



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

**SEMIANNUAL FINANCIAL REPORT 2021**

**August 2021**

## Financial Statements

### I. Auditor's Report

Whether the interim report has been audited?

Yes  No

The interim report of the Company has not been audited.

### II Financial Statements

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

#### 1. Consolidated Balance Sheet

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

30 June 2021

Unit: RMB

| Item   | 30 June 2021     | 31 December 2020 |
|--|------------------|------------------|
| Current assets:                                    |                  |                  |
| Monetary assets                                    | 4,971,044,275.19 | 4,206,266,629.32 |
| Settlement reserve                                 |                  |                  |
| Interbank loans granted                            |                  |                  |
| Held-for-trading financial assets                  |                  |                  |
| Derivative financial assets                        |                  |                  |
| Notes receivable                                   |                  |                  |
| Accounts receivable                                | 259,902,999.98   | 187,697,631.47   |
| Accounts receivable financing                      |                  |                  |
| Prepayments  | 76,289,066.66    | 50,543,422.85    |
| Premiums receivable                                |                  |                  |
| Reinsurance receivables                            |                  |                  |
| Receivable reinsurance contract reserve            |                  |                  |
| Other receivables                                  | 803,760,748.21   | 789,050,350.51   |
| Including: Interest receivable                     |                  |                  |
| Dividends receivable                               |                  |                  |
| Financial assets purchased under resale agreements |                  |                  |
| Inventories  | 5,289,628,100.91 | 5,312,489,258.20 |
| Contract assets                                    |                  |                  |

|   |                   |                   |
|---|-------------------|-------------------|
| Assets held for sale                    |                   |                   |
| Current portion of non-current assets   |                   |                   |
| Other current assets                    | 46,905,197.98     | 48,991,965.92     |
| Total current assets                    | 11,447,530,388.93 | 10,595,039,258.27 |
| Non-current assets:                     |                   |                   |
| Loans and advances to customers         |                   |                   |
| Investments in debt obligations         |                   |                   |
| Investments in other debt obligations   |                   |                   |
| Long-term receivables                   |                   |                   |
| Long-term equity investments            | 48,928,703.96     | 45,710,220.79     |
| Investments in other equity instruments | 773,704.00        | 1,044,905.12      |
| Other non-current financial assets      |                   |                   |
| Investment property                     | 467,004,332.18    | 484,738,506.83    |
| Fixed assets                            | 108,878,082.57    | 116,233,936.04    |
| Construction in progress                |                   |                   |
| Productive living assets                |                   |                   |
| Oil and gas assets                      |                   |                   |
| Right-of-use assets                     | 12,757,538.12     |                   |
| Intangible assets                       | 372,891.57        | 482,049.51        |
| Development costs                       |                   |                   |
| Goodwill                                |                   |                   |
| Long-term prepaid expense               | 18,031,872.52     | 11,862,716.14     |
| Deferred income tax assets              | 1,176,247,431.17  | 950,681,245.50    |
| Other non-current assets                | 3,155,763.35      | 1,564,074.34      |
| Total non-current assets                | 1,836,150,319.44  | 1,612,317,654.27  |
| Total assets                            | 13,283,680,708.37 | 12,207,356,912.54 |
| Current liabilities:                    |                   |                   |
| Short-term borrowings                   |                   |                   |
| Borrowings from the central bank        |                   |                   |
| Interbank loans obtained                |                   |                   |
| Held-for-trading financial liabilities  |                   |                   |

|   |                  |                  |
|---|------------------|------------------|
| Derivative financial liabilities                          |                  |                  |
| Notes payable   |                  |                  |
| Accounts payable  | 365,584,409.13   | 468,269,685.65   |
| Advances from customers                                   | 774,178.01       | 473,274.48       |
| Contract liabilities                                      | 853,367,394.63   | 666,893,629.72   |
| Financial assets sold under repurchase agreements         |                  |                  |
| Customer deposits and interbank deposits                  |                  |                  |
| Payables for acting trading of securities                 |                  |                  |
| Payables for underwriting of securities                   |                  |                  |
| Employee benefits payable                                 | 151,760,471.00   | 177,190,197.36   |
| Taxes payable   | 2,996,938,696.81 | 2,487,212,979.37 |
| Other payables  | 910,365,884.66   | 847,142,613.09   |
| Including: Interest payable                               |                  |                  |
| Dividends payable   | 12,202,676.04    | 12,202,676.04    |
| Handling charges and commissions payable                  |                  |                  |
| Reinsurance payables                                      |                  |                  |
| Liabilities directly associated with assets held for sale |                  |                  |
| Current portion of non-current liabilities                | 67,002,418.07    | 36,722,824.88    |
| Other current liabilities                                 | 53,141,477.75    | 43,354,691.51    |
| Total current liabilities                                 | 5,398,934,930.06 | 4,727,259,896.06 |
| Non-current liabilities:                                  |                  |                  |
| Insurance contract reserve                                |                  |                  |
| Long-term borrowings                                      | 3,556,900,000.00 | 3,587,800,000.00 |
| Bonds payable   |                  |                  |
| Including: Preferred shares                               |                  |                  |
| Perpetual bonds   |                  |                  |
| Lease liabilities   | 13,025,535.53    |                  |
| Long-term payables  |                  |                  |
| Long-term employee benefits                               |                  |                  |

|  |                   |                   |
|--|-------------------|-------------------|
| payable  |                   |                   |
| Provisions   | 2,396,947.00      | 2,396,947.00      |
| Deferred income  |                   |                   |
| Deferred income tax liabilities                                  | 262.20            | 262.20            |
| Other non-current liabilities                                    | 107,705,623.13    | 108,778,327.45    |
| Total non-current liabilities                                    | 3,680,028,367.86  | 3,698,975,536.65  |
| Total liabilities  | 9,078,963,297.92  | 8,426,235,432.71  |
| Owners' equity:  |                   |                   |
| Share capital  | 595,979,092.00    | 595,979,092.00    |
| Other equity instruments   |                   |                   |
| Including: Preferred shares                                      |                   |                   |
| Perpetual bonds  |                   |                   |
| Capital reserves   | 80,488,045.38     | 80,488,045.38     |
| Less: Treasury stock   |                   |                   |
| Other comprehensive income                                       | -7,568,287.02     | -6,749,589.41     |
| Specific reserve   |                   |                   |
| Surplus reserves   | 19,205,979.63     | 19,205,979.63     |
| General reserve  |                   |                   |
| Retained earnings  | 3,471,018,008.46  | 3,038,993,912.43  |
| Total equity attributable to owners of the Company as the parent | 4,159,122,838.45  | 3,727,917,440.03  |
| Non-controlling interests  | 45,594,572.00     | 53,204,039.80     |
| Total owners' equity   | 4,204,717,410.45  | 3,781,121,479.83  |
| Total liabilities and owners' equity                             | 13,283,680,708.37 | 12,207,356,912.54 |

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

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

Unit: RMB

| Item                              | 30 June 2021     | 31 December 2020 |
|-----------------------------------|------------------|------------------|
| Current assets:                   |                  |                  |
| Monetary assets                   | 4,143,883,323.31 | 3,216,703,036.69 |
| Held-for-trading financial assets |                  |                  |
| Derivative financial assets       |                  |                  |
| Notes receivable                  |                  |                  |
| Accounts receivable               | 4,016,091.60     | 2,624,500.42     |

|   |                  |                  |
|---|------------------|------------------|
| Accounts receivable financing           |                  |                  |
| Prepayments                             |                  |                  |
| Other receivables                       | 151,322,779.82   | 145,325,697.20   |
| Including: Interest receivable          |                  |                  |
| Dividends receivable                    |                  |                  |
| Inventories                             | 672,995,461.91   | 653,885,107.24   |
| Contract assets                         |                  |                  |
| Assets held for sale                    |                  |                  |
| Current portion of non-current assets   |                  |                  |
| Other current assets                    | 707,120.69       | 496,729.09       |
| Total current assets                    | 4,972,924,777.33 | 4,019,035,070.64 |
| Non-current assets:                     |                  |                  |
| Investments in debt obligations         |                  |                  |
| Investments in other debt obligations   |                  |                  |
| Long-term receivables                   |                  |                  |
| Long-term equity investments            | 1,074,394,584.35 | 1,071,176,101.18 |
| Investments in other equity instruments | 1,004,204.00     | 1,275,405.12     |
| Other non-current financial assets      |                  |                  |
| Investment property                     | 293,970,461.86   | 303,827,356.62   |
| Fixed assets                            | 45,039,336.62    | 51,091,963.72    |
| Construction in progress                |                  |                  |
| Productive living assets                |                  |                  |
| Oil and gas assets                      |                  |                  |
| Right-of-use assets                     | 571,634.82       |                  |
| Intangible assets                       |                  |                  |
| Development costs                       |                  |                  |
| Goodwill                                |                  |                  |
| Long-term prepaid expense               | 345,951.87       | 432,440.01       |
| Deferred income tax assets              | 234,028,529.09   | 252,331,518.26   |
| Other non-current assets                | 1,472,158,735.58 | 1,197,407,234.55 |
| Total non-current assets                | 3,121,513,438.19 | 2,877,542,019.46 |
| Total assets                            | 8,094,438,215.52 | 6,896,577,090.10 |

|   |                  |                  |
|---|------------------|------------------|
| Current liabilities:                                      |                  |                  |
| Short-term borrowings                                     |                  |                  |
| Held-for-trading financial liabilities                    |                  |                  |
| Derivative financial liabilities                          |                  |                  |
| Notes payable   |                  |                  |
| Accounts payable  | 40,598,549.34    | 55,887,947.36    |
| Advances from customers                                   |                  |                  |
| Contract liabilities                                      |                  |                  |
| Employee benefits payable                                 | 37,792,796.89    | 50,710,148.02    |
| Taxes payable   | 6,595,622.40     | 3,736,082.67     |
| Other payables  | 5,360,767,700.92 | 3,971,988,862.11 |
| Including: Interest payable                               |                  |                  |
| Dividends payable   | 29,642.40        | 29,642.40        |
| Liabilities directly associated with assets held for sale |                  |                  |
| Current portion of non-current liabilities                | 62,302,868.06    | 31,573,154.86    |
| Other current liabilities                                 |                  |                  |
| Total current liabilities                                 | 5,508,057,537.61 | 4,113,896,195.02 |
| Non-current liabilities:                                  |                  |                  |
| Long-term borrowings                                      | 557,400,000.00   | 588,200,000.00   |
| Bonds payable   |                  |                  |
| Including: Preferred shares                               |                  |                  |
| Perpetual bonds   |                  |                  |
| Lease liabilities   | 581,842.65       |                  |
| Long-term payables  |                  |                  |
| Long-term employee benefits payable                       |                  |                  |
| Provisions  |                  |                  |
| Deferred income   |                  |                  |
| Deferred income tax liabilities                           |                  |                  |
| Other non-current liabilities                             | 40,000,000.00    | 40,000,000.00    |
| Total non-current liabilities                             | 597,981,842.65   | 628,200,000.00   |
| Total liabilities   | 6,106,039,380.26 | 4,742,096,195.02 |

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Owners' equity:                      |                  |                  |
| Share capital                        | 595,979,092.00   | 595,979,092.00   |
| Other equity instruments             |                  |                  |
| Including: Preferred shares          |                  |                  |
| Perpetual bonds                      |                  |                  |
| Capital reserves                     | 53,876,380.11    | 53,876,380.11    |
| Less: Treasury stock                 |                  |                  |
| Other comprehensive income           | -2,810,709.64    | -2,545,451.19    |
| Specific reserve                     |                  |                  |
| Surplus reserves                     | 19,205,979.63    | 19,205,979.63    |
| Retained earnings                    | 1,322,148,093.16 | 1,487,964,894.53 |
| Total owners' equity                 | 1,988,398,835.26 | 2,154,480,895.08 |
| Total liabilities and owners' equity | 8,094,438,215.52 | 6,896,577,090.10 |

### 3. Consolidated Income Statement

Unit: RMB

| Item  | H1 2021          | H1 2020          |
|---|------------------|------------------|
| 1. Revenue  | 2,540,865,139.25 | 1,421,077,767.83 |
| Including: Operating revenue                      | 2,540,865,139.25 | 1,421,077,767.83 |
| Interest income                                   |                  |                  |
| Insurance premium income                          |                  |                  |
| Handling charge and commission income             |                  |                  |
| 2. Costs and expenses                             | 1,684,718,695.80 | 1,159,861,807.33 |
| Including: Cost of sales                          | 754,285,026.24   | 611,694,943.80   |
| Interest expense                                  |                  |                  |
| Handling charge and commission expense            |                  |                  |
| Surrenders  |                  |                  |
| Net insurance claims paid                         |                  |                  |
| Net amount provided as insurance contract reserve |                  |                  |
| Expenditure on policy dividends                   |                  |                  |
| Reinsurance premium expense                       |                  |                  |



|  |                |                |
|--|----------------|----------------|
| Taxes and surcharges   | 813,982,050.89 | 394,743,480.61 |
| Selling expense  | 10,417,216.57  | 11,544,060.19  |
| Administrative expense   | 104,914,523.61 | 88,433,004.35  |
| R&D expense  |                |                |
| Finance costs  | 1,119,878.49   | 53,446,318.38  |
| Including: Interest expense  | 38,497,817.45  | 84,859,496.80  |
| Interest income  | 38,205,027.20  | 31,227,361.24  |
| Add: Other income  | 2,403,691.80   | 2,921,993.51   |
| Return on investment (“-” for loss)  | 3,218,483.17   | 157,061.79     |
| Including: Share of profit or loss of joint ventures and associates                | 3,218,483.17   | 157,061.79     |
| Income from the derecognition of financial assets at amortized cost (“-” for loss) |                |                |
| Exchange gain (“-” for loss)   |                |                |
| Net gain on exposure hedges (“-” for loss)   |                |                |
| Gain on changes in fair value (“-” for loss)                                       |                |                |
| Credit impairment loss (“-” for loss)  | -6,797,536.40  | 1,115,927.46   |
| Asset impairment loss (“-” for loss)   | -33,715.66     | 1,832.91       |
| Asset disposal income (“-” for loss)   |                |                |
| 3. Operating profit (“-” for loss)   | 854,937,366.36 | 265,412,776.17 |
| Add: Non-operating income  | 9,872,472.19   | 4,244,175.90   |
| Less: Non-operating expense  | 1,940,268.55   | 2,399,487.70   |
| 4. Profit before tax (“-” for loss)  | 862,869,570.00 | 267,257,464.37 |
| Less: Income tax expense   | 194,243,514.06 | 89,394,015.71  |
| 5. Net profit (“-” for net loss)   | 668,626,055.94 | 177,863,448.66 |
| 5.1 By operating continuity  |                |                |
| 5.1.1 Net profit from continuing operations (“-” for net loss)                     | 668,626,055.94 | 177,863,448.66 |

|  |                |                |
|--|----------------|----------------|
| 5.1.2 Net profit from discontinued operations (“-” for net loss)   |                |                |
| 5.2 By ownership   |                |                |
| 5.2.1 Net profit attributable to owners of the Company as the parent                                     | 676,375,523.75 | 211,967,734.76 |
| 5.2.1 Net profit attributable to non-controlling interests   | -7,749,467.81  | -34,104,286.10 |
| 6. Other comprehensive income, net of tax  | -818,697.61    | 576,865.34     |
| Attributable to owners of the Company as the parent  | -818,697.61    | 576,865.34     |
| 6.1 Items that will not be reclassified to profit or loss  | -265,258.45    | -455,146.16    |
| 6.1.1 Changes caused by remeasurements on defined benefit schemes  |                |                |
| 6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method |                |                |
| 6.1.3 Changes in the fair value of investments in other equity instruments                               | -265,258.45    | -455,146.16    |
| 6.1.4 Changes in the fair value arising from changes in own credit risk                                  |                |                |
| 6.1.5 Other  |                |                |
| 6.2 Items that will be reclassified to profit or loss  | -553,439.16    | 1,032,011.50   |
| 6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method     |                |                |
| 6.2.2 Changes in the fair value of investments in other debt obligations                                 |                |                |
| 6.2.3 Other comprehensive income arising from the reclassification of financial assets                   |                |                |
| 6.2.4 Credit impairment allowance for investments in other debt obligations                              |                |                |
| 6.2.5 Reserve for cash flow  |                |                |

|   |                |                |
|---|----------------|----------------|
| hedges  |                |                |
| 6.2.6 Differences arising from the translation of foreign currency-denominated financial statements | -553,439.16    | 1,032,011.50   |
| 6.2.7 Other   |                |                |
| Attributable to non-controlling interests   |                |                |
| 7. Total comprehensive income   | 667,807,358.33 | 178,440,314.00 |
| Attributable to owners of the Company as the parent   | 675,556,826.14 | 212,544,600.10 |
| Attributable to non-controlling interests   | -7,749,467.81  | -34,104,286.10 |
| 8. Earnings per share   |                |                |
| 8.1 Basic earnings per share  | 1.1349         | 0.3557         |
| 8.2 Diluted earnings per share  | 1.1349         | 0.3557         |

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

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

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

Unit: RMB

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

|  |               |               |
|--|---------------|---------------|
| Income from the derecognition of financial assets at amortized cost (“-” for loss)                       |               |               |
| Net gain on exposure hedges (“-” for loss)   |               |               |
| Gain on changes in fair value (“-” for loss)   |               |               |
| Credit impairment loss (“-” for loss)  | -279,188.00   | 86,608.96     |
| Asset impairment loss (“-” for loss)   |               |               |
| Asset disposal income (“-” for loss)   |               |               |
| 2. Operating profit (“-” for loss)   | 66,028,198.19 | 62,784,906.72 |
| Add: Non-operating income  | 7,173,820.40  | 536,196.80    |
| Less: Non-operating expense  | 269.72        | 2,138,000.00  |
| 3. Profit before tax (“-” for loss)  | 73,201,748.87 | 61,183,103.52 |
| Less: Income tax expense   | -5,332,877.48 | 36,318,902.50 |
| 4. Net profit (“-” for net loss)   | 78,534,626.35 | 24,864,201.02 |
| 4.1 Net profit from continuing operations (“-” for net loss)   | 78,534,626.35 | 24,864,201.02 |
| 4.2 Net profit from discontinued operations (“-” for net loss)   |               |               |
| 5. Other comprehensive income, net of tax  | -265,258.45   | -455,146.16   |
| 5.1 Items that will not be reclassified to profit or loss  | -265,258.45   | -455,146.16   |
| 5.1.1 Changes caused by remeasurements on defined benefit schemes  |               |               |
| 5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method |               |               |
| 5.1.3 Changes in the fair value of investments in other equity instruments                               | -265,258.45   | -455,146.16   |
| 5.1.4 Changes in the fair value arising from changes in own credit                                       |               |               |

|  |               |               |
|--|---------------|---------------|
| risk   |               |               |
| 5.1.5 Other  |               |               |
| 5.2 Items that will be reclassified to profit or loss  |               |               |
| 5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method |               |               |
| 5.2.2 Changes in the fair value of investments in other debt obligations                             |               |               |
| 5.2.3 Other comprehensive income arising from the reclassification of financial assets               |               |               |
| 5.2.4 Credit impairment allowance for investments in other debt obligations                          |               |               |
| 5.2.5 Reserve for cash flow hedges   |               |               |
| 5.2.6 Differences arising from the translation of foreign currency-denominated financial statements  |               |               |
| 5.2.7 Other  |               |               |
| 6. Total comprehensive income  | 78,269,367.90 | 24,409,054.86 |
| 7. Earnings per share  |               |               |
| 7.1 Basic earnings per share   | 0.1318        | 0.0417        |
| 7.2 Diluted earnings per share   | 0.1318        | 0.0417        |

## 5. Consolidated Cash Flow Statement

Unit: RMB

| Item  | H1 2021          | H1 2020          |
|---|------------------|------------------|
| 1. Cash flows from operating activities:                    |                  |                  |
| Proceeds from sale of commodities and rendering of services | 2,802,854,649.31 | 1,233,830,460.59 |
| Net increase in customer deposits and interbank deposits    |                  |                  |
| Net increase in borrowings from the central bank            |                  |                  |

|   |                  |                  |
|---|------------------|------------------|
| Net increase in loans from other financial institutions                     |                  |                  |
| Premiums received on original insurance contracts                           |                  |                  |
| Net proceeds from reinsurance   |                  |                  |
| Net increase in deposits and investments of policy holders                  |                  |                  |
| Interest, handling charges and commissions received                         |                  |                  |
| Net increase in interbank loans obtained                                    |                  |                  |
| Net increase in proceeds from repurchase transactions                       |                  |                  |
| Net proceeds from acting trading of securities                              |                  |                  |
| Tax rebates   | 27,937,190.49    | 11,517,514.19    |
| Cash generated from other operating activities                              | 162,625,100.47   | 333,720,016.38   |
| Subtotal of cash generated from operating activities                        | 2,993,416,940.27 | 1,579,067,991.16 |
| Payments for commodities and services                                       | 531,366,744.46   | 879,596,446.23   |
| Net increase in loans and advances to customers                             |                  |                  |
| Net increase in deposits in the central bank and in interbank loans granted |                  |                  |
| Payments for claims on original insurance contracts                         |                  |                  |
| Net increase in interbank loans granted                                     |                  |                  |
| Interest, handling charges and commissions paid                             |                  |                  |
| Policy dividends paid   |                  |                  |
| Cash paid to and for employees  | 360,587,894.53   | 330,739,905.05   |
| Taxes paid  | 889,369,176.15   | 1,900,688,223.09 |
| Cash used in other operating activities                                     | 74,522,344.40    | 91,225,555.69    |

|   |                  |                   |
|---|------------------|-------------------|
| Subtotal of cash used in operating activities   | 1,855,846,159.54 | 3,202,250,130.06  |
| Net cash generated from/used in operating activities  | 1,137,570,780.73 | -1,623,182,138.90 |
| 2. Cash flows from investing activities:  |                  |                   |
| Proceeds from disinvestment   |                  |                   |
| Return on investment  |                  |                   |
| Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets | 26,112.57        | 4,408.08          |
| Net proceeds from the disposal of subsidiaries and other business units                       |                  |                   |
| Cash generated from other investing activities  |                  |                   |
| Subtotal of cash generated from investing activities  | 26,112.57        | 4,408.08          |
| Payments for the acquisition of fixed assets, intangible assets and other long-lived assets   | 12,894,532.84    | 16,277,097.63     |
| Payments for investments  |                  |                   |
| Net increase in pledged loans granted   |                  |                   |
| Net payments for the acquisition of subsidiaries and other business units                     |                  | 465,807,569.82    |
| Cash used in other investing activities   |                  |                   |
| Subtotal of cash used in investing activities   | 12,894,532.84    | 482,084,667.45    |
| Net cash generated from/used in investing activities  | -12,868,420.27   | -482,080,259.37   |
| 3. Cash flows from financing activities:  |                  |                   |
| Capital contributions received  | 140,000.00       | 840,000.00        |
| Including: Capital contributions by non-controlling interests to subsidiaries                 | 140,000.00       | 840,000.00        |
| Borrowings raised   |                  | 2,172,000,000.00  |

|  |                  |                  |
|--|------------------|------------------|
| Cash generated from other financing activities                           |                  |                  |
| Subtotal of cash generated from financing activities                     | 140,000.00       | 2,172,840,000.00 |
| Repayment of borrowings  | 100,000.00       | 1,033,000.00     |
| Interest and dividends paid  | 339,037,821.33   | 296,891,168.14   |
| Including: Dividends paid by subsidiaries to non-controlling interests   |                  |                  |
| Cash used in other financing activities                                  |                  |                  |
| Subtotal of cash used in financing activities                            | 339,137,821.33   | 297,924,168.14   |
| Net cash generated from/used in financing activities                     | -338,997,821.33  | 1,874,915,831.86 |
| 4. Effect of foreign exchange rates changes on cash and cash equivalents | -569,806.99      | 1,071,103.91     |
| 5. Net increase in cash and cash equivalents                             | 785,134,732.14   | -229,275,462.50  |
| Add: Cash and cash equivalents, beginning of the period                  | 4,168,154,911.83 | 3,285,345,233.47 |
| 6. Cash and cash equivalents, end of the period                          | 4,953,289,643.97 | 3,056,069,770.97 |

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

Unit: RMB

| Item  | H1 2021          | H1 2020          |
|---|------------------|------------------|
| 1. Cash flows from operating activities:                    |                  |                  |
| Proceeds from sale of commodities and rendering of services | 32,652,425.50    | 16,901,714.03    |
| Tax rebates   | 23,635,866.65    |                  |
| Cash generated from other operating activities              | 1,569,362,437.20 | 1,354,954,984.16 |
| Subtotal of cash generated from operating activities        | 1,625,650,729.35 | 1,371,856,698.19 |
| Payments for commodities and services                       | 40,183,727.21    | 34,769,898.91    |
| Cash paid to and for employees                              | 30,961,214.02    | 22,444,977.67    |



|   |                  |                  |
|---|------------------|------------------|
| Taxes paid  | 8,196,879.55     | 1,278,080,688.35 |
| Cash used in other operating activities   | 125,972,788.21   | 831,802,326.79   |
| Subtotal of cash used in operating activities   | 205,314,608.99   | 2,167,097,891.72 |
| Net cash generated from/used in operating activities  | 1,420,336,120.36 | -795,241,193.53  |
| 2. Cash flows from investing activities:  |                  |                  |
| Proceeds from disinvestment   |                  | 565,000,000.00   |
| Return on investment  |                  |                  |
| Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets | 2,344.57         | 3,955.86         |
| Net proceeds from the disposal of subsidiaries and other business units                       |                  |                  |
| Cash generated from other investing activities  |                  |                  |
| Subtotal of cash generated from investing activities  | 2,344.57         | 565,003,955.86   |
| Payments for the acquisition of fixed assets, intangible assets and other long-lived assets   | 6,654,920.76     | 14,226,899.52    |
| Payments for investments  | 209,000,000.00   |                  |
| Net payments for the acquisition of subsidiaries and other business units                     |                  | 465,807,569.82   |
| Cash used in other investing activities   |                  |                  |
| Subtotal of cash used in investing activities   | 215,654,920.76   | 480,034,469.34   |
| Net cash generated from/used in investing activities  | -215,652,576.19  | 84,969,486.52    |
| 3. Cash flows from financing activities:  |                  |                  |
| Capital contributions received  |                  |                  |
| Borrowings raised   |                  | 616,000,000.00   |
| Cash generated from other financing activities  |                  |                  |

|  |                  |                  |
|--|------------------|------------------|
| Subtotal of cash generated from financing activities                     |                  | 616,000,000.00   |
| Repayment of borrowings  |                  |                  |
| Interest and dividends paid  | 257,143,626.33   | 216,929,035.34   |
| Cash used in other financing activities                                  |                  |                  |
| Subtotal of cash used in financing activities                            | 257,143,626.33   | 216,929,035.34   |
| Net cash generated from/used in financing activities                     | -257,143,626.33  | 399,070,964.66   |
| 4. Effect of foreign exchange rates changes on cash and cash equivalents | -2,544.95        | 4,949.10         |
| 5. Net increase in cash and cash equivalents                             | 947,537,372.89   | -311,195,793.25  |
| Add: Cash and cash equivalents, beginning of the period                  | 3,190,160,215.19 | 2,450,935,673.17 |
| 6. Cash and cash equivalents, end of the period                          | 4,137,697,588.08 | 2,139,739,879.92 |

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

H1 2021

Unit: RMB

| Item   | H1 2021  |                          |       |  |                  |                      |                            |                  |                  |                 |                   |       |          | Non-controlling interests | Total owners' equity |
|--|--|--------------------------|-------|--|------------------|----------------------|----------------------------|------------------|------------------|-----------------|-------------------|-------|----------|---------------------------|----------------------|
|  | Equity attributable to owners of the Company as the parent |                          |       |  |                  |                      |                            |                  |                  |                 |                   |       |          |                           |                      |
|  | Share capital  | Other equity instruments |       |  | Capital reserves | Less: Treasury stock | Other comprehensive income | Specific reserve | Surplus reserves | General reserve | Retained earnings | Other | Subtotal |                           |                      |
|  | Preferred shares   | Perpetual bonds          | Other |  |                  |                      |                            |                  |                  |                 |                   |       |          |                           |                      |
| 1. Balance as at the end of the Reporting Period of the prior year | 595,979.00   |                          |       |  | 80,488.08        |                      | -6,749.51                  |                  | 19,205.93        |                 | 3,038.99          |       | 3,727.91 | 53,204.00                 | 3,781.12             |
| Add: Adjustment for change in                                      |  |                          |       |  |                  |                      |                            |                  |                  |                 |                   |       |          |                           |                      |

|  |               |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
|--|---------------|--|--|---------------|--|---------------|--|---------------|--|------------------|--|------------------|---------------|------------------|
| accounting policy  |               |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
| Adjustment for correction of previous error                        |               |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
| Adjustment for business combination under common control           |               |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
| Other adjustments  |               |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
| 2. Balance as at the beginning of the Reporting Period of the year | 595,979.92.00 |  |  | 80,488.045.38 |  | -6,749.589.41 |  | 19,205.979.63 |  | 3,038.993.912.43 |  | 3,727.917.440.03 | 53,204.039.80 | 3,781.121.479.83 |
| 3. Increase/decrease in the period (“-” for decrease)              |               |  |  |               |  | -818,697.61   |  |               |  | 432,024.096.03   |  | 431,205.398.42   | -7,609.467.80 | 423,595.930.62   |
| 3.1 Total comprehensive income                                     |               |  |  |               |  | -818,697.61   |  |               |  | 676,375.523.75   |  | 675,556.826.14   | -7,749.467.80 | 667,807.358.34   |
| 3.2 Capital increased and reduced by owners                        |               |  |  |               |  |               |  |               |  |                  |  |                  | 140,000.00    | 140,000.00       |
| 3.2.1 Ordinary shares increased by owners                          |               |  |  |               |  |               |  |               |  |                  |  |                  | 140,000.00    | 140,000.00       |
| 3.2.2 Capital increased by holders of                              |               |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |

|   |  |  |  |  |  |  |  |  |  |                 |  |  |                 |  |  |                 |
|---|--|--|--|--|--|--|--|--|--|-----------------|--|--|-----------------|--|--|-----------------|
| other equity instruments  |  |  |  |  |  |  |  |  |  |                 |  |  |                 |  |  |                 |
| 3.2.3<br>Share-based payments included in owners' equity              |  |  |  |  |  |  |  |  |  |                 |  |  |                 |  |  |                 |
| 3.2.4<br>Other  |  |  |  |  |  |  |  |  |  |                 |  |  |                 |  |  |                 |
| 3.3 Profit distribution   |  |  |  |  |  |  |  |  |  | -244,351,427.72 |  |  | -244,351,427.72 |  |  | -244,351,427.72 |
| 3.3.1<br>Appropriation to surplus reserves                            |  |  |  |  |  |  |  |  |  |                 |  |  |                 |  |  |                 |
| 3.3.2<br>Appropriation to general reserve                             |  |  |  |  |  |  |  |  |  |                 |  |  |                 |  |  |                 |
| 3.3.3<br>Appropriation to owners (or shareholders)                    |  |  |  |  |  |  |  |  |  | -244,351,427.72 |  |  | -244,351,427.72 |  |  | -244,351,427.72 |
| 3.3.4<br>Other  |  |  |  |  |  |  |  |  |  |                 |  |  |                 |  |  |                 |
| 3.4<br>Transfers within owners' equity                                |  |  |  |  |  |  |  |  |  |                 |  |  |                 |  |  |                 |
| 3.4.1<br>Increase in capital (or share capital) from capital reserves |  |  |  |  |  |  |  |  |  |                 |  |  |                 |  |  |                 |
| 3.4.2<br>Increase in  |  |  |  |  |  |  |  |  |  |                 |  |  |                 |  |  |                 |

|   |                |  |  |               |  |  |               |  |               |  |                  |  |                  |               |                  |
|---|----------------|--|--|---------------|--|--|---------------|--|---------------|--|------------------|--|------------------|---------------|------------------|
| capital (or share capital) from surplus reserves                          |                |  |  |               |  |  |               |  |               |  |                  |  |                  |               |                  |
| 3.4.3 Loss offset by surplus reserves                                     |                |  |  |               |  |  |               |  |               |  |                  |  |                  |               |                  |
| 3.4.4 Changes in defined benefit schemes transferred to retained earnings |                |  |  |               |  |  |               |  |               |  |                  |  |                  |               |                  |
| 3.4.5 Other comprehensive income transferred to retained earnings         |                |  |  |               |  |  |               |  |               |  |                  |  |                  |               |                  |
| 3.4.6 Other   |                |  |  |               |  |  |               |  |               |  |                  |  |                  |               |                  |
| 3.5 Specific reserve  |                |  |  |               |  |  |               |  |               |  |                  |  |                  |               |                  |
| 3.5.1 Increase in the period  |                |  |  |               |  |  |               |  |               |  |                  |  |                  |               |                  |
| 3.5.2 Used in the period  |                |  |  |               |  |  |               |  |               |  |                  |  |                  |               |                  |
| 3.6 Other   |                |  |  |               |  |  |               |  |               |  |                  |  |                  |               |                  |
| 4. Balance as at the end of the period                                    | 595,979,092.00 |  |  | 80,488,045.38 |  |  | -7,568,287.02 |  | 19,205,979.63 |  | 3,471,018,008.46 |  | 4,159,122,838.45 | 45,594,572.00 | 4,204,717,410.45 |

H1 2020

Unit: RMB

| Item   | H1 2020  |                          |       |  |                  |                      |                            |                   |                  |                  |                   |       |                           |                      |                  |
|--|--|--------------------------|-------|--|------------------|----------------------|----------------------------|-------------------|------------------|------------------|-------------------|-------|---------------------------|----------------------|------------------|
|  | Equity attributable to owners of the Company as the parent |                          |       |  |                  |                      |                            |                   |                  |                  |                   |       | Non-controlling interests | Total owners' equity |                  |
|  | Share capital  | Other equity instruments |       |  | Capital reserves | Less: Treasury stock | Other comprehensive income | Specific reserves | Surplus reserves | General reserves | Retained earnings | Other |                           |                      | Subtotal         |
|  | Preferred shares   | Perpetual bonds          | Other |  |                  |                      |                            |                   |                  |                  |                   |       |                           |                      |                  |
| 1. Balance as at the end of the Reporting Period of the prior year | 595,979.92.00  |                          |       |  | 80,488.045.38    |                      | -2,698.371.44              |                   | 17,060.448.05    |                  | 2,457.119.795.39  |       | 3,147.949.009.38          | 118,618.291.81       | 3,266,567,301.19 |
| Add: Adjustment for change in accounting policy                    |  |                          |       |  |                  |                      |                            |                   |                  |                  |                   |       |                           |                      |                  |
| Adjustment for correction of previous error                        |  |                          |       |  |                  |                      |                            |                   |                  |                  |                   |       |                           |                      |                  |
| Adjustment for business combination under common control           |  |                          |       |  |                  |                      |                            |                   |                  |                  |                   |       |                           |                      |                  |
| Other adjustments  |  |                          |       |  |                  |                      |                            |                   |                  |                  |                   |       |                           |                      |                  |
| 2. Balance as at the beginning of the Reporting Period of the      | 595,979.92.00  |                          |       |  | 80,488.045.38    |                      | -2,698.371.44              |                   | 17,060.448.05    |                  | 2,457.119.795.39  |       | 3,147.949.009.38          | 118,618.291.81       | 3,266,567,301.19 |



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



|   |              |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
|---|--------------|--|--|--|---------------|--|---------------|--|---------------|--|------------------|--|------------------|---------------|------------------|
| comprehensive income transferred to retained earnings |              |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
| 3.4.6 Other   |              |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
| 3.5 Specific reserve                                  |              |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
| 3.5.1 Increase in the period                          |              |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
| 3.5.2 Used in the period                              |              |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
| 3.6 Other   |              |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |
| 4. Balance as at the end of the period                | 595,979.9200 |  |  |  | 80,488.045.38 |  | -2,121.506.10 |  | 17,060.448.05 |  | 2,454.535.057.03 |  | 3,145.941.136.36 | 85,354,005.71 | 3,231,295,142.07 |

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

H1 2021

Unit: RMB

| Item   | H1 2021       |                          |                 |       |                  |                      |                            |                  |                    |                   |       | Total owners' equity |
|--|---------------|--------------------------|-----------------|-------|------------------|----------------------|----------------------------|------------------|--------------------|-------------------|-------|----------------------|
|  | Share capital | Other equity instruments |                 |       | Capital reserves | Less: Treasury stock | Other comprehensive income | Specific reserve | Surpluses reserves | Retained earnings | Other |                      |
|  |               | Preferred shares         | Perpetual bonds | Other |                  |                      |                            |                  |                    |                   |       |                      |
| 1. Balance as at the end of the Reporting Period of the prior year | 595,979.9200  |                          |                 |       | 53,876,380.11    |                      | -2,545,451.19              |                  | 19,205,979.63      | 1,487.964.894.53  |       | 2,154,480,895.08     |
| Add: Adjustment for change in                                      |               |                          |                 |       |                  |                      |                            |                  |                    |                   |       |                      |

|  |                |  |  |  |               |  |               |  |               |                  |  |                  |
|--|----------------|--|--|--|---------------|--|---------------|--|---------------|------------------|--|------------------|
| accounting policy  |                |  |  |  |               |  |               |  |               |                  |  |                  |
| Adjustment for correction of previous error                        |                |  |  |  |               |  |               |  |               |                  |  |                  |
| Other adjustments  |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 2. Balance as at the beginning of the Reporting Period of the year | 595,979,092.00 |  |  |  | 53,876,380.11 |  | -2,545,451.19 |  | 19,205,979.63 | 1,487,964.894.53 |  | 2,154,480,895.08 |
| 3. Increase/decrease in the period (“-” for decrease)              |                |  |  |  |               |  | -265,258.45   |  |               | -165,816,801.37  |  | -166,082,059.82  |
| 3.1 Total comprehensive income                                     |                |  |  |  |               |  | -265,258.45   |  |               | 78,534,626.35    |  | 78,269,367.90    |
| 3.2 Capital increased and reduced by owners                        |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.2.1 Ordinary shares increased by owners                          |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.2.2 Capital increased by holders of other equity instruments     |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.2.3 Share-based payments included in                             |                |  |  |  |               |  |               |  |               |                  |  |                  |

|   |  |  |  |  |  |  |  |  |  |                             |  |                     |
|---|--|--|--|--|--|--|--|--|--|-----------------------------|--|---------------------|
| owners' equity  |  |  |  |  |  |  |  |  |  |                             |  |                     |
| 3.2.4<br>Other  |  |  |  |  |  |  |  |  |  |                             |  |                     |
| 3.3 Profit<br>distribution  |  |  |  |  |  |  |  |  |  | -244,<br>351,<br>427.<br>72 |  | -244,351<br>,427.72 |
| 3.3.1<br>Appropriation<br>to surplus<br>reserves                                  |  |  |  |  |  |  |  |  |  |                             |  |                     |
| 3.3.2<br>Appropriation<br>to owners (or<br>shareholders)                          |  |  |  |  |  |  |  |  |  |                             |  |                     |
| 3.3.3<br>Other  |  |  |  |  |  |  |  |  |  | -244,<br>351,<br>427.<br>72 |  | -244,351<br>,427.72 |
| 3.4<br>Transfers<br>within owners'<br>equity                                      |  |  |  |  |  |  |  |  |  |                             |  |                     |
| 3.4.1<br>Increase in<br>capital (or<br>share capital)<br>from capital<br>reserves |  |  |  |  |  |  |  |  |  |                             |  |                     |
| 3.4.2<br>Increase in<br>capital (or<br>share capital)<br>from surplus<br>reserves |  |  |  |  |  |  |  |  |  |                             |  |                     |
| 3.4.3<br>Loss offset by<br>surplus<br>reserves                                    |  |  |  |  |  |  |  |  |  |                             |  |                     |
| 3.4.4<br>Changes in   |  |  |  |  |  |  |  |  |  |                             |  |                     |

|   |                |  |  |  |               |  |               |  |               |                  |  |                  |
|---|----------------|--|--|--|---------------|--|---------------|--|---------------|------------------|--|------------------|
| defined benefit schemes transferred to retained earnings          |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.4.5 Other comprehensive income transferred to retained earnings |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.4.6 Other   |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.5 Specific reserve  |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.5.1 Increase in the period                                      |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.5.2 Used in the period  |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.6 Other   |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 4. Balance as at the end of the period                            | 595,979,092.00 |  |  |  | 53,876,380.11 |  | -2,810,709.64 |  | 19,205,979.63 | 1,322,148,093.16 |  | 1,988,398,835.26 |

H1 2020

Unit: RMB

| Item  | H1 2020       |                          |                 |       |                  |                      |                            |                  |                  |                   |       | Total owners' equity |
|---|---------------|--------------------------|-----------------|-------|------------------|----------------------|----------------------------|------------------|------------------|-------------------|-------|----------------------|
|   | Share capital | Other equity instruments |                 |       | Capital reserves | Less: Treasury stock | Other comprehensive income | Specific reserve | Surplus reserves | Retained earnings | Other |                      |
|   |               | Preferred shares         | Perpetual bonds | Other |                  |                      |                            |                  |                  |                   |       |                      |
| 1. Balance as at the end of the Reporting Period of the | 595,979,092.  |                          |                 |       | 53,876,380.11    |                      | -2,051,268.24              |                  | 16,403,637.61    | 1,677,296,289.46  |       | 2,341,504,130.94     |

|   |                            |  |  |                       |  |                       |  |                       |                          |  |                      |  |
|---|----------------------------|--|--|-----------------------|--|-----------------------|--|-----------------------|--------------------------|--|----------------------|--|
| prior year  | 00                         |  |  |                       |  |                       |  |                       |                          |  |                      |  |
| Add:<br>Adjustment<br>for change in<br>accounting<br>policy                       |                            |  |  |                       |  |                       |  |                       |                          |  |                      |  |
| Adjustment<br>for correction<br>of previous<br>error                              |                            |  |  |                       |  |                       |  |                       |                          |  |                      |  |
| Other<br>adjustments  |                            |  |  |                       |  |                       |  |                       |                          |  |                      |  |
| 2. Balance as<br>at the<br>beginning of<br>the Reporting<br>Period of the<br>year | 595,<br>979,<br>092.<br>00 |  |  | 53,87<br>6,380.<br>11 |  | -2,051<br>,268.2<br>4 |  | 16,40<br>3,637<br>.61 | 1,677,2<br>96,289.<br>46 |  | 2,341,50<br>4,130.94 |  |
| 3. Increase/<br>decrease in<br>the period<br>("-" for<br>decrease)                |                            |  |  |                       |  | -455,1<br>46.16       |  |                       | -189,68<br>8,272.1<br>0  |  | -190,143,<br>418.26  |  |
| 3.1 Total<br>comprehensiv<br>e income   |                            |  |  |                       |  | -455,1<br>46.16       |  |                       | 24,864,<br>201.02        |  | 24,409,0<br>54.86    |  |
| 3.2 Capital<br>increased and<br>reduced by<br>owners                              |                            |  |  |                       |  |                       |  |                       |                          |  |                      |  |
| 3.2.1<br>Ordinary<br>shares<br>increased by<br>owners                             |                            |  |  |                       |  |                       |  |                       |                          |  |                      |  |
| 3.2.2<br>Capital<br>increased by<br>holders of<br>other equity                    |                            |  |  |                       |  |                       |  |                       |                          |  |                      |  |

|   |  |  |  |  |  |  |  |  |  |                         |  |                     |
|---|--|--|--|--|--|--|--|--|--|-------------------------|--|---------------------|
| instruments   |  |  |  |  |  |  |  |  |  |                         |  |                     |
| 3.2.3<br>Share-based<br>payments<br>included in<br>owners'<br>equity              |  |  |  |  |  |  |  |  |  |                         |  |                     |
| 3.2.4<br>Other  |  |  |  |  |  |  |  |  |  |                         |  |                     |
| 3.3 Profit<br>distribution  |  |  |  |  |  |  |  |  |  | -214,55<br>2,473.1<br>2 |  | -214,552,<br>473.12 |
| 3.3.1<br>Appropriatio<br>n to surplus<br>reserves                                 |  |  |  |  |  |  |  |  |  |                         |  |                     |
| 3.3.2<br>Appropriatio<br>n to owners<br>(or<br>shareholders)                      |  |  |  |  |  |  |  |  |  | -214,55<br>2,473.1<br>2 |  | -214,552,<br>473.12 |
| 3.3.3<br>Other  |  |  |  |  |  |  |  |  |  |                         |  |                     |
| 3.4<br>Transfers<br>within<br>owners'<br>equity                                   |  |  |  |  |  |  |  |  |  |                         |  |                     |
| 3.4.1<br>Increase in<br>capital (or<br>share capital)<br>from capital<br>reserves |  |  |  |  |  |  |  |  |  |                         |  |                     |
| 3.4.2<br>Increase in<br>capital (or<br>share capital)<br>from surplus<br>reserves |  |  |  |  |  |  |  |  |  |                         |  |                     |
| 3.4.3   |  |  |  |  |  |  |  |  |  |                         |  |                     |

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

### III Company Profile

Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as “the Company” or “Company”) was incorporated based on the reconstruction of Shenzhen Properties & Resources Development Co., Ltd. after obtaining approval of ZFBF [1991] No. 831 from People’s Government of Shenzhen Municipality. It was registered with Shenzhen Industrial and Commercial Administration Bureau on 17 January 1983 with Shenzhen as its headquarters. Now the Company holds the business license for legal person with the registration number/unified social credit code of 91440300192174135N. The registered capital was RMB595,979,092 with the total shares of 595,979,092 (RMB1 face value per share), among which, restricted public shares: 1,898,306 A shares and 0 B shares; unrestricted public shares: 526,475,543 A shares and 67,605,243 B shares. The stock of the

Company has been listed on the Shenzhen Stock Exchange on 30 March 1992.

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

The financial statements were approved and authorized for issue by the 24<sup>th</sup> Meeting of the 9<sup>th</sup> Board of Directors of the Company on 27 August 2021.

The consolidation scope of the Company's consolidated financial statements was determined based on the control. There were 47 subsidiaries including Shenzhen Huangcheng Real Estate Co., Ltd., Dongguan Guomao Changsheng Real Estate Development Co., Ltd., Shenzhen International Trade Center Property Management Co., Ltd. included in the consolidation financial statements in this report. Please refer to the Note VIII and Note IX of the financial report for details.

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

### **1. Preparation Basis**

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

### **2. Continuation**

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

## **V. Important Accounting Policies and Estimations**

Indication of specific accounting policies and estimations:

Refer to this Part:

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

The financial statement prepared by the Company complies with the requirements of the latest accounting standards for business enterprises as well as the application guidelines, interpretations and other relevant regulations (hereinafter referred to as the "accounting standards for business enterprises") issued by the Ministry of Finance. It reflects the Company's financial conditions, operating results, cash flow and other related information in a truthful and complete manner.

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

### **2. Fiscal Period**

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

### **3. Operating Cycle**

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



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

The Company adopts Renminbi as a standard currency of accounts.

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

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

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

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

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

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

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

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

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

#### **8. Recognition Standard for Cash and Cash Equivalents**

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

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

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

As for a foreign currency transaction in its initial recognition, the amount in the foreign currency shall be translated into the amount in the Renminbi at the spot exchange rate of the transaction date. On balance sheet date, the foreign currency monetary items shall be translated as the spot exchange rate on the balance sheet date, the balance occurred thereof shall be recorded into the profits and

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

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

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

## **10. Financial Instruments**

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

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

Financial liabilities shall be classified into the following four categories when they are initially recognized: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities generated from transfer of financial assets not conforming to requirements of derecognition or continuous involvement of transferred financial assets; (3) financial guarantee contracts not belonging to above (1) or (2), and loan commitments not belonging to above (1) and at lower interest rate than the market interest rate; (4) financial liabilities measured at amortized cost.

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

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

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

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

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

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

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

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

Investments in equity instruments at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Subsequent calculation method of financial liabilities

Financial liabilities at fair value through profit or loss

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

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

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

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

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

Financial liabilities at amortized cost

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

Derecognition of financial assets and financial liabilities

Derecognize financial assets when meeting one of the following conditions:

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

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

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

Where the Company has transferred nearly all of the risks and rewards related to the ownership of the financial asset to the transferee, it shall stop recognizing the financial asset and separately recognize the rights and obligations generated retained from the transfer as assets or liabilities. If it retained nearly all of the risks and rewards related to the ownership of the financial asset, it shall continue to

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

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

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

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

- (1) The first level of input value is the non-adjustable offer of the same assets or liabilities in the active market on the calculation date;
- (2) The second level of input value is the directly or indirectly observable input value of related assets or liabilities except the input value on the first level, including: offer of similar assets or liabilities in the active market; offer of identical or similar assets or liabilities in the non-active market; other observable input value except offer, including the observable interest rate during the interval period of common offer, profit rate curve, etc.; the input value for market verification etc..
- (3) The third level of input value is the non-observable input value of related assets or liabilities, including interest rates that cannot be observed directly or verified by the data of observable market, stock fluctuation rate, future cash flow of the disposal obligation borne in corporate mergers, financial forecast based on self-data, etc..

#### **5. Impairment of financial instrument**

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

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

Expected credit loss refers to weighted average of credit loss of financial instrument which takes the risk of contract breach occurrence as the weight. Credit loss refers to the difference between all contract cash flow which is converted into cash according to actual interest rate and receivable according to contract and all cash flow which to be charged as expected, i.e. current value of all

cash shortage. Among it, as for financial asset purchased or original which has had credit impairment, it should be converted into cash according actual interest rate of this financial asset after credit adjustment.

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

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

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

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

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

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

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

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

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

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

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

## ① Specific groups and method of measuring expected credit loss

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

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

| Aging                                     | Expected credit loss rate of accounts receivable (%) |
|---|--|
| Within 1 year (inclusive, the same below) | 3.00   |
| 1 to 2 years                              | 10.00  |
| 2 to 3 years                              | 30.00  |
| 3 to 4 years                              | 50.00  |
| 4 to 5 years                              | 80.00  |
| Over 5 years                              | 100.00   |

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

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

**11. Notes Receivable**

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

**12. Accounts Receivable**

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

**13. Accounts Receivable Financing**

Not applicable.

**14. Other Receivables**

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

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

**15. Inventory****(1) Inventories Classification**

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

**(2) Cost Flow Assumption**

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

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

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

**(4) Inventory System for Inventories**

Inventory system: Perpetual inventory system

**(5) Amortization Method of the Low-value Consumption Goods and Packing Articles****1) Low-value Consumption Goods**

One-off amortization method

**2) Packing Articles**

One-off amortization method

## 16. Contract Assets

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

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

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

## 17. Contract Costs

Contract costs comprise contract performance cost and contract acquisition cost.

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

This cost directly relates to an existing contract or a contract expected to be acquired. It consists of direct labor, direct materials, manufacture costs (or similar costs), costs specified to be borne by the customer and other costs incurred from this contract solely.

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

This cost is expected to be recovered.

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

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

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

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

Costs expected to be incurred from transferring such commodities or services.

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

## 18. Assets Held for Sale

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

The Company adjusts the estimated net residual value of available for sale assets to the net amount of its fair value minus the selling expenses (which shall not exceed the original book value of the assets available for sale). The difference between the original book



value and the adjusted estimated net residual value shall be included in the current profit and loss as the loss of asset impairment, and provisions for impairment of assets available for sale shall be made. For the amount of impairment loss of disposal group available for sale recognized, the book value of goodwill of the disposal group shall be offset first, and then the book value of disposal group shall be offset in proportion according to the share of the book value of non-current assets in the disposal group measured according to this Standard.

When the net amount of fair value of non-current assets available for sale minus the selling expenses increases on the subsequent balance sheet date, the amount previously written down shall be restored and reversed within the amount of asset impairment loss recognized after being classified as available for sale assets, and the reversed amount shall be included in the current profits and losses. The impairment loss of assets recognized before being classified as available for sale assets shall not be reversed. When the net amount of fair value of disposal group available for sale minus the selling expenses increases on the subsequent balance sheet date, the amount previously written down shall be restored and reversed within the amount of asset impairment loss recognized as non-current assets in the disposal group measured according to this Standard after being classified into the categories available for sale assets, and the reversed amount shall be included in the current profits and losses. The book value of goodwill that has been offset and the impairment loss of non-current assets measured according to this Standard shall not be reversed before they are classified as available for sale assets. The subsequent reversal amount of asset impairment loss recognized as disposal group available for sale shall be increased in proportion to the share of the book value of non-current assets in the disposal group, except goodwill, which are measured according to this Standard. In case that an enterprise loses its control over a subsidiary due to sale of its investment in the subsidiary, the investment in the subsidiary to be sold shall be divided into the available for sale category in individual financial statement of the parent company when the proposed investment in the subsidiary meets the conditions for classification of available for sale category, and all assets and liabilities of the subsidiary shall be classified into available for sale category in the consolidated financial statements, no matter whether the enterprise retains part of equity investment after the sale.

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

Not applicable.

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

Not applicable.

#### **21. Long-term Receivable**

Not applicable.

#### **22. Long-term Equity Investments**

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

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

##### **2. Recognition of Investment Cost**

(1) If the business combination is under the common control and the acquirer obtains long-term equity investment in the consideration of cash, non-monetary asset exchange, bearing acquiree's liabilities, or the issuance of equity securities, the initial cost is the carrying amount of the proportion of the acquiree's owner's equity at the acquisition date. The difference between the initial cost of the long-term equity investment and the carrying amount of the paid combination or the total amount of the issued shares should be adjusted to capital surplus. If the capital surplus is not sufficient for adjustment, retained earnings are adjusted respectively.

When a long-term equity investment is formed from the business combination under common control through the Company's multiple transactions step by step, the treatment shall be carried out based on whether the transactions constitute the "package deal".

If they do, the accounting treatment shall be carried out on the basis of assuming all transactions as one transaction with the acquisition of control. If they do not, the initial investment cost shall be the portion of the carrying value of acquiree's net assets entitled in the consolidated financial statements of the final controller after the consolidation. The difference between the initial investment cost of the long-term equity investment on the combination date and the carrying value of the investment before the combination plus the carrying value of the newly-paid consideration for the acquisition of the shares on the consolidation date shall be adjusted to capital reserve; if the capital reserve is insufficient for the adjustment, retained earnings should be adjusted accordingly.

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

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

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

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

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

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

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

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

(1) Individual financial statements

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

(2) Consolidated financial statements

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

Before the loss of the controlling right, for the balance between the disposal remuneration and the shares of net assets in the

subsidiaries that have been calculated since the acquisition date or combination date corresponding to the disposal of long-term equity investment, capital reserve (capital premium) shall be adjusted, and if the capital premium is not sufficient for the write-down, the retained earnings shall be written down.

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

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

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

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

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

### **23. Investment Property**

Measurement mode of investment real estates

Measurement of cost method

Depreciation or amortization method

1. The term "investment real estate" includes the right to use any land which has already been rented, the right to use any land which is held and prepared for transfer after appreciation, and the right to use any building which has already been rented.

2. The Company initially measures the investment property according to the costs, and adopts the cost method in the subsequent measurement of investment property, and adopts the same methods with fixed assets and intangible assets to withdraw depreciation or amortization. When there is any indication of impairment of investment property on the balance sheet date, corresponding provision for impairment shall be made according to the difference between the book value and recoverable amount.

### **24. Fixed Assets**

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

The term "fixed assets" refers to the tangible assets that simultaneously possess the features as follows: they are held for the sake of producing commodities, rendering labor service, renting or business management; and their useful life is in excess of one fiscal year. No fixed asset may be recognized unless it simultaneously meets the conditions as follows: (1) The economic benefits are likely to flow into the enterprise; (2) The cost of the fixed asset can be measured reliably.

#### **(2) Depreciation Method**

| Category             | Depreciation method | Useful life (year) | Expected net salvage value | Annual depreciation |
|----------------------|---------------------|--------------------|----------------------------|---------------------|
| Houses and buildings | Straight-line       | 20-25              | 5-10                       | 3.6-4.75            |

|                            |                            |   |   |    |
|----------------------------|----------------------------|---|---|----|
|                            | depreciation               |   |   |    |
| Transportation             | Straight-line depreciation | 5 | 5 | 19 |
| Other equipment            | Straight-line depreciation | 5 | 5 | 19 |
| Machinery equipment        | Straight-line depreciation | 5 | 5 | 19 |
| Decoration of fixed assets | Straight-line depreciation | 5 | 0 | 20 |

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

Not applicable.

### 25. Construction in Progress

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

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

### 26. Borrowing Costs

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

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

#### 2. Capitalization Period of Borrowings Costs

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

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

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

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

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

acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the weighted average of excess of accumulated expenditures on qualifying asset over that on specific purpose borrowing.

### 27. Biological Assets

Not applicable.

### 28. Oil and Gas Assets

Not applicable.

### 29. Right-of-use Assets

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

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

1. The initial measurement amount of the lease obligation.
2. If a lease incentive exists for lease payments made on or before the commencement date of the lease term, the amount related to the lease incentive already taken is deducted.
3. Initial direct costs incurred.
4. Costs expected to be incurred by the Group for dismantling and removing the leased asset(s), restoring the premises where the leased asset(s) is/are located, or restoring the leased asset(s) to the status agreed in the leasing clauses. If the aforementioned costs are incurred for inventory production, relevant provisions of *Accounting Standard for Business Enterprises No.1 - Inventory* is applicable. The Company recognizes and measures the costs described in Item 4 above in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No. 13 - Contingencies*. The initial direct costs incurred refer to the incremental costs incurred to achieve the lease. Incremental costs are costs that would not have been incurred had the business not acquired the lease.

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

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

### 30. Intangible Assets

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

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

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

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

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

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

Not applicable.

## **31. Impairment of Long-term Assets**

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

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

## **32. Long-term Prepaid Expenses**

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

## **33. Contract Liabilities**

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

## **34. Payroll**

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

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

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

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

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

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

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

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

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

When the Company is unable to unilaterally withdraw the plan on the cancellation of labor relationship or the layoff proposal, or when recognizing the costs or expenses (the earlier one between the two) related to the reorganization of paying the demission welfare, should recognize the payroll liabilities from the demission welfare and include in the current gains and losses.

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

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

## **35. Lease Liabilities**

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

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

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

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

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

## **36. Provisions**

1. The obligation such as external guaranty, litigation or arbitration, product quality assurance, loss contract, pertinent to a contingencies shall be recognized as the provisions when the following conditions are satisfied simultaneously: ① That obligation

is a current obligation of the enterprise; ② It is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation; and ③ The amount of the obligation can be measured in a reliable way.

2. The Company shall conduct the initial measurement to provisions according to the best estimate number needed for performing the related current obligation and recheck the carrying value of accrued liabilities on balance sheet date.

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

Not applicable.

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

Not applicable.

### **39. Revenue**

The Accounting Policy Adopted for Recognition and Measurement of Revenue

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

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

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

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

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

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

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

The assets produced during the Company’s contract performance have irreplaceable use, and the Company has the right to collect payment in respect of its completed contract performance accumulated as of now throughout the entire contract period.

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

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

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

The Company is entitled to the current right of payment collection in respect of the commodity. In other words, the customer has the current obligation to pay for the commodity.

The Company has transferred the legal ownership of the commodity to the customer. In other words, the customer has owned the legal ownership of the commodity.

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

The Company has transferred the major risks and remunerations in respect of the ownership of the commodity. In other words, the customer has acquired the major risks and remunerations in respect of the ownership of the commodity.



The customer has accepted the commodity.

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

3) Specific policies of the Company for recognizing revenue:

#### **(1) Real Estate Sales Contracts**

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

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

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

#### **(2) Providing Labor Services**

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

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

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

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

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

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

According to the stipulations of relevant contracts and agreements, when the economic benefits related to the transaction can flow

into the enterprise and the costs related to the income can be reliably measured, the realization of other business income shall be confirmed.

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

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

#### Variable consideration

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

#### Significant financing component

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

#### Non-cash consideration

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

#### Consideration payable to a customer

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

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

Differences in accounting policies for the recognition of revenue caused by different business models for the same type of business

Not applicable.

## **40. Government Grants**

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

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

The government subsidies that are acquired for construction or form long-term assets in other ways according to government documents shall be defined as asset-related government subsidies. For those not specified in government documents, the judgment

shall be made based on the compulsory fundamental conditions for acquiring the subsidies. If the subsidies are acquired with construction or the formation of long-term assets in other ways as fundamental conditions, they shall be recognized as asset-related government subsidies. For asset-related government subsidies, the carrying value of related assets shall be written down or recognized as deferred income. If asset-related government subsidies are recognized as deferred income, it shall be recorded into profits or losses by period in a reasonable and systemic manner within the life of related assets. Government subsidies measured at the nominal amount shall be directly recorded into current profits or losses. If related assets are sold, transferred, disposed of or destroyed before the end of their life, the undistributed balance of related deferred income shall be transferred into the profits or losses for the period of the asset disposal.

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

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

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

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

1. In accordance with the balance (the item not recognized as assets and liabilities can confirm their tax bases according to the tax law, the balance between the tax bases and its carrying amount) between the carrying amount of assets or liabilities and their tax bases, deferred tax assets and deferred tax liabilities should be recognized at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

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

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

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

### **42. Lease**

#### **(1) Accounting Treatment of Operating Lease**

##### **1. Lessee**

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

After the commencement date of the lease term, the Company uses the cost model for subsequent measurement of right-of-use assets. The Company depreciates the right-of-use assets in accordance with relevant depreciation provisions of the *Accounting Standards for Business Enterprises No. 4 - Fixed Assets*. If the lessee can reasonably ascertain that the ownership of the leasehold property will be

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

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

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

## 2. Lessor

### (1) Financial Lease

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

### (2) Operating Lease

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

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

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

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

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

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

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

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

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

- 1) Maintenance fund accounting method

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

## 2) Quality deposit accounting method

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

## (3) Segmental report

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

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

the management layer could periodically evaluate the operation results of the compose part and base which to distribute the resources and evaluate the performance;

3) the Group could acquire the relevant accounting information of the financial conditions, operation results and the cash flows of the compose part through analysis.

## 44. Changes in Main Accounting Policies and Estimates

### (1) Change of Accounting Policies

Applicable  Not applicable

### (2) Changes in Accounting Estimates

Applicable  Not applicable

### (3) Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Leases since 2021

Applicable

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

Yes  No

Consolidated balance sheet

Unit: RMB

| Item                              | 31 December 2020 | 1 January 2021   | Adjustment |
|-----------------------------------|------------------|------------------|------------|
| Current assets:                   |                  |                  |            |
| Monetary assets                   | 4,206,266,629.32 | 4,206,266,629.32 |            |
| Settlement reserve                |                  |                  |            |
| Interbank loans granted           |                  |                  |            |
| Held-for-trading financial assets |                  |                  |            |
| Derivative financial assets       |                  |                  |            |
| Notes receivable                  |                  |                  |            |

|  |                   |                   |  |
|--|-------------------|-------------------|--|
| Accounts receivable                                | 187,697,631.47    | 187,697,631.47    |  |
| Accounts receivable financing                      |                   |                   |  |
| Prepayments  | 50,543,422.85     | 50,543,422.85     |  |
| Premiums receivable                                |                   |                   |  |
| Reinsurance receivables                            |                   |                   |  |
| Receivable reinsurance contract reserve            |                   |                   |  |
| Other receivables                                  | 789,050,350.51    | 789,050,350.51    |  |
| Including: Interest receivable                     |                   |                   |  |
| Dividends receivable                               |                   |                   |  |
| Financial assets purchased under resale agreements |                   |                   |  |
| Inventories  | 5,312,489,258.20  | 5,312,489,258.20  |  |
| Contract assets                                    |                   |                   |  |
| Assets held for sale                               |                   |                   |  |
| Current portion of non-current assets              |                   |                   |  |
| Other current assets                               | 48,991,965.92     | 48,991,965.92     |  |
| Total current assets                               | 10,595,039,258.27 | 10,595,039,258.27 |  |
| Non-current assets:                                |                   |                   |  |
| Loans and advances to customers                    |                   |                   |  |
| Investments in debt obligations                    |                   |                   |  |
| Investments in other debt obligations              |                   |                   |  |
| Long-term receivables                              |                   |                   |  |
| Long-term equity investments                       | 45,710,220.79     | 45,710,220.79     |  |
| Investments in other equity instruments            | 1,044,905.12      | 1,044,905.12      |  |
| Other non-current financial assets                 |                   |                   |  |

|   |                   |                   |               |
|---|-------------------|-------------------|---------------|
| Investment property                               | 484,738,506.83    | 484,738,506.83    |               |
| Fixed assets                                      | 116,233,936.04    | 116,233,936.04    |               |
| Construction in progress                          |                   |                   |               |
| Productive living assets                          |                   |                   |               |
| Oil and gas assets                                |                   |                   |               |
| Right-of-use assets                               |                   | 14,992,421.49     | 14,992,421.49 |
| Intangible assets                                 | 482,049.51        | 482,049.51        |               |
| Development costs                                 |                   |                   |               |
| Goodwill  |                   |                   |               |
| Long-term prepaid expense                         | 11,862,716.14     | 11,862,716.14     |               |
| Deferred income tax assets                        | 950,681,245.50    | 950,681,245.50    |               |
| Other non-current assets                          | 1,564,074.34      | 1,564,074.34      |               |
| Total non-current assets                          | 1,612,317,654.27  | 1,627,310,075.76  | 14,992,421.49 |
| Total assets                                      | 12,207,356,912.54 | 12,222,349,334.03 | 14,992,421.49 |
| Current liabilities:                              |                   |                   |               |
| Short-term borrowings                             |                   |                   |               |
| Borrowings from the central bank                  |                   |                   |               |
| Interbank loans obtained                          |                   |                   |               |
| Held-for-trading financial liabilities            |                   |                   |               |
| Derivative financial liabilities                  |                   |                   |               |
| Notes payable                                     |                   |                   |               |
| Accounts payable                                  | 468,269,685.65    | 468,269,685.65    |               |
| Advances from customers                           | 473,274.48        | 473,274.48        |               |
| Contract liabilities                              | 666,893,629.72    | 666,893,629.72    |               |
| Financial assets sold under repurchase agreements |                   |                   |               |
| Customer deposits and interbank deposits          |                   |                   |               |
| Payables for acting                               |                   |                   |               |

|   |                  |                  |               |
|---|------------------|------------------|---------------|
| trading of securities                                     |                  |                  |               |
| Payables for underwriting of securities                   |                  |                  |               |
| Employee benefits payable                                 | 177,190,197.36   | 177,190,197.36   |               |
| Taxes payable   | 2,487,212,979.37 | 2,487,212,979.37 |               |
| Other payables  | 847,142,613.09   | 847,142,613.09   |               |
| Including: Interest payable                               |                  |                  |               |
| Dividends payable   | 12,202,676.04    | 12,202,676.04    |               |
| Handling charges and commissions payable                  |                  |                  |               |
| Reinsurance payables                                      |                  |                  |               |
| Liabilities directly associated with assets held for sale |                  |                  |               |
| Current portion of non-current liabilities                | 36,722,824.88    | 36,722,824.88    |               |
| Other current liabilities                                 | 43,354,691.51    | 43,354,691.51    |               |
| Total current liabilities                                 | 4,727,259,896.06 | 4,727,259,896.06 |               |
| Non-current liabilities:                                  |                  |                  |               |
| Insurance contract reserve                                |                  |                  |               |
| Long-term borrowings                                      | 3,587,800,000.00 | 3,587,800,000.00 |               |
| Bonds payable   |                  |                  |               |
| Including: Preferred shares                               |                  |                  |               |
| Perpetual bonds   |                  |                  |               |
| Lease liabilities   |                  | 14,992,421.49    | 14,992,421.49 |
| Long-term payables  |                  |                  |               |
| Long-term employee benefits payable                       |                  |                  |               |
| Provisions  | 2,396,947.00     | 2,396,947.00     |               |
| Deferred income   |                  |                  |               |
| Deferred income tax liabilities                           | 262.20           | 262.20           |               |



|  |                   |                   |               |
|--|-------------------|-------------------|---------------|
| Other non-current liabilities                                    | 108,778,327.45    | 108,778,327.45    |               |
| Total non-current liabilities                                    | 3,698,975,536.65  | 3,713,967,958.14  | 14,992,421.49 |
| Total liabilities  | 8,426,235,432.71  | 8,441,227,854.20  | 14,992,421.49 |
| Owners' equity:  |                   |                   |               |
| Share capital  | 595,979,092.00    | 595,979,092.00    |               |
| Other equity instruments   |                   |                   |               |
| Including: Preferred shares                                      |                   |                   |               |
| Perpetual bonds  |                   |                   |               |
| Capital reserves   | 80,488,045.38     | 80,488,045.38     |               |
| Less: Treasury stock   |                   |                   |               |
| Other comprehensive income                                       | -6,749,589.41     | -6,749,589.41     |               |
| Specific reserve   |                   |                   |               |
| Surplus reserves   | 19,205,979.63     | 19,205,979.63     |               |
| General reserve  |                   |                   |               |
| Retained earnings  | 3,038,993,912.43  | 3,038,993,912.43  |               |
| Total equity attributable to owners of the Company as the parent | 3,727,917,440.03  | 3,727,917,440.03  |               |
| Non-controlling interests  | 53,204,039.80     | 53,204,039.80     |               |
| Total owners' equity   | 3,781,121,479.83  | 3,781,121,479.83  |               |
| Total liabilities and owners' equity                             | 12,207,356,912.54 | 12,222,349,334.03 | 14,992,421.49 |

## Notes to the adjustments

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

## Balance sheet of the Company as the parent

Unit: RMB

| Item            | 31 December 2020 | 1 January 2021 | Adjustment |
|-----------------|------------------|----------------|------------|
| Current assets: |                  |                |            |

|   |                  |                  |  |
|---|------------------|------------------|--|
| Monetary assets                         | 3,216,703,036.69 | 3,216,703,036.69 |  |
| Held-for-trading financial assets       |                  |                  |  |
| Derivative financial assets             |                  |                  |  |
| Notes receivable                        |                  |                  |  |
| Accounts receivable                     | 2,624,500.42     | 2,624,500.42     |  |
| Accounts receivable financing           |                  |                  |  |
| Prepayments                             |                  |                  |  |
| Other receivables                       | 145,325,697.20   | 145,325,697.20   |  |
| Including: Interest receivable          |                  |                  |  |
| Dividends receivable                    |                  |                  |  |
| Inventories                             | 653,885,107.24   | 653,885,107.24   |  |
| Contract assets                         |                  |                  |  |
| Assets held for sale                    |                  |                  |  |
| Current portion of non-current assets   |                  |                  |  |
| Other current assets                    | 496,729.09       | 496,729.09       |  |
| Total current assets                    | 4,019,035,070.64 | 4,019,035,070.64 |  |
| Non-current assets:                     |                  |                  |  |
| Investments in debt obligations         |                  |                  |  |
| Investments in other debt obligations   |                  |                  |  |
| Long-term receivables                   |                  |                  |  |
| Long-term equity investments            | 1,071,176,101.18 | 1,071,176,101.18 |  |
| Investments in other equity instruments | 1,275,405.12     | 1,275,405.12     |  |
| Other non-current financial assets      |                  |                  |  |
| Investment property                     | 303,827,356.62   | 303,827,356.62   |  |
| Fixed assets                            | 51,091,963.72    | 51,091,963.72    |  |
| Construction in progress                |                  |                  |  |

|   |                  |                  |            |
|---|------------------|------------------|------------|
| Productive living assets                                  |                  |                  |            |
| Oil and gas assets  |                  |                  |            |
| Right-of-use assets                                       |                  | 727,535.23       | 727,535.23 |
| Intangible assets   |                  |                  |            |
| Development costs   |                  |                  |            |
| Goodwill  |                  |                  |            |
| Long-term prepaid expense                                 | 432,440.01       | 432,440.01       |            |
| Deferred income tax assets                                | 252,331,518.26   | 252,331,518.26   |            |
| Other non-current assets                                  | 1,197,407,234.55 | 1,197,407,234.55 |            |
| Total non-current assets                                  | 2,877,542,019.46 | 2,878,269,554.69 | 727,535.23 |
| Total assets  | 6,896,577,090.10 | 6,897,304,625.33 | 727,535.23 |
| Current liabilities:                                      |                  |                  |            |
| Short-term borrowings                                     |                  |                  |            |
| Held-for-trading financial liabilities                    |                  |                  |            |
| Derivative financial liabilities                          |                  |                  |            |
| Notes payable   |                  |                  |            |
| Accounts payable  | 55,887,947.36    | 55,887,947.36    |            |
| Advances from customers                                   |                  |                  |            |
| Contract liabilities                                      |                  |                  |            |
| Employee benefits payable                                 | 50,710,148.02    | 50,710,148.02    |            |
| Taxes payable   | 3,736,082.67     | 3,736,082.67     |            |
| Other payables  | 3,971,988,862.11 | 3,971,988,862.11 |            |
| Including: Interest payable                               |                  |                  |            |
| Dividends payable   | 29,642.40        | 29,642.40        |            |
| Liabilities directly associated with assets held for sale |                  |                  |            |
| Current portion of non-current liabilities                | 31,573,154.86    | 31,573,154.86    |            |

|                                      |                  |                  |            |
|--------------------------------------|------------------|------------------|------------|
| Other current liabilities            |                  |                  |            |
| Total current liabilities            | 4,113,896,195.02 | 4,113,896,195.02 |            |
| Non-current liabilities:             |                  |                  |            |
| Long-term borrowings                 | 588,200,000.00   | 588,200,000.00   |            |
| Bonds payable                        |                  |                  |            |
| Including: Preferred shares          |                  |                  |            |
| Perpetual bonds                      |                  |                  |            |
| Lease liabilities                    |                  | 727,535.23       | 727,535.23 |
| Long-term payables                   |                  |                  |            |
| Long-term employee benefits payable  |                  |                  |            |
| Provisions                           |                  |                  |            |
| Deferred income                      |                  |                  |            |
| Deferred income tax liabilities      |                  |                  |            |
| Other non-current liabilities        | 40,000,000.00    | 40,000,000.00    |            |
| Total non-current liabilities        | 628,200,000.00   | 628,927,535.23   | 727,535.23 |
| Total liabilities                    | 4,742,096,195.02 | 4,742,823,730.25 | 727,535.23 |
| Owners' equity:                      |                  |                  |            |
| Share capital                        | 595,979,092.00   | 595,979,092.00   |            |
| Other equity instruments             |                  |                  |            |
| Including: Preferred shares          |                  |                  |            |
| Perpetual bonds                      |                  |                  |            |
| Capital reserves                     | 53,876,380.11    | 53,876,380.11    |            |
| Less: Treasury stock                 |                  |                  |            |
| Other comprehensive income           | -2,545,451.19    | -2,545,451.19    |            |
| Specific reserve                     |                  |                  |            |
| Surplus reserves                     | 19,205,979.63    | 19,205,979.63    |            |
| Retained earnings                    | 1,487,964,894.53 | 1,487,964,894.53 |            |
| Total owners' equity                 | 2,154,480,895.08 | 2,154,480,895.08 |            |
| Total liabilities and owners' equity | 6,896,577,090.10 | 6,897,304,625.33 | 727,535.23 |

## Notes to the adjustments

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

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

Applicable  Not applicable

**45. Other**

In the Note of the financial statements, the data of the period-beginning refers to the financial statement data on 1 January 2021; the data of the period-end refers to the financial statement data on 30 June 2021; the Reporting Period refers to the H1 2021; the same period of last year refers to the H1 2020. The same to the Company as the parent.

**VI Taxes**

**1. Main Taxes and Tax Rates**

| Category of taxes                      | Tax basis   | Tax rate   |
|--|---|--|
| VAT                                    | Sales of goods or provision of taxable services   | [Note 1]   |
| Urban maintenance and construction tax | Turnover tax payable  | Applied to 7%, 5%, 1% separately according to the regional level |
| Enterprise income tax                  | Taxable income  | 25%、20%、15%、16.5% [Note 2]                                       |
| VAT of land                            | Added value generated from paid transfer of the use right of state-owned lands and property right of above-ground buildings and other attachments   | 30%-60%  |
| Real estate tax                        | Levied according to price: paid according to 1.2% of the residual value of the real estate's original value after deducted 30% at once; levied according to lease: paid according to 12% of the rental income | 1.2%、12%   |
| Education surcharge                    | Turnover tax payable  | 3%   |
| Local education surcharge              | Turnover tax payable  | 2%   |

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

| Name  | Income tax rate |
|---|-----------------|
| Chongqing Shenzhen International Trade Center Property Management Co., Ltd. | 15%             |
| Shenzhen SZPRD Housing Assets Operation and Management Co., Ltd.            | 20%             |

|  |        |
|--|--------|
| Shenzhen Guomao Catering Co., Ltd.                                   | 20%    |
| Shenzhen Property Engineering and Construction Supervision Co., Ltd. | 20%    |
| Shenzhen Julian Human Resources Development Co.,Ltd.                 | 20%    |
| Shenzhen Huazhengpeng Property Management Development Co., Ltd.      | 20%    |
| Shenzhen Jinhailian Property Management Co.,Ltd.                     | 20%    |
| Shenzhen Zhongtongda House Xiushan Service Co.,Ltd.                  | 20%    |
| Shenzhen Kangping Industry Co.,Ltd.                                  | 20%    |
| Shenzhen Teacher Family Training Co., Ltd.                           | 20%    |
| Shenzhen Education Industry Co., Ltd.                                | 20%    |
| Shenzhen Yufa Industry Co., Ltd.                                     | 20%    |
| Chongqing Aobo Elevator Co., Ltd.                                    | 20%    |
| Subsidiaries registered in Vietnam                                   | 20%    |
| Subsidiaries registered in Hong Kong area                            | 16.50% |
| Other taxpaying bodies within the consolidated scope                 | 25%    |

## 2. Tax Preference

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

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

## 3. Other

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

| Type of the revenue     | General rate | Percentage charges of |
|-------------------------|--------------|-----------------------|
| Sales of house property | 9%           | 5%                    |
| Rent of real estate     | 9%           | 5%                    |
| Property service        | 6%           | 3%                    |
| Catering service        | 6%           | 3%                    |
| Others                  | 13%          | --                    |

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

### 1. Monetary Assets

Unit: RMB

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

Other notes

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

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

Unit: RMB

| Item      | Ending balance | Beginning balance |
|-----------|----------------|-------------------|
| Of which: |                |                   |
| Of which: |                |                   |

Other notes:

### 3. Derivative Financial Assets

Unit: RMB

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

Other notes:

### 4. Notes Receivable

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

Unit: RMB

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

Unit: RMB

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

|           |  |  |  |            |  |  |  |  |            |  |
|-----------|--|--|--|------------|--|--|--|--|------------|--|
|           |  |  |  | proportion |  |  |  |  | proportion |  |
| Of which: |  |  |  |            |  |  |  |  |            |  |
| Of which: |  |  |  |            |  |  |  |  |            |  |

Bad debt provision separately accrued:

Unit: RMB

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

Bad debt provision withdrawn according to groups:

Unit: RMB

| Name | Ending balance  |                    |                       |
|------|-----------------|--------------------|-----------------------|
|      | Carrying amount | Bad debt provision | Withdrawal proportion |

Notes of the basis of recognizing the group:

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

Applicable  Not applicable

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

Bad debt provision withdrawn in the Reporting Period:

Unit: RMB

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

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

Applicable  Not applicable

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

Unit: RMB

| Item | Amount |
|------|--------|
|------|--------|

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

Unit: RMB

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

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

Unit: RMB

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

Other notes



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

Unit: RMB

| Item | Amount |
|------|--------|
|------|--------|

Of which, verification of significant notes receivable:

Unit: RMB

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

Notes of the verification of notes receivable

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

Unit: RMB

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

Bad debt provision separately accrued:

Unit: RMB

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

|  |                       |                       |           |  |
|--|-----------------------|-----------------------|-----------|--|
| Shenzhen Jiyong Properties & Resources Development Company                             | 93,811,328.05         | 93,811,328.05         | 100.00%   | Involved in the lawsuit and no executable property         |
| Shenzhen Tewe Industry Co., Ltd.   | 2,836,561.00          | 2,836,561.00          | 100.00%   | Uncollectible for a long period                            |
| Lunan Industry Corporation   | 2,818,284.84          | 2,818,284.84          | 100.00%   | Poor operating conditions, uncollectible for a long period |
| Those with insignificant single amount for which bad debt provision separately accrued | 5,802,753.31          | 5,802,753.31          | 100.00%   |  |
| <b>Total</b>   | <b>105,268,927.20</b> | <b>105,268,927.20</b> | <b>--</b> | <b>--</b>  |

Bad debt provision separately accrued:

Unit: RMB

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

Bad debt provision withdrawn according to groups:

Unit: RMB

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

Notes of the basis of recognizing the group:

Bad debt provision withdrawn according to groups:

Unit: RMB

| Name | Ending balance  |                    |                       |
|------|-----------------|--------------------|-----------------------|
|      | Carrying amount | Bad debt provision | Withdrawal proportion |

Notes of the basis of recognizing the group:

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

Applicable  Not applicable

Disclosed by aging

Unit: RMB

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

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

Bad debt provision withdrawn in the Reporting Period:

Unit: RMB

| Category   | Beginning balance | Increase/decrease |                       |          |       | Ending balance |
|--|-------------------|-------------------|-----------------------|----------|-------|----------------|
|  |                   | Withdrawn         | Reversed or collected | Verified | Other |                |
| Bad debt provision separately accrued            | 105,273,564.00    |                   | 4,636.80              |          |       | 105,268,927.20 |
| Bad debt provision withdrawn according to groups | 13,342,375.51     | 4,052,639.29      |                       |          |       | 17,395,014.80  |
| Total  | 118,615,939.51    | 4,052,639.29      | 4,636.80              |          |       | 122,663,942.00 |

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

Unit: RMB

| Name of the entity | Amount reversed or collected | Method |
|--------------------|------------------------------|--------|
|                    |                              |        |

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

Unit: RMB

| Item | Amount |
|------|--------|
|      |        |

Of which, verification of significant accounts receivable:

Unit: RMB

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

Notes of the verification of accounts receivable:

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

Unit: RMB

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

**(5) Accounts Receivable Derecognized due to the Transfer of Financial Assets**

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

Other notes:

**6. Accounts Receivable Financing**

Unit: RMB

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

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

Applicable  Not applicable

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

Applicable  Not applicable

Other notes:

## 7. Prepayment

### (1) List by Aging Analysis

Unit: RMB

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

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

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

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

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

Other notes:

## 8. Other Receivables

Unit: RMB

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

### (1) Interest Receivable

#### 1) Category of Interest Receivable

Unit: RMB

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

**2) Significant Overdue Interest**

Unit: RMB

| Entity | Ending balance | Overdue time | Overdue reason | Whether occurred impairment and the judgment basis |
|--------|----------------|--------------|----------------|--|
|        |                |              |                |  |

Other notes:

**3) Withdrawal of Bad Debt Provision** Applicable  Not applicable**(2) Dividends Receivable****1) Category of Dividends Receivable**

Unit: RMB

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

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

Unit: RMB

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

**3) Withdrawal of Bad Debt Provision** Applicable  Not applicable

Other notes:

**(3) Other Receivables****1) Other Receivables Disclosed by Account Nature**

Unit: RMB

| Nature                     | Ending carrying amount | Beginning carrying amount |
|----------------------------|------------------------|---------------------------|
| Margin                     | 9,362,541.31           | 10,259,805.89             |
| Cash deposit               | 52,177,688.46          | 45,948,194.30             |
| Petty cash                 | 4,622,314.10           | 595,148.50                |
| Payments on behalf         | 5,371,750.53           | 8,381,989.28              |
| External intercourse funds | 775,178,639.44         | 763,481,109.87            |
| Other                      | 13,051,446.27          | 13,537,736.74             |
| Total                      | 859,764,380.11         | 842,203,984.58            |

**2) Withdrawal of Bad Debt Provision**

Unit: RMB

| Bad debt provision | First stage                                | Second stage   | Third stage  | Total |
|--------------------|--|--|--|-------|
|                    | Expected credit loss of the next 12 months | Expected loss in the duration (credit impairment not occurred) | Expected loss in the duration (credit impairment occurred) |       |

|   |               |      |               |               |
|---|---------------|------|---------------|---------------|
| Balance of 1 January 2021                         | 25,178,102.14 | 0.00 | 27,975,531.93 | 53,153,634.07 |
| Balance of 1 January 2021 in the Reporting Period | —             | —    | —             | —             |
| Withdrawal of the Reporting Period                | 2,791,617.83  |      | 58,380.00     | 2,849,997.83  |
| Balance of 30 June 2021                           | 27,969,719.97 |      | 28,033,911.93 | 56,003,631.90 |

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

Applicable  Not applicable

Disclosed by aging

Unit: RMB

| Aging                            | Carrying amount |
|----------------------------------|-----------------|
| Within 1 year (including 1 year) | 26,159,741.13   |
| 1 to 2 years                     | 45,415,188.00   |
| 2 to 3 years                     | 735,972,999.68  |
| Over 3 years                     | 52,216,451.30   |
| 3 to 4 years                     | 2,755,109.56    |
| 4 to 5 years                     | 745,281.19      |
| Over 5 years                     | 48,716,060.55   |
| Total                            | 859,764,380.11  |

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

Bad debt provision withdrawn in the Reporting Period:

Unit: RMB

| Category                                   | Beginning balance | Increase/decrease |                       |          |       | Ending balance |
|--|-------------------|-------------------|-----------------------|----------|-------|----------------|
|  |                   | Withdrawn         | Reversed or collected | Verified | Other |                |
| Bad debt provision separately accrued      | 27,975,531.93     | 58,380.00         |                       |          |       | 28,033,911.93  |
| Withdrawal of bad debt provision by groups | 25,178,102.14     | 2,791,617.83      |                       |          |       | 27,969,719.97  |
| Total                                      | 53,153,634.07     | 2,849,997.83      |                       |          |       | 56,003,631.90  |

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

Unit: RMB

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

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

Unit: RMB

| Item | Amount |
|------|--------|
|------|--------|

Of which significant actual verification of other receivables:

Unit: RMB

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

Notes of verification of other receivables:

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

Unit: RMB

| Name of the entity  | Nature   | Ending balance | Aging | Proportion to ending balance of other receivables (%) | Ending balance of bad debt provision |
|---|--|----------------|-------|---|--------------------------------------|
| Shenzhen Xinhai Holding Co., Ltd.                                     | External intercourse funds                             | 401,499,990.18 | 2-3 年 | 46.70%  | 0.00                                 |
| Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.             | External intercourse funds                             | 330,472,932.33 | 2-3 年 | 38.44%  | 0.00                                 |
| Shenzhen Bangling Stock Cooperative Company                           | External intercourse funds                             | 30,000,000.00  | 1-2 年 | 3.49%   | 3,000,000.00                         |
| Affordable Housing Development Center of Tongshan District in Xu Zhou | Regulatory capital for presale of commercial buildings | 11,145,688.46  | 1-2 年 | 1.30%   | 1,114,568.85                         |
| Shenzhen Tianjun Industrial Co., Ltd.                                 | Cooperation deposit                                    | 10,000,000.00  | 1 年以内 | 1.16%   | 300,000.00                           |
| Total   | --   | 783,118,610.97 | --    | 91.09%  | 4,414,568.85                         |

**6) Accounts Receivable Involving Government Subsidies**

Unit: RMB



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

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

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

Other notes:

### 9. Inventories

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

Yes

#### (1) Category of Inventories

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

Classification by nature:

Unit: RMB

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

Disclose main items of "R&D expenses" and interest capitalization in the following format:

Unit: RMB

| Name of | Date of commencement | Estimated date of | Estimated total investment | Beginning | Transferred to develop | Other decrease for | Increase (R&D expense) | Ending balance | Accumulative amount | Of which: | Capital resource |
|---------|----------------------|-------------------|----------------------------|-----------|------------------------|--------------------|------------------------|----------------|---------------------|-----------|------------------|
|---------|----------------------|-------------------|----------------------------|-----------|------------------------|--------------------|------------------------|----------------|---------------------|-----------|------------------|

| project   | t                         | comple<br>tion              | ent            | balance          | ing<br>properti<br>es for<br>this<br>period | this<br>period | s) for<br>this<br>period |                  | of<br>capitali<br>zed<br>interest<br>s | of<br>capitali<br>zed<br>interest<br>s for<br>this<br>period | es           |
|---|---------------------------|-----------------------------|----------------|------------------|---|----------------|--------------------------|------------------|--|--|--------------|
| Guanlan<br>Bangling<br>Project                            |                           |                             | 6,941,500,000. | 3,570,499,129.09 |   |                | 143,458,187.95           | 3,713,957,317.04 | 56,314,334.42                          | 56,314,334.42  | Bank<br>loan |
| SZPRD<br>-Banshan<br>Yujing<br>Phase<br>II                | 15<br>March<br>2019       | 30<br>Septem<br>ber<br>2021 | 235,810,000.00 | 168,815,335.19   |   | 113,040.00     | 22,881,738.66            | 191,584,033.85   |  |  | Other        |
| SZPRD<br>-Golden<br>Collar's<br>Resort-<br>Buildin<br>g A | 1<br>March<br>2014        | 31<br>Decem<br>ber<br>2021  | 357,000,000.00 | 245,596,393.07   |   |                | 29,953,149.27            | 275,549,542.34   | 1,059,684.29                           |  | Other        |
| SZPRD<br>-Fuchang<br>Garden<br>Phase<br>II                | 1<br>Decem<br>ber<br>2018 | 31<br>Decem<br>ber<br>2022  | 801,090,000.00 | 608,580,860.21   |   |                | 19,110,354.67            | 627,691,214.88   |  |  | Other        |
| Yupinlu<br>anshan<br>Garden                               |                           |                             |                | 226,613,926.24   |   |                | 1,799,726.84             | 228,413,653.08   |  |  | Other        |
| Hainan<br>Qiongs<br>han<br>Land                           |                           |                             |                | 6,648,404.13     |   |                |                          | 6,648,404.13     |  |  | Other        |
| Shenhu<br>i<br>Garden                                     |                           |                             |                | 37,002,030.89    |   |                |                          | 37,002,030.89    |  |  | Other        |
| Fuyuan  |                           |                             |                | 1,143,1          |   |                | 1,220,6                  | 2,363,8          |  |  | Other        |

|                   |    |    |                          |                          |  |                |                        |                          |                   |                   |       |
|-------------------|----|----|--------------------------|--------------------------|--|----------------|------------------------|--------------------------|-------------------|-------------------|-------|
| tai<br>Project    |    |    |                          | 84.20                    |  |                | 87.88                  | 72.08                    |                   |                   |       |
| Other<br>projects |    |    |                          | 2,663,1<br>25.14         |  |                | 962,26<br>4.15         | 3,625,3<br>89.29         |                   |                   | Other |
| Total             | -- | -- | 8,335,4<br>00,000.<br>00 | 4,867,5<br>62,388.<br>16 |  | 113,040<br>.00 | 219,38<br>6,109.4<br>2 | 5,086,8<br>35,457.<br>58 | 57,374,<br>018.71 | 56,314,<br>334.42 | --    |

Disclose main items of “Developing properties” in the following format:

Unit: RMB

| Name of project   | Date of completion    | Beginning balance  | Increase   | Decrease           | Ending balance | Accumulative amount of capitalized interests | Of which: amount of capitalized interests for this period |
|---|-----------------------|--------------------|------------|--------------------|----------------|--|---|
| SZPRD-<br>Langqiao<br>International   | 1<br>December<br>2012 | 3,384,362.2<br>4   |            |                    | 3,384,362.24   |  |   |
| SZPRD-<br>Hupan<br>Yujing<br>Phase I  | 1 June<br>2015        | 58,947,050.<br>77  |            | 678,293.62         | 58,268,757.15  | 10,446,911.43                                |   |
| SZPRD-<br>Banshan<br>Yujing<br>Phase I  | 1<br>November<br>2016 | 18,784,966.<br>55  | 113,040.00 | 18,898,006.5<br>5  |                | 27,205,315.95                                |   |
| SZPRD-S<br>onghu<br>Langyuan  | 1 July<br>2017        | 25,150,175.<br>95  |            | 305,308.44         | 24,844,867.51  | 30,539,392.65                                |   |
| SZPRD-<br>Hupan<br>Yujing<br>Phase II   | 1<br>November<br>2017 | 80,210,044.<br>87  |            | 2,862,301.71       | 77,347,743.16  |  |   |
| SZPRD-<br>Golden<br>Collar’s<br>Resort-B<br>uilding B<br>and<br>Building<br>C | 1<br>December<br>2019 | 254,824,025<br>.85 |            | 218,487,178.<br>75 | 36,336,847.10  | 25,325,952.00                                |   |

|                                     |                 |                |            |                |                |                |  |
|-------------------------------------|-----------------|----------------|------------|----------------|----------------|----------------|--|
| International Trade Center Plaza    | 1 December 1995 | 4,839,083.10   |            |                | 4,839,083.10   |                |  |
| Huangyuan A Area                    | 1 June 2001     | 790,140.58     |            |                | 790,140.58     |                |  |
| Podium Building of Fuchang Building | 1 November 1999 | 645,532.65     |            |                | 645,532.65     |                |  |
| Other projects                      |                 | 3,257,139.72   |            | 1,016,268.90   | 2,240,870.82   | 83,077,702.96  |  |
| <b>Total</b>                        | --              | 450,832,522.28 | 113,040.00 | 242,247,357.97 | 208,698,204.31 | 176,595,274.99 |  |

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

Unit: RMB

| Name of project | Beginning balance | Increase | Decrease | Ending balance |
|-----------------|-------------------|----------|----------|----------------|
|-----------------|-------------------|----------|----------|----------------|

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

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

Classification by nature:

Unit: RMB

| Item            | Beginning balance | Increase  |       | Decrease              |       | Ending balance | Note |
|-----------------|-------------------|-----------|-------|-----------------------|-------|----------------|------|
|                 |                   | Withdrawn | Other | Reversal or write-off | Other |                |      |
| R&D expenses    | 6,648,404.13      |           |       |                       |       | 6,648,404.13   |      |
| Raw materials   | 535,302.89        |           |       | 64,884.05             |       | 470,418.84     |      |
| Inventory goods | 2,094,300.39      |           |       |                       |       | 2,094,300.39   |      |
| <b>Total</b>    | 9,278,007.41      |           |       | 64,884.05             |       | 9,213,123.36   | --   |

Classified by nature:

Unit: RMB

| Name of | Beginning | Increase | Decrease | Ending | Note |
|---------|-----------|----------|----------|--------|------|
|---------|-----------|----------|----------|--------|------|

|         |              |           |       |                          |       |         |  |
|---------|--------------|-----------|-------|--------------------------|-------|---------|--|
| project | g<br>balance | Withdrawn | Other | Reversal or<br>write-off | Other | balance |  |
|---------|--------------|-----------|-------|--------------------------|-------|---------|--|

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

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

**(4) Inventory restrictions**

Disclosing restricted inventory by project:

Unit: RMB

| Name of project | Beginning balance | Ending balance | Reason for the Limit |
|-----------------|-------------------|----------------|----------------------|
|                 |                   |                |                      |

**10. Contract Assets**

Unit: RMB

| Item | Ending balance     |                          |                   | Beginning balance  |                          |                |
|------|--------------------|--------------------------|-------------------|--------------------|--------------------------|----------------|
|      | Carrying<br>amount | Depreciation<br>reserves | Carrying<br>value | Carrying<br>amount | Depreciation<br>reserves | Carrying value |
|      |                    |                          |                   |                    |                          |                |

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

Unit: RMB

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

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

Applicable  Not applicable

Withdrawal of impairment provision for contract assets in the Reporting Period

Unit: RMB

| Item | Withdrawal of the<br>Reporting Period | Reversal of the<br>Reporting Period | Write-off/verified | Reason |
|------|---------------------------------------|-------------------------------------|--------------------|--------|
|      |                                       |                                     |                    |        |

Other notes:

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

Unit: RMB

| Item | Ending | Depreciation | Ending | Fair value | Estimated | Estimated |
|------|--------|--------------|--------|------------|-----------|-----------|
|      |        |              |        |            |           |           |

|  |                 |          |                |  |                  |               |
|--|-----------------|----------|----------------|--|------------------|---------------|
|  | carrying amount | reserves | carrying value |  | disposal expense | disposal time |
|--|-----------------|----------|----------------|--|------------------|---------------|

Other notes:

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

Unit: RMB

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

Significant investments in debt obligations /other investments in debt obligations

Unit: RMB

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

Other notes:

**13. Other Current Assets**

Unit: RMB

| Item                           | Ending balance | Beginning balance |
|--------------------------------|----------------|-------------------|
| Prepaid VAT                    | 16,030,350.44  | 7,467,152.90      |
| Deducted input tax             | 13,079,133.12  | 11,705,028.57     |
| Prepaid land VAT               | 15,872,072.37  | 28,960,506.43     |
| Prepaid urban construction tax | 1,122,124.53   | 501,245.53        |
| Prepaid education surcharge    | 801,517.52     | 358,032.49        |
| Total                          | 46,905,197.98  | 48,991,965.92     |

Other notes:

**14. Investments in debt obligations**

Unit: RMB

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

Significant investments in debt obligations

Unit: RMB

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

Withdrawal of impairment provision

Unit: RMB

| Bad debt provision | First stage | Second stage | Third stage | Total |
|--------------------|-------------|--------------|-------------|-------|
|--------------------|-------------|--------------|-------------|-------|

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

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

Applicable  Not applicable

Other notes:

### 15. Other Investments in Debt Obligations

Unit: RMB

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

Significant other investments in debt obligations

Unit: RMB

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

Withdrawal of impairment provision

Unit: RMB

| Bad debt provision                                | First stage                                | Second stage   | Third stage  | Total |
|---|--|--|--|-------|
|   | Expected credit loss of the next 12 months | Expected loss in the duration (credit impairment not occurred) | Expected loss in the duration (credit impairment occurred) |       |
| Balance of 1 January 2021 in the Reporting Period | —  | —  | —  | —     |

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

Applicable  Not applicable

Other notes:

**16. Long-term Receivables****(1) List of Long-term Receivables**

Unit: RMB

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

Impairment of bad debt provision

Unit: RMB

| Bad debt provision                                | First stage                                | Second stage   | Third stage  | Total |
|---|--|--|--|-------|
|   | Expected credit loss of the next 12 months | Expected loss in the duration (credit impairment not occurred) | Expected loss in the duration (credit impairment occurred) |       |
| Balance of 1 January 2021 in the Reporting Period | —  | —  | —  | —     |

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

 Applicable  Not applicable**(2) Derecognition of Long-term Receivables due to the Transfer of Financial Assets****(3) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Long-term Receivables**

Other notes

**17. Long-term Equity Investment**

Unit: RMB

| Investees                             | Beginning balance (carrying value) | Increase/decrease   |                    |   |  |                         |  |                                     |       | Ending balance (carrying value) | Ending balance of depreciation reserves |  |
|---------------------------------------|------------------------------------|---------------------|--------------------|---|--|-------------------------|--|-------------------------------------|-------|---------------------------------|---|--|
|                                       |                                    | Addition investment | Reduced investment | Gains and losses recognized under the equity method | Adjustment of other comprehensive income | Changes of other equity | Cash bonus or profits announced to issue | Withdrawal of depreciation reserves | Other |                                 |   |  |
| <b>I. Joint ventures</b>              |                                    |                     |                    |   |  |                         |  |                                     |       |                                 |   |  |
| Shenzhen Real Estate Jifa Warehousing | 39,053,923.92                      |                     |                    | 3,139,733.17  |  |                         |  |                                     |       |                                 | 42,193,657.09                           |  |



|   |                   |  |  |                  |  |  |  |  |  |                   |                   |
|---|-------------------|--|--|------------------|--|--|--|--|--|-------------------|-------------------|
| Co.,<br>Ltd.  |                   |  |  |                  |  |  |  |  |  |                   |                   |
| Shenzh<br>en<br>Tian'an<br>Internat<br>ional<br>Mansio<br>n<br>Propert<br>y<br>Admini<br>stration<br>Co.,<br>Ltd. | 6,656,2<br>96.87  |  |  | 78,750.<br>00    |  |  |  |  |  | 6,735,0<br>46.87  |                   |
| Subtota<br>l  | 45,710,<br>220.79 |  |  | 3,218,4<br>83.17 |  |  |  |  |  | 48,928,<br>703.96 |                   |
| II. Associated enterprises  |                   |  |  |                  |  |  |  |  |  |                   |                   |
| Shenzh<br>en<br>Wufang<br>Pottery<br>&<br>Porcela<br>in<br>Industri<br>al Co.,<br>Ltd.                            | 18,983,<br>614.14 |  |  |                  |  |  |  |  |  | 18,983,<br>614.14 | 18,983,<br>614.14 |
| Shenzh<br>en<br>Kangfu<br>Health<br>Product<br>s Co.,<br>Ltd.   | 165,00<br>0.00    |  |  |                  |  |  |  |  |  | 165,00<br>0.00    | 165,00<br>0.00    |
| Shenzh<br>en<br>Xingha<br>o<br>Imitatio<br>n<br>Porcela   | 756,67<br>0.68    |  |  |                  |  |  |  |  |  | 756,67<br>0.68    | 756,67<br>0.68    |

|  |                  |  |  |  |  |  |  |  |  |                  |                  |
|--|------------------|--|--|--|--|--|--|--|--|------------------|------------------|
| in Co.,<br>Ltd.  |                  |  |  |  |  |  |  |  |  |                  |                  |
| Shenzh<br>en<br>Social<br>Welfare<br>Compa<br>ny<br>Fuda<br>Electro<br>nics<br>Factory | 326,69<br>3.24   |  |  |  |  |  |  |  |  | 326,69<br>3.24   | 326,69<br>3.24   |
| Shenzh<br>en<br>Fulong<br>Industr<br>y<br>Develo<br>pment<br>Co. ,<br>Ltd.             | 1,684,3<br>50.00 |  |  |  |  |  |  |  |  | 1,684,3<br>50.00 | 1,684,3<br>50.00 |
| Haonia<br>nhua<br>Hotel  | 2,733,5<br>70.05 |  |  |  |  |  |  |  |  | 2,733,5<br>70.05 | 2,733,5<br>70.05 |
| Shenzh<br>en<br>Educati<br>on<br>Fund<br>Longhu<br>a<br>Investm<br>ent                 | 500,00<br>0.00   |  |  |  |  |  |  |  |  | 500,00<br>0.00   | 500,00<br>0.00   |
| Shenzh<br>en<br>Kangle<br>Sports<br>Club<br>Huangf<br>a<br>Branch                      | 540,06<br>0.00   |  |  |  |  |  |  |  |  | 540,06<br>0.00   | 540,06<br>0.00   |
| Danken   | 1,168,9          |  |  |  |  |  |  |  |  | 1,168,9          | 1,168,9          |

|  |                  |  |  |  |  |  |  |  |  |                  |                  |
|--|------------------|--|--|--|--|--|--|--|--|------------------|------------------|
| g<br>Village<br>Plants<br>of<br>Fumin<br>in<br>Guanla<br>n<br>Town,<br>Shenzh<br>en City | 73.20            |  |  |  |  |  |  |  |  | 73.20            | 73.20            |
| Shenzh<br>en Bull<br>Entertai<br>nment<br>Co.,<br>Ltd.                                   | 500,00<br>0.00   |  |  |  |  |  |  |  |  | 500,00<br>0.00   | 500,00<br>0.00   |
| Shenzh<br>en<br>Lianhu<br>a<br>Caitian<br>Propert<br>y<br>Manage<br>ment<br>Co.,<br>Ltd. | 1,475,4<br>65.91 |  |  |  |  |  |  |  |  | 1,475,4<br>65.91 | 1,475,4<br>65.91 |
| Shenzh<br>en<br>Yangyu<br>an<br>Industri<br>al Co.,<br>Ltd.                              | 1,030,0<br>00.00 |  |  |  |  |  |  |  |  | 1,030,0<br>00.00 | 1,030,0<br>00.00 |
| Jiakai<br>fe<br>ng Co.,<br>Ltd.<br>Bao'an<br>Compa<br>ny                                 | 600,00<br>0.00   |  |  |  |  |  |  |  |  | 600,00<br>0.00   | 600,00<br>0.00   |
| Guiyua<br>n  | 350,00<br>0.00   |  |  |  |  |  |  |  |  | 350,00<br>0.00   | 350,00<br>0.00   |

|  |                   |  |  |                  |  |  |  |  |  |                   |                   |
|--|-------------------|--|--|------------------|--|--|--|--|--|-------------------|-------------------|
| Garage   |                   |  |  |                  |  |  |  |  |  |                   |                   |
| Shenzhen<br>Wuwei<br>ben<br>Roof<br>Greenin<br>g Co.,<br>Ltd.                | 500,00<br>0.00    |  |  |                  |  |  |  |  |  | 500,00<br>0.00    | 500,00<br>0.00    |
| Shenzhen<br>Yuan<br>ping<br>Plastic<br>Steel<br>Doors<br>Co.,<br>Ltd.        | 240,00<br>0.00    |  |  |                  |  |  |  |  |  | 240,00<br>0.00    | 240,00<br>0.00    |
| Shenzhen<br>Youf<br>ang<br>Printin<br>g Co.,<br>Ltd.                         | 100,00<br>0.00    |  |  |                  |  |  |  |  |  | 100,00<br>0.00    | 100,00<br>0.00    |
| Shenzhen<br>Lushen<br>g<br>Industri<br>al<br>Develo<br>pment<br>Co.,<br>Ltd. | 100,00<br>0.00    |  |  |                  |  |  |  |  |  | 100,00<br>0.00    | 100,00<br>0.00    |
| Subtotal   | 31,754,<br>397.22 |  |  |                  |  |  |  |  |  | 31,754,<br>397.22 | 31,754,<br>397.22 |
| Total  | 77,464,<br>618.01 |  |  | 3,218,4<br>83.17 |  |  |  |  |  | 80,683,<br>101.18 | 31,754,<br>397.22 |

Other notes

**18. Other equity instrument investment**

Unit: RMB

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

|                                    |            |              |
|------------------------------------|------------|--------------|
| Gintian Industry (Group) Co., Ltd. | 773,704.00 | 1,044,905.12 |
| Total                              | 773,704.00 | 1,044,905.12 |

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

Unit: RMB

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

Other notes:

## 19. Other non-current financial assets

Unit: RMB

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

Other notes:

## 20. Investment Property

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

Applicable  Not applicable

Unit: RMB

| Item  | Houses and buildings | Land use right | Construction in progress | Total          |
|---|----------------------|----------------|--------------------------|----------------|
| I. Original carrying value  |                      |                |                          |                |
| 1. Beginning balance  | 806,486,705.38       | 30,262,437.05  | 33,319,759.75            | 870,068,902.18 |
| 2. Increased amount of the period                                   |                      |                | 4,025,081.41             | 4,025,081.41   |
| (1) Outsourcing   |                      |                | 4,025,081.41             | 4,025,081.41   |
| (2) Transfer from inventories/fixed assets/construction in progress |                      |                |                          |                |
| (3) Enterprise combination increase                                 |                      |                |                          |                |

|   |                |               |               |                |
|---|----------------|---------------|---------------|----------------|
| 3. Decreased amount of the period                           |                |               | 8,783,828.36  | 8,783,828.36   |
| (1) Disposal  |                |               | 1,525,917.94  | 1,525,917.94   |
| (2) Other transfer  |                |               | 7,136,107.37  | 7,136,107.37   |
| (3) Exchange adjustment                                     |                |               |               |                |
| 4. Ending balance   | 806,486,705.38 | 30,262,437.05 | 28,561,012.80 | 865,310,155.23 |
| II. Accumulative depreciation and accumulative amortization |                |               |               |                |
| 1. Beginning balance  | 362,944,868.15 | 15,342,910.07 | 7,042,617.13  | 385,330,395.35 |
| 2. Increased amount of the period                           | 13,855,349.30  | 527,538.78    | 3,956,426.82  | 18,339,314.90  |
| (1) Withdrawal or amortization                              | 13,855,349.30  | 527,538.78    | 3,956,426.82  | 18,339,314.90  |
|   |                |               |               |                |
| 3. Decreased amount of the period                           |                |               | 5,363,887.20  | 5,363,887.20   |
| (1) Disposal  |                |               | 50,705.46     | 50,705.46      |
| (2) Other transfer  |                |               | 5,197,468.84  | 5,197,468.84   |
| (3) Exchange adjustment                                     |                |               | 115,712.90    | 115,712.90     |
| 4. Ending balance   | 376,800,217.45 | 15,870,448.85 | 5,635,156.75  | 398,305,823.05 |
| III. Depreciation reserves                                  |                |               |               |                |
| 1. Beginning balance  |                |               |               |                |
| 2. Increased amount of the period                           |                |               |               |                |
| (1) Withdrawal  |                |               |               |                |
|   |                |               |               |                |
| 3. Decreased amount of the period                           |                |               |               |                |
| (1) Disposal  |                |               |               |                |
| (2) Other transfer  |                |               |               |                |
|   |                |               |               |                |

|                             |                |               |               |                |
|-----------------------------|----------------|---------------|---------------|----------------|
| 4. Ending balance           |                |               |               |                |
| IV. Carrying value          |                |               |               |                |
| 1. Ending carrying value    | 429,686,487.93 | 14,391,988.20 | 22,925,856.05 | 467,004,332.18 |
| 2. Beginning carrying value | 443,541,837.23 | 14,919,526.98 | 26,277,142.62 | 484,738,506.83 |

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

Applicable  Not applicable

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

Investment properties measured in fair value by project disclosure:

Unit: RMB

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

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

Yes  No

Whether the Company has new investment properties measured in fair value

Yes  No

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

Unit: RMB

| Item  | Carrying value | Reason  |
|---|----------------|---|
| 02-01 plot of Statutory plan in Baolong East Area | 8,697,781.98   | Replaced from the construction of Xiamen-Shenzhen Railway, and hasn't exchanged for the new certification   |
| Meilin land                                       | 0.00           | Obtained after the success in the last instance in 2017, relevant certifications of property are in the procedure [note 1]  |
| 507 units, Block No. 6, Maguling                  | 25,953.71      | The house is used for property management, once occupied by the third party, a property management company, now has been recovered, but hasn't handled the warrant yet. |

Other notes

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

**21. Fixed assets**

Unit: RMB

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

**(1) List of Fixed Assets**

Unit: RMB

| Item                                       | Houses and buildings | Machinery equipment | Transportation | Decoration of the fixed assets | Other equipment | Total          |
|--|----------------------|---------------------|----------------|--------------------------------|-----------------|----------------|
| I. Original carrying value                 |                      |                     |                |                                |                 |                |
| 1. Beginning balance                       | 160,927,555.25       | 4,933,197.00        | 14,976,483.00  | 34,061,422.86                  | 42,530,271.18   | 257,428,929.29 |
| 2. Increased amount of the period          |                      | 7,155.97            | 853,977.39     |                                | 1,968,926.86    | 2,830,060.22   |
| (1) Purchase                               |                      | 7,155.97            | 853,977.39     |                                | 1,968,926.86    | 2,830,060.22   |
| (2) Transfer from construction in progress |                      |                     |                |                                |                 |                |
| (3) Enterprise combination increase        |                      |                     |                |                                |                 |                |
|  |                      |                     |                |                                |                 |                |
| 3. Decreased amount of the period          |                      |                     | 1,179,844.00   | 1,324,421.51                   | 273,532.29      | 2,777,797.80   |
| (1) Disposal or scrap                      |                      |                     | 1,179,844.00   |                                | 205,231.46      | 1,385,075.46   |
| (2) Exchange adjustment                    |                      |                     |                |                                | 68,300.83       | 68,300.83      |
|  |                      |                     |                | 1,324,421.51                   |                 | 1,324,421.51   |
| 4. Ending balance                          | 160,927,555.25       | 4,940,352.97        | 14,650,616.39  | 32,737,001.35                  | 44,225,665.75   | 257,481,191.71 |
| II. Accumulative depreciation              |                      |                     |                |                                |                 |                |



|                                   |                |              |               |               |               |                |
|-----------------------------------|----------------|--------------|---------------|---------------|---------------|----------------|
| 1. Beginning balance              | 105,061,072.73 | 219,685.18   | 10,040,163.20 | 4,963,933.66  | 20,834,421.32 | 141,119,276.09 |
| 2. Increased amount of the period | 2,155,942.92   | 237,030.36   | 670,932.11    | 3,273,700.80  | 2,794,585.87  | 9,132,192.06   |
| (1) Withdrawal                    | 2,155,942.92   | 237,030.36   | 670,932.11    | 3,273,700.80  | 2,794,585.87  | 9,132,192.06   |
|                                   |                |              |               |               |               |                |
| 3. Decreased amount of the period |                |              | 1,143,119.00  | 331,105.98    | 249,851.19    | 1,724,076.17   |
| (1) Disposal or scrap             |                |              | 1,143,119.00  | 331,105.98    | 187,697.43    | 1,330,816.43   |
| (2) Exchange adjustment           |                |              |               |               | 62,153.76     | 62,153.76      |
|                                   |                |              |               |               |               |                |
| 4. Ending balance                 | 107,217,015.65 | 456,715.54   | 9,567,976.31  | 7,906,528.48  | 23,379,156.00 | 148,527,391.98 |
| III. Depreciation reserves        |                |              |               |               |               |                |
| 1. Beginning balance              |                |              |               |               | 75,717.16     | 75,717.16      |
| 2. Increased amount of the period |                |              |               |               |               |                |
| (1) Withdrawal                    |                |              |               |               |               |                |
|                                   |                |              |               |               |               |                |
| 3. Decreased amount of the period |                |              |               |               |               |                |
| (1) Disposal or scrap             |                |              |               |               |               |                |
|                                   |                |              |               |               |               |                |
| 4. Ending balance                 |                |              |               |               | 75,717.16     | 75,717.16      |
| IV. Carrying value                |                |              |               |               |               |                |
| 1. Ending                         | 53,710,539.60  | 4,483,637.43 | 5,082,640.08  | 24,830,472.87 | 20,770,792.59 | 108,878,082.57 |

|                             |               |              |              |               |               |                |
|-----------------------------|---------------|--------------|--------------|---------------|---------------|----------------|
| carrying value              |               |              |              |               |               |                |
| 2. Beginning carrying value | 55,866,482.52 | 4,713,511.82 | 4,936,319.80 | 29,097,489.20 | 21,620,132.70 | 116,233,936.04 |

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

Unit: RMB

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

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

Unit: RMB

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

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

Unit: RMB

| Item  | Carrying value | Reason  |
|---|----------------|---|
| Room 406, 2 units, Hulunbuir Guangxia Digital Building    | 2,658,678.10   | Property right disputes before, now has won a lawsuit with unaccomplished certification of property.  |
| Room 401, 402, Sanxiang Business Building Office Building | 768,325.04     | The office building will be removed due to the project adjustment and a high-rise office building will be established nearby the present address. The existing property shall be replaced after the completion of the new office building. Thus, the certification of the property is failed to transact. |

Other notes

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

Unit: RMB

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

Other notes

**22. Construction in progress**

Unit: RMB

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

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

Unit: RMB

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

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

Unit: RMB

| Name of project | Budget | Beginning balance | Increase | Transferred in fixed assets | Other decrease for this period | Ending balance | Proportion of accumulated investment in constructions to budget | Job schedule | Accumulative amount of capitalized interests | Of which: Amount of capitalized interests for the Reporting Period | Capitalization rate of interests for the Reporting Period | Capital resources |
|-----------------|--------|-------------------|----------|-----------------------------|--------------------------------|----------------|---|--------------|--|--|---|-------------------|
|                 |        |                   |          |                             |                                |                |   |              |  |  |   |                   |

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

Unit: RMB

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

Other notes

**(4) Engineering Materials**

Unit: RMB

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

Other notes:

**23. Productive Living Assets****(1) Productive Living Assets Adopting Cost Measurement Mode** Applicable  Not applicable**(2) Productive Living Assets Adopting Fair Value Measurement Mode** Applicable  Not applicable**24. Oil and Gas Assets** Applicable  Not applicable**25. Right-of-use Assets**

Unit: RMB

| Item                              | Houses and buildings | Total         |
|-----------------------------------|----------------------|---------------|
| 1. Beginning balance              | 14,992,421.49        | 14,992,421.49 |
| 4. Ending balance                 | 14,992,421.49        | 14,992,421.49 |
| 2. Increased amount of the period | 2,234,883.36         | 2,234,883.36  |
| (1) Withdrawal                    | 2,234,883.36         | 2,234,883.36  |
| 4. Ending balance                 | 2,234,883.36         | 2,234,883.36  |

|                             |               |               |
|-----------------------------|---------------|---------------|
| 1. Ending carrying value    | 12,757,538.12 | 12,757,538.12 |
| 2. Beginning carrying value | 14,992,421.49 | 14,992,421.49 |

Other notes:

## 26. Intangible Assets

### (1) List of Intangible Assets

Unit: RMB

| Item                                | Land use right | Patent right | Non-patent technology | Software use right | Total        |
|-------------------------------------|----------------|--------------|-----------------------|--------------------|--------------|
| I. Original carrying value          |                |              |                       |                    |              |
| 1. Beginning balance                |                |              |                       | 1,234,387.66       | 1,234,387.66 |
| 2. Increased amount of the period   |                |              |                       |                    |              |
| (1) Purchase                        |                |              |                       |                    |              |
| (2) Internal R&D                    |                |              |                       |                    |              |
| (3) Enterprise combination increase |                |              |                       |                    |              |
| 3. Decreased amount of the period   |                |              |                       |                    |              |
| (1) Disposal                        |                |              |                       |                    |              |
| 4. Ending balance                   |                |              |                       | 1,234,387.66       | 1,234,387.66 |
| II. Accumulated amortization        |                |              |                       |                    |              |
| 1. Beginning balance                |                |              |                       | 752,338.15         | 752,338.15   |
| 2. Increased amount of the period   |                |              |                       | 109,157.94         | 109,157.94   |
| (1) Withdrawal                      |                |              |                       | 109,157.94         | 109,157.94   |
| 3. Decreased amount of the          |                |              |                       |                    |              |

|                                   |  |  |  |            |            |
|-----------------------------------|--|--|--|------------|------------|
| period                            |  |  |  |            |            |
| (1) Disposal                      |  |  |  |            |            |
| 4. Ending balance                 |  |  |  | 861,496.09 | 861,496.09 |
| III. Depreciation reserves        |  |  |  |            |            |
| 1. Beginning balance              |  |  |  |            |            |
| 2. Increased amount of the period |  |  |  |            |            |
| (1) Withdrawal                    |  |  |  |            |            |
| 3. Decreased amount of the period |  |  |  |            |            |
| (1) Disposal                      |  |  |  |            |            |
| 4. Ending balance                 |  |  |  |            |            |
| IV. Carrying value                |  |  |  |            |            |
| 1. Ending carrying value          |  |  |  | 372,891.57 | 372,891.57 |
| 2. Beginning carrying value       |  |  |  | 482,049.51 | 482,049.51 |

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

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

Unit: RMB

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

Other notes:

## 27. Development Costs

Unit: RMB

| Item | Beginning balance | Increase             |       |  | Decrease                        |                                      |  | Ending balance |
|------|-------------------|----------------------|-------|--|---------------------------------|--------------------------------------|--|----------------|
|      |                   | Internal development | Other |  | Recognized as intangible assets | Transfer to current gains and losses |  |                |

|       |  |  |  |  |  |  |  |  |
|-------|--|--|--|--|--|--|--|--|
|       |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |

Other notes

**28. Goodwill****(1) Original Carrying Value of Goodwill**

Unit: RMB

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

**(2) Depreciation Reserves of Goodwill**

Unit: RMB

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

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

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

Influence of goodwill impairment testing

Other notes

**29. Long-term Prepaid Expense**

Unit: RMB

| Item             | Beginning balance | Increase     | Amortization amount of the period | Other decreased amount | Ending balance |
|------------------|-------------------|--------------|-----------------------------------|------------------------|----------------|
| Renovation costs | 11,862,716.14     | 8,358,643.42 | 2,189,487.04                      |                        | 18,031,872.52  |
| Total            | 11,862,716.14     | 8,358,643.42 | 2,189,487.04                      |                        | 18,031,872.52  |

Other notes

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

Unit: RMB

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

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

Unit: RMB

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

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

Unit: RMB

| Item                            | Mutual set-off amount of deferred income tax assets and liabilities at the period-end | Ending balance of deferred income tax assets or liabilities after off-set | Mutual set-off amount of deferred income tax assets and liabilities at the period-begin | Beginning balance of deferred income tax assets or liabilities after off-set |
|---------------------------------|---|---|---|--|
| Deferred income tax assets      |   | 1,176,247,431.17  |   | 950,681,245.50   |
| Deferred income tax liabilities |   | 262.20  |   | 262.20   |

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

Unit: RMB

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

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

Unit: RMB

| Years | Ending amount  | Beginning amount | Note                          |
|-------|----------------|------------------|-------------------------------|
| Y2020 |                |                  |                               |
| Y2021 |                |                  |                               |
| Y2022 | 50,009,689.70  | 55,165,608.46    | The deductible losses of 2017 |
| Y2024 | 124,830,194.64 | 124,830,194.64   | The deductible losses of 2019 |
| Y2025 | 21,774,068.98  | 21,774,068.98    | The deductible losses of 2020 |
| Y2026 | 19,873,064.84  |                  | The deductible losses of 2021 |
| Total | 216,487,018.16 | 201,769,872.08   | --                            |

Other notes:

**31. Other Non-current Assets**

Unit: RMB

| Item   | Ending balance  |                       |                | Beginning balance |                       |                |
|--|-----------------|-----------------------|----------------|-------------------|-----------------------|----------------|
|  | Carrying amount | Depreciation reserves | Carrying value | Carrying amount   | Depreciation reserves | Carrying value |
| Prepayment for purchase of fixed assets, investment properties and intangible assets | 3,155,763.35    |                       | 3,155,763.35   | 867,619.10        |                       | 867,619.10     |
| Other  |                 |                       |                | 696,455.24        |                       | 696,455.24     |
| Total  | 3,155,763.35    |                       | 3,155,763.35   | 1,564,074.34      |                       | 1,564,074.34   |

Other notes:

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

Unit: RMB

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

Notes of short-term borrowings category:

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

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

Unit: RMB



| Entity | Ending balance | Interest rate | Overdue time | Overdue charge rate |
|--------|----------------|---------------|--------------|---------------------|
|--------|----------------|---------------|--------------|---------------------|

Other notes:

### 33. Trading Financial Liabilities

Unit: RMB

| Item      | Ending balance | Beginning balance |
|-----------|----------------|-------------------|
| Of which: |                |                   |
| Of which: |                |                   |

Other notes:

### 34. Derivative Financial Liabilities

Unit: RMB

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

Other notes:

### 35. Notes Payable

Unit: RMB

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

The total amount of notes payable due but unpaid was RMB XXX.

### 36. Accounts Payable

#### (1) List of Accounts Payable

Unit: RMB

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

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

Unit: RMB

| Item   | Ending balance | Unpaid/ Un-carry-over reason          |
|--|----------------|---------------------------------------|
| China Construction Fourth Engineering Division Corp., Ltd. | 56,604,763.90  | Unsettled                             |
| Shenzhen Planning Bureau of Land Resources                 | 25,000,000.00  | Historical problems                   |
| Shanghai Mingpeng Construction Group Co., Ltd.             | 5,976,705.79   | Unsettled                             |
| Shenzhen Design Decoration Engineering Co., Ltd.           | 2,389,324.51   | Unsettled                             |
| Jinchen Group Co.,Ltd.                                     | 1,940,067.98   | Quality guarantee deposit for project |

|       |               |    |
|-------|---------------|----|
| Total | 91,910,862.18 | -- |
|-------|---------------|----|

Other notes:

### 37. Advances from Customers

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

Unit: RMB

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

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

Unit: RMB

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

Other notes:

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

The proceeds information of top five advance sale amount:

Unit: RMB

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

### 38. Contract Liabilities

Unit: RMB

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

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

Unit: RMB

| Item                                | Amount changed | Reason   |
|-------------------------------------|----------------|--|
| Golden Collar's Resort Building B/C | 182,074,684.09 | Net increase in pre-collected housing payments after deducting carry-over income |
| Banshan Yujing Phase I              | -20,523,809.52 | Meet the carryover income condition  |
| Hupan Yujing Phase II               | 17,207,099.09  | Net increase in pre-collected housing payments after deducting carry-over income |
| Total                               | 178,757,973.66 | —  |

### 39. Payroll Payable

#### (1) List of Payroll Payable

Unit: RMB

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

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

Unit: RMB

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

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

Unit: RMB

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

Other notes:

**40. Taxes Payable**

Unit: RMB

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

Other notes:

#### 41. Other Payables

Unit: RMB

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

##### (1) Interest payable

Unit: RMB

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

List of the significant overdue unpaid interest:

Unit: RMB

| Entity | Overdue amount | Overdue reason |
|--------|----------------|----------------|
|        |                |                |

Other notes:

##### (2) Dividends payable

Unit: RMB

| Item                     | Ending balance       | Beginning balance    |
|--------------------------|----------------------|----------------------|
| Ordinary share dividends | 12,202,676.04        | 12,202,676.04        |
| <b>Total</b>             | <b>12,202,676.04</b> | <b>12,202,676.04</b> |

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

| Item  | Amount unpaid | Unpaid reason                 |
|---|---------------|-------------------------------|
| Shenzhen South China Investment Development Co., Ltd. | 9,871.20      | Without access to its account |

|  |                      |  |
|--|----------------------|--|
| Wenling Quality Control Association                        | 9,871.02             | Without access to its account                        |
| Shanghai Weihong Industry & Trade Co., Ltd.                | 9,900.00             | Without access to its account                        |
| China Shenzhen International Cooperation (Group) Co., Ltd. | 0.18                 | Without access to its account                        |
| Shenzhen Greening Department                               | 10,869,036.68        | Company restructured without clearing payment object |
| Labor Union of Shenzhen Greening Department                | 1,300,000.00         | Company restructured without clearing payment object |
| Shenzhen Sports Administration                             | 3,996.96             | Final payment unpaid                                 |
| <b>Total</b>   | <b>12,202,676.04</b> |  |

### (3) Other Payables

#### 1) Other Payables Listed by Nature

Unit: RMB

| Item                 | Ending balance        | Beginning balance     |
|----------------------|-----------------------|-----------------------|
| Margin               | 252,654,782.18        | 236,714,842.73        |
| Cash deposit         | 15,218,526.29         | 18,041,272.10         |
| Collection on behalf | 14,349,624.86         | 12,818,680.31         |
| Intercourse fund     | 445,523,812.86        | 426,354,105.87        |
| Accrued expenses     | 144,871,649.35        | 93,276,622.77         |
| Payments on behalf   | 13,685,621.41         | 14,038,360.90         |
| Other                | 11,859,191.67         | 33,696,052.37         |
| <b>Total</b>         | <b>898,163,208.62</b> | <b>834,939,937.05</b> |

#### 2) Significant Other Payables Aged over 1 Year

Unit: RMB

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

Other notes

**42. Held-for-sale Liabilities**

Unit: RMB

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

Other notes:

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

Unit: RMB

| Item                                    | Ending balance | Beginning balance |
|---|----------------|-------------------|
| Current portion of long-term borrowings | 67,002,418.07  | 36,722,824.88     |
| Total                                   | 67,002,418.07  | 36,722,824.88     |

Other notes:

**44. Other Current Liabilities**

Unit: RMB

| Item                    | Ending balance | Beginning balance |
|-------------------------|----------------|-------------------|
| Taxes to be written off | 53,141,477.75  | 43,354,691.51     |
| Total                   | 53,141,477.75  | 43,354,691.51     |

Increase/decrease of the short-term bonds payable:

Unit: RMB

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

Other notes:

**45. Long-term Borrowings****(1) Category of Long-term Borrowings**

Unit: RMB

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

Notes to the category of long-term borrowings:

Other notes, including the interval of interest rate:

The pledged borrowings at the period-end were used to develop the Bangling urban renewal project of Shenzhen Rongyao Real Estate Development Co., Ltd. (hereinafter referred to as "Rongyao Real Estate") with the duration from 29 November 2019 to 20

November 2024, applying the borrowing rate by rising 1.55% complying with one-year level of loan prime rate. And 69% equity of Rongyao Real Estate held by the Company was pledged and the guarantee mode was the joint liability guaranty.

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

The credit borrowings at the period-end were used for the transaction payment of equity of Shenzhen Toukong Property Management Co., Ltd. with the duration from 18 May 2020 to 10 May 2025, applying the borrowing rate by adding 23.5 basis points complying with one-year level of loan prime rate.

## 46. Bonds Payable

### (1) List of Bonds Payable

Unit: RMB

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

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

Unit: RMB

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

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

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

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

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

Unit: RMB

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

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

Other notes

## 47. Lease Liabilities

Unit: RMB

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

|       |               |               |
|-------|---------------|---------------|
| Total | 13,025,535.53 | 14,992,421.49 |
|-------|---------------|---------------|

Other notes

**48. Long-term Payables**

Unit: RMB

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

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

Unit: RMB

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

Other notes:

**(2) Specific Payables**

Unit: RMB

| Item | Beginning balance | Increase | Decrease | Ending balance | Reason for formation |
|------|-------------------|----------|----------|----------------|----------------------|
|------|-------------------|----------|----------|----------------|----------------------|

Other notes:

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

Unit: RMB

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

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

Obligation present value of defined benefit plans:

Unit: RMB

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

Plan assets:

Unit: RMB

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

Net liabilities (net assets) of defined benefit plans:

Unit: RMB

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

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

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

Other notes:

**50. Provisions**

Unit: RMB

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



|       |              |              |    |
|-------|--------------|--------------|----|
| Total | 2,396,947.00 | 2,396,947.00 | -- |
|-------|--------------|--------------|----|

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

Refer to Note XIV (2) for details.

### 51. Deferred Income

Unit: RMB

| Item | Beginning balance | Increase | Decrease | Ending balance | Reason for formation |
|------|-------------------|----------|----------|----------------|----------------------|
|------|-------------------|----------|----------|----------------|----------------------|

Item involving government grants:

Unit: RMB

| Item | Beginning balance | Amount of newly subsidy | Amount recorded into non-operating income in the Reporting Period | Amount recorded into other income in the Reporting Period | Amount offset cost in the Reporting Period | Other changes | Ending balance | Related to assets/related to income |
|------|-------------------|-------------------------|---|---|--|---------------|----------------|-------------------------------------|
|------|-------------------|-------------------------|---|---|--|---------------|----------------|-------------------------------------|

Other notes:

### 52. Other Non-current Liabilities

Unit: RMB

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

Other notes:

### 53. Share Capital

Unit: RMB

|                   | Beginning balance | Increase/decrease (+/-) |              |                         |       |          | Ending balance |
|-------------------|-------------------|-------------------------|--------------|-------------------------|-------|----------|----------------|
|                   |                   | New shares issued       | Bonus shares | Bonus issue from profit | Other | Subtotal |                |
| The sum of shares | 595,979,092.00    |                         |              |                         |       |          | 595,979,092.00 |

Other notes:

**54. Other Equity Instruments****(1) The Basic Information of Other Financial Instruments such as Preferred Stock and Perpetual Bond Outstanding at the End of the Period****(2) Changes in Financial Instruments such as Preferred Stock and Perpetual Bond Outstanding at the End of the Period**

Unit: RMB

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

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

Other notes:

**55. Capital Reserve**

Unit: RMB

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

Other notes, including changes and reason of change:

**56. Treasury Shares**

Unit: RMB

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

Other notes, including changes and reason of change:

**57. Other Comprehensive Income**

Unit: RMB

| Item | Beginning balance | Reporting Period                             |  |  |                          |   |   | Ending balance |
|------|-------------------|--|--|--|--------------------------|---|---|----------------|
|      |                   | Income before taxation in the Current Period | Less: Recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period | Less: Recorded into other comprehensive income in prior period and transferred in retained earnings in the | Less: Income tax expense | Attributable to owners of the Company as the parent after tax | Attributable to non-controlling interests after tax |                |
|      |                   |  |  |  |                          |   |   |                |

|   |                   |                 |  | Current period |  |                 |  |                   |
|---|-------------------|-----------------|--|----------------|--|-----------------|--|-------------------|
| I. Other comprehensive income that may not be reclassified to profit or loss              | -2,545,45<br>1.19 | -265,25<br>8.45 |  |                |  | -265,25<br>8.45 |  | -2,810,<br>709.64 |
| Changes in fair value of other equity instrument investment\                              | -2,545,45<br>1.19 | -265,25<br>8.45 |  |                |  | -265,25<br>8.45 |  | -2,810,<br>709.64 |
| II. Other comprehensive income that may subsequently be reclassified to profit or loss    | -4,204,13<br>8.22 | -553,43<br>9.16 |  |                |  | -553,43<br>9.16 |  | -4,757,<br>577.38 |
| Differences arising from translation of foreign currency denominated financial statements | -4,204,13<br>8.22 | -553,43<br>9.16 |  |                |  | -553,43<br>9.16 |  | -4,757,<br>577.38 |
| Total of other comprehensive income   | -6,749,58<br>9.41 | -818,69<br>7.61 |  |                |  | -818,69<br>7.61 |  | -7,568,<br>287.02 |

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

### 58. Specific Reserve

Unit: RMB

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

Other notes, including changes and reason of change:

### 59. Surplus Reserves

Unit: RMB

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

Notes, including changes and reason of change:

### 60. Retained Earnings

Unit: RMB

| Item  | Reporting Period | Same period of last year |
|---|------------------|--------------------------|
| Beginning balance of retained earnings before adjustments           | 3,038,993,912.43 | 2,457,119,795.39         |
| Beginning balance of retained earnings after adjustments            | 3,038,993,912.43 | 2,457,119,795.39         |
| Add: Net profit attributable to owners of the Company as the parent | 676,375,523.75   | 798,572,121.74           |

|   |                  |                  |
|---|------------------|------------------|
| Less: Appropriate statutory surplus reserve |                  | 2,802,342.02     |
| Dividend of ordinary shares payable         | 244,351,427.72   | 214,552,473.12   |
| Other                                       |                  | -656,810.44      |
| Ending retained earnings                    | 3,471,018,008.46 | 3,038,993,912.43 |

List of adjustment of beginning retained earnings:

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

## 61. Operating Revenue and Cost of Sales

Unit: RMB

| Item             | Reporting Period  |                | Same period of last year |                |
|------------------|-------------------|----------------|--------------------------|----------------|
|                  | Operating revenue | Cost of sales  | Operating revenue        | Cost of sales  |
| Main operations  | 2,497,241,031.93  | 745,670,023.16 | 1,388,266,376.69         | 596,935,670.85 |
| Other operations | 43,624,107.32     | 8,615,003.08   | 32,811,391.14            | 14,759,272.95  |
| Total            | 2,540,865,139.25  | 754,285,026.24 | 1,421,077,767.83         | 611,694,943.80 |

Relevant information of revenue:

Unit: RMB

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

Information related to performance obligations:

On 30 June 2021, the transaction price assigned to unfulfilled (or partially unfulfilled) performance obligations was estimated to RMB853 million, which is mainly expected future revenue of transaction price that haven't met the delivery conditions stipulated in

sales contracts of real estate. The Company is expected to recognize the realization of sales revenue within one year when the house property is completed and passed the acceptance which meet the delivery conditions stipulated in sales contracts, and when the customers acquire the control rights of relevant goods or services.

Information related to transaction value assigned to residual performance obligations:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet was RMB853,367,394.63 at the period-end, among which RMB853,367,394.63 was expected to be recognized in 2021, RMBXXX in XXX year and RMBXXX in XXX year.

Other notes

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

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

Unit: RMB

| No. | Name of project             | Income balance   |
|-----|-----------------------------|------------------|
| 1   | Golden Collar's Resort B, C | 1,849,123,912.29 |
| 2   | Banshan Yujing Phase I      | 21,000,000.00    |
| 3   | Hupan Yujing Phase II       | 9,404,349.57     |
| 4   | Xinhua Town                 | 3,669,619.99     |
| 5   | Songhu Langyuan             | 947,032.39       |

## 62. Taxes and Surtaxes

Unit: RMB

| Item                                   | Reporting Period | Same period of last year |
|--|------------------|--------------------------|
| Urban maintenance and construction tax | 8,573,235.69     | 4,909,118.92             |
| Education Surcharge                    | 3,679,377.59     | 2,190,590.78             |
| Property tax                           | 4,969,986.40     | 4,767,394.20             |
| Land use tax                           | 723,179.43       | 416,264.69               |
| Stamp duty                             | 1,234,895.15     | 349,634.68               |
| Local education surtax                 | 2,453,237.62     | 1,342,087.15             |
| Land VAT                               | 792,335,513.52   | 380,741,616.91           |
| Other taxes                            | 12,625.49        | 26,773.28                |
| Total                                  | 813,982,050.89   | 394,743,480.61           |

Other notes:

## 63. Selling Expense

Unit: RMB

| Item                                  | Reporting Period | Same period of last year |
|---------------------------------------|------------------|--------------------------|
| Agency fee                            | 1,623,764.43     | 2,151,630.50             |
| Consultancy and sales service charges | 583,313.72       | 3,853,286.19             |
| Promotion and advertising fee         | 4,348,607.25     | 914,173.18               |

|                   |                      |                      |
|-------------------|----------------------|----------------------|
| Employee benefits | 2,806,347.15         | 2,569,826.33         |
| Other             | 1,055,184.02         | 2,055,143.99         |
| <b>Total</b>      | <b>10,417,216.57</b> | <b>11,544,060.19</b> |

Other notes:

#### 64. Administrative Expense

Unit: RMB

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

Other notes:

#### 65. Development Expense

Unit: RMB

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

Other notes:

#### 66. Finance Costs

Unit: RMB

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

Other notes:

#### 67. Other Income

Unit: RMB

| Sources  | Reporting Period | Same period of last year |
|--|------------------|--------------------------|
| Government grants related to income                | 226,082.01       | 82,514.69                |
| Government grants related to assets                |                  | 24,375.69                |
| Commission charges return of deductible income tax | 198,544.06       | 196,952.96               |
| Additional deduction of VAT                        | 1,979,065.73     | 2,618,150.17             |

|       |              |              |
|-------|--------------|--------------|
| Total | 2,403,691.80 | 2,921,993.51 |
|-------|--------------|--------------|

**68. Investment Income**

Unit: RMB

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

Other notes:

**69. Net Gain on Exposure Hedges**

Unit: RMB

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

Other notes:

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

Unit: RMB

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

Other notes:

**71. Credit Impairment Loss**

Unit: RMB

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

Other notes:

**72. Asset Impairment Loss**

Unit: RMB

| Item  | Reporting Period | Same period of last year |
|---|------------------|--------------------------|
| II. Loss on inventory valuation and contract performance cost | -33,715.66       | 1,832.91                 |
| Total   | -33,715.66       | 1,832.91                 |

Other notes:

**73. Asset Disposal Income**

Unit: RMB

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

**74. Non-operating Income**

Unit: RMB

| Item | Reporting Period | Same period of last year | Amount recorded in the current non-recurring profit or loss |
|------|------------------|--------------------------|---|
|------|------------------|--------------------------|---|

|   |              |              |              |
|---|--------------|--------------|--------------|
| Government grants                               |              | 3,588,738.19 |              |
| Confiscated income                              | 1,071,282.94 | 313,043.22   | 1,071,282.94 |
| Demolition compensation                         | 7,293,820.40 |              | 7,293,820.40 |
| Gains on damage and scrap of non-current assets | 7,000.00     | 14,826.92    | 7,000.00     |
| Other   | 1,500,368.85 | 327,567.57   | 1,500,368.85 |
| Total   | 9,872,472.19 | 4,244,175.90 | 9,872,472.19 |

Government grants recorded into current profit or loss

Unit: RMB

| Item | Distribution entity | Distribution reason | Nature | Whether influence the profits or losses of the year or not | Special subsidy or not | Reporting Period | Same period of last year | Related to assets/related to income |
|------|---------------------|---------------------|--------|--|------------------------|------------------|--------------------------|-------------------------------------|
|      |                     |                     |        |  |                        |                  |                          |                                     |

Other notes:

## 75. Non-operating Expense

Unit: RMB

| Item   | Reporting Period | Same period of last year | Amount recorded in the current non-recurring profit or loss |
|--|------------------|--------------------------|---|
| Donation                                       |                  | 2,030,000.00             |   |
| Total loss from disposal of non-current assets | 21,448.90        |                          | 21,448.90   |
| Litigation expenses                            | 114,571.79       |                          | 114,571.79  |
| Penalty and fine for delaying payment          | 1,039,219.45     | 27,535.95                | 1,039,219.45  |
| Other  | 765,028.41       | 341,951.75               | 765,028.41  |
| Total  | 1,940,268.55     | 2,399,487.70             | 1,940,268.55  |

Other notes:

## 76. Income Tax Expense

### (1) List of Income Tax Expense

Unit: RMB

| Item                        | Reporting Period | Same period of last year |
|-----------------------------|------------------|--------------------------|
| Current income tax expense  | 419,748,343.11   | 97,681,962.31            |
| Deferred income tax expense | -225,504,829.05  | -8,287,946.60            |
| Total                       | 194,243,514.06   | 89,394,015.71            |



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

Unit: RMB

| Item  | Reporting Period |
|---|------------------|
| Profit before taxation  | 862,869,570.00   |
| Current income tax expense accounted at statutory/applicable tax rate   | 215,717,392.50   |
| Influence of applying different tax rates by subsidiaries   | 1,103,668.34     |
| Influence of income tax before adjustment   | -22,781,705.32   |
| Influence of non-deductible costs, expenses and losses  | 596,340.96       |
| The effect of using deductible losses of deferred income tax assets that have not been recognized in the previous period      | 45,068.31        |
| Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax in the Reporting Period | -437,250.73      |
| Income tax expense  | 194,243,514.06   |

Other notes:

**77. Other Comprehensive Income**

Refer to Note VII-57 for details.

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

Unit: RMB

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

Notes:

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

Unit: RMB

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

|                      |               |               |
|----------------------|---------------|---------------|
| Other small payments | 2,103,448.69  | 1,265,190.63  |
| Total                | 74,522,344.40 | 91,225,555.69 |

Notes:

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

Unit: RMB

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

Notes:

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

Unit: RMB

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

Notes:

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

Unit: RMB

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

Notes:

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

Unit: RMB

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

Notes:

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

Unit: RMB

| Supplemental information  | Reporting Period | Same period of last year |
|---|------------------|--------------------------|
| 1. Reconciliation of net profit to net cash flows generated from operating activities           | --               | --                       |
| Net profit  | 668,626,055.94   | 177,863,448.66           |
| Add: Provision for impairment of assets   | 6,831,252.06     | -1,117,760.37            |
| Depreciation of fixed assets, oil-gas assets, and productive living assets                      | 27,471,506.96    | 24,423,533.46            |
| Depreciation of right assets  | 2,234,883.36     |                          |
| Amortization of intangible assets   | 109,157.94       | 109,162.21               |
| Amortization of long-term prepaid expenses  | 2,189,487.04     | 1,555,086.14             |
| Los on disposal of fixed assets, intangible assets and other long-term assets (gains: negative) |                  | 0.00                     |
| Losses on scrap of fixed assets (gains:   | 14,448.90        | -14,826.92               |

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

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

Unit: RMB

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

|           |    |
|-----------|----|
| Of which: | -- |
|-----------|----|

Other notes:

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

Unit: RMB

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

Other notes:

### (4) Cash and Cash Equivalents

Unit: RMB

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

Other notes:

### 80. Notes to Items of the Statements of Changes in Owners' Equity

Notes to the name of "Other" of ending balance of the same period of last year adjusted and the amount adjusted:

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

Unit: RMB

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

Other notes:

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

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

(3) In terms of monetary assets with restricted right to use at the period-end, as a real estate developer, the Company has provided mortgage guarantees for commercial housing purchasers and paid loan guarantees of RMB1,148,647.30 according to real estate business practices.

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

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

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

(7) Due to the needs of daily business activities, the company applied for loan from Bank of Communications, Shenzhen Branch to mortgage the land use right of Fumin New Village, Futian District. The term of the loan was from 27 November 2020 to 27 November 2023. The interest rate of the loan was floating, and the first execution interest rate was 4.65%.

## 82. Foreign Currency Monetary Items

### (1) Foreign Currency Monetary Items

Unit: RMB

| Item                 | Ending foreign currency balance | Exchange rate | Ending balance converted to RMB |
|----------------------|---------------------------------|---------------|---------------------------------|
| Monetary assets      | --                              | --            |                                 |
| Of which: USD        |                                 |               |                                 |
| EUR                  |                                 |               |                                 |
| HKD                  | 60,073,369.82                   | 0.8416        | 50,557,748.04                   |
|                      |                                 |               |                                 |
| Accounts receivable  | --                              | --            |                                 |
| Of which: USD        |                                 |               |                                 |
| EUR                  |                                 |               |                                 |
| HKD                  |                                 |               |                                 |
|                      |                                 |               |                                 |
| Long-term borrowings | --                              | --            |                                 |
| Of which: USD        |                                 |               |                                 |
| EUR                  |                                 |               |                                 |
| HKD                  |                                 |               |                                 |
|                      |                                 |               |                                 |

Other notes:

**(2) Notes to Overseas Entities Including: for Significant Oversea Entities, Main Operating Place, Recording Currency and Selection Basis Shall Be Disclosed; if there Are Changes in Recording Currency, Relevant Reasons Shall Be Disclosed.**

√ Applicable □ Not applicable

| Item   | Main operating place | Recording currency | Basis for choosing            |
|--|----------------------|--------------------|-------------------------------|
| Shum Yip Properties Development Co., Ltd. and its subsidiary | Hong Kong            | HKD                | Located in HK, settled by HKD |

**83. Arbitrage**

Qualitative and quantitative information of relevant arbitrage instruments, hedged risk in line with the type of arbitrage to disclose:

**84. Government Grants**

**(1) Basic Information on Government Grants**

Unit: RMB

| Category                                 | Amount     | Listed items | Amount recorded in the current profit or loss |
|--|------------|--------------|---|
| Small and micro businesses VAT exemption | 20,977.78  | Other income | 20,977.78                                     |
| Stable post subsidy                      | 205,104.23 | Other income | 205,104.23                                    |
| Total                                    | 226,082.01 |              | 226,082.01                                    |

**(2) Return of Government Grants**

□ Applicable √ Not applicable

Other notes:

**85. Other**

**VIII. Changes of Consolidation Scope**

**1. Business Combination Not under the Same Control**

**(1) Business Combination Not under the Same Control during the Reporting Period**

Unit: RMB

| Name of acquiree | Time and place of gaining the equity | Cost of gaining the equity | Proportion of equity | Way to gain the equity | Purchase date | Recognition basis of purchase date | Income of acquiree from the purchase date to period-end | Net profits of acquiree from the purchase date to period-end |
|------------------|--------------------------------------|----------------------------|----------------------|------------------------|---------------|------------------------------------|---|--|
|------------------|--------------------------------------|----------------------------|----------------------|------------------------|---------------|------------------------------------|---|--|

Other notes:

**(2) Combination Cost and Goodwill**

Unit: RMB

|                  |  |
|------------------|--|
| Combination cost |  |
|------------------|--|

Note to determination method of the fair value of the combination cost, consideration and changes:

The main formation reason for the large goodwill:

Other notes:

### (3) The Identifiable Assets and Liabilities of Acquiree on Purchase Date

Unit: RMB

|  |                             |                                 |
|--|-----------------------------|---------------------------------|
|  |                             |                                 |
|  | Fair value on purchase date | Carrying value on purchase date |

The determination method of the fair value of identifiable assets and liabilities:

Contingent liability of acquiree undertaken in the business combination:

Other notes:

### (4) Gains or losses from Re-measurement of Equity Held before the Purchase Date at Fair Value

Whether there is a transaction that through multiple transaction step by step to realize business combination and gaining the control during the Reporting Period

Yes  No

### (5) Notes to Reasonable Consideration or Fair Value of Identifiable Assets and Liabilities of the Acquiree that Cannot Be Determined on the Acquisition Date or during the Period-end of the Merger

### (6) Other Notes

## 2. Business Combination under the Same Control

### (1) Business Combination under the Same Control during the Reporting Period

Unit: RMB

| Combined party | Proportion of the equity | Basis | Combination date | Recognition basis of combination date | Income from the period-begin to the combination date of the acquiree | Net profits from the period-begin to the combination date of the acquiree | Income of the acquiree during the period of comparison | Net profits of the acquiree during the period of comparison |
|----------------|--------------------------|-------|------------------|---------------------------------------|--|---|--|---|
|                |                          |       |                  |                                       |  |   |  |   |

Other notes:

### (2) Combination Cost

Unit: RMB

|                  |  |
|------------------|--|
| Combination cost |  |
|------------------|--|

Contingent liabilities and changes thereof:

Other notes:

### (3) The Carrying Value of Assets and Liabilities of the Combined Party on the Combination Date

Unit: RMB

|  |                  |                               |
|--|------------------|-------------------------------|
|  |                  |                               |
|  | Combination date | Period-end of the last period |

Contingent liabilities of the combined party undertaken in the business combination:

Other notes:

### 3. Counter Purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process:

### 4. Disposal of Subsidiary

Whether there is a single disposal of the investment to the subsidiary and lost control?

Yes  No

Whether there are several disposals of the investment to the subsidiary and lost controls?

Yes  No

### 5. Changes in Combination Scope for Other Reasons

Note to changes in combination scope for other reasons (such as newly establishment or liquidation of subsidiaries, etc.) and relevant information:

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

### 6. Other

## IX. Equity in Other Entities

### 1. Equity in Subsidiary

#### (1) Subsidiaries

| Name  | Main operating place | Registration place | Nature of business | Holding percentage (%) |            | Way of gaining |
|---|----------------------|--------------------|--------------------|------------------------|------------|----------------|
|   |                      |                    |                    | Directly               | Indirectly |                |
| Shenzhen Huangcheng Real Estate Co., Ltd.               | Shenzhen             | Shenzhen           | Real estate        | 100.00%                |            | Set-up         |
| Shenzhen Wuhe Industry Investment Development Co., Ltd. | Shenzhen             | Shenzhen           | Real estate        | 100.00%                |            | Set-up         |
| PRD Group Xuzhou Dapeng Real Estate Development         | Xuzhou               | Xuzhou             | Real estate        | 100.00%                |            | Set-up         |



|  |           |           |             |         |         |        |
|--|-----------|-----------|-------------|---------|---------|--------|
| Co., Ltd.  |           |           |             |         |         |        |
| Dongguan International Trade Center Changsheng Real Estate Development Co., Ltd. | Dongguan  | Dongguan  | Real estate | 100.00% |         | Set-up |
| PRD Yangzhou Real Estate Development Co., Ltd.                                   | Yangzhou  | Yangzhou  | Real estate | 100.00% |         | Set-up |
| Shenzhen International Trade Center Property Management Co., Ltd.                | Shenzhen  | Shenzhen  | Real estate | 100.00% |         | Set-up |
| Shenzhen Guomao Meishenghuo Service Co., Ltd.                                    | Shenzhen  | Shenzhen  | Real estate |         | 100.00% | Set-up |
| Shandong Shenzhen International Trade Center Property Management Co., Ltd.       | Jinan     | Jinan     | Real estate |         | 100.00% | Set-up |
| Chongqing Shenzhen International Trade Center Property Management Co., Ltd.      | Chongqing | Chongqing | Real estate |         | 100.00% | Set-up |
| Chongqing Aobo Elevator Co., Ltd.  | Chongqing | Chongqing | Service     |         | 100.00% | Set-up |
| Chongqing Tianque  | Shenzhen  | Shenzhen  | Service     |         | 100.00% | Set-up |

|  |           |           |                              |         |         |                                    |
|--|-----------|-----------|------------------------------|---------|---------|------------------------------------|
| Elevator Technology Co., Ltd.                                    |           |           |                              |         |         |                                    |
| Shenzhen Guoguan Electromechanical Device Co., Ltd.              | Shenzhen  | Shenzhen  | Service                      |         | 100.00% | Set-up                             |
| Shenzhen International Trade Center Catering Co., Ltd.           | Shenzhen  | Shenzhen  | Hotels and catering services |         | 100.00% | Set-up                             |
| Shenzhen Property Engineering Construction Supervision Co., Ltd. | Shenzhen  | Shenzhen  | Service                      | 100.00% |         | Set-up                             |
| SZPRD Commercial Operation Co., Ltd.                             | Shenzhen  | Shenzhen  | Service                      | 100.00% |         | Set-up                             |
| Zhanjiang Shenzhen Real Estate Development Co., Ltd.             | Zhanjiang | Zhanjiang | Real estate                  | 100.00% |         | Set-up                             |
| Shum Yip Properties Development Co., Ltd.                        | Hong Kong | Hong Kong | Real estate                  | 100.00% |         | Set-up                             |
| Wayhang Development Co., Ltd.                                    | Hong Kong | Hong Kong | Real estate                  |         | 100.00% | Set-up                             |
| Chief Link Properties Co., Ltd.                                  | Hong Kong | Hong Kong | Real estate                  |         | 70.00%  | Set-up                             |
| Syndis Investment Co., Ltd.                                      | Hong Kong | Hong Kong | Real estate                  |         | 70.00%  | Business combination not under the |

|  |          |          |             |         |         |   |
|--|----------|----------|-------------|---------|---------|---|
|  |          |          |             |         |         | same control                                    |
| Yangzhou Slender West Lake Jingyue Property Development Co., Ltd.                | Yangzhou | Yangzhou | Real estate |         | 51.00%  | Set-up  |
| Shandong International Trade Center Hotel Management Co., Ltd.                   | Jinan    | Jinan    | Real estate |         | 100.00% | Set-up  |
| Shenzhen Shenshan Special Cooperation Zone Guomao Property Development Co., Ltd. | Shenzhen | Shenzhen | Real estate |         | 65.00%  | Set-up  |
| Shenzhen Guomao Tongle Property Management Co., Ltd.                             | Shenzhen | Shenzhen | Real estate |         | 51.00%  | Set-up  |
| Shenzhen Rongyao Real Estate Development Co., Ltd.                               | Shenzhen | Shenzhen | Real estate | 69.00%  |         | Business combination not under the same control |
| Shenzhen Guomao Science and Technology Park Service Co., Ltd.                    | Shenzhen | Shenzhen | Real estate | 100.00% |         | Business combination under the same control     |
| Shenzhen Julian Human Resources Development                                      | Shenzhen | Shenzhen | Service     |         | 100.00% | Business combination under the same control     |

|  |          |          |                                    |         |         |  |
|--|----------|----------|------------------------------------|---------|---------|--|
| Co., Ltd.  |          |          |                                    |         |         |  |
| Shenzhen<br>Huazhengpeng<br>Property<br>Management<br>Development<br>Co., Ltd.     | Shenzhen | Shenzhen | Real estate                        |         | 100.00% | Business<br>combination<br>under the same<br>control |
| SZPRD Urban<br>Renewal Co.,<br>Ltd.  | Shenzhen | Shenzhen | Real estate                        | 100.00% |         | Business<br>combination<br>under the same<br>control |
| Shenzhen<br>Penghongyuan<br>Industrial<br>Development<br>Co., Ltd.                 | Shenzhen | Shenzhen | Hotels and<br>catering<br>services |         | 100.00% | Business<br>combination<br>under the same<br>control |
| Shenzhen<br>Jinhailian<br>Property<br>Management<br>Co., Ltd.                      | Shenzhen | Shenzhen | Real estate                        |         | 100.00% | Business<br>combination<br>under the same<br>control |
| Shenzhen<br>Social Welfare<br>Co., Ltd.  | Shenzhen | Shenzhen | Health and<br>social work          |         | 100.00% | Business<br>combination<br>under the same<br>control |
| Shenzhen<br>Fuyuanmin<br>Property<br>Management<br>Limited<br>Liability<br>Company | Shenzhen | Shenzhen | Real estate                        |         | 100.00% | Business<br>combination<br>under the same<br>control |
| Shenzhen<br>Meilong<br>Industrial<br>Development<br>Co., Ltd.                      | Shenzhen | Shenzhen | Service                            |         | 100.00% | Business<br>combination<br>under the same<br>control |
| Shenzhen<br>Guomao<br>Shenlv Garden<br>Co., Ltd.                                   | Shenzhen | Shenzhen | Public facilities<br>management    |         | 90.00%  | Business<br>combination<br>under the same<br>control |

|  |          |          |                        |  |         |   |
|--|----------|----------|------------------------|--|---------|---|
| Shenzhen Jiayuan Property Management Co., Ltd.       | Shenzhen | Shenzhen | Real estate            |  | 54.00%  | Business combination under the same control |
| Shenzhen Helinhua Construction Management Co., Ltd.  | Shenzhen | Shenzhen | Real estate            |  | 90.00%  | Business combination under the same control |
| Shenzhen Zhongtongda House Xiushan Service Co., Ltd. | Shenzhen | Shenzhen | Construction industry  |  | 90.00%  | Business combination under the same control |
| Shenzhen Kangping Industrial Co., Ltd.               | Shenzhen | Shenzhen | Retail business        |  | 90.00%  | Business combination under the same control |
| Shenzhen Sports Service Co., Ltd.                    | Shenzhen | Shenzhen | Manufacturing industry |  | 100.00% | Business combination under the same control |
| Shenzhen Teacher's Home Training Co., Ltd.           | Shenzhen | Shenzhen | Retail business        |  | 100.00% | Business combination under the same control |
| Shenzhen Education Industrial Co., Ltd.              | Shenzhen | Shenzhen | Service                |  | 100.00% | Business combination under the same control |
| Shenzhen Yufa Industrial Co., Ltd.                   | Shenzhen | Shenzhen | Retail business        |  | 80.95%  | Business combination under the same control |
| SZPRD Fuyuantai Development Co., Ltd.                | Shenzhen | Shenzhen | Real estate            |  | 100.00% | Set-up                                      |
| Shenzhen SZPRD                                       | Shenzhen | Shenzhen | Real estate            |  | 100.00% | Set-up                                      |

|  |         |          |             |  |         |        |
|--|---------|----------|-------------|--|---------|--------|
| Swallow Lake Development Co., Ltd.                   |         |          |             |  |         |        |
| Xiamen Shenguo Industry City Smart Service Co., Ltd. | Xiamen  | Xiamen   | Real estate |  | 51.00%  | Set-up |
| Vietnam Shenguo Real Estate Management Co., Ltd.     | Vietnam | Haiphong | Real estate |  | 100.00% | Set-up |

Notes to holding proportion in subsidiary different from voting proportion:

Basis of holding half or less voting rights but still controlling the investee and holding more than half of the voting rights but not controlling the investee:

Significant structural entities and controlling basis in the scope of combination:

Basis of determining whether the Company is the agent or the principal:

Other notes:

## (2) Significant Non-wholly-owned Subsidiary

Unit: RMB

| Name   | Shareholding proportion of non-controlling interests | The profit or loss attributable to the non-controlling interests | Declaring dividends distributed to non-controlling interests | Balance of non-controlling interests at the period-end |
|--|--|--|--|--|
| Shenzhen Rongyao Real Estate Development Co., Ltd. | 31.00%   | -8,865,098.74  |  | 30,042,727.34  |

Holding proportion of non-controlling interests in subsidiary different from voting proportion:

Other notes:

## (3) The Main Financial Information of Significant Not Wholly-owned Subsidiary

Unit: RMB

| Name             | Ending balance |                    |              |                     |                         |                   | Beginning balance |                    |              |                     |                         |                   |
|------------------|----------------|--------------------|--------------|---------------------|-------------------------|-------------------|-------------------|--------------------|--------------|---------------------|-------------------------|-------------------|
|                  | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities | Current assets    | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities |
| Shenzhen Rongyao | 4,471,992.94   | 122,665,937.02     | 4,594,658.87 | 259,246,854.68      | 4,238,500.00            | 4,497,746.85      | 4,265,252.71      | 114,182,786.33     | 4,379,435.50 | 224,326,385.22      | 4,029,600.00            | 4,253,926.38      |

|   |  |  |  |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|
| ao<br>Real<br>Estate<br>Develo<br>pment<br>Co.,<br>Ltd. |  |  |  |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|

Unit: RMB

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

Other notes:

**(4) Significant Restrictions on Using the Assets and Liquidating the Liabilities of the Company****(5) Financial Support or Other Supports Provided to Structural Entities Incorporated into the Scope of Consolidated Financial Statements**

Other notes:

**2. The Transaction of the Company with Its Owner's Equity Share Changed but Still Controlling the Subsidiary****(1) Note to the Owner's Equity Share Changed in Subsidiary****(2) The Transaction's Influence on the Equity of Non-controlling Interests and the Owner's Equity Attributable to the Company as the Parent**

Unit: RMB

|  |  |
|--|--|
|  |  |
|--|--|

Other notes:

**3. Equity in Joint Ventures or Associated Enterprises****(1) Significant Joint Ventures or Associated Enterprises**

| Name          | Main operating place | Registration place | Nature of business | Holding percentage (%) |            | Accounting treatment of the investment to joint venture or associated enterprise |
|---------------|----------------------|--------------------|--------------------|------------------------|------------|--|
|               |                      |                    |                    | Directly               | Indirectly |  |
| Shenzhen Jifa | Shenzhen             | Shenzhen           | Warehouse          | 50.00%                 |            | Equity method  |

|  |          |          |                     |        |  |               |
|--|----------|----------|---------------------|--------|--|---------------|
| Warehouse Co., Ltd.  |          |          | service             |        |  |               |
| Tian'an International Building Property Management Company of Shenzhen | Shenzhen | Shenzhen | Property management | 50.00% |  | Equity method |

Notes to holding proportion of joint venture or associated enterprise different from voting proportion:

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

## (2) Main Financial Information of Significant Joint Ventures

Unit: RMB

|   | Ending balance/Reporting Period   |  | Beginning balance/The same period of last year |  |
|---|-----------------------------------|--|--|--|
|   | Shenzhen Jifa Warehouse Co., Ltd. | Tian'an International Building Property Management Company of Shenzhen | Shenzhen Jifa Warehouse Co., Ltd.              | Tian'an International Building Property Management Company of Shenzhen |
| Current assets  | 6,213,512.64                      | 56,097,390.28  | 5,408,927.72                                   | 56,100,422.58  |
| Of which: Cash and cash equivalents                                       | 5,913,628.39                      | 35,276,287.69  | 5,408,401.36                                   | 35,387,944.60  |
| Non-current assets  | 81,016,675.52                     | 64,884.81  | 75,370,802.09                                  | 49,234.16  |
| Total assets  | 87,230,188.16                     | 56,162,275.09  | 80,779,729.81                                  | 56,149,656.74  |
| Current liabilities   | 2,842,873.98                      | 26,494,743.63  | 2,671,881.97                                   | 26,716,095.36  |
| Non-current liability   |                                   | 16,194,507.11  |  | 16,120,967.63  |
| Total liabilities   | 2,842,873.98                      | 42,689,250.74  | 2,671,881.97                                   | 42,837,062.99  |
| Equity of non-controlling interests                                       | 84,387,314.18                     | 13,473,024.35  | 78,107,847.84                                  | 13,312,593.75  |
| Equity attributable To shareholders of the Company as the parent          | 42,193,657.09                     | 6,736,512.18   | 39,053,923.92                                  | 6,656,296.88   |
| Portion of net assets calculated according to proportion of shareholdings | 42,193,657.09                     | 6,736,512.18   | 39,053,923.92                                  | 6,656,296.88   |
| Carrying value of equity investment to                                    | 42,193,657.09                     | 6,736,512.18   | 39,053,923.92                                  | 6,656,296.88   |



|                            |               |              |              |              |
|----------------------------|---------------|--------------|--------------|--------------|
| joint ventures             |               |              |              |              |
| Operating revenue          | 11,266,137.60 | 8,738,744.08 | 2,523,193.69 | 8,588,350.29 |
| Finance expense            | -268,242.57   | -23,928.26   | -2,946.63    | 24,599.52    |
| Income tax expense         | 2,093,155.45  | 53,570.28    | 29,207.88    | 75,648.84    |
| Net profit                 | 6,279,466.34  | 160,430.60   | 87,623.63    | 226,946.50   |
| Total comprehensive income | 6,279,466.34  | 160,430.60   | 87,623.63    | 226,946.50   |

Other notes

**(3) Main Financial Information of Significant Associated Enterprise**

Unit: RMB

|  | Ending balance/Reporting Period | Beginning balance/The same period of last year |
|--|---------------------------------|--|
|  |                                 |  |

Other notes

**(4) Summary Financial Information of Insignificant Joint Ventures or Associated Enterprises**

Unit: RMB

|  | Ending balance/Reporting Period | Beginning balance/The same period of last year |
|--|---------------------------------|--|
| Joint ventures:  | --                              | --   |
| The total of following items according to the shareholding proportions | --                              | --   |
| Associated enterprises:  | --                              | --   |
| The total of following items according to the shareholding proportions | --                              | --   |

Other notes

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

Unit: RMB

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

Other notes

**(7) The Unrecognized Commitment Related to Investment to Joint Ventures****(8) Contingent Liabilities Related to Investment to Joint Ventures or Associated Enterprises****4. Significant Common Operation**

| Name | Main operating | Registration place | Nature of business | Proportion /Share portion |
|------|----------------|--------------------|--------------------|---------------------------|
|      |                |                    |                    |                           |

|  |       |  |  |          |            |
|--|-------|--|--|----------|------------|
|  | place |  |  | Directly | Indirectly |
|--|-------|--|--|----------|------------|

Notes to holding proportion or share portion in common operation different from voting proportion:

For common operation as a single entity, basis of classifying as common operation

Other notes

## 5. Equity in the Structured Entity Excluded in the Scope of Consolidated Financial Statements

Notes to the structured entity excluded in the scope of consolidated financial statements:

## 6. Other

### X. The Risk Related to Financial Instruments

The Company is engaged in risk management to achieve balance between risks and returns, minimizing the negative effects of risks on its operation performance and maximizing the interests of its shareholders and other equity investors. Based on that risk management goal, the fundamental strategy of its risk management is to identify and analyze various risks facing the Company, establish an appropriate risk bottom line, carry out risk management and monitor various risks in a timely and reliable manner to control them within a restricted scope.

The Company faces various risks related to financial instruments in its routine activities, mainly including credit risk, liquidity risk market risk. The management has reviewed and approved the policies of managing those risks, which are summarized as follows.

#### Credit Risk

Credit risk means the risk of financial losses incurred to the other party when one party of a financial instrument is unable to fulfill its obligations.

##### 1. Credit Risk Management Practice

###### (1) Credit Risk Evaluation Method

On each balance sheet date, the Company shall evaluate whether the credit risk of relevant financial instruments has increased significantly since the initial recognition. After determining whether the credit risk has increased significantly since the initial recognition, the Company shall consider obtaining reasonable and reliable information without paying unnecessary extra costs or efforts, including qualitative and quantitative analysis based on historical data, external credit risk rating and forward-looking information. On the base of the single financial instrument or combination of financial instruments with similar credit risk characteristics, the Company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date to determine the change of default risk of financial instruments during their expected duration.

When one or more of the following quantitative and qualitative criteria prevails, the Company shall believe the credit risk of financial instruments has increased significantly:

- 1) For the quantitative standard, it can be mainly analyzed from the probability of default for the remaining duration on the balance sheet date rises by more than a certain proportion compared with the initial confirmation.
- 2) For the qualitative standard, it can be mainly analyzed from the major adverse changes in the debtor's operation or financial situation, changes in existing or expected technology, market, economy or legal environment which shall have major adverse impacts on the debtor's repayment ability of the Company, etc.
- 3) The upper limit is that the debtor's contract payment (including principal and interest) is overdue for more than 90 days.

###### (2) Definition of Default and Credit Impairment-Assets

When a financial instrument meets one or more of the following conditions, the Company shall define the financial asset as having defaulted, and its criteria are consistent with the definition of having incurred credit impairment:

###### 1) Quantitative Standard

The debtor fails to make the payment after the contract payment date for more than 90 days;

###### 2) Qualitative criteria

- ① The debtor has major financial difficulties;
- ② The debtor violates the binding provisions on the debtor in the contract;
- ③ The debtor is likely to go bankrupt or carry out other financial restructurings;
- ④ The creditor shall give the debtor concessions that will not be made in any other circumstances due to the economic or contractual considerations related to the debtor's financial difficulties.

## 2. Measurement of Expected Credit Loss

Key parameters of the expected credit loss measurement include default probability, loss given default, and default risk exposure. The Company considers the quantitative analysis and forward-looking information of historical statistical data (such as counterparty rating, guarantee method, collateral type, repayment method, etc.) to establish exposure models of default probability, loss given default, and default risk.

3. Refer to Note VI (1), VI (2), VI (8) for details of the reconciliation statements of beginning balance and ending balance of financial instrument loss provision.

## 4. Credit Risk Exposure and Credit Risk Concentration

The Company's credit risk mainly comes from bank deposits and accounts receivable. To control the aforementioned relevant risks, the Company has adopted the following measures.

### (1) Bank deposits

The Company places its bank deposits with financial institutions of high credit ratings. Thus, its credit risk is low.

### (2) Accounts receivable

The Company conducts credit assessment on the customers trading in the mode of credit on a regular basis. Based on the credit assessment result, the Company chooses to trade with recognized customers with good credit and monitor the balance of the accounts receivable from them to ensure that the Company will not face any significant bad debt risk.

Due to the Company merely trades with the authorized third party with good credit, the guarantee is not required. Credit risk concentration is managed in accordance with the customers. As of 30 June 2021, there are certain credit concentration risks, and 53.73% of accounts receivable of the Company (55.41% on 31 December 2020) comes from top 5 customers of balance. The Company hasn't held any guarantee or other credit enhancement for balance of accounts receivable.

The maximum credit risk exposure the Company undertook shall be the carrying value of each financial asset in balance sheet.

## Liquidity Risk

Liquidity risk refers to the risk of fund shortage occurring when the Company fulfills the settlement obligation in the mode of cash delivery or other financial assets. Liquidity risk may originate from the failure to sell financial assets at fair value as soon as possible; or from the other party's failure to pay off its contractual debts; or from the earlier maturity of debts; or from the failure to generate the expected cash flow.

To control the risk, the Company comprehensively adopts bank loans as financing approach, appropriately combine long-term and short-term financing modes and optimize the financing structure to maintain the balance between financing sustainability and flexibility. The Company has obtained the line of credit from a number of commercial banks to satisfy its operation fund needs and capital expenditure.

Financial liabilities classified by remaining maturity

| Item       | Ending balance   |                              |                |                |                  |
|------------|------------------|------------------------------|----------------|----------------|------------------|
|            | Carrying value   | Undiscounted contract amount | Within 1 year  | 1 to 3 years   | Over 3 years     |
| Bank loans | 3,556,900,000.00 | 4,189,654,287.20             | 247,390,194.73 | 491,931,024.39 | 3,450,333,068.08 |

|  |                  |                  |                  |                |                  |
|--|------------------|------------------|------------------|----------------|------------------|
| Accounts payable                                 | 365,584,409.13   | 365,584,409.13   | 365,584,409.13   |                |                  |
| Other payables                                   | 898,163,208.62   | 898,163,208.62   | 898,163,208.62   |                |                  |
| Current portion of other non-current liabilities | 67,002,418.07    | 67,002,418.07    | 67,002,418.07    |                |                  |
| Subtotal   | 4,887,650,035.82 | 5,520,404,323.02 | 1,578,140,230.55 | 491,931,024.39 | 3,450,333,068.08 |

(Continued)

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

## Market Risk

Market risk means the fluctuation risk of the fair value of financial instruments or the future cash flow due to market price changes.

### 1. Interest rate risk

Interest rate risk means the fluctuation risk of the fair value of financial instruments or the future cash flow due to changes of market interest rate. The Company has faced the interest rate risk of fair value generated from the financial instrument with interest of fixed rate, and the interest rate risk of cash flows generated from financial instrument with interest of floating interest rate. The Company will determined the proportion between the financial instrument with interest of fixed rate and floating interest rate according to the market environment, as well as review regularly, supervise and maintain appropriate portfolio of financial instrument. The interest rate risk of cash flows facing the Company is mainly related to the bank loans calculated by floating interest rate of the Company.

As of 30 June 2021, under the assumption of fixed variables with 50 basis points changed in interest rate, the bank loan with RMB3,618,700,000.00 (RMB3,618,800,000.00 on 31 December 2020) calculated at floating rate will not result in significant influence on total profit and shareholders' equity of the Company.

### 2. Foreign exchange risk

Foreign exchange rate refers to the risk that may lead to the changes of fair value of financial instruments or future cash flows due to fluctuation in exchange rate. The risk of changes of exchange rate facing the Company is mainly related to foreign currency monetary assets and liabilities of the Company. The Company operates in mainland China, and the main activities are recorded by RMB. Thus, the foreign exchange market risk undertaken is insignificant for the Company.

**XI. The Disclosure of Fair Value****1. Ending Fair Value of Assets and Liabilities at Fair Value**

Unit: RMB

| Item                                      | Ending fair value                       |   |   |            |
|---|---|---|---|------------|
|   | Fair value measurement items at level 1 | Fair value measurement items at level 2 | Fair value measurement items at level 3 | Total      |
| I. Consistent fair value measurement      | --                                      | --                                      | --                                      | --         |
| (III) Other equity instrument investment  | 773,704.00                              |   |   | 773,704.00 |
| Total amount of liabilities at fair value | 773,704.00                              |   |   | 773,704.00 |
| II. Inconsistent fair value measurement   | --                                      | --                                      | --                                      | --         |

**2. Market Price Recognition Basis for Consistent and Inconsistent Fair Value Measurement Items at Level 1**

Other equity instrument held by the Company belongs to stocks of listed company, of which the closing price of stock exchange on 30 June 2021 shall be regarded as the fair value.

**3. Valuation Technique Adopted and Nature and Amount Determination of Important Parameters for Consistent and Inconsistent Fair Value Measurement Items at Level 2****4. Valuation Technique Adopted and Nature and Amount Determination of Important Parameters for Consistent and Inconsistent Fair Value Measurement Items at Level 3****5. Sensitiveness Analysis on Unobservable Parameters and Adjustment Information between Beginning and Ending Carrying Value of Consistent Fair Value Measurement Items at Level 3****6. Explain the Reason for Conversion and the Governing Policy when the Conversion Happens if Conversion Happens among Consistent Fair Value Measurement Items at Different Levels****7. Changes in the Valuation Technique in the Current Period and the Reason for Such Changes****8. Fair Value of Financial Assets and Liabilities Not Measured at Fair Value****9. Other****XII. Related Party and Related-party Transactions****1. Information Related to the Company as the Parent of the Company**

| Name                | Registration place | Nature of business          | Registered capital | Proportion of share held by the Company as the parent against the Company (%) | Proportion of voting rights owned by the Company as the parent against the Company (%) |
|---------------------|--------------------|-----------------------------|--------------------|---|--|
| Shenzhen Investment | Shenzhen           | Managing state-owned assets | RMB28,009 million  | 56.96%  | 56.96%   |

|                   |  |  |  |  |  |
|-------------------|--|--|--|--|--|
| Holdings Co., Ltd |  |  |  |  |  |
|-------------------|--|--|--|--|--|

Notes: Information on the Company as the parent

The Company as the parent of the Company is Shenzhen Investment Holdings Co., Ltd., a newly-established and organized state-owned capital investment company based on the original three state-owned assets management companies in October 2004, among which the main function is to manage the partial municipal state-owned companies according to the authorization of Municipal SASAC. As a government department, Shenzhen State-owned Assets Supervision and Administration Bureau manages Shenzhen Investment Holdings Co., Ltd. on behalf of People's Government of Shenzhen Municipality.

The final controller of the Company is Shenzhen State-owned Assets Supervision and Administration Committee of Shenzhen Government.

Other notes:

## 2. Subsidiaries of the Company

Refer to Note IX for details.

## 3. Information on the Joint Ventures and Associated Enterprises of the Company

Refer to Note IX-3 for details about significant joint ventures or associated enterprises.

Information on other joint venture or associated enterprise of occurring related-party transactions with the Company in Reporting Period, or forming balance due to related-party transactions made in previous period:

| Name | Relationship with the Company |
|------|-------------------------------|
|------|-------------------------------|

Other notes

Not applicable

## 4. Information on Other Related Parties

| Name  | Relationship with the Company  |
|---|--|
| Shenzhen Investment Holdings Co., Ltd.                                    | Wholly-owned subsidiary of the Company as the parent of the Company  |
| Shenzhen Bay Technology Development Co., Ltd.                             | Wholly-owned subsidiary of the Company as the parent of the Company  |
| Wholly-owned subsidiary of Shenzhen Bay Technology Development Co., Ltd.  | Wholly-owned subsidiary of Shenzhen Bay Technology Development Co., Ltd.                                   |
| Shenzhen Xinhai Holding Co., Ltd.   | The Company as the parent of Xinhai Rongyao of subsidiary Rongyao Real Estate by non-controlling interests |
| Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.                 | Subsidiary Rongyao Real Estate by non-controlling interests  |
| Shenzhen Real Estate Jifa Warehousing Co., Ltd.                           | Joint venture of the Company   |
| Shenzhen Tian'an International Mansion Property Administration Co., Ltd.  | Joint venture of the Company   |
| Shenzhen Wufang Ceramics Industrial Co., Ltd.                             | Associated enterprise of the Company   |
| Hebei Shenbao Investment Development Co., Ltd.                            | Parent company's grandson company  |
| Shenzhen General Institute of Architectural Design and Research Co., Ltd. | Wholly-owned subsidiary of the parent company  |

|  |   |
|--|---|
| Shenzhen Bay Area Urban Construction Development Co., Ltd. | Wholly-owned subsidiary of the parent company                       |
| VCEP   | Wholly-owned subsidiary of the Company as the parent of the Company |
| Shenzhen Infinova Limited                                  | Subsidiary of the Company as the parent of the Company              |
| GUOREN PROPERTY AND CASUALTY INSURANCE CO.,LTD.            | Subsidiary of the Company as the parent of the Company              |
| Guosen Securities Co.,Ltd.                                 | Subsidiary of the Company as the parent of the Company              |

Other notes

## 5. List of Connected Transactions

### (1) Information on Acquisition of Goods and Reception of Labor Service

Information on acquisition of goods and reception of labor service

Unit: RMB

| Related party   | Content                           | Reporting Period | The approval trade credit | Whether exceed trade credit or not | Same period of last year |
|---|-----------------------------------|------------------|---------------------------|------------------------------------|--------------------------|
| Shenzhen Bay Technology Development Co., Ltd.                             | Management service fee            | 36,898,826.16    | 80,000,000.00             | Not                                | 33,458,508.93            |
| Shenzhen General Institute of Architectural Design and Research Co., Ltd. | Project architectural design plan | 2,951,039.53     |                           |                                    | 0.00                     |
| Shenzhen Infinova Limited   | Information management system     | 611,563.48       |                           |                                    |                          |
| GUOREN PROPERTY AND CASUALTY INSURANCE CO.,LTD.                           | Premiums for property insurance   | 112,834.59       |                           |                                    |                          |

Information of sales of goods and provision of labor service

Unit: RMB

| Related party   | Content              | Reporting Period | Same period of last year |
|---|----------------------|------------------|--------------------------|
| Shenzhen Hi-tech Zone Development Construction Co., Ltd | Property service fee | 741,984.34       | 669,509.81               |

|  |                      |               |               |
|--|----------------------|---------------|---------------|
| Shenzhen Bay Technology Development Co., Ltd.              | Property service fee | 28,502,992.03 | 18,958,078.79 |
| Hebei Shenbao Investment Development Co., Ltd.             | Property service fee | 2,805,356.45  | 0.00          |
| Shenzhen Bay Area Urban Construction Development Co., Ltd. | Property service fee | 986,445.32    | 713,736.06    |
| VCEP   | Property service fee | 3,126,797.59  | 0.00          |
| Guosen Securities Co.,Ltd.                                 | Property service fee | 766,960.89    | 0.00          |

Notes on acquisition of goods and reception of labor service

## (2) Information on Related-party Trusteeship/Contract

Lists of trusteeship/contract:

Unit: RMB

| Name of the entruster/contractee                | Name of the trustee/contractor                           | Type                | Start date      | Due date        | Pricing basis  | Income recognized in this Reporting Period |
|---|--|---------------------|-----------------|-----------------|----------------|--|
| Shenzhen Shentou Property Development Co., Ltd. | ShenZhen Properties & Resources Development (Group) Ltd. | Investment property | 6 November 2019 | 5 November 2025 | Market pricing | 31,245,224.31                              |

Notes:

Lists of entrust/contractee

Unit: RMB

| Name of the entruster/contractee | Name of the trustee/contractor | Type | Start date | Due date | Pricing basis | Charge recognized in this Reporting Period |
|----------------------------------|--------------------------------|------|------------|----------|---------------|--|
|----------------------------------|--------------------------------|------|------------|----------|---------------|--|

Notes:

Not applicable

## (3) Information on Related-party Lease

The Company was lessor:

Unit: RMB

| Name of lessee | Category of leased assets | The lease income confirmed in the Reporting Period | The lease income confirmed in the Same period of last year |
|----------------|---------------------------|--|--|
|----------------|---------------------------|--|--|

The Company was lessee:

Unit: RMB



| Name of lessor                                  | Category of leased assets | The lease fee confirmed in the Reporting Period | The lease fee confirmed in the Same period of last year |
|---|---------------------------|---|---|
| Shenzhen Shentou Property Development Co., Ltd. | Investment property       | 194,163.30                                      | 190,340.58  |

Notes:

**(4) Information on Related-party Guarantee**

The Company was guarantor:

Unit: RMB

| Secured party | Guarantee amount | Start date | End date | Execution accomplished or not |
|---------------|------------------|------------|----------|-------------------------------|
|               |                  |            |          |                               |

The Company was secured party

Unit: RMB

| Guarantor: | Guarantee amount | Start date | End date | Execution accomplished or not |
|------------|------------------|------------|----------|-------------------------------|
|            |                  |            |          |                               |

Notes:

Not applicable

**(5) Information on Inter-bank Lending of Capital of Related Parties**

Unit: RMB

| Related party | Amount | Start date | End date | Note |
|---------------|--------|------------|----------|------|
| Borrowing     |        |            |          |      |
| Lending       |        |            |          |      |

**(6) Information on Assets Transfer and Debt Restructuring by Related Party**

Unit: RMB

| Related party | Content | Reporting period | Same period of last year |
|---------------|---------|------------------|--------------------------|
|               |         |                  |                          |

**(7) Information on Remuneration for Key Management Personnel**

Unit: RMB

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

**(8) Other Related-party Transactions**

Not applicable

**6. Accounts Receivable and Payable of Related Party****(1) Accounts Receivable**

Unit: RMB

| Item     | Related party | Ending balance  |                    | Beginning balance |                    |
|----------|---------------|-----------------|--------------------|-------------------|--------------------|
|          |               | Carrying amount | Bad debt provision | Carrying amount   | Bad debt provision |
| Accounts | Shenzhen Bay  | 91,137,483.11   | 2,734,124.49       | 60,785,586.79     | 1,823,567.60       |

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

**(2) Accounts Payable**

Unit: RMB

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

## 7. Commitments of Related Party

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

## 8. Other

### XIII. Stock Payment

#### 1. The Overall Situation of Stock Payment

Applicable  Not applicable

#### 2. The Stock Payment Settled in Equity

Applicable  Not applicable

#### 3. The Stock Payment Settled in Cash

Applicable  Not applicable

#### 4. Modification and Termination of the Stock Payment

#### 5. Other

### XIV. Commitments and Contingency

#### 1. Significant Commitments

Significant Contingency on Balance Sheet Date

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

#### 2. Contingency

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

(1) The action about transferring Jiabin Building contentious matter

In 1993, the Company signed Right of Development Transfer Contract of Jiabin Building with Shenzhen Jiyong Property Development Co., Ltd. (hereinafter referred to as “Jiyong Company”). Since the contract was not effectively executed, the Company subsequently filed a series of lawsuits against the parties involved in the project, but the outcome was not favorable to the Company. Therefore, the Company calculated and withdrew bad-debt provisions for accounts receivable from Jiyong Company in full in past years for the transfer of Jiabin Building. On October 31, 2018, Shenzhen Intermediate People’s Court made a civil award and ruled that the Company’s application for the bankruptcy of Jiyong Company would not be accepted. The Company appealed against the ruling. On April 29, 2019, the Guangdong Provincial Higher People’s Court ruled to reject the Company’s appeal and maintain the original ruling. As of the issuance date of the report, there is no new progress in the case.

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

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

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

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

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

In March 2021, ITC Technology Park Hi-tech Zone Branch, a subsidiary of the Company, received a notice of arbitration from

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

## **(2) In Despite of no Significant Contingency to Disclose, the Company Shall Also Make Relevant Statements**

There was no significant contingency in the Company.

### **3. Other**

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

## **XV. Events after Balance Sheet Date**

### **1. Significant Non-adjusted Events**

Unit: RMB

| Item | Content | Influence number to the financial position and operating results | Reason of inability to estimate influence number |
|------|---------|--|--|
|      |         |  |  |

### **2. Profit Distribution**

Unit: RMB

### **3. Sales Return**

### **4. Notes to Other Events after Balance Sheet Date**

## **XVI. Other Significant Events**

### **1. The Accounting Errors Correction in Previous Period**

#### **(1) Retrospective Restatement**

Unit: RMB

| Content | Processing program | Name of the influenced report items during comparison period | Accumulative impact |
|---------|--------------------|--|---------------------|
|         |                    |  |                     |

#### **(2) Prospective Application**

| Content | Processing program | Reason for adopting prospective application |
|---------|--------------------|---|
|         |                    |   |

**2. Debt Restructuring****3. Assets Replacement****(1) Non-monetary Assets Exchange****(2) Other Assets Replacement****4. Pension Plans****5. Discontinued Operations**

Unit: RMB

| Item | Income | Expense | Total profit | Income tax expense | Net profit | Profit from discontinued operations attributable to owners of the Company as the parent |
|------|--------|---------|--------------|--------------------|------------|---|
|      |        |         |              |                    |            |   |

Other notes

**6. Segment Information****(1) Determination Basis and Accounting Policies of Reportable Segment**

In accordance with the internal organization structure, management requirements and internal report system, the Company identified the reportable segments based on the product segment and assessed the operational performance of ivory business, printing business and latex business. The assets and liabilities sharing with other segments shall be proportionally distributed among segments by scales.

**(2) The Financial Information of Reportable Segment**

Unit: RMB

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

**(3) If there Was no Reportable Segment, or the Total Amount of Assets and Liabilities of Each Reportable Segment Could not Be Reported, Relevant Reasons Shall Be Clearly Stated****(4) Other notes****7. Other Significant Transactions and Events with Influence on Investors' Decision-making****8. Other****XVII. Notes of Main Items in the Financial Statements of the Company as the Parent****1. Notes Receivable****(1) Accounts Receivable Disclosed by Category**

Unit: RMB

| Category | Ending balance | Beginning balance |
|----------|----------------|-------------------|
|          |                |                   |

|   | Carrying amount |            | Bad debt provision |                       | Carrying value | Carrying amount |            | Bad debt provision |                       | Carrying value |
|---|-----------------|------------|--------------------|-----------------------|----------------|-----------------|------------|--------------------|-----------------------|----------------|
|   | Amount          | Proportion | Amount             | Withdrawal proportion |                | Amount          | Proportion | Amount             | Withdrawal proportion |                |
| Accounts receivable for which bad debt provision separately accrued | 96,702,269.40   | 95.89%     | 96,702,269.40      | 100.00%               | 0.00           | 96,702,269.40   | 97.25%     | 96,702,269.40      | 100.00%               | 0.00           |
| Of which:   |                 |            |                    |                       |                |                 |            |                    |                       |                |
| Accounts receivable withdrawal of bad debt provision by group       | 4,149,112.75    | 4.11%      | 133,021.15         | 3.21%                 | 4,016,091.60   | 2,735,781.29    | 2.75%      | 111,280.87         | 4.07%                 | 2,624,500.42   |
| Of which:   |                 |            |                    |                       |                |                 |            |                    |                       |                |
| Total   | 100,851,382.15  | 100.00%    | 96,835,290.55      | 96.02%                | 4,016,091.60   | 99,438,050.69   | 100.00%    | 96,813,550.27      | 97.36%                | 2,624,500.42   |

Accounts receivable for which bad debt provision separately accrued: 96702269.40

Unit: RMB

| Name   | Ending balance  |                    |                       |   |
|--|-----------------|--------------------|-----------------------|---|
|  | Carrying amount | Bad debt provision | Withdrawal proportion | Reason for withdrawal                               |
| Shenzhen Jiyong Properties & Resources Development Company | 93,811,328.05   | 93,811,328.05      | 100.00%               | Involved in lawsuit and with no executable property |
| Shenzhen Tewe Industrial Co., Ltd.                         | 2,836,561.00    | 2,836,561.00       | 100.00%               | Long aging and expected unrecoverable               |
| Luohu District Economic Development Company                | 54,380.35       | 54,380.35          | 100.00%               | Long aging and expected unrecoverable               |
| Total  | 96,702,269.40   | 96,702,269.40      | --                    | --  |

Accounts receivable for which bad debt provision separately accrued:

Unit: RMB

| Name | Ending balance  |                    |                       |                       |
|------|-----------------|--------------------|-----------------------|-----------------------|
|      | Carrying amount | Bad debt provision | Withdrawal proportion | Reason for withdrawal |

Withdrawal of bad debt provision by group: 133021.15

Unit: RMB

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

Notes to the determination basis for the group:

For details, please refer to Part XII Financial Statement.

Withdrawal of bad debt provision by group: 133021.15

Unit: RMB

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

Notes to the determination basis for the group:

Withdrawal of bad debt provision by group:

Unit: RMB

| Name | Ending balance  |                    |                       |
|------|-----------------|--------------------|-----------------------|
|      | Carrying amount | Bad debt provision | Withdrawal proportion |

Notes to the determination basis for the group:

Please refer to the relevant information of disclosure of bad debt provision of other accounts receivable if adopting the general mode of expected credit loss to withdraw bad debt provision of accounts receivable.

Applicable  Not applicable

Disclosed by aging

Unit: RMB

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



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

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

Unit: RMB

| Category                                | Beginning balance    | Changes in the Reporting Period |                      |           |            | Ending balance       |
|---|----------------------|---------------------------------|----------------------|-----------|------------|----------------------|
|   |                      | Withdrawal                      | Reversal or recovery | Write-off | Withdrawal |                      |
| Bad debt provision withdrawn separately | 96,702,269.40        |                                 |                      |           |            | 96,702,269.40        |
| Bad debt provision withdrawn by group   | 111,280.87           | 21,740.28                       |                      |           |            | 133,021.15           |
| <b>Total</b>                            | <b>96,813,550.27</b> | <b>21,740.28</b>                |                      |           |            | <b>96,835,290.55</b> |

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

Unit: RMB

| Name of entity | Amount reversed or recovered | Way of recovery |
|----------------|------------------------------|-----------------|
|                |                              |                 |

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

Unit: RMB

| Item | Amount verified |
|------|-----------------|
|      |                 |

Of which the verification of significant accounts receivable:

Unit: RMB

| Name of entity | Nature | Amount verified | Reason for verification | Verification procedures performed | Whether generated from connected transactions |
|----------------|--------|-----------------|-------------------------|-----------------------------------|---|
|                |        |                 |                         |                                   |   |

Notes to verification of accounts receivable:

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

Unit: RMB

| Name of entity   | Ending balance of accounts receivable | Proportion to the total ending balance of accounts receivable | Ending balance of bad debt provision |
|--|---------------------------------------|---|--------------------------------------|
| Shenzhen Jiyong Properties & Resources Development Company | 93,811,328.05                         | 93.02%  | 93,811,328.05                        |
| Shenzhen Tewe Industry Co., Ltd.                           | 2,836,561.00                          | 2.81%   | 2,836,561.00                         |
| Shenzhen Meige Xiazi Catering Management Co.,              | 813,549.60                            | 0.81%   | 24,406.49                            |

|   |               |        |           |
|---|---------------|--------|-----------|
| Ltd.  |               |        |           |
| Shenzhen Feihuang Industrial Co., Ltd.        | 694,630.00    | 0.69%  | 20,838.90 |
| State Grain Supply Chain (Shenzhen) Co., Ltd. | 156,145.00    | 0.15%  | 4,684.35  |
| Total   | 98,312,213.65 | 97.48% |           |

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

Other notes:

**2. Other Accounts Receivable**

Unit: RMB

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

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

Unit: RMB

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

**2) Significant Overdue Interest**

| Entity | Ending balance | Overdue time | Overdue reason | Whether occurred impairment and its judgment basis |
|--------|----------------|--------------|----------------|--|
|--------|----------------|--------------|----------------|--|

Other notes:

**3) Information of Withdrawal of Bad Debt Provision** Applicable  Not applicable**(2) Dividend Receivable****1) Category of Dividend Receivable**

Unit: RMB

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

**2) Significant Dividends Receivable Aging over 1 Year**

Unit: RMB

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

**3) Information of Withdrawal of Bad Debt Provision** Applicable  Not applicable

Other notes:

**(3) Other Receivables****1) Other Receivables Disclosed by Account Nature**

Unit: RMB

| Nature                          | Ending carrying amount | Beginning carrying amount |
|---------------------------------|------------------------|---------------------------|
| Guarantee deposit               | 1,552,160.00           | 2,201,527.00              |
| Petty cash                      | 170,000.00             |                           |
| Payment on behalf               |                        | 19,510.00                 |
| External intercourse funds      | 23,851,692.45          | 23,305,386.85             |
| Intercourse funds to subsidiary | 158,099,632.47         | 151,970,155.85            |
| <b>Total</b>                    | <b>183,673,484.92</b>  | <b>177,496,579.70</b>     |

**2) Information of Withdrawal of Bad Debt Provision**

Unit: RMB

| Bad debt provision                              | First stage                                | Second stage   | Third stage  | Total         |
|---|--|--|--|---------------|
|   | Expected credit loss of the next 12 months | Expected loss in the duration (credit impairment not occurred) | Expected loss in the duration (credit impairment occurred) |               |
| Balance of 1 January 2021                       | 8,812,171.77                               |  | 23,358,710.73  | 32,170,882.50 |
| Balance of 1 January 2021 in the current period | —  | —  | —  | —             |
| Withdrawal of the current period                | 33,975.00                                  |  | 145,847.60   | 179,822.60    |
| Balance of 30 June 2021                         | 8,846,146.77                               |  | 23,504,558.33  | 32,350,705.10 |

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

 Applicable  Not applicable

Disclosure by aging

Unit: RMB

| Aging                             | Ending balance |
|-----------------------------------|----------------|
| Within 1 years (including 1 year) | 158,306,643.86 |
| 1 to 2 years                      | 69,600.00      |
| 2 to 3 years                      | 50,000.00      |
| Over 3 years                      | 25,247,241.06  |
| 3 to 4 years                      | 54,945.84      |
| 4 to 5 years                      | 2,016.98       |
| Over 5 years                      | 25,190,278.24  |

|       |                |
|-------|----------------|
| Total | 183,673,484.92 |
|-------|----------------|

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

Information of bad debt provision withdrawn:

Unit: RMB

| Category                                | Beginning balance | Changes in the Reporting Period |                      |           |       | Ending balance |
|---|-------------------|---------------------------------|----------------------|-----------|-------|----------------|
|   |                   | Withdrawal                      | Reversal or recovery | Write-off | Other |                |
| Bad debt provision withdrawn separately | 23,358,710.73     | 145,847.60                      |                      |           |       | 23,504,558.33  |
| Bad debt provision withdrawn by group   | 8,812,171.77      | 33,975.00                       |                      |           |       | 8,846,146.77   |
| Total                                   | 32,170,882.50     | 179,822.60                      |                      |           |       | 32,350,705.10  |

Of which the bad debt provision reversed or recovered with significant amount during the Reporting Period:

Unit: RMB

| Name of entity | Amount reversed or recovered | Way of recovery |
|----------------|------------------------------|-----------------|
|                |                              |                 |

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

Unit: RMB

| Item | Amount |
|------|--------|
|      |        |

Of which the verification of significant other receivables:

Unit: RMB

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

Notes to the verification of other receivables:

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

Unit: RMB

| Name of the entity                      | Nature                          | Ending balance | Aging        | Proportion to ending balance of total other receivables% | Ending balance of bad debt provision |
|---|---------------------------------|----------------|--------------|--|--------------------------------------|
| Shum Yip Properties Development Limited | Intercourse funds to subsidiary | 102,374,340.25 | Over 5 years | 55.74%   | 7,022,616.20                         |

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

### 6) Accounts Receivable Involving Government Subsidies

Unit: RMB

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

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

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

Other notes:

### 3. Long-term Equity Investment

Unit: RMB

| Item  | Ending balance       |                      |                      | Beginning balance    |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | Carrying amount      | Depreciation reserve | Carrying value       | Carrying amount      | Depreciation reserve | Carrying value       |
| Investment to subsidiaries                              | 1,093,829,880.<br>39 | 68,364,000.00        | 1,025,465,880.<br>39 | 1,093,829,880.<br>39 | 68,364,000.00        | 1,025,465,880.<br>39 |
| Investment to joint ventures and associated enterprises | 67,912,318.10        | 18,983,614.14        | 48,928,703.96        | 64,693,834.93        | 18,983,614.14        | 45,710,220.79        |
| Total   | 1,161,742,198.<br>49 | 87,347,614.14        | 1,074,394,584.<br>35 | 1,158,523,715.<br>32 | 87,347,614.14        | 1,071,176,101.<br>18 |

#### (1) Investment to Subsidiaries

Unit: RMB

| Investee | Beginning | Increase/decrease | Ending | Ending |
|----------|-----------|-------------------|--------|--------|
|          |           |                   |        |        |

|  | balance<br>(carrying<br>value) | Additional<br>investment | Reduced<br>investment | Depreciation<br>reserve<br>withdrawn | Other | balance<br>(carrying<br>value) | balance of<br>depreciation<br>reserve |
|--|--------------------------------|--------------------------|-----------------------|--------------------------------------|-------|--------------------------------|---------------------------------------|
| Shenzhen<br>Huangcheng<br>Real Estate<br>Co., Ltd.                               | 35,552,671.9<br>3              |                          |                       |                                      |       | 35,552,671.9<br>3              |                                       |
| Shenzhen<br>Wuhe<br>Industry<br>Investment<br>Development<br>Co., Ltd.           | 30,950,000.0<br>0              |                          |                       |                                      |       | 30,950,000.0<br>0              |                                       |
| SZPRD<br>Yangzhou<br>Real Estate<br>Development<br>Co., Ltd.                     | 50,000,000.0<br>0              |                          |                       |                                      |       | 50,000,000.0<br>0              |                                       |
| Dongguan<br>ITC<br>Changsheng<br>Real Estate<br>Development<br>Co., Ltd.         | 20,000,000.0<br>0              |                          |                       |                                      |       | 20,000,000.0<br>0              |                                       |
| Shenzhen<br>International<br>Trade Center<br>Property<br>Management<br>Co., Ltd. | 24,704,758.0<br>6              |                          |                       |                                      |       | 24,704,758.0<br>6              |                                       |
| Shenzhen<br>Property<br>Construction<br>Supervision<br>Co., Ltd.                 | 3,000,000.00                   |                          |                       |                                      |       | 3,000,000.00                   |                                       |
| SZPRD<br>Commercial<br>Operation<br>Co., Ltd.                                    | 62,821,767.9<br>0              |                          |                       |                                      |       | 62,821,767.9<br>0              |                                       |
| Zhanjiang<br>Shenzhen<br>Real Estate   | 0.00                           |                          |                       |                                      |       |                                | 2,530,000.00                          |

|   |                         |  |  |  |  |               |                         |                      |
|---|-------------------------|--|--|--|--|---------------|-------------------------|----------------------|
| Development Co., Ltd.   |                         |  |  |  |  |               |                         |                      |
| Shum Yip Properties Development Co., Ltd.                     | 0.00                    |  |  |  |  |               |                         | 15,834,000.00        |
| SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.         | 0.00                    |  |  |  |  |               |                         | 50,000,000.00        |
| Shenzhen Rongyao Real Estate Development Co., Ltd.            | 508,000,000.00          |  |  |  |  |               | 508,000,000.00          |                      |
| Shenzhen Guomao Science and Technology Park Service Co., Ltd. | 163,553,254.89          |  |  |  |  | 7,767,190.70  | 171,320,445.59          |                      |
| SZPRD Urban Renewal Co., Ltd.                                 | 126,883,427.61          |  |  |  |  | -7,767,190.70 | 119,116,236.91          |                      |
| <b>Total</b>  | <b>1,025,465,880.39</b> |  |  |  |  | <b>0.00</b>   | <b>1,025,465,880.39</b> | <b>68,364,000.00</b> |

**(2) Investment to Joint Ventures and Associated Enterprises**

Unit: RMB

| Investee | Beginning balance (carrying value) | Increase/decrease     |                    |   |  |                         |  |                                    |       | Ending balance (carrying value) | Ending balance of depreciation reserve |
|----------|------------------------------------|-----------------------|--------------------|---|--|-------------------------|--|------------------------------------|-------|---------------------------------|--|
|          |                                    | Additional investment | Reduced investment | Gains and losses recognized under the equity method | Adjustment of other comprehensive income | Changes of other equity | Cash bonus or profits announced to issue | Withdrawal of impairment provision | Other |                                 |  |
|          |                                    |                       |                    |   |  |                         |  |                                    |       |                                 |  |

| I. Joint ventures  |               |  |  |              |  |  |  |  |  |               |               |
|--|---------------|--|--|--------------|--|--|--|--|--|---------------|---------------|
| ShenZhen Real Estate Jifa Warehousing Co., Ltd.                        | 39,053,923.92 |  |  | 3,139,733.17 |  |  |  |  |  | 42,193,657.09 |               |
| Tian'an International Building Property Management Company of ShenZhen | 6,656,296.87  |  |  | 78,750.00    |  |  |  |  |  | 6,735,046.87  |               |
| Subtotal   | 45,710,220.79 |  |  | 3,218,483.17 |  |  |  |  |  | 48,928,703.96 |               |
| II. Associated enterprises   |               |  |  |              |  |  |  |  |  |               |               |
| ShenZhen Wufang Ceramics Industrial Co., Ltd.                          |               |  |  |              |  |  |  |  |  |               | 18,983,614.14 |
| Subtotal   |               |  |  |              |  |  |  |  |  |               | 18,983,614.14 |
| Total  | 45,710,220.79 |  |  | 3,218,483.17 |  |  |  |  |  | 48,928,703.96 | 18,983,614.14 |

**(3) Other Notes****4. Operating Revenue and Cost of Sales**

Unit: RMB

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



|                  | Operating revenue | Cost of sales | Operating revenue | Cost of sales |
|------------------|-------------------|---------------|-------------------|---------------|
| Main operations  | 31,762,623.21     | 17,990,848.30 | 25,828,330.02     | 15,835,977.53 |
| Other operations | 10,538,272.14     | 659,988.00    |                   |               |
| Total            | 42,300,895.35     | 18,650,836.30 | 25,828,330.02     | 15,835,977.53 |

Relevant information of revenue:

Unit: RMB

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

Information related to performance obligations:

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

Information related to transaction value assigned to residual performance obligations:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet was RMB0.00 at the period-end, among which RMBXXX was expected to be recognized in the year, RMBXXX in the year and RMBXXX in the year.

Other notes:

## 5. Investment Income

Unit: RMB

| Item  | Reporting Period | Same period of last year |
|---|------------------|--------------------------|
| Long-term equity investment income accounted by equity method         | 3,218,483.17     | 157,061.79               |
| Interest income from holding of investments in other debt obligations | 59,818,841.72    | 62,416,928.73            |
| Total   | 63,037,324.89    | 62,573,990.52            |

## 6. Other

### XVIII. Supplementary Materials

#### 1. Items and Amounts of Non-recurring Profit or Loss

√ Applicable □ Not applicable

Unit: RMB

| Item   | Amount       | Note   |
|--|--------------|--|
| Gains/losses on the disposal of non-current assets   | -14,448.90   |  |
| Government grants recognized in the Current Period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards | 226,082.01   |  |
| Gains and losses arising from contingencies unrelated to the normal operation of the company's business  | -114,571.79  | Litigation compensation                        |
| Other non-operating income and expense other than the above  | 8,061,224.33 | Mainly received as compensation for demolition |
| Less: Income tax effects   | 1,836,539.53 |  |
| Non-controlling interests effects  | -195,286.42  |  |
| Total  | 6,517,032.54 | --   |

Explain the reasons if the Company classifies an item as a non-recurring gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item.

Applicable  Not applicable

## 2. Return on Equity and Earnings Per Share

| Profit as of Reporting Period   | Weighted average ROE (%) | EPS (Yuan/share) |             |
|---|--------------------------|------------------|-------------|
|   |                          | EPS-basic        | EPS-diluted |
| Net profit attributable to ordinary shareholders of the Company   | 16.98%                   | 1.1349           | 1.1349      |
| Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss | 16.81%                   | 1.1240           | 1.1240      |

## 3. Differences between Accounting Data under Domestic and Overseas Accounting Standards

### (1) Differences of Net Profit and Net Assets Disclosed in Financial Reports Prepared under International and Chinese Accounting Standards

Applicable  Not applicable

### (2) Differences of Net profit and Net assets Disclosed in Financial Reports Prepared under Overseas and Chinese Accounting Standards

Applicable  Not applicable

**(3) Explain Reasons for the Differences between Accounting Data under Domestic and Overseas Accounting Standards; for any Adjustment Made to the Difference Existing in the Data Audited by the Foreign Auditing Agent, Such Foreign Auditing Agent's Name Shall Be Clearly Stated**

**4. Other**