to better adapt to changes in the external environment.

## 3. Business operating risks and countermeasures

In the context of increasingly fierce competition in the real estate market, the Company currently lacks sufficient reserve of development land resources, and new business expansions have not yet achieved substantive results, all of which put pressure on business development. The Company will closely monitor market dynamics and industry policy trends and strive to promote project construction and real estate sales. It will formulate the land expansion plans in a targeted manner and strive to improve the quality and efficiency of existing assets. When solidifying the foundations of its main business, the Company also actively seeks innovative models and paths that align with its own development reality, in order to flexibly respond to market challenges and explore broader development space.

### (III) Development strategy and operating plan

**In 2025, the guiding ideology for SPG is:** Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we will thoroughly implement the guidelines of 20th National Congress of the Communist Party of China, the Second and Third Plenary Sessions of the 20th CPC Central Committee, the Central Economic Work Conference, and the important speeches of General Secretary Xi Jinping's important speeches. In accordance with the decisions and deployments of the Municipal Party Committee and Municipal Government, the State-owned Assets Supervision and Administration Commission, and SIHC's decision-making plans, we will adhere to the principles of seeking progress while maintaining stability and sustainable development. With Party building as the lead, we will adopt a holistic approach, deepen implementation, continuously improve the quality and investment value of listed companies, and strive to achieve better results in corporate stability and reform and development work.

**1. Make every effort to promote operations.** First, the Company will deepen its main business operations, focusing on the reduction of existing inventory to solidify the foundation for stable development; second, it will prioritize project construction to create high-quality projects that provide strong support for enterprise development; third, the focus will be on asset management to comprehensively improve service quality and efficiency, creating more value growth points; fourth, it will strengthen the operation of affiliated enterprises, stimulate their inherent potential and market competitiveness, thereby gathering a powerful synergy for enterprise development.

**2. Persevere in seeking development.** First, the Company will strengthen strategic guidance by maintaining close communication with the controlling shareholder and timely initiating the preparation of the "15th Five-Year Plan" strategy. This will help identify the core battlefield for future development and guide the in-depth progress of corporate reforms. Second, it will explore new paths for future development. That means the Company will seize high-quality investment opportunities, and expand a new frontier for enterprise development with a focus on the major topics outlined by the State-owned Assets Supervision and Administration Commission for the "15th Five-Year" period and the strategic direction of SIHC.

**3. Activate the internal vitality.** First, the Company will solidify the management foundation and focus on making the Company's operation more standardized. It will continuously improve the internal control system, strengthen the precision and efficiency of fund management, accelerate the construction process of the Group's information systems, so as to lay a solid foundation for the stable development of the Company. Second, the Company will improve management efficiency, optimize the assessment and incentive system, build a lean and efficient team, promote the Group's move towards refined management operations, and inject strong driving force into the Group's development.

**4. Persist in safeguarding safety over time.** First, the Company will focus on mitigating project risks, continuously promote the execution of judgments in the series of lawsuits related to Linxinyuan project, closely monitor policy trends, and promptly take measures to revitalize assets; second, it will focus on preventing safety



risks, comprehensively improve the quality of safety management, improve the safety management system, strive to achieve zero record of safety production responsibility accidents throughout the year; third, it will focus on controlling operational risks, prudently advance the reduction of existing real estate inventory, and accelerate the clearance of zombie enterprises.

**5. Strengthen the party building unshakably.** First, the Company will strengthen the education and management of teams of CPC members, and implement strict requirements; second, it will promote in-depth integration of party building and business, and enhance the brand effect of "one enterprise, one product" in party building; third, it will maintain a high-pressure stance on discipline and integrity, striving to create a clean and positive working atmosphere.

## 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
09 January 2024	The Company	By telephone	Individual	Individual investor	Inquire about the Company's operation status and strategic planning	N/A
11 January 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
15 January 2024	The Company	By telephone	Individual	Individual investor	Inquire about the Company's operation status	N/A
19 January 2024	The Company	By telephone	Individual	Individual investor	Inquire about the Company's future development planning	N/A
22 January 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
25 January 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
26 January 2024	The Company	By telephone	Individual	Individual investor	Inquire about the criteria for abnormal stock movements	N/A
29 January 2024	The Company	By telephone	Individual	Individual investor	Inquire about the Company's operation status	N/A
01 February 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
20 February 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
21 February 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
22 February 2024	The Company	By telephone	Individual	Individual investor	Inquire about the Company's operation status and strategic planning	N/A
01 March 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A

	any					
05 March 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
07 March 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
11 March 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
18 March 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
21 March 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
22 March 2024	The Company	By telephone	Individual	Individual investor	Inquire about the progress of non-compete commitment	N/A
25 March 2024	The Company	By telephone	Individual	Individual investor	Inquire about the progress of non-compete commitment	N/A
29 March 2024	The Company	By telephone	Individual	Individual investor	Inquire about the progress of non-compete commitment	N/A
26 March 2024	The Company	By telephone	Individual	Individual investor	Inquire about the Company's operation status	N/A
03 April 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
07 April 2024	The Company	By telephone	Individual	Individual investor	Inquire about the progress of non-compete commitment	N/A
08 April 2024	The Company	By telephone	Individual	Individual investor	Inquire about the progress of non-compete commitment	N/A
08 April 2024	The Company	By telephone	Individual	Individual investor	Inquire about the Company's operation status and strategic planning	N/A
10 April 2024	The Company	By telephone	Individual	Individual investor	Inquire about the Company's project sales	N/A
12 April 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
15 April 2024	The Company	By telephone	Individual	Individual investor	Inquire about the progress of non-compete commitment	N/A
17 April 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
17 April 2024	The Company	By telephone	Individual	Individual investor	Inquire about the regulations of the National Nine Positive Stimuli	N/A
18 April 2024	The Company	By telephone	Individual	Individual investor	Inquire about the Company's land reserve and project situation	N/A

	any					
23 April 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
23 April 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
08 May 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
10 May 2024	The Company	By telephone	Individual	Individual investor	Inquire about the progress of non-compete commitment	N/A
13 May 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of A-shareholders	N/A
16 May 2024	The Company	By telephone	Individual	Individual investor	Inquire about the Company's purchase of income-generating financial products	N/A
22 May 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
24 May 2024	The Company	By telephone	Individual	Individual investor	Consult delisting regulations	N/A
28 May 2024	The Company	By telephone	Individual	Individual investor	Inquire about the progress of non-compete commitment	N/A
04 June 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
11 June 2024	The Company	By telephone	Individual	Individual investor	Inquire about the recent status of State-owned Assets Supervision and Administration Commission of Shenzhen Municipality	N/A
12 June 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
17 June 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
21 June 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
28 June 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
02 July 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of A-share shareholders	N/A
05 July 2024	The Company	By telephone	Individual	Individual investor	Inquire about the progress of non-compete commitment and matters related to transfer agreements with controlling shareholders	N/A
08 July 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A

12 July 2024	The Company	By telephone	Individual	Individual investor	Inquire about the matter of non-compete commitment	N/A
12 July 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
22 July 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of A-share shareholders	N/A
1 August 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
5 August, 2024	The Company	By telephone	Individual	Individual investor	Inquire about the overall selection of the Company's management team	N/A
5 August, 2024	The Company	By telephone	Individual	Individual investor	Inquiry about the amendment of regulations	N/A
August 13, 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
16 August 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
21 August 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
26 August 2024	The Company	By telephone	Individual	Individual investor	Inquire about the progress of Company lawsuits	N/A
26 August 2024	The Company	By telephone	Individual	Individual investor	Inquire about the matters related to transfer agreements with controlling shareholders	N/A
September 02 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
September 03 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
09 June 2024	The Company	By telephone	Individual	Individual investor	Inquire about the matters related to transfer agreements with controlling shareholders	N/A
September 09 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
September 10 2024	The Company	By telephone	Individual	Individual investor	Inquire about the progress of non-compete commitment	N/A
September 11 2024	The Company	By telephone	Individual	Individual investor	Inquire about the matters related to transfer agreements with controlling shareholders	N/A
September 14 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
September 18 2024	The Company	By telephone	Individual	Individual investor	Inquire about the matters related to transfer agreements with controlling shareholders	N/A

September 23 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
8 October 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
October 10, 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
11 October 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
October 14, 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
October 15, 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
21 October 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
October 22, 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
October 28, 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
October 30, 2024	The Company	By telephone	Individual	Individual investor	Inquire about the Company's employees, cash flow, and future development	N/A
October 30, 2024	The Company	By telephone	Individual	Individual investor	Consult how to attend the on-site meeting of Shareholders' General Meeting	N/A
01 November 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
04 November 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
05 November 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
01 November 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
07 November 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
08 November 2024	The Company	By telephone	Individual	Individual investor	Consult online voting matters for Shareholders' General Meeting	N/A
November 11, 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
November 14, 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A

November 15, 2024	The Company	By telephone	Individual	Individual investor	Consult employee changes	N/A
November 21, 2024	The Company	By telephone	Individual	Individual investor	Consult litigation matters	N/A
November 29, 2024	The Company	By telephone	Individual	Individual investor	Consult future development direction	N/A
December 02, 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
December 04, 2024	The Company	By telephone	Individual	Individual investor	Consult future development direction	N/A
December 05, 2024	The Company	By telephone	Individual	Individual investor	Consult matters of investor reception day	N/A
December 09, 2024	The Company	By telephone	Individual	Individual investor	Consult personal stock ownership record matters	N/A
December 10, 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
December 11, 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
December 11, 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
December 13, 2024	The Company	Written inquiry	Individual	Individual investor	Inquire about the number of shareholders	N/A
December 23, 2024	The Company	By telephone	Individual	Individual investor	Inquire about the number of shareholders	N/A
December 25, 2024	The Company	By telephone	Individual	Individual investor	Consult litigation matters	N/A
December 26, 2024	The Company	By telephone	Individual	Individual investor	Consult future development direction	N/A

### **XIII The Formulation and Implementation of the Market Value Management System and Valuation Improvement Plan**

Has the Company established a market value management system?

Yes  No

Has the Company disclosed a valuation improvement plan?

Yes  No

### **XIV 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.

#### (I) 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.

#### (II) 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.

#### (III) 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.

#### (IV) 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 labour among them, they have worked diligently and conscientiously, and there has not existed any situation of "control under insiders".

Indicate by tick mark 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 labour, 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	Both the Company and Shenzhen Properties & Resources	1. Solution for industry competition between Shenzhen Property Management and SPG. For the existing businesses of Shenzhen Property Management that are in	For details, please refer to the <i>Announcement on the</i>

				<p>Development (Group) Ltd. (referred to as Shenzhen Property Management) are subsidiaries controlled by Shenzhen Investment Holdings Co., Ltd. Both the Company and Shenzhen Property Management are engaged in real estate development and commercial housing sales, which belong to the same industry and thus have a situation of horizontal competition.</p>	<p>competition with SPG, SIHC will initiate one or more practically operable solutions within the scope allowed by laws and regulations and complete the implementation of related solutions by 9 November 2026, to resolve the existing horizontal competition issue:</p> <p>(1) Solve the horizontal competition through asset sales or asset swaps; (2) Solve the horizontal competition through equity transfers, (3) Other measures that can effectively address the horizontal competition.</p> <p>2. Other commitments to avoid horizontal competition. As the controlling shareholder of the listed company and during the period when the listed company is listed on the Shenzhen Stock Exchange, companies, enterprises, and economic organizations controlled or actually controlled by SIHC (excluding enterprises controlled by the listed company, collectively referred to as "subsidiaries") will not engage in business directly competitive with the listed company in new business fields other than those where there is existing horizontal competition. SIHC commits not to seek unfair benefits through its status as the controlling shareholder of the listed company, thereby harming the rights and interests of the listed company and its shareholders. In case of violation of the above commitments, SIHC will bear the corresponding legal responsibilities, including but not limited to compensation for all losses caused to the listed company.</p>	<p><i>Commitment to Avoid Horizontal Competition from the Change of Controlling Shareholder</i> disclosed by the Company on 30 September 2024 (Announcement No.: 2024-035) and the Announcement on <i>Resolutions of the Third Extraordinary General Meeting of Shareholders in 2024</i> disclosed on 9 November 2024 (Announcement No.: 2024-041).</p>
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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 1st Extraordinary General Meeting of 2024	Extraordinary General Meeting	62.46%	22 February 2024	23 February 2024	For details, please refer to the Announcement on <i>Resolutions of the First Extraordinary General Meeting of</i>

					<i>Shareholders in 2024</i> (Announcement No.: 2024-005).
The 2023 Annual General Meeting	Annual General Meeting	62.48%	17 May 2024	18 May 2024	For details, please refer to the <i>Announcement on Resolutions at 2023 Annual General Meeting</i> (Announcement No.: 2024-020).
The 2nd Extraordinary General Meeting of 2024	Extraordinary General Meeting	62.55%	23 August 2024	24 August 2024	For details, please refer to the <i>Announcement on Resolutions of the Second Extraordinary General Meeting of Shareholders in 2024</i> (Announcement No.: 2024-027).
The 3rd Extraordinary General Meeting of 2024	Extraordinary General Meeting	6.30%	08 November 2024	09 November 2024	For details, please refer to the <i>Announcement on Resolutions of the Third Extraordinary General Meeting of Shareholders in 2024</i> (Announcement No.: 2024-041).

## 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
Tang Xiaoping	Male	54	Chairman of the Board	Incumbent	30 March 2023		0	0	0	0	0	
			Director	Incumbent	31 December 2020		0	0	0	0	0	
			GM	Incumbent	14 December 2020		0	0	0	0	0	
Qian Zhong	Male	51	Director	Incumbent	12 September 2023		0	0	0	0		

Wang Jianfei	Male	52	Director	Incumbent	11 October 2021		0	0	0	0	0	
			CFO	Incumbent	22 September 2021		0	0	0	0	0	
Zhang Manhua	Male	50	Director	Incumbent	30 March 2023		0	0	0	0	0	
Li Wenkun	Male	51	Director	Incumbent	30 November 2023		0	0	0	0	0	
Meng Fei	Male	49	Director	Incumbent	23 August 2024		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	
Liu Haifeng	Male	53	Independent director	Incumbent	17 May 2024		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	
Lu Haiyan	Female	48	Supervisor	Incumbent	28 March 2023		200	0	0	0	200	
Xu Fangming	Female	48	Supervisor	Incumbent	15 May 2024		0	0	0	0	0	
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	53	Vice GM	Incumbent	29 July 2022		0	0	0	0	0	
Luo Yi	Male	51	Board Secretary	Incumbent	31 December 2020		0	0	0	0	0	
Sun Minghui	Male	43	Director	Former	31 December 2020	23 August 2024	0	0	0	0	0	
Kang Xiaoyue	Male	60	Independent director	Former	15 May 2018	17 May 2024	0	0	0	0	0	

Lin Jun	Female	55	Supervisor	Former	27 April 2016	15 May 2024	0	0	0	0	0	
Total	--	--	--	--	--	--	200	0	0	0	200	--

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

Yes  No

1. Mr. Sun Minghui will no longer serve as a director of the Company due to changes in work, nor will he hold any other positions in the Company. For specific details, please refer to the *Announcement on Resolutions of the Second Extraordinary General Meeting of Shareholders in 2024* disclosed by the Company on 24 August 2024 (Announcement No.: 2024-027).

2. Mr. Kang Xiaoyue will no longer serve as Independent Director of the Company upon completing six consecutive years of service, nor will he hold any other positions in the Company. For specific details, please refer to the *Announcement on Resolutions at 2023 Annual General Meeting* disclosed by the Company on 18 May 2024 (Announcement No.: 2024-020).

3. Ms. Lin Jun will no longer serve as Employee Supervisor of the Company due to retirement, nor will she hold any other positions in the Company. For specific details, please refer to the *Announcement on the Change of Employee Supervisor of the Eighth Board of Supervisors* disclosed by the Company on 18 May 2024 (Announcement No.: 2024-019).

Change of Directors, Supervisors and Senior Management

Applicable  Not applicable

Name	Office title	Type of change	Date of change	Reason
Sun Minghui	Director	Former	23 August 2024	Job transfer
Meng Fei	Director	Elected	23 August 2024	
Kang Xiaoyue	Independent director	Former	17 May 2024	Served as an independent director of the Company for six consecutive years
Liu Haifeng	Independent director	Elected	17 May 2024	
Lin Jun	Employee supervisor	Former	15 May 2024	Retirement
Xu Fangming	Employee supervisor	Elected	15 May 2024	

## 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 once acted as Chief Financial Officer and head of the Financial Department of Shenzhen Great Wall Runda Asset Management Co., Ltd., head of Financial Operation Management Department of Shenzhen External Service Group Co., Ltd. and Executive Director of Shenzhen Foreign Affairs Service Center, Manager, Deputy General Manager, Board Secretary, and Deputy Secretary of the Party Committee of the Company's Budget and Finance Department; currently serves as the Company's Secretary of the CPC Committee, Chairman, and General Manager.

**Qian Zhong:** He once acted as the Director of the Board of Directors Office (Strategy Research Office), Member of the Discipline Inspection Committee, and the Head of the Operation Management Department of Shenzhen Properties & Resources Development (Group) Ltd.; currently serving as the Deputy Secretary of the CPC, Director, and Chairman of the Trade Union Confederation of the Company.

**Wang Jianfei:** He once acted as the Head of the Financial Management Department of Shenzhen Construction Development (Group) Company, Deputy General Manager of Hubei Shentou Control Investment Development Co., Ltd.; currently serving as Director, Chief Financial Officer, and Member of the Party Committee of the

Company, and Director and Chief Financial Officer of Shenzhen General Institute of Architectural Design and Research Co., Ltd.

**Zhang Manhua:** He once acted the Head of the Investment Department of Century Science & Technology Investment Corporation, Deputy Head of the Strategy Development Department and Deputy Head of the Capital Operation Department of Shenzhen Investment Holdings Co., Ltd.; currently serving as Head of the Legal and Risk Management Department of Shenzhen Investment Holdings Co., Ltd., Deputy Secretary of the Party Committee, Director, and General Manager of Shenzhen Bay Technology Development Co., Ltd., and 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.

**Meng Fei:** He previously worked at Shenzhen Tianhong Shopping Mall Co., Ltd. and Shenzhen Press Group, and served as a Senior Manager in the Financial Department of Shenzhen Investment Holdings Co., Ltd.; currently serving as Deputy Head of the Financial Department (Settlement Center) of Shenzhen Investment Holdings Co., Ltd. and Director of the Company.

**He Zuowen:** he once worked as Associate Professor of Accounting at Changsha University of Science & Technology (formerly Changsha Electric Power Institute), Partner at Shenzhen Huapeng Accounting Firm, Head of the Shenzhen branch of Beijing Zhongtian Huazheng Certified Public Accountants (now Da Hua Certified Public Accountants LLP), Partner at Lixin Accounting Firm; currently serving as Partner, Member of the Partner Management Committee, and Secretary of the Party Branch of Zhengdan Zhiyuan (Shenzhen) Certified Public Accountants (Special General Partnership), Chairman of Shenzhen Tianye Taxation Firm Co., Ltd., and Independent Director of Shenzhen Ruijie Technology Co., Ltd. and the Company. Major social positions include: Off-campus Master's Tutor at Shenzhen University, Member of the Shenzhen Institute of Certified Public Accountants Industry Committee of the Communist Party of China, Expert in Expert Database of Shenzhen State-owned Assets Supervision and Administration Commission, Shenzhen Development and Reform Commission, Shenzhen Science and Technology Innovation Commission, Shenzhen Radio and Television Culture, Tourism and Sports Bureau, and Shenzhen United Property And Share Rights Exchanged.

**Xuemin Mi:** he once worked as a lecturer and associate professor at Shenzhen University, holds a PhD in Management from Xiamen University, a postdoctoral fellowship in Applied Economics from Xiamen University, and was a visiting scholar at the University of Exeter's Department of Accounting in the UK. He is currently a professor and doctoral supervisor at Shenzhen University, as well as the Deputy Director of the Risk Research Center of Shenzhen University. He also serves as an independent director at Shenzhen Farben Information Technology Co., Ltd., OFILM Group Co., Ltd., and the Company.

**Haifeng Liu:** he once served as a partner at Guangdong Xintong Law Firm; currently a primary partner at Guangdong Hancheng Law Firm and an independent director at Shenzhen CEREALS HOLDINGS Co., Ltd., CR Trust, and the Company.

**Jiangtao Wang:** he once worked as the Executive Deputy General Manager and Party Branch Secretary of Shenzhen Foreign Economic and Trade Investment Company, Director, Secretary of the Discipline Inspection Commission and Party Commission, and Chairman of the Supervisory Board of Shenzhen General Institute of Architectural Design and Research Co., Ltd.; currently serves as the Secretary of the Discipline Inspection Commission, Chairman of the Supervisory Board, and a member of the Party Committee 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.

**Junfeng Wei:** he once worked as the Deputy Head of the Strategy Research Department (Board of Directors Office) at Shenzhen Investment Holdings Co., Ltd.; currently serves as the Deputy Party Secretary and Director of Shenzhen Textile (Holdings) Co., Ltd., and is a supervisor at the Company.

**Haiyan Lu:** he once worked as the Deputy Head of the Finance Department and the Strategy Development Department (Board of Directors Office) of Shenzhen Foreign Service Group Co., Ltd.; currently a supervisor and the Deputy Head of the Audit Department (in charge) of the Company.

**Fangming Xu:** he once worked as the Contract Manager of the Cost Control Department of the Company; currently a supervisor and the Deputy Head of Disciplinary Inspection & Supervision Office (Board of Supervisors Office) (in charge of comprehensive work) of the Company.

**Hongwei Zhang:** he once worked as the General Manager of Shenzhen Urban Construction Investment Development Co., Ltd. and Hefei Ruifa Urban Construction Investment and Development Co., Ltd., and Manager of the Development Department, Sales Department, Project Department II, and Engineering Management Department of this Company; currently the Deputy General Manager and a member of the Party Committee of this Company, Chairman of Jianbang Company, and General Manager 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
Zhang Manhua	Shenzhen Investment Holdings Co., Ltd	Head of Legal and Risk Management	19 October 2018		Yes
Meng Fei	Shenzhen Investment Holdings Co., Ltd	Deputy Head of the Finance Department (Settlement Center)	September 15 2017		Yes
Li Yufei	Shenzhen Investment Holdings Co., Ltd	Deputy Director of Discipline Inspection Office	9 July 2015		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
Wang Jianfei	Shenzhen Architecture Design General Research Institute	Director and CFO	21 December 2023		No
Zhang Manhua	Shenzhen Properties & Resources Development (Group) Ltd.	Supervisor	31 July 2014		No
Zhang	Shenzhen Architecture	Director	11 July 2017		No

Manhua	Design General Research Institute				
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
Zhang Manhua	Guotai Junan Securities Co.,Ltd.	Director	18 January 2024		No
Zhang Manhua	Shenzhen Bay Technology Development Co., Ltd.	Deputy secretary of the Party Committee, Director and general manager	December 19, 2024		No
Zhang Manhua	Shenzhen Chuangke Park Investment Co., Ltd.	Chairman of the Board, GM	December 19, 2024		No
Li Wenkun	Shenzhen Water Planning and Design Institute Co., Ltd.	Director	4 September 2023		No
Meng Fei	Shenzhen Hi-tech Zone Investment Development Group Co., Ltd.	Supervisor	25 November 2022		No
Meng Fei	Shenzhen TopoScend Capital Co., Ltd.	Supervisor	17 October 2017		No
Meng Fei	Shenzhen Investment Control Hong Kong Investment Holdings Co., Ltd.	Director	18 July 2024		No
Meng Fei	Shenzhen Textile (Holdings) Co., Ltd.	Director	23 July 2024		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
Wei Junfeng	Shenzhen Textile (Holdings) Co., Ltd.	Deputy Party Committee Secretary and Director	18 February 2025		Yes

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	105.85	No
Qian Zhong	Male	51	Director	Incumbent	70.01	No
Wang Jianfei	Male	52	Director and CFO	Incumbent	104.4	No
Zhang Manhua	Male	50	Director	Incumbent	0	Yes
Li Wenkun	Male	51	Director	Incumbent	0	Yes
Meng Fei	Male	49	Director	Incumbent	0	Yes
He Zuowen	Male	62	Independent director	Incumbent	12	No
Mi Xuming	Male	49	Independent director	Incumbent	12	No
Liu Haifeng	Male	53	Independent director	Incumbent	7	No
Wang Jiangtao	Male	58	Chairman of the Supervisory Committee	Incumbent	103.2	No
Li Yufei	Female	46	Supervisor	Incumbent	0	Yes
Wei Junfeng	Male	45	Supervisor	Incumbent	0	Yes
Lu Haiyan	Female	48	Supervisor	Incumbent	46.44	No
Xu Fangming	Female	48	Supervisor	Incumbent	29.41	No
Zhang Hongwei	Male	58	Vice GM	Incumbent	90	No
Huang Weijun	Male	52	Vice GM	Incumbent	90	No
Wu Zhiyong	Male	53	Vice GM	Incumbent	90	No
Luo Yi	Male	51	Board Secretary	Incumbent	61.44	No
Sun Minghui	Male	43	Director	Former	0	Yes
Kang Xiaoyue	Male	60	Independent director	Former	5	No
Lin Jun	Female	55	Supervisor	Former	30.51	No
Total	--	--	--	--	857.26	--

Other notes

Applicable  Not applicable

1. The remuneration data of directors, supervisors and senior management disclosed by the Company is the monthly salaries of the current year + the performance bonus for the previous year paid in the current year.

2. Qian Zhong, Deputy Secretary of the Party Committee and Director, took office in July 2023 and was transferred from an external unit. In 2023, only monthly salaries were paid by the Company. In 2024, in addition to monthly salaries, the performance bonus for

2023 was also paid.

## VI Performance of Duty by Directors in the Reporting Period

### 1. Board Meeting Convened during the Reporting Period

Meeting	Convened date	Disclosure date	Index to disclosed information
The 8th Meeting of the 8th Board of Directors	29 March 2024	30 March 2024	Details are shown in <i>Announcement of Resolutions of the Eighth Meeting of the Eighth Board of Directors</i> (Announcement No. 2024-006)
The 9th Meeting of the 8th Board of Directors	26 April 2024	27 April 2024	Details are shown in <i>Announcement of Resolutions of the Ninth Meeting of the Eighth Board of Directors</i> (Announcement No. 2024-013)
The 10th meeting of the eighth session of the Board	2 August 2024	3 August 2024	Details are shown in <i>Announcement of Resolutions of the Tenth Meeting of the Eighth Board of Directors</i> (Announcement No. 2024-023)
The 11th Meeting of the eighth session of the Board	23 August 2024	24 August 2024	Details are shown in <i>Announcement of Resolutions of the Eleventh Meeting of the Eighth Board of Directors</i> (Announcement No. 2024-028)
The 12th Meeting of the eighth session of the Board	18 September 2024	19 September 2024	Details are shown in <i>Announcement of Resolutions of the Twelfth Meeting of the Eighth Board of Directors</i> (Announcement No. 2024-032)
The 13th Meeting of the eighth session of the Board	30 September 2024	30 September 2024	Details are shown in <i>Announcement of Resolutions of the Thirteenth Meeting of the Eighth Board of Directors</i> (Announcement No. 2024-033)
The 14th Meeting of the eighth session of the Board	30 October 2024	31 October 2024	See <i>Resolution Announcement of the Fourteenth Board Meeting</i> (Announcement No. 2024-038)
The 15th Meeting of the eighth session of the Board	22 November 2024	23 November 2024	Details are shown in <i>Announcement of Resolutions of the Fifteenth Meeting of the Eighth Board of Directors</i> (Announcement No. 2024-042)

### 2. Attendance of Directors at Board Meetings and General Meetings

Attendance of directors at board meetings and general meetings							
Director	Total number of board meetings the director was eligible to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings attended through a proxy	Board meetings the director failed to attend	The director failed to attend two consecutive board meetings (yes/no)	General meetings attended
Tang Xiaoping	8	2	6	0	0	No	4
Qian Zhong	8	2	6	0	0	No	4
Wang Jianfei	8	2	6	0	0	No	4
Zhang Manhua	8	0	8	0	0	No	0
Li Wenkun	8	1	7	0	0	No	2
Meng Fei	5	0	5	0	0	No	0
He Zuowen	8	2	6	0	0	No	4

Mi Xuming	8	1	7	0	0	No	3
Liu Haifeng	6	1	5	0	0	No	2
Sun Minghui	3	1	2	0	0	No	0
Kang Xiaoyue	2	1	1	0	0	No	1

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	Convened date	Content	Important opinions and suggestions raised	Other information about the performance of duty	Details about issues with objections (if any)
Audit Committee of the Board of Directors	He Zuowen, Sun Minghui, Mi Xuming	5	9 January 2024	The schedule for the 2023 annual financial statements and internal control audit, important audit matters, key areas of focus, and proposed audit	The schedule, important audit matters, key areas of focus, and proposed audit procedures for the 2023 financial statements and internal control audit conducted by Pan-China Certified Public Accountant (LLP) were agreed upon.		

				procedures was reviewed.		
He Zuowen, Sun Minghui, Mi Xuming	5	18 March 2024	Deliberation on the audit of the 2023 annual financial report	The draft audit report prepared by Pan-China Certified Public Accountant (LLP) complies with the various provisions of enterprise accounting standards and truly and completely reflects the company's financial status as of 31 December 2023, as well as the operating results and cash flows for the year 2023. The audit work for the 2023 financial report was completed well.		
He Zuowen, Sun Minghui, Mi Xuming	5	22 March 2024	The 2023 annual financial report statement and financial information in the 2023 annual report, the 2023 internal control self-assessment report, proposal on the provisions for credit impairment and asset impairment for the year 2023 were reviewed	<p>1. The Company's financial statements are prepared in accordance with the provisions of enterprise accounting standards in all material respects, and are true, reliable, and complete. The 2023 audit report prepared by Pan-China Certified Public Accountant (LLP) fairly reflects the Company's financial status, operating results, and cash flows for 2023 in all material respects.</p> <p>2. The Company's 2023 <i>Internal Control Self-assessment Report</i> comprehensively, objectively, and truly reflects the actual situation of internal control in 2023. 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. During the reporting period, no significant deficiencies or material weaknesses in internal controls over financial reporting were identified within the company, and no significant deficiencies or material weaknesses in internal controls outside of financial reporting were found.</p> <p>3. The provisions for credit impairment and asset impairment for the year 2023 by the company are conducted in accordance with and comply with the provisions of the Accounting Standards for Business Enterprises and the relevant company policies. The basis for these provisions is sufficient and aligns with the Company's operational status. This provision for credit and asset impairment is based on the principle of prudence, helping to more fairly reflect the Company's financial status and operating results as of 31 December 2023, making the Company's accounting information more reasonable.</p>		
He Zuowen, Sun Minghui,	5	19 April 2024	Deliberation on First Quarter 2024 Report	The First Quarter 2024 Report truly, accurately, and completely reflects the Company's financial status, operating results, and cash flow for the first quarter		

	Mi Xuming				of 2024, and approval is given to submit the relevant proposals to the Company's Board of Directors for review.		
	He Zuowen, Sun Minghui, Mi Xuming	5	26 July 2024	Deliberation on the proposed renewal of the audit firm	It was agreed to appoint Pan-China Certified Public Accountant (LLP) as the auditing firm for the Company's financial report and internal control audit for the year 2024. The audit fees are set at RMB720,000, of which the fee for the financial report audit is RMB510,000, and the fee for the internal control audit is RMB210,000.		
	He Zuowen, Mi Xuming, Meng Fei	2	23 August 2024	Deliberation on the Semi-annual Report for 2024, the Report on Internal Audit for the first half of 2024, and other matters.	1. The Semi-annual Report for 2024 was considered to truly, accurately, and completely reflect the Company's financial status, operating results, and cash flow for the first half of 2024. It was agreed to submit the relevant proposals to the Company's Board of Directors for review. 2. Recognition was given to the internal audit work carried out in the first half of 2024, and it was required to carry out audit work in accordance with the work plan requirements in the second half of the year.		
	He Zuowen, Mi Xuming, Meng Fei	2	October 30, 2024	Deliberation on Third Quarter 2024 Report, the Report on Internal Audit Work for the third quarter of 2024, and other items.	1. The Third Quarter 2024 Report was considered to truly, accurately, and completely reflect the Company's financial status, operating results, and cash flow. It was agreed to submit the relevant proposals to the Company's Board of Directors for review. 2. Recognition was given to the internal audit work carried out in the third quarter of 2024, and it was required to continue carrying out audit work in accordance with the work plan.		
Remuneration and Appraisal Committee of the Board of Directors	Mi Xuming, Wang Jianfei, He Zuowen	3	29 March 2024	The annual compensation of directors and senior management disclosed in the 2023 annual report was reviewed	The compensation decision-making process for the Company's directors, supervisors, and senior management members complies with regulations. The compensation standards for directors, supervisors, and senior management members align with the established compensation system. The compensation information disclosed in the 2023 annual report is true and accurate.		
Remuneration and Appraisal Committee of the	Mi Xuming, Wang Jianfei, He Zuowen	3	19 April 2024	Tenure assessment results for senior management members for the 2021-2023 term were reviewed.	This decision-making process for the tenure assessment of senior management for the 2021-2023 term complies with the <i>Implementation Plan for Senior Management's 2021-2023 Tenure Assessment</i> . There is no situation that damages the interests of the Company and shareholders.		

Board of Directors							
Remuneration and Appraisal Committee of the Board of Directors	Mi Xuming, Wang Jianfei, He Zuowen	3	September 18 2024	The letter of responsibility for annual business performance about senior management members in 2024 was reviewed	The letter of responsibility for annual business performance about senior management members in 2024 meets the requirements of the performance assessment indicators for 2024. It is aligned with the key work points for the year and the division of responsibilities among the leadership team members. The agreement demonstrates good scientific and rational principles and does not harm the interests of the company and its shareholders, particularly the interests of minority shareholders.		
Nomination Committee of the Board of Directors	Kang Xiaoyue, Qian Zhong, He Zuowen	1	19 April 2024	The proposed change of independent director matter was reviewed.	It was agreed to nominate Mr. Liu Haifeng as a candidate for the Company's independent director.		
	Liu Haifeng, Qian Zhong, He Zuowen	1	26 July 2024	The overall selection and appointment work plan for the management team, and propose to change directors and other matters were reviewed	<p>1. It is believed that the <i>Overall Selection and Appointment Work Plan for the Management Team of ShenZhen Special Economic Zone Real Estate &amp; Properties (Group) Co., Ltd.</i> is formulated in accordance with the laws, administrative regulations, departmental rules, normative documents, and the Articles of Association. It meets the policy and work requirements set by higher authorities regarding the overall selection of corporate management teams and aligns well with the actual situation of the company, demonstrating good scientific and rational principles.</p> <p>2. It is agreed to nominate Mr. Meng Fei as a candidate for the Company's Board of Directors.</p>		

## 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	98
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Number of in-service employees of major subsidiaries at the period-end	135
Total number of in-service employees at the period-end	233
Total number of paid employees in the Reporting Period	233
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	0
Functions	
Function	Employees
Production	93
Sales	26
Technical	14
Financial	25
Administrative	75
Total	233
Educational backgrounds	
Category	Number
Doctors	3
Masters	20
Bachelors	107
College graduates	51
Technical secondary school graduates	5
High school graduates and below	47
Total	233

## 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 formulates an annual training plan based on the *Employee Training Management Measures*. The Company implements training for current employees through methods such as internal training, inviting experts for on-site lectures, or participating in specialized external training programs. This training covers aspects such as job knowledge, professional skills, regulations, and business processes. The goal is to enrich and update employees' professional knowledge, enhance their overall quality, and improve their business skills.

## 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. The Company has maintained effective internal controls over financial reporting in all significant aspects according to the requirements of the corporate internal control standards and relevant regulations. No significant deficiencies in non-financial reporting internal controls have been identified, and no factors have occurred that would impact the conclusions regarding the effectiveness of internal controls. 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**

Company name	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	22 March 2025
Index to the disclosed internal control self-evaluation report	2024 Internal Control Self-Evaluation Report on www.cninfo.com.cn
Evaluated entities' combined assets as % of consolidated total assets	84.49%



Evaluated entities' combined operating revenue as % of consolidated operating revenue		99.74%
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, based on the actual situation, identifies the following events or signs that may indicate the presence of significant or material deficiencies in financial reporting: (1) The directors, supervisors and senior management are found to have fraudulent behavior. (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. Generally, the presence of the following signs indicates that there may be major or significant deficiencies in the non-financial report internal control: (1) lack of democratic decision-making procedures, such as lack of decision-making on major issues, important appointments or dismissals, significant project investment decisions, use of large funds (Three Major and One Big) decision-making procedures; (2) unscientific decision-making procedures, such as major decision-making errors resulting in significant property losses for the Company; (3) serious violations of national laws and regulations; (4) key management personnel or important talents leaving in large numbers; (5) frequent negative media reports with a broad impact; (6) failure to rectify the results of internal control evaluation, especially major or significant deficiencies; (7) lack of systematic control over important businesses or systemic failure of systems.
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 internal control not related to financial reporting		0

## 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 <i>Basic Standards for Internal Control</i> and relevant regulations.

Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	22 March 2025
Index to such report disclosed	<i>Report on Internal Control</i> 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**

During the reporting period, the Company did not have any issues that needed rectification after self-examination.

## 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

For details, please refer to the 2024 Environmental, Social and Corporate Governance (ESG) Report disclosed on Cninfo (www.cninfo.com.cn).

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

Applicable  Not applicable

Reason for failure of disclosing other environmental information

Not applicable

### 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 2024 *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 2024 *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	Commitment has been changed. For details, please refer to the <i>Announcement on the Commitment to Avoid Horizontal Competition from the Change of Controlling Shareholder</i> disclosed by the Company on 30 September 2024 (Announcement No.: 2024-035) and the <i>Announcement on Resolutions of the Third Extraordinary General Meeting of Shareholders in 2024</i> disclosed on 9 November 2024 (Announcement No.: 2024-041).
Other commitments made to minority interests			1. Solution for industry competition between Shenzhen Property Management and SPG. For the existing businesses of Shenzhen Property Management that are in competition with SPG, SIHC will initiate one or more practically operable solutions within the scope allowed by laws and regulations and complete the implementation of related solutions by 9 November 2026, to resolve the existing horizontal competition issue: (1) Solve the horizontal competition through asset sales or asset swaps; (2) Solve the horizontal competition through equity transfers, (3) Other measures that can effectively address the horizontal competition.	26 September 2024	Before 9 November 2026	In performance
Other commitments			2. Other commitments to avoid horizontal competition. As the controlling shareholder of the listed company and during the period when the listed	26 September 2024	As a controlling	In performance

made to minority interests		company is listed on the Shenzhen Stock Exchange, companies, enterprises, and economic organizations controlled or actually controlled by SIHC (excluding enterprises controlled by the listed company, collectively referred to as "subsidiaries") will not engage in business directly competitive with the listed company in new business fields other than those where there is existing horizontal competition. SIHC commits not to seek unfair benefits through its status as the controlling shareholder of the listed company, thereby harming the rights and interests of the listed company and its shareholders. In case of violation of the above commitments, SIHC will bear the corresponding legal responsibilities, including but not limited to compensation for all losses caused to the listed company.		shareholder of a publicly listed company during its listing period on the Shenzhen Stock Exchange	
Fulfilled on time					Yes
Specific reasons for failing to fulfil 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 specific details, please refer to "III. Important Accounting Policies and Accounting Estimates" of "Part X Financial Statements", specifically in "(32) Changes in Important Accounting Policies".

## VII YoY Changes to the Scope of the Consolidated Financial Statements

Applicable  Not applicable

Reduction in consolidation scope

Company name	Equity disposal method	Equity disposal date	Net assets on disposal date	Net profit from the beginning of the period to the disposal date
Xin Feng Enterprise Co., Ltd.	Liquidation and cancellation	January 2024	RMB692200	0

## VIII Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	Pan-China Certified Public Accounts 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	2
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Wang Huansen, and Cai Xiaodong
How many consecutive years the certified public accountants from the domestic independent auditor have provided audit service for the Company	2

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

Yes  No

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	Involve	Prov	Progress	Decisions and effects	Execution of	Disclosur	Index to
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informati on	d amount (RMB' 0,000)	ision			decisions	e date	disclosed information
Xi'an Project Lawsuit	2,154	No	End this 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 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.	In 2004, the Shaanxi Higher People's Court legally auctioned all assets of the trading company, with Xi'an Xinfeng Property Trading Co., Ltd. receiving RMB15,201,000 million. Currently, the trading company has no enforceable assets left, and the Xi'an Municipal Bureau of Commerce has consistently refused to comply with the judgment, making further claims difficult to pursue. This case is at the end of the execution stage.	24 August 2024	The 2024 Semi-Annual Report (Announcem ent No.: 2024-031) disclosed on cninfo.com.c n
Lawsuit of bill dispute	17,715. 14	No	In execution	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 Group should pay the acceptance bill amount and interest.	Huizhou Mingxiang Economic Information Consulting Co., Ltd., Huizhou Huiyang Hongfa Industry & Trade Co., Ltd., and Huizhou Jinlongsheng Industrial Co., Ltd. have applied for execution to the Huizhou Intermediate People's Court.	24 August 2024	The 2024 Semi-Annual Report (Announcem ent No.: 2024-031) disclosed on cninfo.com.c n
Contractual disputes	39,568. 85	No	In execution	In January 2024, the Company received a civil judgment of the first instance issued by the	The Company has applied to the court to	3 February 2024	Announceme nt on the Progress of

over loans				Shenzhen Luohu District People's Court. The Company won the case and has applied to the Luohu District People's Court of Shenzhen for compulsory execution.	freeze the corresponding assets.		<i>Litigation Matters</i> (No.: 2024-003) on www.cninfo.com.cn
Joint venture and cooperative real estate development contract disputes	74,357.5	No	In the second instance	On 8 January 2025, the Company received the first-instance civil judgment in this case. The judgment made by the Huizhou Intermediate People's Court supported some of the company's litigation requests. On 22 January 2025, the Company appealed against the claims not supported and the case entered the second instance stage. No second-instance judgment has been made in this case.	In the second instance.	8 December 2023	<i>Announcement on Litigation Matters</i> (No.: 2023-048) on www.cninfo.com.cn
Contractual disputes over loans	41,952.29	No	In execution	The second-instance ruling for this case was received in October 2024, and because the defendant did not pay the appeal fee, it was treated as a withdrawal of the appeal. The Company won this case and has applied for compulsory execution.	The Company has applied to the court to freeze the corresponding assets.	13 January 2024	<i>Announcement on Litigation Matters</i> (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	Disclosure date of the	Line of guarantee	Actual occurrence date	Actual guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related

	guarantee line announcement			amount						party or not
Guarantees provided by the Company as the parent for its subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Shenzhen SPG Chuanqi Real Estate Development Co., Ltd.	18 March 2022	50,000	17 June 2022	3,343.8	Pledge	The Company holds 100% equity interests in Shenzhen SPG Chuanqi Real Estate Development Co., Ltd.		From the date of signing the guarantee contract to the date when all guaranteed debts are unconditionally and irrevocably paid off in full.	No	No
Total approved line for such guarantees in the Reporting Period (B1)		50,000		Total actual amount of such guarantees in the Reporting Period (B2)		3,343.8				
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)		3,343.8				
Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or 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)		3,343.8				

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)	3,343.8
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets		0.95%	
Of which:			

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	98,780.19	98,780.19	0	0
Total		98,780.19	98,780.19	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

SIHC, the controlling shareholder of the Company, intends to transfer 71,498,100 shares of the Company (7.07% of the total share capital of the Company) held by it to China Orient Asset Management Co., Ltd. through transfer by agreement. This share transfer by agreement is subject to the approval by the concerned state-owned assets regulatory authority, the compliance confirmation by the Shenzhen Stock Exchange, and the application for share transfer registration with China Securities Depository and Clearing Corporation Limited. Therefore, it is still uncertain whether this share transfer by agreement can be successfully completed. For details, please refer to the Suggestive Announcement on Transfer by Agreement of Part of the *Company's Shares by the Controlling Shareholder and Consequent Change in Equity* (Announcement No.: 2024-021) disclosed by the Company on 29 June 2024.

## **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 (%)
I Restricted shares	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
1 Shares held by the state	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
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%
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%
4 Oversea shareholdings	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Among which: shares	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

held by oversea legal person									
Shares held by oversea natural person	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
II Unrestrict ed 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%
1 RMB ordinary shares	891,660,0 00.00	88.14%	0.00	0.00	0.00	0.00	0.00	891,660,0 00.00	88.14%
2 Domestic ally listed foreign shares	120,000,0 00.00	11.86%	0.00	0.00	0.00	0.00	0.00	120,000,0 00.00	11.86%
3 Oversea listed foreign shares	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
4 Other	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
III 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 at the period-end	40,335	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	39,791	Number of preferred shareholders with resumed voting rights at the period-end	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	Shareholding percentage	Number of shareholding at the end of the Reporting Period	Increase and decrease of shares during Reporting Period	Restricted shares held	Number of unrestricted shares	Shares in pledge, marked or frozen	
							Status	Shares
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	1.33%	13,498,017	2361040	0	13,498,017	N/A	0
Wang Yulan	Domestic natural person	0.62%	6,228,591	1801400	0	6,228,591	N/A	0
Zhang Xiujuan	Domestic natural person	0.48%	4,829,700	69300	0	4,829,700	N/A	0
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	0.42%	4,201,303	54500	0	4,201,303	N/A	0
He Qiao	Domestic natural person	0.37%	3,791,900	-96986	0	3,791,900	N/A	0

Wang Zhengying	Domestic natural person	0.29%	2,961,900	43800	0	2,961,900	N/A	0
Zhang Zi	Domestic natural person	0.26%	2,671,200	86500	0	2,671,200	N/A	0
Zang Xiangfeng	Domestic natural person	0.24%	2,457,563	392400	0	2,457,563	N/A	0
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue			N/A					
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 <i>Administrative Measures for the Acquisition of Listed Companies</i> .					
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights			N/A					
Special account for share repurchases among the top 10 shareholders			N/A					
Shareholdings of Top Ten Unlimited Shareholders (Excluding Shares Lent through Refinancing and Management Lock-up Shares)								
Name of shareholder	Unrestricted shares held at the period-end	Shares by type						
		Shares by 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	13,498,017	RMB ordinary shares	13,498,017					
Wang Yulan	6,228,591	RMB ordinary shares	6,228,591					
Zhang Xiujuan	4,829,700	RMB ordinary shares	4,829,700					
Hong Kong Securities Clearing Company Ltd.	4,201,303	RMB ordinary shares	4,201,303					
He Qiao	3,791,900	RMB ordinary shares	3,629,500					
He Qiao	3,791,900	Domestically listed foreign shares	162,400					
Wang Zhengying	2,961,900	RMB ordinary shares	2,961,900					
Zhang Zi	2,671,200	RMB ordinary shares	2,671,200					
Zang Xiangfeng	2,457,563	RMB ordinary shares	2,457,563					
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, the shareholder ranked 3rd holds 9,804,200 shares in a credit securities account, the 5th ranked shareholder holds 4,760,400 shares in a credit securities account, the 7th ranked shareholder holds 3,332,000 shares in a credit securities account, the 8th ranked shareholder holds 2,961,900 shares in a credit securities account, the 9th ranked shareholder holds 2,581,600 shares in a credit securities account, and the 10th ranked shareholder holds 2,065,163 shares in a credit securities account.							

Participation of Shareholders with a Shareholding Bigger Than 5%, the Top Ten Shareholders, and the Top Ten Shareholders of Non-restricted Tradable Shares in the Lending of Shares Through Refinancing



Applicable  Not applicable

Changes in the top ten shareholders and the top ten shareholders of non-restricted tradable shares from the previous reporting period due to lending/return through refinancing

Applicable  Not applicable

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	914403007675664218	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	303,140,000 shares in SZPRD A (000011), representing a stake of 50.86%; 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 5.29%; Guosen Securities (002736), holding 3,223.12 million shares, 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 43.95%; 606.65 million shares in Lihexhichuang (002243), representing a stake of 50.11%; 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 3.84%; 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 8.28%;			

	456,121,900 shares in CHINA MERCHANT'S SHEKOU HOLDINGS (001979), representing a stake of 5.03%.
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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

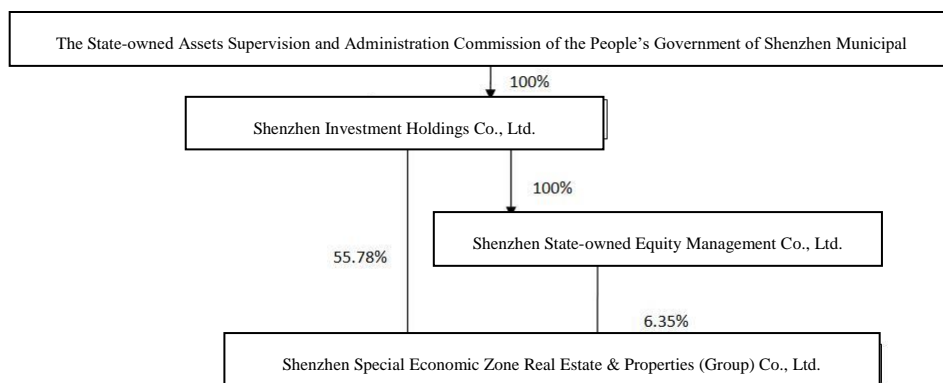
Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
The State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal	Yang Jun	31 July 2004	K3172806-7	Perform the responsibilities 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	21 March 2025
Name of the audit institution	Pan-China Certified Public Accounts LLP
Number of the audit report	PCCPAAR [2025] No. 7-47
Name of the certified public accountants	Wang Huansen, and Cai Xiaodong

Text of the Auditor's Report

### Auditor's Report

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, 2024, 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, 2024, 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 2024, the operating revenue amounted to 407,022,191.44 yuan, of which, 162,523,053.49 yuan was from the real estate sales, accounting for 39.93%, and 160,327,744.72 yuan was from engineering construction, accounting for 39.39%.

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 House sales contract 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 House sales contract, 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, 2024, the book balance of inventories amounted to 4,403,473,942.54 yuan, with provision for inventory write-down of 766,633,713.20 yuan, and the carrying amount amounted to 3,636,840,229.34 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 Standard 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 21, 2025

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.  
 Consolidated balance sheet as at December 31, 2024  
 (Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	December 31, 2023
Current assets:			
Cash and bank balances	1	529,242,725.36	871,019,268.83
Settlement funds			
Loans to other banks			
Held-for-trading financial assets	2	987,801,938.51	879,340,201.92
Derivative financial assets			
Notes receivable	3	100,000.00	
Accounts receivable	4	56,672,795.52	75,100,970.83
Receivables financing			
Advances paid	5	1,201,106.21	409,192.07
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Other receivables	6	7,438,040.83	15,893,736.28
Financial assets under reverse repo			
Inventories	7	3,636,840,229.34	3,915,215,921.96
Contract assets	8	30,888,723.09	27,352,596.92
Assets held for sale			
Non-current assets due within one year			
Other current assets	9	154,192,023.86	87,175,263.06
Total current assets		5,871,507,151.87	5,871,507,151.87
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	10		
Other equity instrument investments	11	14,697,341.18	14,324,411.35
Other non-current financial assets			
Investment property	12	515,925,116.54	541,542,136.17
Fixed assets	13	17,489,207.57	19,928,049.77
Construction in progress			
Productive biological assets			
Oil & gas assets			
Right-of-use assets	14		99,641.48
Intangible assets	15		
Development expenditures			
Goodwill			
Long-term prepayments	16	1,719,911.72	1,598,305.56
Deferred tax assets	17	33,571,496.94	36,312,811.26
Other non-current assets			
Total non-current assets		583,403,073.95	613,805,355.59
Total assets		5,987,780,656.67	6,485,312,507.46

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.  
 Consolidated balance sheet as at December 31, 2024 (continued)  
 (Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	December 31, 2023
Current liabilities:			
Short-term borrowings	19	1,563,000.00	3,550,000.00
Central bank loans			
Loans from other banks			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	20	464,488,982.30	443,259,768.78
Advances received	21	1,398,988.78	420,724.30
Contract liabilities	22	1,298,146,232.35	1,291,448,591.28
Financial liabilities under repo			
Absorbing deposit and interbank deposit			
Deposits for agency security transaction			
Deposits for agency security underwriting			
Employee benefits payable	23	22,499,368.29	22,247,017.36
Taxes and rates payable	24	27,554,810.01	40,908,986.48
Other payables	25	561,016,653.17	554,469,229.59
Handling fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	26	33,888,347.83	34,056,347.93
Other current liabilities	27	118,304,068.47	136,364,529.76
Total current liabilities		2,528,860,451.20	2,526,725,195.48
Non-current liabilities:			
Insurance policy reserve			
Long-term borrowings	28	62,273,677.82	179,431,851.02
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	29		
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income			
Deferred tax liabilities	17	1,259,459.98	3,012,566.54
Other non-current liabilities			
Total non-current liabilities		63,533,137.80	182,444,417.56
Total liabilities		2,592,393,589.00	2,709,169,613.04
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	23,060,416.31	25,319,459.44
Special reserve			
Surplus reserve	33	275,253,729.26	275,253,729.26
General risk reserve			
Undistributed profit	34	1,223,893,437.74	1,400,604,385.39
Total equity attributable to the parent company		3,512,112,493.42	3,691,082,484.20
Non-controlling interest		-116,725,425.75	85,060,410.22
Total equity		3,395,387,067.67	3,776,142,894.42
Total liabilities & equity		5,987,780,656.67	6,485,312,507.46

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 &amp; Properties (Group) Co., Ltd.

Parent company balance sheet as at December 31, 2024

(Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	December 31, 2023
Current assets:			
Cash and bank balances		83,656,432.61	116,977,480.94
Held-for-trading financial assets		987,801,938.51	879,340,201.92
Derivative financial assets			
Notes receivable			
Accounts receivable	1	7,200,138.91	9,750,885.01
Receivables financing			
Advances paid			200,000.00
Other receivables	2	1,751,551,390.53	1,723,164,380.70
Inventories		315,900.69	315,818.69
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		1,037,878.95	810,142.59
Total current assets		2,831,563,680.20	2,730,558,909.85
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	3	1,160,766,664.14	1,323,365,748.39
Other equity instrument investments		14,697,341.18	14,324,411.35
Other non-current financial assets			
Investment property		409,742,121.37	433,172,839.90
Fixed assets		10,736,433.64	12,683,997.76
Construction in progress			
Productive biological assets			
Oil & gas assets			
Right-of-use assets			
Intangible assets			
Development expenditures			
Goodwill			
Long-term prepayments		770,175.82	1,170,295.66
Deferred tax assets		469,690.21	792,735.07
Other non-current assets			
Total non-current assets		1,597,182,426.36	1,785,510,028.13
Total assets		4,428,746,106.56	4,516,068,937.98

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, 2024 (continued)  
(Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	December 31, 2023
Current liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		13,684,223.19	17,535,100.83
Advances received			
Contract liabilities		95,842.85	88,985.71
Employee benefits payable		15,935,363.87	13,431,614.17
Taxes and rates payable		12,314,051.54	28,060,321.09
Other payables		854,613,311.67	759,312,118.85
Liabilities held for sale			
Non-current liabilities due within one year		374,768.60	375,269.30
Other current liabilities		4,792.15	4,449.29
Total current liabilities		897,022,353.87	818,807,859.24
Non-current liabilities:			
Long-term borrowings		62,273,677.82	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		1,259,459.98	3,012,566.54
Other non-current liabilities			
Total non-current liabilities		63,533,137.80	65,411,417.56
Total liabilities		960,555,491.67	884,219,276.80
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		2,023,005.89	1,743,308.51
Special reserve			
Surplus reserve		252,124,115.85	252,124,115.85
Undistributed profit		1,237,671,562.02	1,401,610,305.69
Total equity		3,468,190,614.89	3,631,849,661.18
Total liabilities & equity		4,428,746,106.56	4,516,068,937.98

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 &amp; Properties (Group) Co., Ltd.

## Consolidated income statement for the year ended December 31, 2024

(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Total operating revenue		407,022,191.44	530,887,720.68
Including: Operating revenue	1	407,022,191.44	530,887,720.68
Interest income			
Premiums earned			
Revenue from handling fees and commissions			
II. Total operating cost		426,847,390.83	588,334,716.73
Including: Operating cost	1	332,325,650.30	444,797,642.10
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	16,741,282.71	70,999,932.36
Selling expenses	3	13,164,672.93	21,803,202.14
Administrative expenses	4	70,118,532.01	55,965,931.72
R&D expenses			
Financial expenses	5	-5,502,747.12	-5,231,991.59
Including: Interest expenses		2,586,822.94	1,258,720.92
Interest income		7,998,718.28	4,804,313.09
Add: Other income	6	842,206.39	567,272.39
Investment income (or less: losses)	7	1,346,463.59	10,546,418.38
Including: Investment income from associates and joint ventures			-93,927.64
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	18,461,736.59	7,824,348.71
Credit impairment loss	9	-8,953,080.52	579,514.02
Assets impairment loss	10	-375,188,159.83	-392,577,463.42
Gains on asset disposal (or less: losses)	11	195,840.20	-1,000.00
III. Operating profit (or less: losses)		-383,120,192.97	-430,507,905.97
Add: Non-operating revenue	12	2,414,677.03	386,425.53
Less: Non-operating expenditures	13	267,987.97	530,564.09
IV. Profit before tax (or less: total loss)		-380,973,503.91	-430,652,044.53
Less: Income tax expenses	14	-3,377,545.61	17,012,113.07
V. Net profit (or less: net loss)		-377,595,958.30	-447,664,157.60
(I) Categorized by the continuity of operations			
1. Net profit from continuing operations (or less: net loss)		-377,595,958.30	-447,664,157.60
2. Net profit from discontinued operations (or less: net loss)			
(II) Categorized by the portion of equity ownership			
1. Net profit attributable to owners of parent company (or less: net loss)		-176,710,947.65	-250,839,542.09
2. Net profit attributable to non-controlling shareholders (or less: net loss)		-200,885,010.65	-196,824,615.51
VI. Other comprehensive income after tax		-3,159,868.45	-1,023,465.65
Items attributable to the owners of the parent company		-2,259,043.13	-607,261.41
(I) Not to be reclassified subsequently to profit or loss		279,697.38	780,086.07
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		279,697.38	780,086.07
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss		-2,538,740.51	-1,387,347.48
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		-2,538,740.51	-1,387,347.48
7. Others			
Items attributable to non-controlling shareholders		-900,825.32	-416,204.24
VII. Total comprehensive income		-380,755,826.75	-448,687,623.25
Items attributable to the owners of the parent company		-178,969,990.78	-251,446,803.50
Items attributable to non-controlling shareholders		-201,785,835.97	-197,240,819.75
VIII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)		-0.17	-0.2479
(II) Diluted EPS (yuan per share)		-0.19	-0.2479

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, 2024  
(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Operating revenue	1	66,748,188.58	80,149,443.14
Less: Operating cost	1	35,527,944.94	33,500,490.21
Taxes and surcharges		10,897,850.09	10,031,959.33
Selling expenses		2,662,206.55	1,232,057.79
Administrative expenses		46,350,929.47	32,052,637.87
R&D expenses			
Financial expenses		-38,414.46	-31,995,210.76
Including: Interest expenses		1,258,720.92	1,258,720.92
Interest income		1,621,311.93	29,254,205.70
Add: Other income		810,791.58	417,143.48
Investment income (or less: losses)	2	1,346,463.59	9,434,264.74
Including: Investment income from associates and joint ventures			-93,927.64
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)		18,461,736.59	7,824,348.71
Credit impairment loss		-208,718.92	-19,236,221.85
Assets impairment loss		-162,599,084.25	-258,815,813.46
Gains on asset disposal (or less: losses)		224,495.95	
II. Operating profit (or less: losses)		-170,616,643.47	-225,048,769.68
Add: Non-operating revenue		4.56	355,127.30
Less: Non-operating expenditures		31,796.55	52,058.53
III. Profit before tax (or less: total loss)		-170,648,435.46	-224,745,700.91
Less: Income tax expenses		-6,709,691.79	4,443,566.20
IV. Net profit (or less: net loss)		-163,938,743.67	-229,189,267.11
(I) Net profit from continuing operations (or less: net loss)		-163,938,743.67	-229,189,267.11
(II) Net profit from discontinued operations (or less: net loss)			
V. Other comprehensive income after tax		279,697.38	363,881.83
(I) Not to be reclassified subsequently to profit or loss		279,697.38	363,881.83
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		279,697.38	363,881.83
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		-163,659,046.29	-228,825,385.28
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 &amp; Properties (Group) Co., Ltd.

## Consolidated cash flow statement for the year ended December 31, 2024

(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		448,831,107.10	1,893,492,865.50
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		10,402,585.93	1,186,861.59
Other cash receipts related to operating activities	2 (1)	15,889,802.02	56,304,822.67
Subtotal of cash inflows from operating activities		485,135,222.14	1,950,984,549.76
Cash payments for goods purchased and services received		340,363,467.93	491,021,430.05
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		76,680,764.14	86,966,612.34
Cash payments for taxes and rates		133,539,738.45	250,127,861.30
Other cash payments related to operating activities	2 (2)	51,943,474.32	77,831,397.88
Subtotal of cash outflows from operating activities		612,539,171.93	905,947,301.57
Net cash flows from operating activities		-127,403,949.79	1,045,037,248.19
II. Cash flows from investing activities:			
Cash receipts from withdrawal of investments			
Cash receipts from investment income	1 (1)	777,600.00	699,091.79
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	1 (2)	519,930.21	29,475.62
Net cash receipts from the disposal of subsidiaries & other business units	1 (3)	568,863.59	1,644,822.69
Other cash receipts related to investing activities	2 (3)		136,800,000.00
Subtotal of cash inflows from investing activities		1,866,393.80	139,173,390.10
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	1 (4)	1,547,315.83	1,475,412.00
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)	90,000,000.00	600,000,000.00
Subtotal of cash outflows from investing activities		91,547,315.83	601,475,412.00
Net cash flows from investing activities		-89,680,922.03	-462,302,021.90
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		1,563,000.00	169,486,610.82
Other cash receipts related to financing activities			
Subtotal of cash inflows from financing activities		1,563,000.00	169,486,610.82
Cash payments for the repayment of borrowings		117,562,497.60	16,200,400.38
Cash payments for distribution of dividends or profits and for interest expenses		5,251,186.81	67,383,381.18
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		122,813,684.41	83,583,781.56
Net cash flows from financing activities		-121,250,684.41	85,902,829.26
IV. Effect of foreign exchange rate changes on cash and cash equivalents		99,397.32	143,288.32
V. Net increase in cash and cash equivalents		-338,236,158.91	668,781,343.87
Add: Opening balance of cash and cash equivalents		859,146,413.35	190,365,069.48
VI. Closing balance of cash and cash equivalents		520,910,254.44	859,146,413.35

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, 2024  
(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	73,948,934.37	86,415,239.73
Receipts of tax refund	78,381.82	1,143,272.60
Other cash receipts related to operating activities	92,592,202.32	689,725,513.49
Subtotal of cash inflows from operating activities	166,619,518.51	777,284,025.82
Cash payments for goods purchased and services received	878,298.06	3,283,183.54
Cash paid to and on behalf of employees	40,882,224.68	48,032,030.43
Cash payments for taxes and rates	24,077,901.52	150,255,838.40
Other cash payments related to operating activities	42,931,087.13	79,379,092.98
Subtotal of cash outflows from operating activities	108,769,511.39	280,950,145.35
Net cash flows from operating activities	57,850,007.12	496,333,880.47
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income	1,346,463.59	12,516,011.35
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities		136,800,000.00
Subtotal of cash inflows from investing activities	1,346,463.59	149,316,011.35
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	365,798.00	578,736.10
Cash payments for investments		
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities	90,000,000.00	619,280,000.00
Subtotal of cash outflows from investing activities	90,365,798.00	619,858,736.10
Net cash flows from investing activities	-89,019,334.41	-470,542,724.75
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	125,173.20	62,586.60
Cash payments for distribution of dividends or profits and for interest expenses	2,026,547.84	62,138,698.60
Other cash payments related to financing activities		
Subtotal of cash outflows from financing activities	2,151,721.04	62,201,285.20
Net cash flows from financing activities	-2,151,721.04	385,325.62
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-33,321,048.33	26,176,481.34
Add: Opening balance of cash and cash equivalents	116,977,480.94	90,800,999.60
VI. Closing balance of cash and cash equivalents	83,656,432.61	116,977,480.94

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, 2024  
 (Expressed in Renminbi Yuan)

Items	Current period cumulative												Non-controlling interest	Total equity
	Equity attributable to parent company													
	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		25,319,459.44		275,253,729.26		1,400,604,385.39	85,060,410.22	3,776,142,894.42	
Add: Cumulative changes of accounting														
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		25,319,459.44		275,253,729.26		1,400,604,385.39	85,060,410.22	3,776,142,894.42	
III. Current period increase (or less: decrease)							-2,259,043.13				-176,710,947.65	-201,785,835.97		
(I) Total comprehensive income							-2,259,043.13				-176,710,947.65	-201,785,835.97		
(II) Capital contributed or withdrawn by owners														
1. Ordinary shares contributed by owners														
2. Capital contributed by holders of other equity														
3. Amount of share-based payment included in														
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														
5. Other comprehensive income carried over to														
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		23,060,416.31		275,253,729.26		1,223,893,437.74	-116,725,425.75	3,395,387,067.67	

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.  
 Consolidated statement of changes in equity for the year ended December 31, 2024 (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		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													
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													
3. Amount of share-based payment included in													
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													
5. Other comprehensive income carried over to													
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.  
Parent company statement of changes in equity for the year ended December 31, 2024  
(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		1,743,308.51		252,124,115.85	1,401,610,305.69	3,631,849,661.18
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		1,743,308.51		252,124,115.85	1,401,610,305.69	3,631,849,661.18
III. Current period increase (or less: decrease)							279,697.38			-163,938,743.67	-163,659,046.29
(I) Total comprehensive income							279,697.38			-163,938,743.67	-163,659,046.29
(II) Capital contributed or withdrawn by owners											
1. Ordinary shares contributed by owners											
2. Capital contributed by holders of other equity											
3. Amount of share-based payment included in equity											
4. Others											
(III) Profit distribution											
1. Appropriation of surplus reserve											
2. Appropriation of profit to shareholders											
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											
5. Other comprehensive income carried over to retained											
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		2,023,005.89		252,124,115.85	1,237,671,562.02	3,468,190,614.89

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, 2024 (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		1,379,426.68		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											
3. Amount of share-based payment included in equity											
4. Others											
(III) Profit distribution									-61,711,260.00	-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	-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											
5. Other comprehensive income carried over to retained											
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.**

**Notes to Financial Statements**

For the year ended December 31, 2024

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.

The Company belongs to the real estate industry and is mainly engaged in real estate development and commercial housingsales, 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 21, 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	Determination method and basis for selection of materiality
Recovery or reversal of bad debt provisions for important accounts receivable	Single item amount exceeds 0.5% of total assets
Important write-off of accounts receivable	Single item amount exceeds 0.5% of total assets
Accounts receivable with a significant single provision for bad debt reserves	Single item amount exceeds 0.5% of total assets
Collection or reversal of important bad debt provisions for accounts receivable	Single item amount exceeds 0.5% of total assets
Important write off of accounts receivable	Single item amount exceeds 0.5% of total assets
Financing of accounts receivable with significant single provision for impairment	Single item amount exceeds 0.5% of total assets
Recovery or reversal of significant impairment provisions for accounts receivable financing	Single item amount exceeds 0.5% of total assets

Important write off of accounts receivable financing	Single item amount exceeds 0.5% of total assets
Other receivables with significant single provision for bad debt reserves	Single item amount exceeds 0.5% of total assets
Recovery or reversal of bad debt provisions for important other receivables	Single item amount exceeds 0.5% of total assets
Important write off of other receivables	Single item amount exceeds 0.5% of total assets
Important overdue interest receivable	Single item amount exceeds 0.5% of total assets
Important dividends receivable with an aging of over 1 year	Single item amount exceeds 0.5% of total assets
Contract assets with significant single provision for impairment	Single item amount exceeds 0.5% of total assets
Recovery or reversal of impairment provisions for important contract assets	Single item amount exceeds 0.5% of total assets
Important write off contract assets	Single item amount exceeds 0.5% of total assets
Significant changes in the book value of contract assets	The amount of change exceeds 0.5% of the total assets
Long term accounts receivable with significant single provision for bad debt reserves	Single item amount exceeds 0.5% of total assets
Recovery or reversal of important long-term accounts receivable bad debt provisions	Single item amount exceeds 0.5% of total assets
Important write off of long-term receivables	Single item amount exceeds 0.5% of total assets
Important prepayments with an aging of over 1 year	Single item amount exceeds 0.5% of total assets
Important debt investments	Single item amount exceeds 0.5% of total assets
Important other debt investments	Single item amount exceeds 0.5% of total assets
Important ongoing construction projects	The total investment of a single project exceeds 0.5% of the total assets
Important overdue loans	Single item amount exceeds 0.5% of total assets
Important overdue interest payable	Single item amount exceeds 0.5% of total assets
Important accounts payable with an aging of over 1 year	Single item amount exceeds 0.5% of total assets
Other important payables with an aging of over 1 year	Single item amount exceeds 0.5% of total assets
Important prepayments with an aging of over 1 year or overdue payments	Single item amount exceeds 0.5% of total assets
Important contract liabilities with an aging of over 1 year	Single item amount exceeds 0.5% of total assets
Significant changes in the book value of contractual liabilities	The amount of change exceeds 0.5% of the total assets
Important estimated liabilities	Single item amount exceeds 0.5% of total assets
Important cash flows from investment activities	Single item amount exceeds 5% of total assets
Important overseas operating entities	Total assets/total revenue/total profit exceed 15% of the group's total assets/total revenue/total profit
Important capitalized R&D projects and outsourced R&D projects	The individual amount exceeds the total assets by X%
Important subsidiaries, non wholly owned subsidiaries	Total assets/total revenue/total profit exceed 15% of the group's total assets/total revenue/total profit

Important joint ventures and associated enterprises	The book value of a single long-term equity investment exceeds 15% of the group's net assets, and the investment income calculated using the single equity method exceeds 15% of the group's total profit
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## (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
Accounts receivable – Portfolio		

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
grouped with property sales receivable		exposure at default and lifetime expected credit loss rate.
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 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 in 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 determines 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. Intangible assets with indefinite useful lives are not amortized. The company reviews the useful life of such intangible assets at each accounting period.

#### (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

1. The company has been implementing the provisions of "Regarding the Classification of Current Liabilities and Non-current Liabilities" in the "Interpretation of China Accounting Standards for Business Enterprises No. 17" promulgated by the Ministry of Finance since January 1, 2024. This change in accounting policy has no impact on the company's financial statements.
2. The company has been implementing the provisions of "Regarding the Disclosure of Supplier Financing Arrangements" in the "Interpretation of China Accounting Standards for Business Enterprises No. 17" promulgated by the Ministry of Finance since January 1, 2024. This change in accounting policy has no impact on the company's financial statements.
3. The company has been implementing the provisions of "Regarding the Accounting Treatment of Sale and Leaseback Transactions" in the "Interpretation of China Accounting Standards for

Business Enterprises No. 17" promulgated by the Ministry of Finance since January 1, 2024. This change in accounting policy has no impact on the company's financial statements.

4. The company has been implementing the provisions of "Regarding the Accounting Treatment of Warranty-type Quality Assurances That Are Not Separate Performance Obligations" in the "Interpretation of China Accounting Standards for Business Enterprises No. 18" promulgated by the Ministry of Finance since December 6, 2024. This change in accounting policy 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

Project	Closing balance	Initial number
Cash on hand	38,975.98	18,414.04
Bank deposit	526,814,068.83	838,926,014.14
Other monetary funds	2,389,680.55	32,074,840.65
total	529,242,725.36	871,019,268.83
Among them: the total amount of funds stored overseas	4,660,706.04	5,230,453.64

##### (2) Other remarks

As of December 31, 2024, the restricted funds in bank deposits amounted to 8332470.92 yuan, of which 2306548.48 yuan was frozen funds due to litigation, 158549.08 yuan was suspended accounts and payments, 5674439.78 yuan was the construction fund guarantee deposit for the urban renewal project and surrounding public facilities in Longgang District, Shenzhen, 142778.00 yuan was the land reclamation cost of the Shenfang Guangmingli project, and 50155.58 yuan was the fixed-term project guarantee deposit.

As of December 31, 2024, other monetary funds of 2389680.55 yuan were seven-day notice deposits.

#### 2. Held-for-trading financial assets

Project	Closing balance	Initial number
Classified as financial assets measured at fair value with changes recognized in current profit or loss	987,801,938.51	879,340,201.92
Among them: Fund	987,801,938.51	879,340,201.92
total	987,801,938.51	879,340,201.92

#### 3. Notes receivable

## (1) Details

project	Closing balance	Initial number
Bank acceptance bill		
Commercial Acceptance Bill	100,000.00	
total	100,000.00	

## (2) Provision for bad debts

Types	Closing balance				book value
	book balance		bad debt reserves		
	amount of money	Proportion (%)	amount of money	Provision Proportion (%)	
Provision for bad debts by combination	100,000.00	100.00			100,000.00
Among them: bank acceptance bills					
Commercial Acceptance Bill	100,000.00	100.00			100,000.00
total	100,000.00	100.00			100,000.00

## 4. Accounts receivable

## (1) Age analysis

Aging of accounts	Closing book balance	Initial book balance
Within 1 year	46,635,449.13	71,406,321.18
1-2 years	17,841,452.58	9,482,461.05
2-3 years	8,345,221.16	7,444,786.11
3-4 years	5,644,029.79	169,754.01
4-5 years	46,903.69	3,027,934.33
More than 5 years	21,078,733.20	18,050,798.87
total	99,591,789.55	109,582,055.55
Less: Bad debt provision	42,918,994.03	34,481,084.72
Total book value	56,672,795.52	75,100,970.83

## (2) Provision for bad debts

## 1) Details on categories

Types	Closing balance
-------	-----------------

	book balance		bad debt reserves		book value
	amount of money	Proportion (%)	amount of money	Provision Proportion (%)	
Individual provision for bad debts	24,983,383.25	25.09	24,983,383.25	100.00	-
Provision for bad debts by combination	74,608,406.30	74.91	17,935,610.78	24.04	56,672,795.52
total	99,591,789.55	100.00	42,918,994.03	43.09	56,672,795.52

(Continued from the table above)

Types	Initial number				
	book balance		bad debt reserves		book value
	amount of money	Proportion (%)	amount of money	Provision Proportion (%)	
Individual provision for bad debts	24,983,383.25	22.80	24,983,383.25	100.00	
Provision for bad debts by combination	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

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

Unit Name	Initial number		Closing balance			Basis for provision
	book balance	bad debt reserves	book balance	bad debt reserves	Provision ratio (%)	
Proxy import and export business payment	11,574,556.00	11,574,556.00	11,574,556.00	11,574,556.00	100.00	Expected irretrievable
Long term unrecovered sales proceeds	10,084,109.60	10,084,109.60	10,084,109.60	10,084,109.60	100.00	Expected irretrievable
Accounts receivable of hanging pin company	2,314,755.46	2,314,755.46	2,314,755.46	2,314,755.46	100.00	Expected irretrievable
Other customer payments	1,009,962.19	1,009,962.19	1,009,962.19	1,009,962.19	100.00	Expected irretrievable
Subtotals	24,983,383.25	24,983,383.25	24,983,383.25	24,983,383.25	100.00	

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

project	Closing balance
---------	-----------------

	book balance	bad debt reserves	Provision ratio (%)
Accounts receivable from other customer combinations	74,608,406.30	17,935,610.78	24.04
Subtotals	74,608,406.30	17,935,610.78	24.04

## (3) Changes in provision for bad debts

## 1) Details

project	Initial number	Current period change amount				Closing balance
		Provision	Withdrawal or reversal	Write off	other	
Individual provision for bad debts	24,983,383.25					24,983,383.25
Provision for bad debts by combination	9,497,701.47	8,437,909.31				17,935,610.78
total	34,481,084.72	8,437,909.31				42,918,994.03

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

Unit Name	Closing book balance			Proportion (%) of the total ending 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	Subtotals		
Shenzhen Hongteng Investment Management Co., Ltd	11,867,873.64	895,261.55	12,763,135.19	9.69	11,894,731.49
Hubei Chuheng Real Estate Co., Ltd	7,769,835.68	353,150.85	8,122,986.53	6.17	243,689.60
Shenzhen Construction Engineering Group Co., Ltd	6,834,028.53	3,297,601.34	10,131,629.87	7.70	303,948.90
Jiangsu Huajian Construction Co., Ltd. Shenzhen Branch	6,263,994.27	6,558,487.27	12,822,481.54	9.74	384,674.45
Shenzhen Guangming Construction First Construction Engineering Co., Ltd	3,215,705.25	6,885,594.15	10,101,299.40	7.67	303,038.98

Unit Name	Closing book balance			Proportion (%) of the total ending 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	Subtotals		
total	35,951,437.37	17,990,095.16	53,941,532.53	40.97	13,103,225.56

## (5) Other remarks

As of December 31, 2024, the factoring balance of accounts receivable that have been transferred but cannot be derecognized is RMB 4918250.30.

## 5. Advances paid

## (1) Age analysis

Ageing of accounts	Closing balance				Initial number			
	book balance	Proportion (%)	impairment provision	book value	book balance	Proportion (%)	impairment provision	book value
Within 1 year	1,100,322.58	91.61		1,100,322.58	12,271.61	3.00		12,271.61
1-2 years	1,159.00	0.10		1,159.00				
2-3 years					196,920.46	48.12		196,920.46
More than 3 years	99,624.63	8.29		99,624.63	200,000.00	48.88		200,000.00
total	1,201,106.21	100.00	-	1,201,106.21	409,192.07	100.00		409,192.07

## (2) Top 5 prepaid amounts

Unit Name	book balance	Accounting for prepaid funds Proportion of balance (%)
Tianqi Hardware Fire Protection Trading Company, Longgang District, Shenzhen	500,000.00	41.63
Shenzhen Power Supply Bureau Co., Ltd	484,020.96	40.30
Huizhou Huiyang Power Supply Bureau of Guangdong Power Grid Co., Ltd	98,840.29	8.23
Shenzhen Jili Cat Wood Products Co., Ltd	81,368.58	6.77

Unit Name	book balance	Accounting for prepaid funds Proportion of balance (%)
Shenzhen Hu Hongwei Building Materials Co., Ltd	24,030.00	2.00
Subtotals	1,188,259.83	98.93

## 6. Other receivables

## (1) Other receivables categorized by nature

Nature of Payment	Closing book balance	Initial book balance
Combination of accounts receivable from related parties	161,393,309.25	161,393,309.25
Combination of accounts receivable from government departments	3,019,837.72	165,460.00
Accounts receivable employee reserve fund combination	533,912.40	841,714.00
Accounts receivable collection and payment combination	787,071.98	360,901.91
Combination of other receivables and payables	37,783,095.18	44,888,290.81
total	203,517,226.53	207,649,675.97
Less: Bad debt provision	196,079,185.70	191,755,939.69
Total book value	7,438,040.83	15,893,736.28

## (2) Age analysis

Aging of accounts	Closing book balance	Initial book balance
Within 1 year	4,132,917.44	6,047,963.14
1-2 years	1,542,936.54	15,390,258.93
2-3 years	12,060,828.62	103,956.68
3-4 years		200.00
4-5 years		100.00
More than 5 years	185,780,543.93	186,107,197.22
total	203,517,226.53	207,649,675.97
Less: Bad debt provision	196,079,185.70	191,755,939.69
Total book value	7,438,040.83	15,893,736.28

## (3) Provision for bad debts



## 1) Details on categories

Types	Closing balance				
	book balance		bad debt reserves		book value
	amount of money	Proportion (%)	amount of money	Provision Proportion (%)	
Individual provision for bad debts	190,176,205.84	93.44	189,807,225.64	99.81	368,980.20
Provision for bad debts by combination	13,341,020.69	6.56	6,271,960.06	47.01	7,069,060.63
Subtotals	203,517,226.53	100	196,079,185.70	96.35	7,438,040.83

(Continued from the table above)

Types	Initial number				
	book balance		bad debt reserves		book value
	amount of money	Proportion (%)	amount of money	Provision Proportion (%)	
Individual provision for bad debts	191,444,224.06	92.20	191,075,243.86	99.81	368,980.20
Provision for bad debts by combination	16,205,451.91	7.80	680,695.83	4.20	15,524,756.08
Subtotals	207,649,675.97	100.00	191,755,939.69	92.35	15,893,736.28

## 2) Other receivables with significant single provision for bad debt reserves

Unit Name	Initial number		Closing balance			Basis for provision
	book balance	bad debt reserves	book balance	bad debt reserves	Provision ratio (%)	
Great Wall Canada (Vancouver) Limited	89,035,748.07	89,035,748.07	89,035,748.07	89,035,748.07	100.00	Expected irretrievable
Baili Co., Ltd	20,251,959.02	20,251,959.02	19,393,335.84	19,393,335.84	100.00	Expected irretrievable
Berkton Australia Limited	12,559,290.58	12,559,290.58	12,559,290.58	12,559,290.58	100.00	Expected irretrievable
Guangdong Huizhou Luofushan Mineral Water	10,465,168.81	10,465,168.81	10,465,168.81	10,465,168.81	100.00	Expected irretrievable

Unit Name	Initial number		Closing balance			
	book balance	bad debt reserves	book balance	bad debt reserves	Provision ratio (%)	Basis for provision
Beverage Co., Ltd						
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 irretrievable
Shenzhen Shenxi Architectural Decoration Company	7,660,529.37	7,660,529.37	7,660,529.37	7,660,529.37	100.00	Expected irretrievable
Beijing Shenfeng Property Management Co., Ltd	6,905,673.69	6,533,817.09	6,905,673.69	6,533,817.09	94.62	Expected irretrievable
Bao'an Shopping Mall	6,343,030.65	6,343,030.65	6,343,030.65	6,343,030.65	100.00	Expected irretrievable
Shenzhen Nanyang Hotel Co., Ltd	3,168,721.00	3,168,721.00	3,168,721.00	3,168,721.00	100.00	Expected irretrievable
Shenzhen Runhua Automobile Trading Company	3,072,764.42	3,072,764.42	3,072,764.42	3,072,764.42	100.00	Expected irretrievable
Shenzhen Local Building Materials Company	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	100.00	Expected irretrievable
Junxin and Company	2,800,000.00	2,800,000.00	2,800,000.00	2,800,000.00	100.00	Expected irretrievable
Harbin Power District	1,970,000.00	1,970,000.00	1,970,000.00	1,970,000.00	100.00	Expected irretrievable

Unit Name	Initial number		Closing balance			
	book balance	bad debt reserves	book balance	bad debt reserves	Provision ratio (%)	Basis for provision
Xinle Feed Processing Factory						
New Mo Company	1,868,735.45	1,868,735.45	1,868,735.45	1,868,735.45	100.00	Expected irretrievable
Subtotals	177,520,826.25	177,148,969.65	176,662,203.07	176,290,346.47	99.79	

## 3) Other receivables with combined provision for bad debts

Combination Name	Closing balance		
	book balance	bad debt reserves	Provision ratio (%)
Combination of accounts receivable from related parties			
Combination of accounts receivable from government departments	3,019,837.72		
Accounts receivable employee reserve fund combination	533,912.40		
Accounts receivable collection and payment combination	787,071.98		
Combination of other receivables and payables	9,000,198.59	6,271,960.06	69.69
Subtotals	13,341,020.69	6,271,960.06	47.01

## (4) Changes in bad debt provision

project	first phase	phase 2	Third Stage	total
	Next 12 months Expected credit loss	Expected credit loss for the entire duration (no credit impairment has occurred)	Expected credit loss for the entire duration (credit impairment already occurred)	
Initial number	177,917.80	374,179.82	191,203,842.07	191,755,939.69
Initial figures in this period	---	---	---	
--Entering the second stage				

project	first phase	phase 2	Third Stage	total
	Next 12 months Expected credit loss	Expected credit loss for the entire duration (no credit impairment has occurred)	Expected credit loss for the entire duration (credit impairment already occurred)	
--Entering the third stage				
--Return to the second stage				
--Return to the first stage				
Provision for this period	31,641.72	483,529.49		515,171.21
Withdrawal or reversal in this period				
Verification in this period				
Other changes			3,808,074.80	3,808,074.80
Closing balance	209,559.52	857,709.31	195,011,916.87	196,079,185.70
Provision ratio for bad debts at the end of the period (%)	0.1	0.42	95.82	96.35

## (5) Top 5 Other Accounts Receivable Amounts

Unit Name	Nature of Payment	Closing book balance	Account Age	Proportion of other receivables balance (%)	End of term bad debt provision
Great Wall Canada (Vancouver) Limited	Related party transactions	89,035,748.07	More than 5 years	43.75	89,035,748.07
Baili Co., Ltd	Related party transactions	20,251,959.02	More than 5 years	9.95	20,251,959.02
Berkton Australia Limited	Related party transactions	12,559,290.58	More than 5 years	6.17	12,559,290.58
Guangdong Huizhou Luofushan Mineral Water Beverage Co., Ltd	Related party transactions	10,465,168.81	More than 5 years	5.14	10,465,168.81
Xi'an Xinfeng Property Trading	Related party	8,419,205.19	More than 5	4.14	8,419,205.19

Unit Name	Nature of Payment	Closing book balance	Account Age	Proportion of other receivables balance (%)	End of term bad debt provision
Co., Ltd	transactions		years		
Subtotals		140,731,371.67		69.15	140,731,371.67

## 7. Inventory

## (1) Details

project	Closing balance			Initial number		
	book balance	Provision	book value	book balance	Provision	book value
development cost	2,276,063,206.65	711,787,110.18	1,564,276,096.47	3,572,697,115.80	391,731,506.81	3,180,965,608.99
Product development	2,127,137,511.58	54,807,711.11	2,072,329,800.47	733,935,274.64		733,935,274.64
raw material				49,504.00		49,504.00
Finished goods	273,224.31	38,891.91	234,332.40	304,426.24	38,891.91	265,534.33
total	4,403,473,942.54	766,633,713.20	3,636,840,229.34	4,306,986,320.68	391,770,398.72	3,915,215,921.96

## (2) Provision for inventory depreciation

## 1) Details

project	Initial number	Increase in this period		Decrease in this period		Closing balance
		Provision	other	Return or sale	other	
development cost	391,731,506.81	320,055,603.37				711,787,110.18
Product development		54,807,711.11				54,807,711.11
Finished goods	38,891.91					38,891.91
total	391,770,398.72	374,863,314.48				766,633,713.20

## 2) The specific basis for determining the net realizable value and the reasons for the reversal or cancellation of inventory impairment provisions in the current period

project	Determine the net realizable value The specific basis	Reverse inventory depreciation Reasons for Preparation	Decrease in resale inventory value Reasons for Preparation

development cost	The estimated selling price of inventory minus the estimated costs to be incurred until completion, estimated sales expenses, and related taxes and fees	The net realizable value of inventory for which provision for inventory impairment has been made in previous periods has increased	Inventory consumption/sale for which provision for inventory impairment has been made in this period
Product development	Determine the net realizable value by subtracting the estimated selling price of the related development product from the product cost, estimated sales expenses, and related taxes	The net realizable value of inventory for which provision for inventory impairment has been made in previous periods has increased	Inventory consumption/sale for which provision for inventory impairment has been made in this period
Finished goods	Determine the net realizable value by subtracting the estimated selling price of the relevant inventory goods from the product cost, estimated sales expenses, and related taxes	The net realizable value of inventory for which provision for inventory impairment has been made in previous periods has increased	Inventory consumption/sale for which provision for inventory impairment has been made in this period

## (3) Capitalization of borrowing costs

project	The ending balance includes Capitalized amount of borrowing costs	Calculation standards and basis for capitalization amount
Shenfang Linxin Garden	40,384,162.95	Calculate according to the interest rate stipulated in the loan contract
Deep Room Bright Inside	5,016,736.09	Calculate according to the interest rate stipulated in the loan contract
Subtotals	45,400,899.04	

## (4) Other instructions

## 1) Inventory - Development Costs

project name	Comment time	Expected completion time	Expected total investment (10000 yuan)	Opening balance	ending balance	End of term provision for price decline
Shenfang Linxin Garden	In 2021		300,000.00	2,310,161,672.58	2,247,771,298.55	711,787,110.18
Deep Room Bright Inside	In 2022	2024	152,060.00	1,234,243,535.11		

Shantou				28,291,908.11	28,291,908.10	
Xinfeng Building						
subtotal		452,060.00	3,572,697,115.80	2,276,063,206.65	711,787,110.18	

## 2) Inventory - Developed Products

project name	Time for Completion	Opening balance	Increase in this period	Decrease in this period	ending balance	End of term decline Price preparation
Shenzhen Guangming Lane	2024		1,518,438,771.54	85,967,140.96	1,432,471,630.58	
Tianyue Bay Phase II	2021	464,226,283.22		22,825,658.12	441,400,625.10	29,086,610.00
Tianyue Bay Phase I	2017	198,499,941.34		7,360,561.54	191,139,379.80	24,949,281.00
Jinye Island Haitian Pavilion Multi story Apartment	1997	39,734,763.87	264,770.17		39,999,534.04	771,820.11
Shenfang Cuilin Garden	2018	17,044,647.25		9,347,944.15	7,696,703.10	
Yuejing Oriental Project	2014	6,121,027.07			6,121,027.07	
Golden Leaf Island Phase 10	2010	5,641,278.54			5,641,278.54	
Golden Leaf Island Phase 11	2008	2,222,776.30			2,222,776.30	
Beijing Xinfeng Building		304,557.05			304,557.05	
Whampoa Estate		140,000.00			140,000.00	
subtotal		733,935,274.64	1,518,703,541.71	125,501,304.77	2,127,137,511.58	54,807,711.11

## 8. Contract assets

## (1) Details

project	Closing balance			Initial number		
	book balance	impairment provision	book value	book balance	impairment provision	book value
Completed	32,059,525.05	1,170,801.96	30,888,723.09	28,198,553.53	845,956.61	27,352,596.92

project	Closing balance			Initial number		
	book balance	impairment provision	book value	book balance	impairment provision	book value
but unsettled project funds						
total	32,059,525.05	1,170,801.96	30,888,723.09	28,198,553.53	845,956.61	27,352,596.92

## (2) Details on provision for impairment

## 1) Details on categories

Types	Closing balance				
	book balance		impairment provision		book value
	amount of money	Proportion (%)	amount of money	Proportion (%)	
Provision for impairment by combination	32,059,525.05	100.00	1,170,801.96	3.65	30,888,723.09
total	32,059,525.05	100.00	1,170,801.96	3.65	30,888,723.09

(Continued from the table above)

Types	Initial number				
	book balance		impairment provision		book value
	amount of money	Proportion (%)	amount of money	Proportion (%)	
Provision for impairment by combination	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 combined provision for impairment

project	Closing balance		
	book balance	impairment provision	Provision ratio (%)
Engineering construction combination	32,059,525.05	1,170,801.96	3.65
Subtotals	32,059,525.05	1,170,801.96	3.65

## (3) Changes in impairment provision

project	Initial number	Current period change amount				Closing balance
		Provision	Withdrawal or reversal	Resale/write off	other	
Provision for impairment	845,956.61	324,845.35				1,170,801.96



project	Initial number	Current period change amount				Closing balance
		Provision	Withdrawal or reversal	Resale/write off	other	
by combination						
total	845,956.61	324,845.35				1,170,801.96

## 9. Other current assets

## (1) Details

project	Closing balance			Initial number		
	book balance	impairment provision	book value	book balance	impairment provision	book value
advance payment of income tax	63,654,695.18		63,654,695.18	6,212,008.00		6,212,008.00
Prepaid value-added tax	41,955,887.75		41,955,887.75	1,974,376.95		1,974,376.95
Prepay land value-added tax	28,100,310.83		28,100,310.83	3,472,045.32		3,472,045.32
Input tax to be deducted	9,375,930.68		9,375,930.68	64,189,088.61		64,189,088.61
Contract acquisition cost	6,508,438.39		6,508,438.39	6,815,071.01		6,815,071.01
Prepaid urban construction tax and surcharges	4,587,785.46		4,587,785.46	4,251,916.57		4,251,916.57
other	8,975.57		8,975.57	260,756.60		260,756.60
<b>Total</b>	<b>154,192,023.86</b>		<b>154,192,023.86</b>	<b>87,175,263.06</b>		<b>87,175,263.06</b>

## (2) Contract acquisition cost

project	Initial number	Increase in this period	Amortization for this period	Provision for impairment in this period	Closing balance
Deep Room Bright Inside	5,417,176.01	61,225.87	367,858.49		5,110,543.39
Lin Xinyuan	1,397,895.00				1,397,895.00
Subtotals	6,815,071.01	61,225.87	367,858.49		6,508,438.39

## 10. Long-term equity investments

## (1) Categories

project	Closing balance			Initial number		
	book balance	impairment provision	book value	book balance	impairment provision	book value
Investment in joint ventures	19,424,671.47	19,424,671.47		19,424,671.47	19,424,671.47	
Investment in joint ventures	32,898,465.09	32,898,465.09		32,898,465.09	32,898,465.09	
others	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		220,084,700.95	220,084,700.95	

## (2) Details

The invested entity	Initial number		Changes in this period			
	book value	impairment provision	make an additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive Income adjustment
joint venture						
Guangdong Huizhou Luofushan Mineral Water Beverage Co., Ltd		9,969,206.09				
Fengkai Xinghua Hotel		9,455,465.38				
Subtotals		19,424,671.47				
joint venture						
Shenzhen Ronghua Electromechanical Engineering Co., Ltd		1,076,954.64				
Shenzhen Runhua Automobile Trading Company		1,445,425.56				
Dongyi Real Estate Co., Ltd		30,376,084.89				
Subtotals		32,898,465.09				

The invested entity	Initial number		Changes in this period			
	book value	impairment provision	make an additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive Income adjustment
others						
Baili Co., Ltd		201,100.00				
Berkton Corporation, Australia		906,630.00				
Shenzhen Shenfeng Department Store Co., Ltd		10,000,000.00				
Shantou Xinfeng Building		58,547,652.25				
Lianfeng Cement Manufacturing in Fengkai County, Guangdong Province		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				
Subtotals		167,761,564.39				
total		220,084,700.95				

(Continued from the table above)

The invested entity	Changes in this period				Closing balance	
	Other equity changes	Declare the distribution of cash dividends or profits	Provision for impairment	other	book value	impairment provision
joint venture						
Guangdong Huizhou						9,969,206.09

The invested entity	Changes in this period				Closing balance	
	Other equity changes	Declare the distribution of cash dividends or profits	Provision for impairment	other	book value	impairment provision
Luofushan Mineral Water Beverage Co., Ltd						
Fengkai Xinghua Hotel						9,455,465.38
Subtotals						19,424,671.47
joint venture						
Shenzhen Ronghua Electromechanical Engineering Co., Ltd						1,076,954.64
Shenzhen Runhua Automobile Trading Company						1,445,425.56
Dongyi Real Estate Co., Ltd						30,376,084.89
Subtotals						32,898,465.09
others						
Baili Co., Ltd						201,100.00
Berkton Corporation, Australia						906,630.00
Shenzhen Shenfang Department Store Co., Ltd						10,000,000.00
Shantou Xinfeng Building						58,547,652.25
Lianfeng Cement Manufacturing in Fengkai County, Guangdong Province						56,228,381.64
Jiangmen Xinjiang Real						9,037,070.89

The invested entity	Changes in this period				Closing balance	
	Other equity changes	Declare the distribution of cash dividends or profits	Provision for impairment	other	book value	impairment provision
Estate Co., Ltd						
Xi'an Xinfeng Property Trading Co., Ltd						32,840,729.61
Subtotals						167,761,564.39
total						220,084,700.95

Note: The equity accounted for in other equity investments is the equity of a subsidiary of the company that is not included in the consolidation scope. This subsidiary may have completed the revocation process, but the company has not written off its long-term equity investments or ceased operations many years ago, and the company entity no longer exists. The company is unable to effectively control it. Please refer to Note 6 for specific details

#### 11. Other equity instrument investments

project	Initial number	Changes in this period			
		make an additional investment	Reduce investment	Gains and losses recognized in other comprehensive income for the current period	other
Shantou Small and Medium sized Enterprise Financing Guarantee Co., Ltd	14,324,411.35			372,929.83	
total	14,324,411.35			372,929.83	

(Continued from the table above)

project	Closing balance	Dividend income recognized in this period	Accumulated gains and losses recognized in other comprehensive income at the end of this period
Shantou Small and Medium sized Enterprise Financing	14,697,341.18	777,600.00	6,408,705.61

project	Closing balance	Dividend income recognized in this period	Accumulated gains and losses recognized in other comprehensive income at the end of this period
Guarantee Co., Ltd			
total	14,697,341.18	777,600.00	6,408,705.61

## 12. Investment property

project	Houses and buildings	land-use right	total
Original book value			
Initial number	1,044,744,895.39	109,170,407.59	1,153,915,302.98
Increased amount in this period	1,368,720.31	1,636,931.86	3,005,652.17
1) Outsourcing			
2) Other (exchange rate fluctuations)	1,368,720.31	1,636,931.86	3,005,652.17
Decreased amount in this period	3,176,542.73		3,176,542.73
1) Disposal	3,176,542.73		3,176,542.73
2) Other transfers out			
Closing balance	1,042,937,072.97	110,807,339.45	1,153,744,412.42
Accumulated depreciation and accumulated amortization			
Initial number	508,643,374.73		508,643,374.73
Increased amount in this period	26,203,509.64		26,203,509.64
1) Provision or amortization	25,304,981.05		25,304,981.05
2) Other (exchange rate fluctuations)	898,528.59		898,528.59
Decreased amount in this period	2,020,271.90		2,020,271.90
1) Disposal	2,020,271.90		2,020,271.90
2) Other transfers out			
Closing balance	532,826,612.47		532,826,612.47

project	Houses and buildings	land-use right	total
impairment provision			
Initial number	14,128,544.62	89,601,247.46	103,729,792.08
Increased amount in this period		1,343,506.36	1,343,506.36
1) Provision			
2) Other (exchange rate fluctuations)		1,343,506.36	1,343,506.36
Decreased amount in this period	80,615.03		80,615.03
1) Disposal	80,615.03		80,615.03
2) Other transfers out			
Closing balance	14,047,929.59	90,944,753.82	104,992,683.41
book value			
Closing book value	496,062,530.91	19,862,585.63	515,925,116.54
Initial book value	521,972,976.04	19,569,160.13	541,542,136.17

## 13. Fixed assets

project	Houses and buildings	Transportation equipment	Electronic devices and others	total
Original book value				
Initial number	100,422,074.10	7,115,129.61	8,083,418.39	115,620,622.10
Increased amount in this period	-	376,600.00	362,801.36	739,401.36
1) Purchase		376,600.00	362,801.36	739,401.36
2) Other additions				-
Decreased amount in this period	454,163.00		100,612.00	554,775.00
1) Disposal or scrapping	454,163.00		100,612.00	554,775.00
2) Other reductions				
Closing balance	99,967,911.10	7,491,729.61	8,345,607.75	115,805,248.46
Accumulated depreciation				
Initial number	83,816,391.64	5,821,431.05	6,054,749.64	95,692,572.33

project	Houses and buildings	Transportation equipment	Electronic devices and others	total
Increased amount in this period	2,164,937.53	231,936.77	433,449.88	2,830,324.18
1) Provision	2,164,937.53	231,936.77	433,449.88	2,830,324.18
2) Other additions				
Decreased amount in this period	130,072.99		76,782.63	206,855.62
1) Disposal or scrapping	130,072.99		76,782.63	206,855.62
2) Other reductions				
Closing balance	85,851,256.18	6,053,367.82	6,411,416.89	98,316,040.89
impairment provision				
Initial number				
Increased amount in this period				
1) Provision				
2) Other additions				
Decreased amount in this period				
1) Disposal or scrapping				
2) Other reductions				
Closing balance				
book value				
Closing book value	14,116,654.92	1,438,361.79	1,934,190.86	17,489,207.57
Initial book value	16,605,682.46	1,293,698.56	2,028,668.75	19,928,049.77

## 14. Right-of-use assets

project	Houses and buildings	total
Original book value		
Initial number	431,779.61	431,779.61
Increased amount in this period		
1) Rent in		



project	Houses and buildings	total
Decreased amount in this period	431,779.61	431,779.61
1) Disposal	431,779.61	431,779.61
Closing balance		431,779.61
Accumulated depreciation		
Initial number	332,138.13	332,138.13
Increased amount in this period	99,641.48	99,641.48
1) Provision	99,641.48	99,641.48
Decreased amount in this period	431,779.61	431,779.61
1) Disposal	431,779.61	431,779.61
Closing balance		
impairment provision		
Initial number		
Increased amount in this period		
1) Provision		
Decreased amount in this period		
1) Disposal		
Closing balance		
book value		
Closing book value		
Initial book value	99,641.48	99,641.48

## 15. Intangible assets

project	software	total
Original book value		
Initial number	2,192,000.00	2,192,000.00
Increased amount in this period		
1) Purchase		
Decreased amount in this period		
1) Disposal		

project	software	total
Closing balance	2,192,000.00	2,192,000.00
accumulated amortization		
Initial number	2,192,000.00	2,192,000.00
Increased amount in this period		
1) Provision		
Decreased amount in this period		
1) Disposal		
Closing balance	2,192,000.00	2,192,000.00
impairment provision		
Initial number		
Increased amount in this period		
1) Provision		
Decreased amount in this period		
1) Disposal		
Closing balance		
book value		
Closing book value		
Initial book value		

## 16. Long-term prepayments

project	Initial number	Increase in this period	Amortization for this period	Other decreases	Closing balance
Decoration cost	1,309,140.94	808,132.01	538,965.12		1,578,307.83
other	289,164.62		147,560.73		141,603.89
total	1,598,305.56	808,132.01	686,525.85		1,719,911.72

## 17. Deferred tax assets and deferred tax liabilities

## (1) Deferred tax assets before offset

project	Closing balance	Initial number
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	Deductible Temporary differences	defer Income tax assets	Deductible Temporary differences	defer Income tax assets
Impairment of Assets	17,887,164.32	4,471,791.08	16,963,840.11	4,225,272.58
Deductible losses	34,153,954.30	8,538,488.58	43,152,112.49	10,788,028.12
Provision for Land Value Added Tax			2,140,368.96	535,092.24
Unrealized profits from internal transactions	78,405,738.36	19,601,434.58	80,397,191.40	20,099,297.85
Contract estimated cost	3,839,130.81	959,782.70	2,660,481.88	665,120.47
total	134,285,987.79	33,571,496.94	145,313,994.84	36,312,811.26

## (2) Unreset deferred income tax liabilities

project	Closing balance		Initial number	
	taxable Temporary differences	defer Income tax liabilities	taxable Temporary differences	defer Income tax liabilities
Changes in fair value of trading financial assets			7,824,348.72	1,956,087.18
Unfired interest	2,340,498.77	585,124.68	1,901,506.08	475,376.52
Changes in fair value of other equity instrument investments	2,697,341.18	674,335.30	2,324,411.36	581,102.84
total	5,037,839.95	1,259,459.98	12,050,266.16	3,012,566.54

## (3) Details of unconfirmed deferred tax assets

project	Closing balance	Initial number
deductable temporary difference	1,313,992,914.93	927,951,667.74
Deductible losses	94,399,508.95	68,296,307.42
total	1,408,392,423.88	996,247,975.16

## (4) The deductible losses of unconfirmed deferred tax assets will expire in the following years

particular year	Closing balance	Initial number	notes
2024		688,456.49	

particular year	Closing balance	Initial number	notes
2025	1,629.25	1,629.25	
2026	346,891.06	346,891.06	
2027	48,904,614.38	48,904,614.38	
2028	18,354,716.24	18,354,716.24	
2029	26,791,658.02		
total	94,399,508.95	68,296,307.42	

## 18. Assets with title or use right restrictions

## (1) Details

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

project	Closing book balance	Closing book value	limited type	Reason for restriction
Monetary funds	5,817,217.78	5,817,217.78	detain	Construction funds for public facilities within and around the Longgang District urban renewal project in Shenzhen; Land reclamation cost of Shenfang Guangmingli project
Monetary funds	2,306,548.48	2,306,548.48	freeze	Litigation freeze
Monetary funds	50,155.58	50,155.58	detain	Construction deposit
Monetary funds	158,549.08	158,549.08	detain	Stop payment, suspend account
accounts receivable	4,918,250.30	4,770,702.79	pledge	Short term loan pledge
inventory	234,599,800.76	161,509,611.70	Litigation preservation	Supplier litigation preservation
Investment real estate	137,329,055.83	38,505,029.10	mortgage	Loan Mortgage
total	385,179,577.81	213,117,814.51		

## 2) Initial asset restrictions

project	Closing book balance	Closing book value	limited type	Reason for restriction
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project	Closing book balance	Closing book value	limited type	Reason for restriction
Monetary funds	5,817,217.78	5,817,217.78	detain	Construction funds for public facilities within and around the Longgang District urban renewal project in Shenzhen; Land reclamation cost of Shenfang Guangmingli project
Monetary funds	5,943,085.18	5,943,085.18	freeze	Litigation freeze
Monetary funds	50,000.00	50,000.00	detain	Construction deposit
Monetary funds	62,552.52	62,552.52	detain	Stop payment, suspend account
accounts receivable	27,890,361.58	27,890,361.58	pledge	Short term loan pledge
Investment real estate	103,165,591.84	44,297,197.87	mortgage	Loan Mortgage
total	142,928,808.90	84,060,414.93		

## 19. Short-term borrowings

project	Closing balance	Initial number
Factoring	1,563,000.00	3,550,000.00
total	1,563,000.00	3,550,000.00

## 20. Accounts payable

## (1) Details

project	Closing balance	Initial number
Engineering material procurement and construction procurement funds	450,147,073.38	442,529,992.29
other	14,341,908.92	729,776.49
total	464,488,982.30	443,259,768.78

## (2) Important accounts payable with an aging of over 1 year

project	Closing balance	Reasons for non repayment or carryover
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project	Closing balance	Reasons for non repayment or carryover
China Railway Erju Group Corporation	41,216,237.77	Not yet settled
Huizhou Jinlongsheng Industrial Co., Ltd	84,950,000.00	Not yet settled
Huizhou Huiyang Hongfa Industry and 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
Subtotals	230,940,468.93	

## 21. Advances received

project	Closing balance	Initial number
rent	1,398,988.78	
other		420,724.30
total	1,398,988.78	420,724.30

## 22. Contract liabilities

## (1) Details

project	Closing balance	Initial number
Prepaid sales proceeds	1,284,864,387.02	1,290,868,600.78
Advance payment for engineering projects	8,705,289.17	172,464.62
other	4,576,556.16	407,525.88
total	1,298,146,232.35	1,291,448,591.28

## (2) Important contract liabilities with an aging of over 1 year

project	Closing balance	Reason for not carrying forward
Deep Room Bright Inside	1,247,568,338.53	The handover of the property has not been completed with the owner yet
total	1,247,568,338.53	

## (3) Collection status of pre-sale properties for important projects

project name	Closing balance	Initial number	Time for Completion	Residential signing ratio (%)
Deep Room Bright Inside	1,270,976,624.80	1,247,568,338.53	At the end of 2024	99.19
Subtotals	1,270,976,624.80	1,247,568,338.53		

## 23. Employee benefits payable

## (1) Details

project	Initial number	Increase in this period	Decrease in this period	Closing balance
Short term salary	22,194,258.15	69,233,244.39	68,984,279.66	22,443,222.88
Post employment benefits - defined contribution plan	52,759.21	9,647,408.70	9,644,022.50	56,145.41
total	22,247,017.36	78,880,653.09	78,628,302.16	22,499,368.29

## (2) Short term salary details

project	Initial number	Increase in this period	Decrease in this period	Closing balance
Salary, bonuses, allowances, and subsidies	21,950,880.02	57,640,964.51	57,426,676.00	22,165,168.53
Employee welfare expenses	150,000.00	2,626,688.83	2,776,688.83	-
Social insurance premiums		2,608,605.39	2,608,605.39	
Among them: Medical insurance premiums		2,238,417.40	2,238,417.40	
Work injury insurance premium		163,443.46	163,443.46	
Maternity insurance premium		206,744.53	206,744.53	
Employment Security Fund for Persons with Disabilities		23,777.78	23,777.78	
Housing Provident Fund		4,580,020.70	4,580,020.70	
Union funds and employee education funds	93,378.13	1,753,187.18	1,568,510.96	278,054.35
Subtotals	22,194,258.15	69,233,244.39	68,984,279.66	22,443,222.88

## (3) Set the details of the withdrawal plan

project	Initial number	Increase in this period	Decrease in this period	Closing balance
basic pension insurance		6,234,606.90	6,234,606.90	
Unemployment insurance premium		354,727.78	354,727.78	
Enterprise annuity payment	52,759.21	3,058,074.02	3,054,687.82	56,145.41
Subtotals	52,759.21	9,647,408.7	9,644,022.5	56,145.41

## 24. Taxes and rates payable

project	Closing balance	Initial number
value added tax	1,926,338.10	6,952,681.57
corporate income tax	15,240,318.16	25,379,573.98
Withholding and paying personal income tax on behalf of others	2,614,360.35	666,822.33
urban maintenance and construction tax	1,231,330.83	1,379,662.47
land-value increment tax	4,645,184.15	4,646,137.48
Property tax	352,632.19	250,796.18
Education surcharges	868,224.47	592,022.63
Local Education Surcharge	546,470.88	382,272.44
other	129,950.88	659,017.40
total	27,554,810.01	40,908,986.48

## 25. Other payable

## (1) Details

project	Closing balance	Initial number
interest payable	16,535,277.94	16,535,277.94
Other payables	544,481,375.22	537,933,951.65
total	561,016,653.16	554,469,229.59

## (2) Payable interest

## 1) Details

project	Closing balance	Initial number
Non financial institution loan interest (payable to parent company interest)	16,535,277.94	16,535,277.94



project	Closing balance	Initial number
Subtotals	16,535,277.94	16,535,277.94

## 2) Important overdue and unpaid interest situations

Borrower Unit	Overdue amount	Reason for overdue
Shenzhen Investment Holding Co., Ltd	16,535,277.94	Not yet paid
Subtotals	16,535,277.94	

## (3) Other payables

## 1) Details

project	Closing balance	Initial number
Non related party transactions	177,773,291.96	177,620,294.46
Related party transactions	234,015,438.99	234,129,312.99
deposit	25,941,548.11	27,861,196.50
other	106,751,096.16	98,323,147.70
Subtotals	544,481,375.22	537,933,951.65

## 2) Other important payables with an aging of over 1 year

project	Closing balance	Reasons for non repayment or carryover
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 and Trade Co., Ltd	26,894,095.89	Not yet settled
Huizhou Mingxiang Economic Information Consulting Co., Ltd	26,131,960.68	Not yet settled
Subtotals	362,127,338.08	

## 26. Non-current liabilities due within one year

project	Closing balance	Initial number
Long-term loans due within one year	33,888,347.83	34,001,293.81
Lease liabilities due within one year		55,054.12
total	33,888,347.83	34,056,347.93

## 27. Other current liabilities

project	Closing balance	Initial number
Pending output tax amount	114,948,818.17	115,574,168.18
Factoring	3,355,250.30	20,790,361.58
total	118,304,068.47	136,364,529.76

## 28. Long-term borrowings

project	Closing balance	Initial number
mortgage loan	96,162,025.65	213,433,144.83
Less: Long term loans due within one year	33,888,347.83	34,001,293.81
total	62,273,677.82	179,431,851.02

## 29. Lease liabilities

project	Closing balance	Initial number
lease accounts payable		55,054.12
Less: Lease liabilities due within one year		55,054.12
total		

## 30. Share capital

project	Initial number	Changes in current period (decrease indicated by "-")					Closing balance
		issue New stock	stock dividend	Conversion of housing provident fund into shares	other	subtotal	
Total number of shares	1,011,660,000.00						1,011,660,000.00

## 31. Capital reserve

project	Initial number	Increase in this period	Decrease in this period	Closing balance
Capital premium (equity)	557,433,036.93			557,433,036.93

project	Initial number	Increase in this period	Decrease in this period	Closing balance
premium)				
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)

project	Initial number	Current amount incurred					Less: previously included in other comprehensive income, transferred to retained earnings in the current period (after tax attributable to the parent company)	Closing balance
		Net amount after tax of other comprehensive income				After tax attribution to minority shareholders		
		Amount before income tax for this period	Less: previously included in other comprehensive income, transferred to profit or loss in the current period	Less: Income tax expenses	After tax attribution to the parent company			
Other comprehensive income that cannot be reclassified into profit or loss	2,159,512.75	372,929.84		93,232.46	279,697.38		2,439,210.13	
Among them: Re measuring the amount of changes in the defined benefit plan								
Other comprehensive income that cannot be converted to profit or loss under the equity method								
Changes in fair value of other equity instrument investments	2,159,512.75	372,929.84		93,232.46	279,697.38		2,439,210.13	

project	Initial number	Current amount incurred					Less: previously included in other comprehensive income, transferred to retained earnings in the current period (after tax attributable to the parent company)	Closing balance
		Net amount after tax of other comprehensive income						
		Amount before income tax for this period	Less: previously included in other comprehensive income, transferred to profit or loss in the current period	Less: Income tax expenses	After tax attribution to the parent company	After tax attribution to minority shareholders		
Changes in fair value of enterprise's own credit risk								
Reclassify other comprehensive income into profit or loss	23,159,946.69	-3,439,565.83			-2,538,740.51	-900,825.32	20,621,206.18	
Among them: Other comprehensive income convertible into profit or loss under the equity method								
Changes in fair value of other debt investments								
The amount of reclassified financial assets included in other comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedging reserve								

project	Initial number	Current amount incurred					Less: previously included in other comprehensive income, transferred to retained earnings in the current period (after tax attributable to the parent company)	Closing balance
		Net amount after tax of other comprehensive income						
		Amount before income tax for this period	Less: previously included in other comprehensive income, transferred to profit or loss in the current period	Less: Income tax expenses	After tax attribution to the parent company	After tax attribution to minority shareholders		
Translation difference of foreign currency financial statements	23,159,946.69	-3,439,565.83			-2,538,740.51	-900,825.32	20,621,206.18	
Total other comprehensive income	25,319,459.44	-3,066,635.99		93,232.46	-2,259,043.13	-900,825.32	23,060,416.31	

## 33. Surplus reserve

project	Initial number	Increase in this period	Decrease in this period	Closing balance
statutory surplus reserve	275,253,729.26			275,253,729.26
total	275,253,729.26			275,253,729.26

## 34. Undistributed profits

project	Number of this issue	Number of the same period last year
Undistributed profit at the end of the previous period before adjustment	1,400,604,385.39	1,713,155,187.48
Adjust the total amount of undistributed profits at the beginning of the period (increase+, decrease -)		
Adjust the initial undistributed profits in the later stage	1,400,604,385.39	1,713,155,187.48
Add: Net profit attributable to the owners of the parent company for the current period	-176,710,947.65	-250,839,542.09
Less: Withdrawal of statutory surplus reserve		

project	Number of this issue	Number of the same period last year
Common Stock dividends payable		61,711,260.00
other		
ending	1,223,893,437.74	1,400,604,385.39

## (II) Notes to items of the consolidated income statement

## 1. Operating revenue/Operating cost

## (1) Details

project	Number of this issue		Number of the same period last year	
	income	cost	income	cost
main business income	399,806,208.89	329,523,182.30	524,099,615.63	442,138,382.34
other business income	7,215,982.55	2,802,468.00	6,788,105.05	2,659,259.76
total	407,022,191.44	332,325,650.30	530,887,720.68	444,797,642.10
Among them: Revenue generated from contracts with customers	337,868,729.90	290,264,756.49	446,315,732.01	399,950,397.80

## (2) Income breakdown information

## 1) Revenue generated from contracts with customers broken down by type of goods or services

project	Number of this issue		Number of the same period last year	
	income	cost	income	cost
real estate	162,523,053.49	127,086,267.87	118,580,624.34	80,235,849.12
engineering construction	160,327,744.72	154,348,805.43	324,243,778.50	317,088,117.19
Property management and others	15,017,931.69	8,829,683.19	3,491,329.17	2,626,431.49
Subtotals	337,868,729.90	290,264,756.49	446,315,732.01	399,950,397.80

## 2) Revenue generated from contracts with customers broken down by operating region

project	Number of this issue		Number of the same period last year	
	income	cost	income	cost
Guangdong Province	337,173,047.00	290,264,756.49	445,625,466.90	399,950,397.80
America	695,682.90		690,265.11	

project	Number of this issue		Number of the same period last year	
	income	cost	income	cost
Subtotals	337,868,729.90	290,264,756.49	446,315,732.01	399,950,397.80

3) The revenue generated from contracts with customers is decomposed by the time of transfer of goods or services

project	Number of this issue	Number of the same period last year
Recognize revenue at a certain point in time	162,523,053.49	118,580,624.34
Recognize revenue during a certain period of time	175,345,676.41	327,735,107.67
Subtotals	337,868,729.90	446,315,732.01

(3) Information related to performance obligations

project	Time for fulfilling contractual obligations	Important payment terms	The nature of the goods promised by the company for transfer	Is he the main responsible person	The expected refund to customers that the company undertakes	The types of quality assurance provided by the company and related obligations
Sale of goods	At the time of product delivery	After the contract is signed, advance payment of the contract price shall be made	commercial housing	correct	not have	Guaranteed Quality Assurance
Provide services	When providing services	Collect according to the contract agreement upon completion of general services	Engineering construction, property management and other services	correct	not have	not have

(4) The income recognized in this period, which is included in the beginning book value of the contractual liability, is RMB 43880252.75.

## 2. Taxes and surcharges

project	Number of this issue	Number of the same period last year
Land value-added tax	2,714,249.05	59,631,025.69

project	Number of this issue	Number of the same period last year
Property tax	9,956,557.84	5,921,317.90
Urban maintenance and construction tax	1,012,893.50	2,033,111.82
Education surcharge	411,819.81	805,738.62
Local Education Surcharge	274,953.45	603,255.93
Land use tax	1,120,370.46	1,078,003.07
Stamp duty and other taxes and fees	1,250,438.60	927,479.33
total	16,741,282.71	70,999,932.36

## 3. Selling expenses

project	Number of this issue	Number of the same period last year
Sales agency fees and commissions	1,863,418.96	6,411,581.44
Employee Compensation	3,362,219.19	3,456,886.44
property management fee	3,906,657.98	2,885,601.45
cost of operation	136,489.27	399,643.39
Advertising expenses	2,488,123.19	8,162,439.28
other	1,407,764.34	487,050.14
total	13,164,672.93	21,803,202.14

## 4. Administrative expenses

project	Number of this issue	Number of the same period last year
Employee Compensation	48,292,124.93	41,241,958.09
Intermediary agency fees	6,587,170.53	2,496,191.21
legal fees	4,504,258.91	2,354,717.09
Business entertainment expenses	532,812.45	1,705,735.91
depreciation charge	3,020,894.71	2,558,956.30
office expenses	1,634,523.51	1,600,402.92
repair cost	380,818.94	390,746.46
Travel expenses	235,772.33	463,694.27



project	Number of this issue	Number of the same period last year
Other amortization expenses		399,870.13
water and electricity	395,856.79	347,076.86
other	4,534,298.91	2,406,582.48
total	70,118,532.01	55,965,931.72

## 5. Financial expenses

project	Number of this issue	Number of the same period last year
interest expenses	2,586,822.94	1,258,720.92
Less: Interest income	7,998,718.28	4,804,313.09
Exchange gains and losses	-465,656.39	-1,846,042.29
Service Charge	374,804.61	159,642.87
total	-5,502,747.12	-5,231,991.59

## 6. Other income

project	Number of this issue	Number of the same period last year	Amount included in non recurring gains and losses for the current period
grants related to income	753,298.54	440,049.96	753,298.54
Refund of handling fees for withholding personal income tax	86,280.28	68,364.83	
Value added tax additional deduction	2,627.57	58,857.60	
total	842,206.39	567,272.39	753,298.54

## 7. Investment income

project	Number of this issue	Number of the same period last year
Long term equity investment income accounted for by equity method		-93,927.64
Investment income generated from the disposal of long-term equity investments	568,863.59	9,941,254.23
Investment income of trading financial assets during the holding period		161,491.79

project	Number of this issue	Number of the same period last year
Dividend income obtained from other equity instrument investments during the holding period	777,600.00	537,600.00
total	1,346,463.59	10,546,418.38

## 8. Gains from changes in fair value

project	Number of this issue	Number of the same period last year
Trading financial assets	18,461,736.59	7,824,348.71
Among them: the fair value change income generated from financial assets designated as measured at fair value with changes recognized in current profit or loss	18,461,736.59	7,824,348.71
total	18,461,736.59	7,824,348.71

## 9. Credit impairment losses

project	Number of this issue	Number of the same period last year
Bad debt loss on accounts receivable	-8,437,909.31	-439,750.78
Other accounts receivable bad debt losses	-515,171.21	938,414.80
Bad debt loss on accounts receivable		80,850.00
total	-8,953,080.52	579,514.02

## 10. Asset impairment losses

project	Number of this issue	Number of the same period last year
inventory falling price loss	-374,863,314.48	-391,731,506.81
Impairment loss of contract assets	-324,845.35	-845,956.61
total	-375,188,159.83	-392,577,463.42

## 11. Gains from asset disposal

project	Number of this issue	Number of the same period last year	Include as non recurring in this period Amount of profit and loss
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project	Number of this issue	Number of the same period last year	Include as non recurring in this period Amount of profit and loss
Income from disposal of fixed assets	195,840.20	-1,000.00	195,840.20
total	195,840.20	-1,000.00	195,840.20

## 12. Non-operating revenue

project	Number of this issue	Number of the same period last year	Include as non recurring in this period Amount of profit and loss
Gains from destruction and scrapping of non current assets		1,269.60	
Unpaid accounts payable		362,451.86	
Fines and breach of contract income	2,170,800.00	4,000.00	2,170,800.00
other	243,877.03	18,704.07	243,877.03
total	2,414,677.03	386,425.53	2,414,677.03

## 13. Non-operating expenditures

project	Number of this issue	Number of the same period last year	Include as non recurring in this period Amount of profit and loss
External donation	31,795.00	30,000.00	31,795.00
Non current asset damage and scrapping losses	23,829.37	18,906.04	23,829.37
Compensation expenses		96,000.00	
Late fees and liquidated damages	212,363.60	302,110.62	212,363.60
other		83,547.43	
total	267,987.97	530,564.09	267,987.97

## 14. Income tax expenses

## (1) Details

project	Number of this issue	Number of the same period last year
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project	Number of this issue	Number of the same period last year
Current income tax expense	-4,272,520.91	-23,506,729.22
Deferred Income Tax Expense	894,975.30	40,518,842.29
total	-3,377,545.61	17,012,113.07

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

project	Number of this issue	Number of the same period last year
Total profit	-380,973,503.91	-430,652,044.53
Income tax expense calculated based on the applicable tax rate of the parent company	-95,243,375.98	-107,663,011.13
The impact of different tax rates on subsidiaries	465,029.57	472,597.65
The impact of adjusting income tax for previous periods	-6,533,032.37	2,575,454.03
The impact of non taxable income	-4,809,834.15	-4,485,954.26
The impact of non deductible costs, expenses, and losses	251,199.31	651,725.02
The impact of using previously unrecognized deferred tax assets on deductible losses	-1,349,670.39	-155,580.87
The impact of deductible temporary differences or deductible losses on unrecognized deferred tax assets in this period	103,842,138.39	125,616,882.63
Income tax expenses	-3,377,545.61	17,012,113.07

## 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

project	Number of this issue	Number of the same period last year
Other equity instrument investment dividend income	777,600.00	537,600.00
Investment income of trading financial assets during the holding period		161,491.79
Subtotals	777,600.00	699,091.79

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

project	Number of this issue	Number of the same period last year
Disposal of long-term assets	519,930.21	29,475.62
Subtotals	519,930.21	29,475.62

## (3) Net cash received from disposal of subsidiaries and other operating units

project	Number of this issue	Number of the same period last year
Disposal of cash or cash equivalents received by subsidiaries in the current period		
Among them: Shenzhen Property Management Co., Ltd		
Less: Cash and cash equivalents held by the company on the day of loss of control		
Among them: Shenzhen Property Management Co., Ltd		
Add: Disposal of cash or cash equivalents received by subsidiaries in the current period from previous periods	568,863.59	1,644,822.69
Among them: Shenzhen Property Management Co., Ltd	568,863.59	1,644,822.69
Net cash received from disposal of subsidiaries	568,863.59	1,644,822.69

## (4) Cash paid for the purchase and construction of fixed assets, intangible assets, and other long-term assets

project	Number of this issue	Number of the same period last year
Purchase fixed assets	739,401.36	1,475,412.00
Long term deferred expenses	808,132.01	
Subtotals	1,547,533.37	1,475,412.00

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

## (1) Other cash receipts related to operating activities

project	Number of this issue	Number of the same period last year
interest income	7,559,725.59	4,804,313.09
Accounts receivable and other expenses	8,330,076.43	51,500,509.58
total	15,889,802.02	56,304,822.67

## (2) Pay other cash related to operating activities

project	Number of this issue	Number of the same period last year
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project	Number of this issue	Number of the same period last year
Financial expenses - handling fees	374,804.61	156,436.95
Cash payment for operating expenses	28,607,966.11	27,059,079.63
Accounts receivable and other expenses	22,960,703.60	50,615,881.30
total	51,943,474.32	77,831,397.88

## (3) Received cash related to other investment activities

project	Number of this issue	Number of the same period last year
Fund wealth management products		136,800,000.00
total		136,800,000.00

## (4) Pay other cash related to investment activities

project	Number of this issue	Number of the same period last year
Fund wealth management products	90,000,000.00	600,000,000.00
total	90,000,000.00	600,000,000.00

## 3. Supplementary information to the cash flow statement

additional information	Number of this issue	Number of the same period last year
(1) Adjusting net profit to operating cash flow:		
Net profit	-377,595,958.30	-447,664,157.60
Add: Asset impairment provision	375,188,159.83	392,577,463.42
Provision for credit impairment	8,953,080.52	-579,514.02
Depreciation of fixed assets, depreciation of right of use assets, depletion of oil and gas assets, depreciation of productive biological assets	28,234,946.71	28,554,969.65
Amortization of intangible assets		
Amortization of long-term deferred expenses	686,525.85	745,676.41
Losses on disposal of fixed assets, intangible assets, and other long-term assets (income indicated by a "-" sign)	-195,840.20	1,000.00
Fixed asset scrapping loss (income indicated by "-")	23,829.37	17,636.44
Fair value change loss (income indicated by "-")	-18,461,736.59	-7,824,348.71

additional information	Number of this issue	Number of the same period last year
Financial expenses (income is indicated by a "-" sign)	2,586,822.94	1,258,720.92
Investment loss (income indicated by a "-" sign)	-1,346,463.59	-10,546,418.38
Decrease in deferred tax assets (increase indicated by "-")	2,741,314.32	40,723,917.72
Increase in deferred income tax liabilities (decrease indicated by "-")	-1,846,339.02	-205,075.43
Decrease in inventory (increase indicated by a "-" sign)	-96,487,621.86	-49,837,814.46
Decrease in operating receivables (increase indicated by "-")	-50,483,605.92	-104,577,562.13
Increase in operating payables (decrease indicated by "-")	598,936.15	1,202,392,754.36
other		
Net cash flows from operating activities	-127,403,949.79	1,045,037,248.19
(2) Major investment and financing activities that do not involve cash inflows and outflows:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		
(3) Net changes in cash and cash equivalents:		
Closing balance of cash	520,910,254.44	859,146,413.35
Subtract: Opening balance of cash	859,146,413.35	190,365,069.48
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-338,236,158.91	668,781,343.87

#### 4. Composition of cash and cash equivalents

##### (1) Details

project	Closing balance	Initial number
1) Cash	520,910,254.44	859,146,413.35
Among them: cash on hand	38,975.98	18,414.04
Bank deposits that can be used for payment at any time	518,481,597.91	829,127,999.31

project	Closing balance	Initial number
Other monetary funds available for payment at any time	2,389,680.55	30,000,000.00
Central bank funds available for payment		
Deposit interbank funds		
Interbank lending of funds		
2) Cash equivalents		
Among them: Bond investments due within three months		
3) Closing balance of cash and cash equivalents	520,910,254.44	859,146,413.35
Among them: restricted cash and Cash equivalents		

## (2) Cash and cash equivalents held by the company with restricted usage scope

project	Closing balance	Initial number	Reasons for limited scope of use, reasons for being used as cash and cash equivalents
Monetary funds	8,332,470.92	11,872,855.48	Regulated account
Subtotals	8,332,470.92	11,872,855.48	

## 5. Changes in liabilities related to fundraising activities

project	Initial number	Increase in this period		Decrease in this period		Closing balance
		Cash changes	Non cash changes	Cash changes	Non cash changes	
Short-term borrowings	3,550,000.00	1,563,000.00			3,550,000.00	1,563,000.00
Long term loans (including long-term loans due within one year)	213,433,144.83		291,378.42	117,562,497.60		96,162,025.65
Lease liabilities (including lease liabilities due within one year)	55,054.12			55,054.12		
Subtotals	217,038,198.95	1,563,000.00	291,378.42	117,617,551.72	3,550,000.00	97,725,025.65



## (IV) Others

## 1. Monetary items in foreign currencies

project	Closing foreign currency balance	Conversion exchange rate	Balance converted into RMB at the end of the period
Monetary funds			4,660,706.04
Among them: US dollars	7,384.87	7.1884	53,085.40
Hong Kong currency	4,975,617.30	0.92604	4,607,620.64
accounts receivable			293,885.80
Among them: US dollars	40,883.34	7.1884	293,885.80
Other receivables			10,661,054.05
Among them: Hong Kong dollars	11,512,520.03	0.92604	10,661,054.05
Other payables			22,489,682.48
Among them: US dollars	722,044.70	7.1884	5,190,346.12
Hong Kong currency	18,680,981.77	0.92604	17,299,336.36

## 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:

project	Number of this issue	Number of the same period last year
Short term rental expenses	56,045.24	1,001,337.95
total	56,045.24	1,001,337.95

## 3) Current profit and loss and cash flow related to leasing

project	Number of this issue	Number of the same period last year
Interest expenses on lease liabilities		6,548.09

Total cash outflow related to leasing	56,045.24	1,142,112.85
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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

project	Number of this issue	Number of the same period last year
Rental Income	69,153,461.54	60,531,148.28
Among them: Variable lease payment related income not included in the measurement of lease receipts		

b. Assets leased out under operating leases

project	Closing balance	Last year's year-end figures
Investment real estate	515,925,116.54	541,542,136.17
Subtotals	515,925,116.54	541,542,136.17

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

residual maturity	Closing balance	Last year's year-end figures
Within 1 year	52,670,249.55	56,542,470.24
1-2 years	36,475,042.36	52,190,140.08
2-3 years	22,511,849.37	33,173,087.70
3-4 years	12,694,568.09	18,585,822.03
4-5 years	10,772,038.12	10,612,435.91
5 years later	8,015,870.43	17,600,507.53
total	143,139,617.93	188,704,463.49

## 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

Unit: 10000 yuan

Subsidiary name	registered capital	Main business location and registered address	Business Nature	Shareholding ratio (%)		Acquisition method
				direct	indirect	
Shenzhen Shenfang Group Longgang Development Co., Ltd	3,000.00	Shenzhen	real estate	95.00	5.00	establish
Great Wall Real Estate Co., Ltd. in the United States	500000 US dollars	America	real estate	70.00		establish
Shenzhen Haiyan Hotel Co., Ltd	3,000.00	Shenzhen	Hotel Services	68.10	31.90	establish
Shenzhen Zhentong Engineering Co., Ltd	1,000.00	Shenzhen	construction	73.00	27.00	establish
Shenzhen Huazhan Construction Supervision Co., Ltd	800.00	Shenzhen	construction	75.00	25.00	establish
Shenzhen Lianhua Enterprise Co., Ltd	1,000.00	Shenzhen	construction	95.00	5.00	establish
Xinfeng Real Estate Co., Ltd		Hong Kong	Investment and management	100.00		establish
Xinfeng Enterprise Co., Ltd	500.00 (Ten Thousand New Taiwan Dollars)	Hong Kong	Investment and management	100.00		establish
Shenzhen Shenfang Bonded Trade Co., Ltd	500.00	Shenzhen	import and export trade	95.00	5.00	establish
Shenzhen Shenfang	1,000.00	Shenzhen	invest	90.00	10.00	establish

Subsidiary name	registered capital	Main business location and registered address	Business Nature	Shareholding ratio (%)		Acquisition method
				direct	indirect	
Investment Co., Ltd						
Beijing Xinfeng Real Estate Development and Operation Co., Ltd	10 million US dollars	Beijing	real estate	75.00	25.00	establish
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd	280.00	Huizhou	real estate	51.00		Merger of enterprises not under the same control
Shenzhen Shenfang Chuanqi Real Estate Development Co., Ltd	3,000.00	Shenzhen	real estate	100.00		establish

## (2) Other instructions

There are a total of three subsidiaries of our company that have been suspended for a long time and whose business registration has been revoked but not cancelled, namely Guangzhou Huangpu Xincun Real Estate Development Co., Ltd., Xinfeng Real Estate Development and Construction (Wuhan) Co., Ltd., and Beijing Xinfeng Real Estate Development and Operation Co., Ltd., which are included in the scope of consolidation. They are reported on a non-going concern basis, and the full provision for impairment has been made for the debts of these three subsidiaries to companies outside the scope of consolidation of our group.

## (II) Significant not wholly-owned subsidiaries

## 1. Details

Subsidiary name	Minority shareholders Shareholding ratio	This period belongs to less Profit and loss of shareholders	To minority shareholders in this period Dividends declared for distribution	Minority shareholders at the end of the period Equity balance
Great Wall Real Estate Co., Ltd. in the United States	30.00%	-105,416.77		-23,329,443.53

Subsidiary name	Minority shareholders Shareholding ratio	This period belongs to less Profit and loss of shareholders	To minority shareholders in this period Dividends declared for distribution	Minority shareholders at the end of the period Equity balance
Xinfeng Investment Co., Ltd	45.00%	-29,232.58		-116,557,347.64
Baiwei Real Estate Co., Ltd	20.00%			-4,034,750.95
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd	49.00%	-200,750,361.31		27,191,968.77

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

### (1) Assets and liabilities

subsidiary name	Closing balance					
	current assets	illiquid assets	Total Assets	current liabilities	Non-current liability	Total liabilities
Great Wall Real Estate Co., Ltd. in the United States	334,066.53	19,862,585.63	20,196,652.16	113,755,645.58		113,755,645.58
Xinfeng Investment Co., Ltd	193,038.35	36,016.90	229,055.25	259,168,553.63		259,168,553.63
Baiwei Real Estate Co., Ltd	1,084.11		1,084.11	33,634,035.70		33,634,035.70
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd	1,546,413,206.24	6,596,481.14	1,553,009,687.38	1,496,960,467.21		1,496,960,467.21

(Continued from the table above)

subsidiary name	Initial number					
	current assets	illiquid assets	Total Assets	current liabilities	Non-current liability	Total liabilities
Great Wall Real Estate Co., Ltd. in	395,377.20	19,569,160.13	19,964,537.33	111,791,851.06		111,791,851.06

subsidiary name	Initial number					
	current assets	illiquid assets	Total Assets	current liabilities	Non-current liability	Total liabilities
the United States						
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	2,016,643,388.11	7,070,465.17	2,016,643,388.1	1,557,970,018.20		1,557,970,018.20

## (2) Profit and loss and cash flow situation

subsidiary name	Number of this issue				Number of the same period last year			
	operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Great Wall Real Estate Co., Ltd. in the United States	695,682.90	-351,389.23	-1,731,679.70	-124,152.78	690,265.11	-351,082.24	-1,738,429.72	10,516.97
Xinfeng Investment Co., Ltd		-6,4961.29				11.30	11.30	
Baiwei Real Estate Co., Ltd			-713,023.86			15.16	15.16	
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd		-409,694,614.91	-409,694,614.91	-5,663,416.92		-401,467,956.63	-401,467,956.63	-26,899,080.84

## (IV) Interest in joint ventures or associates

## 1. Aggregated financial information of insignificant joint ventures and associates

project	Final number/current number	Beginning balance/same period last year balance
joint venture		
Total book value of investments		
The total of the following items calculated according to the shareholding ratio		
Net profit		
Other comprehensive income		
Total comprehensive income		
joint venture		
Total book value of investments		-93,927.67
The total of the following items calculated according to the shareholding ratio		
Net profit		-93,927.67
Other comprehensive income		-93,927.67
Total comprehensive income		

## 2. Excess losses incurred by joint ventures or associates

Joint venture or Name of joint venture	Accumulated in the early stage Confirmed loss	Unconfirmed losses in this period (or net profit shared in this period)	Accumulated at the end of this period Unconfirmed losses
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

project	Newly added subsidy amount for this period
grants related to income	753,298.54
Among them: included in other income	753,298.54
total	753,298.54

## (II) Government grants included into profit or loss

project	Number of this issue	Number of the same period last year
Government subsidies included in other income	753,298.54	440,049.96
total	753,298.54	440,049.96

### 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, 2024, the Company has certain concentration of credit risk, and 40.97% (December 31, 2023: 36.46%) 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

project	Closing balance				
	book value	Unpredited contract amount	Within 1 year	1-3 years	More than 3 years
Short-term borrowings	1,563,000.00	1,599,446.39	1,599,446.39		
accounts payable	464,488,982.30	464,488,982.30	464,488,982.30		
Other payables	561,016,653.17	561,016,653.17	561,016,653.17		
Non current liabilities due within one year	33,888,347.83	36,522,809.86	36,522,809.86		
Other current liabilities	118,304,068.47	118,304,068.47	118,304,068.47		
long-term loan	62,273,677.82	67,283,938.91	-	4,788,462.25	62,495,476.66
Subtotals	1,241,534,729.59	1,249,215,899.10	1,181,931,960.19	4,788,462.25	62,495,476.66

(Continued from the table above)

project	Initial number				
	book value	Unpredited contract amount	Within 1 year	1-3 years	More than 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		

project	Initial number				
	book value	Unpredited contract amount	Within 1 year	1-3 years	More than 3 years
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 loan	179,431,851.02	187,773,026.94		122,834,289.80	64,938,737.14
Subtotals	1,235,557,558.90	1,251,716,612.92	1,063,943,585.98	122,834,289.80	64,938,737.14

### (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, 2024, balance of borrowings with interest accrued at floating interest rate totaled 62273677.82 yuan (December 31, 2023: RMB 62398851.02). 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

project	Fair value at the end of the period			
	Level 1 Fairness value measurement	Level 2 Fairness value measurement	Third level fairness value measurement	total
Continuous fair value measurement				
1. Trading financial assets and other non current financial assets			987,801,938.51	987,801,938.51
(1) Classified as financial assets measured at fair value with changes recognized in current profit or loss				
Fund Wealth Management			987,801,938.51	987,801,938.51
(2) Designated as financial assets measured at fair value with changes recognized in current profit or loss				
Debt instrument investment				
2. Other equity instrument investments			14,697,341.18	14,697,341.18
Total assets continuously measured at fair value			1,002,499,279.69	1,002,499,279.69

## X. Related party relationships and transactions

### (I) Related party relationships

#### 1. Parent company

##### (1) Details

Parent company name	Place of Registration	Business Nature	Registered capital (RMB 10000)	Parent company's shareholding ratio in our company (%)	Proportion of voting rights of the parent company in the company (%)
Shenzhen Investment Holding 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

Other related party names	Other related parties' relationship with our company
Shenzhen Jian'an (Group) Co., Ltd	The controlling subsidiary of the parent company
Shenzhen Oriental New World Department Store Co., Ltd	joint stock company
Shenzhen Shenxi Architectural Decoration Company	Revoked but not cancelled controlling subsidiaries not included in the merger
Shenzhen Zhentong New Electromechanical Industrial Development Co., Ltd	Long-term suspended holding subsidiaries not included in the merger
Shenzhen Nanyang Hotel Co., Ltd	Revoked but not cancelled controlling subsidiaries not included in the merger
Shenzhen Real Estate Electromechanical Management Company	Revoked but not cancelled controlling subsidiaries not included in the merger
Shenzhen Longgang Henggang Huagang Industrial Co., Ltd	Revoked but not cancelled controlling subsidiaries not included in the merger
Guangzhou BoPi Enterprise Management Consulting Co., Ltd	Subsidiary shareholders
Shenzhen Property Management Co., Ltd	The controlling subsidiary of the parent

Other related party names	Other related parties' relationship with our company
	company
Guoren Property Insurance Co., Ltd	The controlling subsidiary of the parent company
Shenzhen Water Planning and Design Institute Co., Ltd	The controlling subsidiary of the parent company
Shenzhen General Institute of Architectural Design and Research	The controlling subsidiary of the parent company
Shenzhen Shenfang Property Cleaning Co., Ltd	The controlling subsidiary of the parent company
Shenzhen Property Management Co., Ltd. Shantou Branch	The controlling subsidiary of the parent company
Shenzhen Guomao Property Management Co., Ltd	The controlling subsidiary of the parent company
Shenzhen Xinfeng Real Estate Consulting Co., Ltd	joint stock company
Guangdong Huizhou Luofushan Mineral Water Beverage Co., Ltd	joint stock company
Shenzhen Runhua Automobile Trading Company	joint stock company
Great Wall Canada (Vancouver) Limited	joint stock company
Berkton Australia Limited	joint stock company
Baili Co., Ltd	joint stock company
Shenzhen Shenfang Department Store Co., Ltd	joint stock company
Shenzhen Ronghua Electromechanical Engineering Co., Ltd	joint stock company
Xi'an Xinfeng Property Trading Co., Ltd	joint stock company
Fengkai County Lianfeng Cement Manufacturing Co., Ltd	joint stock company
Beijing Shenfang Property Management Co., Ltd	joint stock company

## (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	Related party transaction content	Number of this issue	Number of the same period last year
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Related parties	Related party transaction content	Number of this issue	Number of the same period last year
Shenzhen Water Planning and Design Institute Co., Ltd	Testing services	27,169.81	678,902.77
Shenzhen General Institute of Architectural Design and Research	Design Services		622,641.51
Guoren Property Insurance Co., Ltd	Insurance Services	322,255.28	80,263.00
Shenzhen Property Management Co., Ltd	Property Services	7,472,214.59	6,482,286.26
Shenzhen Shenfang Property Cleaning Co., Ltd	Cleaning services	497,453.20	
Shenzhen Property Management Co., Ltd. Shantou Branch	Property Services	2,480,734.94	2,789,916.70
Subtotals		10,799,827.82	10,654,010.24

## 2) Related transactions involving the sale of goods and provision of services

Related parties	Related party transaction content	Number of this issue	Number of the same period last year
Guoren Property Insurance Co., Ltd	Rental services	773,325.68	843,039.96
Shenzhen Property Management Co., Ltd	Rental services	5,476,586.12	2,663,510.39
Shenzhen Shenfang Property Cleaning Co., Ltd	Rental services	39,999.96	39,999.97
Subtotals		6,289,911.76	3,546,550.32

## 2. Related party leases

## (1) Details

## The Company as the lessor

Tenant name	Types of leased assets	Confirmed in this period Rental Income	Confirmed in the same period last year Rental Income
Shenzhen Property Management Co., Ltd	Houses and buildings	5,476,586.12	2,663,510.39
Shenzhen Shenfang Property Cleaning	Houses and buildings	39,999.96	39,999.97

Tenant name	Types of leased assets	Confirmed in this period Rental Income	Confirmed in the same period last year Rental Income
Co., Ltd			
Guoren Property Insurance Co., Ltd	Houses and buildings	773,325.68	843,039.96
Subtotals		6,289,911.76	3,546,550.32

## 3. Key management's emoluments

Unit: 10000 yuan

project	Number of this issue	Number of the same period last year
Compensation for key management personnel	857.26	967.69

## 4. 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, 2024, the Company's directors, supervisors and senior executives have jointly invested 8.95 million yuan in the SPG Linxi Community Project.

## (III) Balances due to or from related parties

## 1. Balances due from related parties

project name	Related parties	Closing balance		Initial number	
		book balance	bad debt reserves	book balance	bad debt reserves
accounts receivable					
	Shenzhen Property Management Co., Ltd	1,025,942.86			
	Shenzhen Xinfeng Real Estate Consulting Co., Ltd	1,237,010.58	1,237,010.58	1,215,543.75	1,215,543.75
Subtotals		2,262,953.44	1,237,010.58	1,215,543.75	1,215,543.75
Other receivables					



project name	Related parties	Closing balance		Initial number	
		book balance	bad debt reserves	book balance	bad debt reserves
	Shenzhen Property Management Co., Ltd	5,500.00			
	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 Company	3,072,764.42	3,072,764.42	3,072,764.42	3,072,764.42
	Great Wall Canada (Vancouver) Limited	89,035,748.07	89,035,748.07	89,035,748.07	89,035,748.07
	Berkton Australia Limited	12,559,290.58	12,559,290.58	12,559,290.58	12,559,290.58
	Baili Co., Ltd	20,251,959.02	20,251,959.02	19,393,335.84	19,393,335.84
	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 Architectural Decoration Company	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 Shenfang Property Management Co.,	6,905,673.69	6,533,817.09	6,905,673.69	6,533,817.09

project name	Related parties	Closing balance		Initial number	
		book balance	bad debt reserves	book balance	bad debt reserves
	Ltd				
Subtotals		162,257,432.43	161,880,075.83	161,393,309.25	161,021,452.65

## 2. Balances due to related parties

project name	Related parties	Closing balance	Initial number
Other payables - accrued interest			
	Shenzhen Investment Holding Co., Ltd	16,535,277.94	16,535,277.94
Subtotals		16,535,277.94	16,535,277.94
accounts payable			
	Shenzhen Property Management Co., Ltd	12,658,092.83	17,053,636.61
Subtotals		12,658,092.83	17,053,636.61
Other payables			
	Shenzhen Property Management Co., Ltd	244,304.26	358,178.26
	Guoren Property Insurance Co., Ltd	74,332.00	
	Shenzhen Oriental New World Department Store Co., Ltd	902,974.64	902,974.64
	Fengkai County Lianfeng Cement Manufacturing Co., Ltd	1,867,348.00	1,867,348.00
	Shenzhen Real Estate Electromechanical Management Company	14,981,420.99	14,981,420.99
	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	206,903,717.13	206,903,717.13

project name	Related parties	Closing balance	Initial number
	Management Consulting Co., Ltd		
Subtotals		234,089,770.99	234,129,312.99

## XI. Commitments and contingencies

### (I) Significant commitments

As of December 31, 2024, there are no important commitments that the company needs to disclose.

### (II) Contingencies

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

plaintiff	defendant	cause of action	Accepting court	Subject amount	notes
Xi'an Xinfeng Property Trading Co., Ltd	Xi'an Municipal Commission of Commerce and Trade, Xi'an Commercial Tourism Co., Ltd	Investment compensation dispute	Shaanxi Provincial Higher Peoples Court	21.54 million yuan and its interest	Progress of the case: Under Execution Case details: [Note 1]
Huizhou Mingxiang Economic Information Consulting Co., Ltd., Huizhou Huiyang Hongfa Industry and Trade Co., Ltd., Huizhou Jinlongsheng Industrial Co., Ltd	Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd	Dispute over the right to request payment of bills in litigation	Huiyang District Court	Principal 177.1514 million yuan, interest 2.8482 million yuan	Progress of the case: Under Execution Case details: [Note 2]
Shenzhen Special Economic Zone Real Estate (Group) Co., Ltd	Guangzhou Bopi Enterprise Management Consulting Co., Ltd., Evergrande Real Estate Group Pearl River Delta Real Estate Development Co., Ltd., Shenzhen Qijin Investment Co., Ltd., and the third party is	Disputes over joint venture and cooperative real estate development contracts	Intermediate People's Court of Huizhou City, Guangdong Province	743.575 million yuan	Case Progress: In the Second Instance Case details: [Note 3]

	Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd				
Shenzhen Special Economic Zone Real Estate (Group) Co., Ltd	Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd	Loan contract dispute	Shenzhen Luohu District People's Court	Principal and interest of 395.6885 million yuan	Case progress: ongoing execution Case details: [Note 4]
Shenzhen Special Economic Zone Real Estate (Group) Co., Ltd	Guangdong Jianbang Group (Huiyang) Industrial Co. , Ltd , Guangzhou Bopi Enterprise Management Consulting Co., Ltd., Evergrande Real Estate Group Pearl River Delta Real Estate Development Co., Ltd., Shenzhen Qijin Investment Co., Ltd	Loan contract dispute	Huizhou Huiyang District People's Court	Principal and interest of RMB 419.5229 million	Case progress: ongoing execution Case details: [Note 5]

Note 1: Xi'an Xinfeng Property Trading Co., Ltd. (hereinafter referred to as Xi'an Xinfeng Company) is a Sino foreign joint venture established by Xinfeng Enterprise Co., Ltd., a wholly-owned subsidiary of our company, in Xi'an. Xinfeng Enterprise Co., Ltd. holds 67% of the shares in cash, Xi'an Commercial and Trade Commission (hereinafter referred to as Xi'an Commerce and Trade Commission) directly affiliated enterprise Xi'an Commercial and Trade Building holds 16% of the shares in land use rights, and Hong Kong Dadiwang Industrial Investment Company holds 17% of the shares; Our main business is real estate development, and the development project is Xi'an Commercial Building. The project started on November 28, 1995, but due to serious differences in project management policies between the two parties, the project was forced to stop in 1996. In 1997, the Xi'an Municipal Government forcibly withdrew

the investment project of Xi'an Xinfeng Company and transferred it to Xi'an Commerce and Tourism Co., Ltd. (hereinafter referred to as the Commerce and Tourism Company), a subsidiary of the Xi'an Municipal Commission of Commerce and Trade. However, both parties filed a lawsuit regarding the investment compensation. On December 19, 2001, the Shaanxi Provincial High People's Court ruled in its judgment No. 25 of 2000 that: 1. The commercial tourism company shall pay a compensation of 36.62 million yuan and its interest to Xi'an Xinfeng Company within one month after the judgment takes effect. In case of overdue performance, the company shall pay double the debt interest during the period of delayed performance; 2. The Xi'an Municipal Commission of Commerce and Trade shall bear joint and several liabilities for the interest on the above-mentioned compensation. The assets of the commercial tourism company in this case have been auctioned off, and a total of 15.201 million yuan has been recovered through execution. Our company has submitted multiple applications to the Shaanxi Provincial High People's Court for the resumption of enforcement based on the acquisition of property clues. As of December 31, 2024, the case is in the enforcement stage. As of December 31, 2024, the book balance of our company's long-term equity investment in Xi'an Xinfeng Company is 32840729.61 yuan, for which full provision for impairment has been made. The book debt balance is 8419205.19 yuan, for which full provision for impairment has been made.

Note 2: Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. (hereinafter referred to as "Jianbang Company") is a subsidiary of our company holding 51% of the shares. Due to Jianbang Company's inability to pay commercial acceptance bills due in January 2022, with a total amount of 177.1514 million yuan, the plaintiff company has filed a lawsuit with the Huiyang District Court to claim payment rights for the bills. On March 14, 2023, the court ruled that Jianbang Company must pay commercial bills and overdue interest to three companies within 15 days. (Including bearing litigation costs and preservation fees of approximately 1.03 million yuan). As of December 31, 2024, the plaintiff has applied for enforcement to the Huizhou Intermediate People's Court.

As of December 31, 2024, a total of 153 properties in buildings 2 and 4 of the first phase of the Shenfang Linxin Garden project, estimated at a recorded price of 220 million yuan, have been seized.

Note 3: On April 30, 2021, our company signed a "Cooperation Development Agreement" and a "Entrustment Management Agreement" with Guangzhou Bopi, Hengda Pearl River Delta, and Jianbang Company. Guangzhou Bopi promised that Jianbang Company would achieve a cumulative net profit of not less than 1.25 billion yuan from 2021 to 2025. If Guangzhou Bopi fails to fulfill its profit commitment, it will make up for the difference. On June 30, 2021, due to the acquisition of 51% equity of Guangzhou BoPi by Shenzhen Qijin, our company, Guangzhou BoPi, Hengda Pearl River Delta, and Shenzhen Qijin jointly signed Supplementary Agreement 1 to the "Cooperation Development Agreement", which stipulates that Shenzhen Qijin shall assume

joint and several liabilities with Hengda Pearl River Delta for Guangzhou BoPi's profit commitment and shortfall compensation to our company as stipulated in the "Cooperation Development Agreement". Due to the fundamental breach of contract by Guangzhou Bopi and Hengda Pearl River Delta, and the actual loss of performance ability, the purpose and expected benefits of our company's contract cannot be achieved. Our company has filed a lawsuit. On January 8, 2025, our company received the first instance civil judgment of the case, and the judgment made by the Huizhou Intermediate People's Court of the first instance supported some of our company's litigation claims. On January 22, 2025, our company filed an appeal regarding unsupported claims, and the case is currently in the second instance.

Note 4: In 2021, a third party in our company's acquisition case held 51% of the defendant's equity. At the time of the acquisition, it was agreed that our company would provide interest-bearing loans to Jianbang Company in proportion to the equity. Later, Jianbang Company borrowed twice from our company and signed a "Loan Agreement". After the agreement is signed, our company will provide loans to Jianbang Company under the agreement and fulfill the lending obligation. Both loans have now matured, but Jianbang Company has not repaid them, constituting a breach of contract. As a state-owned listed company, our company has filed this lawsuit to protect state-owned assets from losses. This case was judged in the first instance in December 2023. In January 2024, our company received a "Civil Judgment" from the People's Court of Luohu District, Shenzhen, Guangdong Province: Jianbang Company was ordered to repay the loan principal of 344696200.26 yuan and pay interest to our company within ten days from the effective date of the judgment; Jianbang Company shall pay liquidated damages to our company within ten days from the effective date of the judgment. As of December 31, 2024, the case is under first-instance execution, and the company has applied to seal off 310 properties under construction by Jianbang Company.

Note 5: In 2021, our company acquired 51% equity of Jianbang Company held by Guangzhou Bopi, and agreed to provide interest-bearing loans to Jianbang Company according to the equity ratio during the acquisition. The last five parties signed an agreement, agreeing that our company would provide loans to Jianbang Company, and Jianbang Company would provide corresponding collateral. At the same time, Guangzhou Bopi, Hengda Pearl River Delta, and Shenzhen Qijin would assume joint and several guarantee responsibility for 49% of the total loan amount, interest, and liquidated damages. After the agreement was signed, our company provided a loan to Jianbang Company under the agreement and fulfilled the lending obligation. However, Jianbang Company was unable to repay the loan. As a state-owned holding listed company, our company filed a lawsuit to protect state-owned assets from losses. The first instance judgment of this case was made on June 5, 2024, sentencing Jianbang Company to repay the loan principal of 379.83 million yuan and corresponding interest; The judgment is that our company has the priority right to receive compensation for the mortgage rights of the third and fourth phases of the Shenfang Linxin Garden project under the name of Jianbang Company;

Guangzhou Bopi Enterprise Management Consulting Co., Ltd., Evergrande Real Estate Group Pearl River Delta Real Estate Development Co., Ltd., and Shenzhen Qijin Investment Co., Ltd. are jointly and severally liable for the 49% principal and interest of the loan owed by Jianbang Company to our company, totaling 186116700 yuan and interest. On June 24, 2024, Guangzhou Bopi filed an appeal but failed to pay the case acceptance fee on time. In October 2024, the Huizhou Intermediate People's Court issued a "Civil Ruling" and processed the case as withdrawn. The first instance judgment became effective as of December 31, 2024, and the case is still under execution. Our company has seized 307 properties under construction of Jianbang Company.

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

As of December 31, 2024, our company has provided mortgage loan guarantees totalling RMB 66,441.39million to buyers of commercial housing under real estate operating practices.

Guaranteed parties	Financial institutions granting borrowings	Amount of borrowings guaranteed (in ten thousand yuan)	Maturity date of guarantees	Remarks
Homebuyer	China Construction Bank	43.50	Until the mortgage registration of the property certificate is completed and handed over to the bank for safekeeping	Shanglin Community
Homebuyer	Agricultural Bank of China	11,911.65	Until the mortgage registration of the property certificate is completed and handed over to the bank for safekeeping	Cuilin Community
Homebuyer	Agricultural Bank of China	1,998.65	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	2,407.00	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	48,581.04	Until the mortgage registration of the property certificate is completed and handed over to the bank for safekeeping	Guangming Lane

Guaranteed parties	Financial institutions granting borrowings	Amount of borrowings guaranteed (in ten thousand yuan)	Maturity date of guarantees	Remarks
	Merchants Bank, Bank of China			
Shenzhen Shenfang Chuanqi Real Estate Development Co., Ltd.	China Merchants Bank and Bank of China	1,499.52	June 19th, 2025	The parent company provides a guarantee for the loan of its subsidiary.
Subtotal		66,441.39		

## XII. Events after the balance sheet date

As of the financial reporting date, the company does not have any post-balance sheet events that need to be disclosed.

## XIII. Other significant events

### Segment information

Our company's main business is the development, construction, and sales of real estate products, as well as the rental and management fees charged for renting properties. The company regards this business as a whole for implementing management and evaluating business results. Therefore, the company does not need to disclose branch information. For detailed information on the breakdown of our company's revenue, please refer to Note V (II) 1 of these financial statements.

## XIV. Notes to items of parent company financial statements

### (I) Notes to items of parent company balance sheet

#### 1. Accounts receivable

##### (1) Age analysis

Aging of accounts	Closing balance	Initial number
Within 1 year	13,309,107.41	15,636,256.41
More than 5 years	4,450,138.62	4,450,138.62
Total book balance	17,759,246.03	20,086,395.03
Less: Bad debt provision	10,559,107.12	10,335,510.02
Total book value	7,200,138.91	9,750,885.01

##### (2) Provision for bad debts

###### 1) Details on categories



Types	Closing balance				
	book balance		bad debt reserves		book value
	amount of money	Proportion (%)	amount of money	Provision ratio (%)	
Individual provision for bad debts	10,084,109.60	56.78	10,084,109.60	100.00	
Provision for bad debts by combination	7,675,136.43	43.22	474,997.52	6.19	7,200,138.91
total	17,759,246.03	100.00	10,559,107.12	59.46	7,200,138.91

(Continued from the table above)

Types	Initial number				
	book balance		bad debt reserves		book value
	amount of money	Proportion (%)	amount of money	Provision ratio (%)	
Individual provision for bad debts	10,084,109.60	50.20	10,084,109.60	100.00	
Provision for bad debts by combination	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

## 2) Accounts receivable with significant single provision for bad debt reserves

Unit Name	Initial number		Closing balance			Basis for provision
	book balance	bad debt reserves	book balance	bad debt reserves	Provision ratio (%)	
Long term unrecovered sales proceeds	10,084,109.60	10,084,109.60	10,084,109.60	10,084,109.60	100.00	Expected irretrievable
Subtotals	10,084,109.60	10,084,109.60	10,084,109.60	10,084,109.60	100.00	

## 3) Accounts receivable with combined provision for bad debts

project	Closing balance		
	book balance	bad debt reserves	Provision ratio (%)
Combination of receivable property sales proceeds	7,675,136.43	474,997.52	6.19
Combination of related parties within the scope of accounts receivable consolidation			
Subtotals	7,675,136.43	474,997.52	6.19

## (3) Changes in bad debt provision

## 1) Details

project	Initial number	Current period change amount				Closing balance
		Provision	Withdrawal or reversal	Write off	other	
Individual provision for bad debts	10,084,109.60					10,084,109.60
Provision for bad debts by combination	251,400.42	223,597.10				474,997.52
total	10,335,510.02	223,597.10				10,559,107.12

## (4) Top 5 accounts receivable and contract asset amounts

Unit Name	Closing book balance			Proportion (%) of the total ending 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	Subtotals		
Shenzhen Huatang Famous Liquor City Investment Co., Ltd	2,963,112.00		2,963,112.00	16.68	148,155.60
Daxing Auto Parts Co., Ltd	2,103,579.62		2,103,579.62	11.84	2,103,579.62
Shenzhen Xinfeng Real Estate Consulting Co., Ltd	1,237,010.58		1,237,010.58	6.97	1,237,010.58
Wang Weidong	1,200,000.00		1,200,000.00	6.76	1,200,000.00
Wang Guodong	933,564.68		933,564.68	5.26	933,564.68
Subtotals	8,437,266.88		8,437,266.88	47.51	5,622,310.48

## 2. Other receivables

## (1) Details

project	Closing balance	Initial number
dividend receivable	29,222,722.88	29,222,722.88
Other receivables	1,722,328,667.65	1,693,941,657.82
total	1,751,551,390.53	1,723,164,380.70

## (2) Dividends receivable

## 1) Details

project	Closing balance	Initial number
Shenzhen Shenfang Group Longgang Development Co., Ltd	29,222,722.88	29,222,722.88
Subtotals	29,222,722.88	29,222,722.88

## 2) Important receivable dividends with an account age of over 1 year

project	Closing balance	Account Age	Reasons for not retrieving	Whether impairment has occurred and its judgment basis
Shenzhen Shenfang Group Longgang Development Co., Ltd	29,222,722.88	2-3 years	Suspend payment	deny
Subtotals	29,222,722.88			

## (3) Other receivables

## 1) Classification of Payment Nature

Nature of Payment	Closing balance	Initial number
Combination of accounts receivable from related parties	2,403,869,206.91	2,371,906,725.11
Combination of accounts receivable from government departments	165,460.00	165,460.00
Accounts receivable employee reserve fund combination	93,900.00	62,454.80
Accounts receivable collection and payment combination	1,002,722.31	67,200.00
Combination of other receivables and payables	142,474,366.82	142,185,626.87
Subtotal of book balance	2,547,605,656.04	2,514,387,466.78
Less: Bad debt provision	825,276,988.39	820,445,808.96
Subtotal of book value	1,722,328,667.65	1,693,941,657.82

## 2) Aging situation

Aging of accounts	Closing balance	Initial number
Within 1 year	452,103,220.23	92,173,735.70
1-2 years	6,102,884.22	333,456,337.77
2-3 years	642,158.28	456,845,625.71
3-4 years	456,845,625.71	104,875,297.41
4-5 years	104,875,297.41	70,181,566.47
More than 5 years	1,527,036,470.19	1,456,854,903.72

Aging of accounts	Closing balance	Initial number
Subtotal of book balance	2,547,605,656.04	2,514,387,466.78
Less: Bad debt provision	825,276,988.39	820,445,808.96
Subtotal of book value	1,722,328,667.65	1,693,941,657.82

## 3) Provision for bad debts

## a. Details on categories

Types	Closing balance				
	book balance		bad debt reserves		book value
	amount of money	Proportion (%)	amount of money	Provision Proportion (%)	
Individual provision for bad debts	825,174,418.56	32.39	825,174,418.56	100.00	
Provision for bad debts by combination	1,722,431,237.48	67.61	102,569.83	0.01	1,722,328,667.65
Subtotals	2,547,605,656.04	100.00	825,276,988.39	32.39	1,722,328,667.65

(Continued from the table above)

Types	Initial number				
	book balance		bad debt reserves		book value
	amount of money	Proportion (%)	amount of money	Provision Proportion (%)	
Individual provision for bad debts	820,414,389.79	32.63	820,414,389.79	100.00	
Provision for bad debts by combination	1,693,973,076.99	67.37	31,419.17		1,693,941,657.82
Subtotals	2,514,387,466.78	100.00	820,445,808.96	32.63	1,693,941,657.82

## b. Other receivables with provision made on a collective basis

Combination Name	Closing balance		
	book balance	bad debt reserves	Provision ratio (%)
Combination of accounts receivable from related parties	1,720,639,148.88		
Combination of accounts receivable from government departments	165,460.00		
Accounts receivable collection and payment	1,002,722.31	50,136.12	5.00

Combination Name	Closing balance		
	book balance	bad debt reserves	Provision ratio (%)
combination			
Combination of other receivables and payables	623,906.29	52,433.71	8.40
Subtotals	1,722,431,237.48	102,569.83	0.01

## 4) Changes in bad debt provision

project	first phase	phase 2	Third Stage	Subtotals
	Next 12 months Expected credit loss	Expected credit loss for the entire duration (no credit impairment has occurred)	Expected credit loss for the entire duration (credit impairment already occurred)	
Initial number			820,445,808.96	820,445,808.96
Initial figures in this period	---	---	---	
--Entering the second stage				
--Entering the third stage				
--Return to the second stage				
--Return to the first stage				
Provision for this period	70,870.66		-85,748.84	-14,878.18
Withdrawal or reversal in this period				
Verification in this period				
Other changes	31,419.17		4,814,638.44	4,846,057.61
Closing balance	102,289.83		825,174,698.56	825,276,988.39
Provision ratio for bad debts at the end of the period (%)	0.00(Note)		32.39	32.39

Note: The calculated ratio value is too small to display, showing as 0.00.

## 5) Top 5 Other Accounts Receivable Amounts

Unit Name	Nature of Payment	Closing book balance	Account Age	Proportion of other receivables balance (%)	End of term bad debt provision
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd	Accounts payable to and from subsidiaries	842,113,841.74	3-4 years	33.06	
Shantou Huafeng Real Estate Development Co., Ltd	Accounts payable to and from subsidiaries	754,160,642.87	1-2 years, 5 years or more	29.60	
Xinfeng Enterprise Co., Ltd	Accounts payable to and from subsidiaries	538,958,558.32	More than 5 years	21.16	538,958,558.32
Great Wall Real Estate Co., Ltd. in the United States	Accounts payable to and from subsidiaries	106,555,895.31	More than 5 years	4.18	106,555,895.31
Hualin Co., Ltd	Accounts payable to and from subsidiaries	91,402,651.79	3-4 years	3.59	
Subtotals		2,333,191,590.03		91.58	645,514,453.63

### 3. Long-term equity investment

#### (1) Details

ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. Annual Report 2024

project	Closing balance			Initial number		
	book balance	impairment provision	book value	book balance	impairment provision	book value
Investment in subsidiaries	1,715,520,833.00	554,754,168.86	1,160,766,664.14	1,715,520,833.00	392,155,084.61	1,323,365,748.39
Investment in joint ventures and associates	11,977,845.58	11,977,845.58		11,977,845.58	11,977,845.58	
total	1,727,498,678.58	566,732,014.44	1,160,766,664.14	1,727,498,678.58	404,132,930.19	1,323,365,748.39

(2) Investment in subsidiaries

The invested entity	Initial number		Changes in this period				Closing balance	
	Book value	Impairment prepare	append invest	reduce invest	Provision for impairment	other	Book value	Impairment prepare
Shenzhen Haiyan Hotel Co., Ltd	20,605,047.50						20,605,047.50	
Shenzhen Shenfang 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 Real Estate Co., Ltd. in the United States	1,435,802.00						1,435,802.00	
Shenzhen Shenfang Bonded Trade Co., Ltd	4,750,000.00						4,750,000.00	
Shenzhen Huazhan Construction Supervision Co., Ltd	6,000,000.00						6,000,000.00	
Shenzhen Lianhua Enterprise Co., Ltd	13,458,217.05						13,458,217.05	
Shenzhen Shenfang Group Longgang Development Co., Ltd	30,850,000.00						30,850,000.00	
Beijing Xinfeng Real Estate Development and Operation Co., Ltd		64,183,888.90						64,183,888.90

The invested entity	Initial number		Changes in this period				Closing balance	
	Book value	Impairment prepare	append invest	reduce invest	Provision for impairment	other	Book value	Impairment prepare
Shantou Huafeng Real Estate Development Co., Ltd	16,467,021.02						16,467,021.02	
Baili Co., Ltd		201,100.00						201,100.00
Berkton Corporation, Australia		906,630.00						906,630.00
Shenzhen Shengfang 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	191,184,186.54	258,815,813.46			162,599,084.25		28,585,102.29	421,414,897.71
Shenzhen Shengfang Chuanqi Real Estate Development Co., Ltd	995,000,000.00						995,000,000.00	
Hualin Co., Ltd	8,955.10						8,955.10	
Subtotals	1,323,365,748.39	392,155,084.61			162,599,084.25		1,160,766,664.14	554,754,168.86

## (3) Investment in joint ventures and associates

The invested entity	Initial number		Changes in this period			
	book value	impairment provision	make an additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive Income adjustment
joint venture						
Fengkai Xinghua Hotel		9,455,465.38				
Subtotals		9,455,465.38				
joint venture						



The invested entity	Initial number		Changes in this period			
	book value	impairment provision	make an additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive Income adjustment
Shenzhen Ronghua Electromechanical Engineering Co., Ltd		1,076,954.64				
Shenzhen Runhua Automobile Trading Company		1,445,425.56				
Subtotals		2,522,380.20				
total		11,977,845.58				

(Continued from the table above)

The invested entity	Changes in this period				Closing balance	
	Other equity changes	Declare the distribution of cash dividends or profits	Provision for impairment	other	book value	impairment provision
joint venture						
Fengkai Xinghua Hotel						9,455,465.38
Subtotals						9,455,465.38
joint venture						
Shenzhen Ronghua Electromechanical Engineering Co., Ltd						1,076,954.64
Shenzhen Runhua Automobile Trading Company						1,445,425.56

The invested entity	Changes in this period				Closing balance	
	Other equity changes	Declare the distribution of cash dividends or profits	Provision for impairment	other	book value	impairment provision
Subtotals						2,522,380.20
total						11,977,845.58

## (4) Impairment testing of long-term equity investments

1) The recoverable amount is determined based on the net amount of fair value minus disposal expenses

project	book value	recoverable amount	Current provision for impairment amount
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd	191,184,186.54	28,585,102.29	162,599,084.25
Subtotals	191,184,186.54	28,585,102.29	162,599,084.25

(Continued from the table above)

project	Determination method of fair value and disposal expenses	Key parameters and their determination basis
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd	Fair value is determined using the asset-based method, and related disposal costs are determined using the estimated disposal cost rate	Expected selling price, sales volume, production cost, and other related expenses of the product
Subtotals		

## 2) Other instructions

At the end of the reporting period, the company conducted impairment tests on Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd., which showed signs of impairment. Based on the principle of prudence, impairment provisions were made for assets that may incur losses.

## (II) Notes to items of the parent company income statement

## 1. Operating revenue/Operating cost

## (1) Details

project	Number of this issue		Number of the same period last year	
	income	cost	income	cost
Main business	66,692,989.08	35,527,944.94	80,116,913.98	33,500,490.21
other business	55,199.50		32,529.16	
total	66,748,188.58	35,527,944.94	80,149,443.14	33,500,490.21

project	Number of this issue		Number of the same period last year	
	income	cost	income	cost
Among them: Revenue generated from contracts with customers	8,980,139.71	1,396,009.16	14,830,961.90	886,697.76

## (2) Income breakdown information

## 1) Revenue generated from contracts with customers broken down by type of goods or services

project	Number of this issue		Number of the same period last year	
	income	cost	income	cost
real estate	8,980,139.71	1,396,009.16	14,830,961.90	886,697.76
Subtotals	8,980,139.71	1,396,009.16	14,830,961.90	886,697.76

## 2) Revenue generated from contracts with customers broken down by operating region

project	Number of this issue		Number of the same period last year	
	income	cost	income	cost
Guangdong Province	8,980,139.71	1,396,009.16	14,830,961.90	886,697.76
Subtotals	8,980,139.71	1,396,009.16	14,830,961.90	886,697.76

## 3) The revenue generated from contracts with customers is decomposed by the time of transfer of goods or services

project	Number of this issue	Number of the same period last year
Recognize revenue at a certain point in time	8,980,139.71	14,830,961.90
Subtotals	8,980,139.71	14,830,961.90

## (3) Information related to performance obligations

project	Time for fulfilling contractual obligations	Important payment terms	The nature of the goods promised by the company for transfer	Is he the main responsible person	The expected refund to customers that the company undertakes	The types of quality assurance provided by the company and related obligations
Sale of goods	At the time of product delivery	After the contract is signed, advance payment of the contract price shall be	commercial housing	correct	not have	Guaranteed Quality Assurance

project	Time for fulfilling contractual obligations	Important payment terms	The nature of the goods promised by the company for transfer	Is he the main responsible person	The expected refund to customers that the company undertakes	The types of quality assurance provided by the company and related obligations
		made				
Provide services	When providing services	Collect according to the contract agreement upon completion of general services	Rental Services	correct	not have	not have

(4) The income recognized in this period, which is included in the beginning book value of the contractual liability, is 889857.1 yuan.

## 2. Investment income

project	Number of this issue	Number of the same period last year
Long term equity investment income accounted for by equity method		-93,927.64
Long term equity investment income accounted for by cost method		7,012,181.03
Investment income generated from the disposal of long-term equity investments	568,863.59	1,816,919.56
Investment income of trading financial assets during the holding period		161,491.79
Dividend income obtained from other equity instrument investments during the holding period	777,600.00	537,600.00
total	1,346,463.59	9,434,264.74

## XV. Other supplementary information

### (I) Non-recurring profit or loss

#### 1. Schedule of non-recurring profit or loss

##### (1) Details

project	amount of money	describe
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Gains and losses from the disposal of non-current assets, including the offsetting portion of impairment provisions already made for assets	740,874.42	
Government subsidies included in the current period's profit and loss, except for those closely related to the company's normal business operations, in compliance with national policies and regulations, enjoyed according to established standards, and having a sustained impact on the company's profit and loss	753,298.54	
Except for effective hedging business related to the normal operation of the same company, non-financial enterprises shall bear gains and losses from changes in fair value of financial assets and liabilities held by them, as well as gains and losses from the disposal of financial assets and liabilities	18,461,736.59	
Funds occupancy fees charged to non-financial enterprises included in the current period's profit and loss		
Profit and loss from entrusting others to invest or manage assets		
Profit and loss obtained from external entrusted loans		
Losses of various assets caused by force majeure factors, such as natural disasters		
Reversal of impairment provision for accounts receivable separately tested for impairment		
The investment cost of acquiring subsidiaries, associates, and joint ventures by the enterprise is less than the income generated from the fair value of the identifiable net assets of the investee that the enterprise should enjoy at the time of acquiring the investment		
Net profit and loss of subsidiaries arising from mergers of enterprises under the same control from the beginning of the period to the merger date		
Non-monetary asset exchange gains and losses		
Debt restructuring gains and losses		
One-time expenses incurred by enterprises due to the discontinuation of related business activities, such as expenses for resettling employees, etc		
The one-time impact of adjustments to tax, accounting, and other laws and regulations on the current period's profit and loss		
One time confirmation of share-based payment expenses due to cancellation or modification of equity incentive plans		

For cash-settled share based payments, gains or losses arising from changes in fair value of employee compensation payable after the exercise date		
Gains and losses arising from changes in fair value of investment properties measured using the fair value model for subsequent measurement		
Revenue generated from transactions with significantly unfair transaction prices		
Profit and loss arising from contingencies unrelated to the normal operation of the company's business		
Custody fee income obtained from entrusted operation		
Other non-operating income and expenses other than those mentioned above	2,170,518.43	
Other profit and loss items that meet the definition of non-recurring gains and losses		
Subtotals	22,126,427.98	
Reduction: The impact of corporate income tax (the reduction in income tax is represented by "-")	863,081.95	
Minority shareholder equity impact (after tax)	-5,628.01	
Net non-recurring gains and losses attributable to the owners of the parent company	21,268,974.04	

2. Explanation on Defining Non-recurring Profit and Loss Items Listed in the Interpretation Announcement No. 1 on Information Disclosure of Companies that Offer Securities to the Public (Revised in 2023) as Recurrent Profit and Loss Items According to Definitions and Principles

project	amount of money	reason
Refund of handling fees for withholding personal income tax	86,280.28	Continuously occurring from year to year, not occasional, recognized as recurring gains and losses
Value-added tax additional deduction	2,627.57	Continuously occurring from year to year, not occasional, recognized as recurring gains and losses

(2) Return on equity and earnings per share

1. Detailed information

Profit during the reporting period	Weighted average net assets Yield (%)	Earnings per share (RMB/share)	
		basic earnings per share	Dilute earnings per share
Net profit attributable to common shareholders of the company	-4.91%	-0.17	-0.17
Net profit attributable to common shareholders of the company after deducting non-recurring gains and	-5.50%	-0.20	-0.20

Profit during the reporting period	Weighted average net assets Yield (%)	Earnings per share (RMB/share)	
		basic earnings per share	Dilute earnings per share
losses			

## 2. Calculation process of weighted average return on equity

project	Serial Number	Number of this issue
Net profit attributable to common shareholders of the company	A	-176,710,947.65
profit and loss	B	21,268,974.04
Net profit attributable to common shareholders of the company after deducting non-recurring gains and losses	C=A-B	-197,979,921.69
Initial net assets attributable to common shareholders of the company	D	3,691,082,484.20
Newly added net assets attributable to common shareholders of the company, such as issuing new shares or debt-to-equity swaps	E	
Accumulated number of months from the following month to the end of the reporting period for newly added net assets	F	
Reduced net assets attributable to common shareholders of the company, such as repurchases or cash dividends	G	
Accumulated number of months from the following month to the end of the reporting period to reduce net assets	H	
other	other	-2,259,043.13
	Accumulated number of months from the following month to the end of the reporting period for increasing or decreasing net assets	J
Number of months in the reporting period	K	12
Weighted average net assets	$L = D + A/2 + E \times F/K - G \times H/K - I \times J/K$	3,601,597,488.81
ROE	$M = A/L$	-4.91%
Weighted average return on net assets after deducting non-recurring gains and losses	$N = C/L$	-5.50%

## 3. Calculation process of basic earnings per share and diluted earnings per share

## (1) The calculation process of basic earnings per share

project	Serial Number	Number of this issue
Net profit attributable to common shareholders of the company	A	-176,710,947.65
profit and loss	B	21,268,974.04
Net profit attributable to common shareholders of the company after deducting non-recurring gains and losses	C=A-B	-197,979,921.69

project	Serial Number	Number of this issue
Total number of shares at the beginning of the period	D	1,011,660,000.00
Increase in the number of shares due to the conversion of housing provident fund into share capital or distribution of stock dividends, etc	E	
Issuance of new shares or debt-to-equity swaps to increase the number of shares	F	
Accumulated number of months from the following month to the end of the reporting period for increasing shares	G	
Reduce the number of shares due to repurchase and other reasons	H	
Accumulated number of months from the following month to the end of the reporting period for reducing shares	I	
The number of shares reduced during the reporting period	J	
Number of months in the reporting period	K	12
Weighted average of outstanding common stocks	$L=D+E+F \times G/K-H \times I/K-J$	1,011,660,000.00
basic earnings per share	$M=A/L$	-0.17
Basic earnings per share after deducting non-recurring gains and losses	$N=C/L$	-0.20

## (2) The calculation process of diluted earnings per share

The calculation process of diluted earnings per share is the same as that of basic earnings per share.