



SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.

ANNUAL REPORT 2022

(Announcement No. 2023-02)

March 2023

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Part I Important Notes, Table of Contents and Definitions

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

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

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

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

The Company has described in detail in this Report the possible risks facing it, along with countermeasures. Please refer to the section headed “Prospects” of “Part III Management Discussion and Analysis” of this Report.

The Board has approved a final dividend plan as follows: based on the share capital of 595,979,092 shares, a cash dividend of RMB3.61 (tax inclusive) per 10 shares is to be distributed to the shareholders, with no bonus issue from either profit or capital reserves.

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

Documents Available for Reference

- I. The financial statements with the signatures and stamps of the Company's legal representative, head of financial affairs and head of the financial department;
- II. The original of the Independent Auditor's Report with the stamp of the CPA firm and the signatures and stamps of the certified public accounts; and
- III. The originals of all the Company's documents and announcements disclosed to the public in the Reporting Period.

Definitions

Term	Definition
The “Company”, the “Group”, “SZPRD” or “we”	ShenZhen Properties & Resources Development (Group) Ltd. and its consolidated subsidiaries, except where the context otherwise requires
SIHC	Shenzhen Investment Holdings Co., Ltd.
Huangcheng Real Estate	Shenzhen Huangcheng Real Estate Co., Ltd.
Dongguan Company	Dongguan ITC Changsheng Real Estate Development Co., Ltd.
Xuzhou Company	SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.
Yangzhou Company	SZPRD Yangzhou Real Estate Development Co., Ltd.
Urban Renewal Company	Shenzhen SZPRD Urban Renewal Co., Ltd.
Rongyao Real Estate	Shenzhen Rongyao Real Estate Development Co., Ltd.
ITC Property Management	Shenzhen International Trade Center Property Management Co., Ltd.
ITC Technology Park	Shenzhen ITC Technology Park Service Co., Ltd.
Guomaomei Life	Shenzhen Guomaomei Life Service Co., Ltd.
Commercial Operation Company	Shenzhen SZPRD Commercial Operation Co., Ltd.
Guomao Catering	Shenzhen Guomao Catering Co., Ltd.
Supervision Company	Shenzhen Property Engineering and Construction Supervision Co., Ltd.
Wuhe Company	Shenzhen Wuhe Industry Investment Development Co., Ltd.
Shenzhen Property Management	Shenzhen Property Management Co., Ltd.
Foreign Trade Property Management	Shenzhen Foreign Trade Property Management Co., Ltd.
Shenfubao Property Development	Shenzhen Shenfubao Property Development Co., Ltd.
Hydropower Company	Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd.
Security Service Company	Shenzhen Free Trade Zone Security Service Co., Ltd.
FMC	Shenzhen Facility Management Community Technology Co., Ltd.
RMB, RMB’0,000, RMB’00,000,000	Expressed in the Chinese currency of Renminbi, expressed in tens of thousands of Renminbi, expressed in hundreds of millions of Renminbi

Part II Corporate Information and Key Financial Information

I Corporate Information

Stock name	PRD, PRD-B	Stock code	000011, 200011
Previous stock name (if any)	N/A		
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	深圳市物业发展(集团)股份有限公司		
Abbr.	深物业集团		
Company name in English (if any)	ShenZhen Properties & Resources Development (Group) Ltd.		
Abbr. (if any)	SZPRD		
Legal representative	Liu Shengxiang		
Registered address	39/F and 42/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China		
Zip code	518014		
Past changes of registered address	N/A		
Office address	16/F, 20/F, 39/F and 42/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China		
Zip code	518014		
Company website	www.szwuye.com.cn		
Email address	000011touzizhe@szwuye.com.cn		

II Contact Information

	Board Secretary	Securities Representative
Name	Zhang Gejian	Ding Minghua and Chen Qianying
Address	20/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China	39/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China
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Fax	0755-82210610、82212043	0755-82210610、82212043
Email address	000011touzizhe@szwuye.com.cn	000011touzizhe@szwuye.com.cn

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

Stock exchange website where this Report is disclosed	The Shenzhen Stock Exchange: http://www.szse.cn
Media and website where this Report is disclosed	For A-stock investors: Securities Times For B-stock investors: Ta Kung Pao (HK) www.cninfo.com.cn
Place where this Report is lodged	Board Office, 39/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China

IV Change to Company Registered Information

Unified social credit code	No change
Change to principal activity of the Company since going public (if any)	No change
Every change of controlling shareholder since incorporation (if any)	<p>On 29 September 2004, the State-Owned Assets Supervision and Administration Commission of Shenzhen Municipality (“SASAC Shenzhen”) decided to incorporate Shenzhen Investment Holdings Co., Ltd. (“SIHC”) to include Shenzhen Investment Management Co., Ltd. (“SIM”, the former controlling shareholder of the Company) and Shenzhen Construction Investment Holdings Corporation (“SCIHC”). SCIHC and SIM hold 323,796,324 and 56,582,573 shares respectively in the Company, representing a combined stake of 63.82%.</p> <p>On 19 October 2018, the Company was notified by its actual controlling shareholder SIHC that it had received the Confirmation of Securities Transfer Registration from China Securities Depository and Clearing Co., Ltd. (Shenzhen branch), marking the completion of the equity transfer to SIHC. As such, SIHC has become the controlling shareholder of the Company.</p> <p>The controlling shareholder remained unchanged during the Reporting Period.</p>

V Other Information

The independent audit firm hired by the Company:

Name	Baker Tilly China Certified Public Accountants LLP
Office address	16A, B, C, D, E and F, SZMD Finance Center, southwest of junction of Fuzhong Third Road and Pengcheng First Road, Fuxin Community, Lotus Street, Futian District, Shenzhen, Guangdong Province, China
Accountants writing signatures	Chen Zihan, and Zhong Qinfang

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

Applicable Not applicable

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

Period:

Applicable Not applicable

VI Key Financial Information

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

Yes No

Reason for retrospective restatement:

Business combination involving entities under common control.

	2022	2021		2022-over-2021 change (%)	2020	
		Before	Restated	Restated	Before	Restated
Operating revenue (RMB)	3,708,669,046.85	4,491,965,643.71	4,911,120,528.33	-24.48%	4,104,374,646.02	4,437,897,011.98
Net profit attributable to the listed	537,664,698.69	1,003,969,842.33	1,025,380,909.03	-47.56%	798,572,121.74	796,641,256.96

company's shareholders (RMB)						
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	390,440,612.64	983,778,096.90	983,778,096.90	-60.31%	788,377,322.39	788,377,322.39
Net cash generated from/used in operating activities (RMB)	105,233,103.86	1,813,313,008.58	1,828,979,752.45	105.75%	385,497,782.12	363,576,236.57
Basic earnings per share (RMB/share)	0.9022	1.6846	1.7205	-47.56%	1.3399	1.3367
Diluted earnings per share (RMB/share)	0.9022	1.6846	1.7205	-47.56%	1.3399	1.3367
Weighted average return on equity (%)	12.37%	24.69%	24.49%	-12.12%	23.47%	22.53%
	31 December 2022	31 December 2021		Change of 31 December 2022 over 31 December 2021 (%)	31 December 2020	
		Before	Restated	Restated	Before	Restated
Total assets (RMB)	15,800,287,610.40	14,581,897,151.76	14,835,846,843.78	6.50%	12,207,356,912.54	12,487,193,847.17
Equity attributable to the listed company's shareholders (RMB)	4,412,555,547.97	4,486,110,790.39	4,590,052,057.75	-3.87%	3,727,917,440.03	3,860,098,688.11

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative for the last three accounting years, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

Yes No

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

Yes No

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

1. Net Profit and Equity under CAS and IFRS

Applicable Not applicable

No difference for the Reporting Period.

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

Applicable Not applicable

No difference for the Reporting Period.

VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	1,255,811,600.03	732,488,240.21	1,151,996,154.28	568,373,052.33
Net profit attributable to the listed company's shareholders	219,440,470.15	31,361,687.56	204,943,064.95	81,919,476.03
Net profit attributable to the listed company's shareholders before exceptional gains and losses	226,479,051.98	30,171,559.07	185,140,024.51	-51,350,022.92
Net cash generated from/used in operating activities	-762,389,016.83	366,394,785.74	355,799,959.69	145,427,375.26

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

Yes No

IX Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	2022	2021	2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	175,644,543.02	-62,170.29	-322,603.77	Mainly land requisition compensation received
Government subsidies through profit or loss (exclusive of government subsidies consistently given in the Company's ordinary course of business at fixed quotas or amounts as per governmental policies or standards)	10,633,227.34	23,923,655.59	7,100,657.34	

Capital occupation charges on non-financial enterprises that are through profit or loss	132,289.35			
Current profit or loss on subsidiaries obtained in business combinations involving entities under common control from the period-beginning to combination dates, net	9,596,148.16	21,251,005.70	-1,930,864.78	
Gain or loss on contingencies that do not arise in the Company's ordinary course of business	70,578.79		-2,396,947.00	
Gain or loss on fair-value changes on held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets	1,300.91			
Reversed portions of impairment allowances for receivables which are tested individually for impairment			19,900.00	
Non-operating income and expense other than the above	2,448,235.99	2,915,682.88	9,089,508.74	
Other gains and losses that meet the definition of exceptional gain/loss	277,896.27	169,262.03	94,284.37	
Less: Income tax effects	51,525,180.31	6,749,597.21	3,470,226.55	
Non-controlling interests effects (net of tax)	54,953.47	-154,973.43	-80,226.22	
Total	147,224,086.05	41,602,812.13	8,263,934.57	--

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

Applicable Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement

No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

No such cases for the Reporting Period.

Part III Management Discussion and Analysis

I Industry Overview for the Reporting Period

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

(I) Macro-economic situation and industry development status

In 2022, the Chinese economy was under greater downward pressure due to a contracting domestic demand, jarring supply chain disruptions, and a palpable waning of expectations as a result of myriad factors including the US Federal Reserve's fluctuations with interest rates and a once-in-a-century global metamorphosis. Amidst the rosy developments stemming from regulatory authorities and the concomitant calibration of demand-supply dynamics and credit landscape, the real estate market is besieged by a transitory adjustment quandary. In an effort to forestall any hazards lurking in the sector, policy measures geared towards ensuring "stable growth" are being expedited. During March, a special meeting was held by the Financial Stability and Development Committee of the State Council, where they put forth measures to support the transition towards a new development model. Throughout this Reporting Period, the real estate policy regulation's bedrock principles of "housing is for living, not for speculation," and the "three stabilities" dictum held firm. Encouragingly, a multitude of ministries chimed in with their support for the industry, and certain cities enacted novel policies to catalyze the real estate market's steady growth.

The year unfolded with the sales market generally mired in torpor, as sales volume, development investment, and land supply and demand all dwindled. According to the data from the National Bureau of Statistics, the sales area of commercial housing throughout 2022 was 1,358.37 million square meters nationwide, a year-on-year decrease of 24.3%. Furthermore, sales revenue plummeted to RMB13,330.8 billion, down by 26.7% from the previous year. Newly built residential and second-hand residential property prices witnessed a lackluster trajectory in the first half of the year, followed by a tepid phase in the latter half, with prices continuing their downward trajectory. In sum, the new home transactions in the top 100 cities nosedived by a staggering 40% year-on-year, striking their lowest ebb since 2015.

New starts weakened and development investment continued to fall. Throughout the year, a total investment of RMB13,289.5 billion was completed, which represents a 10% year-on-year decrease. Negative growth began in April due to significant financial pressure faced by real estate companies, strict pre-sale regulations, and low willingness to commence construction. Real estate enterprises had a low willingness to start construction due to great financial pressure and stringent regulation of advance sales. In 2022, the total area of new construction was 1205.87 million square meters, which indicates a year-on-year decrease of 39.4%. Since April, the monthly new construction area has been declining by more than 35% year-on-year for eight consecutive months, representing the largest drop since 2016. The national housing construction area for the year was 9049.99 million square meters, which represents a year-on-year decrease of 7.2%. Additionally, the national housing completion area was 862.22 million square meters, indicating a year-on-year decrease of 15%.

Land acquisition decelerates as supply and demand decrease to a near-decade low. Real estate companies' overall efforts to acquire land have slowed down, with the total amount of land transactions throughout the year reaching RMB916.6 billion, representing a nearly 50% year-on-year decrease. Moreover, the purchased land area decreased by 53.4% year-on-year to 100.52 million square meters. The real estate market's continuous adjustment and financial pressure on companies have resulted in differentiated market performance, with local state-owned assets bottoming out. The government's land supply and the willingness of real estate companies to acquire land are insufficient, leading to a 31.25% year-on-year decrease in transaction volume. To alleviate the land auction market's overall downturn, policies have entered a substantial easing period since April. Local governments are optimizing land auction rules and releasing high-quality land plots to increase real estate companies' participation and improve the situation of failed auctions and withdrawals. Despite these efforts, the land market sentiment remains generally low, with a premium rate of only 3.0% and a withdrawal rate of 20.3%.

Policy Support Fails to Drive Significant Financial Improvement. Meetings and notices from the China Securities Regulatory Commission, the Shenzhen Stock Exchange, and the China Banking and Insurance Regulatory Commission in May mentioned supporting reasonable financing needs of real estate enterprises. In June, the People's Bank of China and the State Administration of Foreign Exchange proposed the need to timely correct excessive risk-avoidance behavior of financial institutions and maintain stable real estate financing. Despite the acceleration of mortgage lending by banks, the uncertainty of economic recovery has negatively impacted homebuyers' confidence, resulting in individual mortgage loans amounting to RMB2.38 trillion, which represents a decrease of 26.5%. Real estate companies' sales repayments have been negatively affected to varying degrees. The funds in place for real estate development enterprises throughout the year reached RMB14,897.9 billion, representing a 25.9% year-on-year decrease according to data from the National Bureau of Statistics. Although the central government and various ministries and commissions have continuously released stabilization signals since the second half of the year, the growth rate of funds in place at the end of the year remains unsatisfactory. While the credit environment has marginally improved, it will take time for this improvement to be transmitted to the market end. The arrival of mortgage loans and development loans still requires time.

(II) Policy environment of the industry

In 2022, upholding the fundamental principle that "houses are for living in, not for speculating on". Real estate policies have entered a comprehensive easing cycle, with regulatory authorities introducing favorable policies that benefit both the demand and enterprise sides. The strength of policies has increased, allowing local governments to implement policies based on local conditions. Demand-side policies have been continuously adjusted from the beginning of the year, with several heavyweight policies implemented in the second half of the year, significantly increasing support for supply-side policies. In summary, there are three core aspects of the real estate industry policy in 2022: providing financing support to real estate enterprises to alleviate their financial pressure; supporting individual housing loans to drive market sales recovery; and ensuring timely delivery of properties to boost market sentiment and improve homebuyers' confidence.

The demand-side is primarily focused on land and financial policies. (1) To better meet the reasonable housing needs of homebuyers, several cities in China have relaxed their policies on commercial housing purchases and sales. In January, the National Development and Reform Commission issued a notice promoting consumption and supporting the commercial housing market. In response, in February, these cities implemented policies that included reducing down payment ratios, lowering mortgage rates, easing housing provident fund loan requirements, issuing housing subsidies, and relaxing "five limits" policies such as purchase and lending restrictions.(2) To prevent speculation and ensure that houses are primarily used for living, credit supervision has been strengthened, and measures to crack down on illegal funds inflow into the real estate market have been strictly enforced. This is to prevent operating loans from entering the market. (3) The sales prices of commodity homes have stabilized, with first-tier cities remaining stable month-on-month since the second quarter, and second- and third-tier cities stabilizing after reaching their lowest point. (4) The ongoing reductions in interest rates have proved to be advantageous. In May, the People's Bank of China and the China Banking and Insurance Regulatory Commission announced an adjustment in the minimum interest rate for first-time homebuyers' commercial personal housing loans, which was set no less than 20 basis points below the corresponding period's loan market quotation rate. Furthermore, at the end of September, some cities also lowered the minimum interest rate for these loans. Provident fund loans with repayment terms exceeding five years were also impacted by the interest rate cuts, resulting in a reduction to 3.1%.

The supply side focused on land and financial control. (1) In terms of land, the completion rate of the 2022 land supply plan is relatively low. To attract real estate companies to bid, local governments are actively optimizing and adjusting land auction rules and land supply structures, with central and state-owned enterprises becoming the mainstream in land acquisition. Additionally, local urban investment platforms are continuing to emerge, while private enterprises are limited by credit challenges and financial pressures, leading to a pause in their investments.(2)In early November, the People's Bank of China and the China Banking and Insurance Regulatory Commission issued a notice on "*Ensuring the Stable and Healthy Development of the Real Estate Market*" in terms of policies. This notice includes 16 specific measures such as maintaining stable and orderly real estate financing, actively

providing financial services for "building payment upon completion," cooperating in the risk disposal of distressed real estate enterprises, protecting the legitimate rights and interests of housing finance consumers in accordance with the law, adjusting some financial management policies in phases, and increasing financial support for housing rental. At the end of November, the China Securities Regulatory Commission outlined five measures aimed at adjusting and optimizing equity financing for listed real estate companies. These measures include restoring mergers and acquisitions, restructuring, and supporting financing for real estate-related listed companies, as well as restoring refinancing for listed real estate enterprises and real estate-related listed companies. In contrast, financial regulatory authorities such as the China Banking and Insurance Regulatory Commission primarily relaxed regulations throughout the year. Meanwhile, local governments and housing construction departments strengthened their supervision to ensure property developers deliver homes on schedule.

In 2022, provinces and cities across China issued over a thousand real estate control policies, reaching a peak in recent years. The regulation of the real estate market continues to improve and upgrade, with the pace and intensity of policy tightening significantly increasing since April. Looking ahead to 2023, the central government will continue to adhere to the general principle of "housing is for living, not for speculation" and strive to achieve the "three stability" targets. As the tide of real estate market correction surges onward, one cannot help but ponder the scope for policy refinement in the top-tier cities. Additionally, it is not unreasonable to anticipate a more streamlined financing apparatus for real estate enterprises. The concept of "completion guarantee" - an assurance that properties will be finished prior to remuneration - continues to hold the attention of industry insiders. As such, a rekindling of the real estate market appears to be on the horizon.

(III) Regional market landscape

From the perspective of regional markets, Shenzhen's economy held steadfast in its fortitude in 2022, even while imposing stringent real estate regulations. Boosting market confidence were accompanying factors, such as "completion guarantee" and a dip in the first-home mortgage interest rate. As the year dawned, Shenzhen unfurled the *"14th Five-Year Plan for Housing Development in Shenzhen,"* which maps out a five-year blueprint to supply 350,000 units of commercial housing and 540,000 units of public housing. During the "Golden September and Silver October" interlude, the number of newly sold residential units in Shenzhen eclipsed 3,000 units for two consecutive months, outpacing the average level registered in the first half of the year. Toward the fag end of October, the Ministry of Finance released the *"Implementation Opinions on Supporting Shenzhen to Explore and Innovate Its Financial Policy System and Management System,"* underscoring the central government's bolstered support to alleviate Shenzhen's housing supply and demand imbalance. As a vanguard of China's reform and opening-up policy, Shenzhen continues to play a pivotal role in the real estate industry's major strategic metamorphosis decision-making process.

(IV) The situation and tasks facing the Company

From the perspective of SZPRD, many of the difficulties, pain points and blockage points of the projects under construction have basically been cleared, and the conditions are in place for the Group to make great progress. The tight situation of large investment and low output in the current period is expected to continue until the second half or even the end of 2023. Therefore, project construction, sales payment collection and capital amplification will become the most important tasks in 2023, and the ability to execute projects, turnaround capacity and operation and management capabilities will continue to be decisive factors in the Group's medium to long-term development.

(V) Industry position of the Company

SZPRD arises together with Shenzhen's reform and opening up and devotes itself to real estate, property management and other fields for nearly four decades. It has achieved gradual improvements in its comprehensive capacity, brand influence and industry position and won many honors and awards over the years. During the Reporting Period, the Company won the title of "2022 Shenzhen Top 500 Enterprises" and ranked 187th on the list. ITC Property Management, a subsidiary of the Company, won the following awards: "2022 Leading State-owned Enterprises in Property Management for Industrial Parks in China", "2022 Top 100 China Property Service Enterprises in Comprehensive Strength", "2022 Top 50 China State-owned Property Service Enterprises in Comprehensive Strength", and "2022 China Property Service Brand Characteristic Enterprise - A World-leading Property Management Ecological Operator". The Shenzhen International Trade Center Building was listed in the first group of Shenzhen

historical buildings announced by the People's Government of Shenzhen Municipality. The historical exhibition of Shenzhen International Trade Center was selected as a case for the development and utilization of national economic and technological archives resources in 2021 by the National Archives Administration of China. These awards and honors demonstrated the Company's comprehensive strength and reflected the high recognition of the Company's comprehensive strength by the industry, customers and government departments.

During the Reporting Period, despite the changes in the real estate industry, the Company gained a comparative advantage with stable operation status and good financial position, seized the opportunities of the land market. The Company has triumphed in its partnership with Yangzhou Tourism Development Property Co., Ltd., securing the first and second land parcels in the Yangzhou Shouxihu Science and Technology Innovation City initiative. This landmark achievement not only marks the Group's foray into the "urban-rural integration" terrain beyond its headquarters but also acts as a potent assurance of its expansion plans in the Yangtze River Delta area. The victory also paves the way for the Group to augment its land reserves and propel sustainable development in consonance with the "14th Five-Year Plan" phase.

II Principal Activity of the Company in the Reporting Period

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

(I) Core Business Overview

Established in 1982, the Company was originally known as "Luohu Engineering and Construction Headquarters" and renamed "Shenzhen Municipal Property Development Corporation" in August 1985. The Company was determined as the second batch of pilot units for joint-stock reform of state-owned enterprises in 1988. Approved by the municipal government, the Company renamed to ShenZhen Properties & Resources Development (Group) Ltd. in 1990. The stock of the group company (stock name: SZPRD, A/B; stock code: 000011, 200011) was officially listed in Shenzhen Stock Exchange in March 1992.

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

As 2022 heralds the 40th anniversary since its inception and the 30th anniversary since its listing, SZPRD traverses down memory lane, recollecting its varied journey punctuated with challenges and triumphs. Witnessing the meteoric rise of Shenzhen city, the Group has transitioned from its former "Shenzhen speed" avatar to its current iteration of "Shenzhen quality." Additionally, 2022 inaugurates the first year for the Group's periodic performance adjustment phase. During the Reporting Period, facing the deep regulation and control in real estate, the Company faced up to the difficulties and continued to make efforts in four business sectors, including industry-city space development, property management services, industrial ecosystem operation, and main business ecosystem investment in its main business. The Company endeavored to further consolidate and highlight its advantages of industry-city integration and the whole industry chain through expanding the main business and making breakthroughs in other businesses.

1. Industrial & urban space development

In terms of the space development segment, the Company is specialized in developing the residence, the hi-end apartment, the office building, and the industrial park and has developed a batch of brand projects, including Shenzhen International Trade Center Building, Huanggang Port, Tian'an International Building, Qianhai Gangwan Garden, and Golden Collar Holiday. Based on its present real estate development business, the Company will improve its existing portfolio and plan for new businesses. It will engage a number of subsidiaries in property development and urban renewals, including Huangcheng Real Estate, Rongyao Real Estate, and the Urban Renewal Company, strengthen capital operation via the listing platform, and make a reasonable layout of the city space development segment. In the Reporting Period, SZPRD made greater efforts for land acquisition in this segment. For instance, it steadily advanced the development projects inside and outside Shenzhen, accelerated the sales of projects in Xuzhou and Yangzhou, and sped up cash inflow. Moreover, it focused on the development and construction of industry-city complexes and accelerated to create an integrated and co-existing model for the development of boutique urban residences and high-end industry space.

2. Property management services

The Company's property management segment takes ITC Property Management as its platform. As China's first batch of first-class qualified enterprises in property management, ITC Property Management, after more than 30 years of development, has become a domestic first-class property service provider with diversified business capabilities and technological strength, and has been awarded "Top 100 National Property Management Enterprises" and "Excellent Enterprise of Property Management in China's Industrial Parks" for many years in a row. The projects under its management are all over the country, and its business radiates to various regions in China, such as South China, Southwest China, East China and North China, as well as the China-Vietnam Cooperation Zone in Vietnam. The Company's existing business has covered industrial parks, cultural tourism scenic spots, government agencies, rail transportation, housing, hospitals, schools, hotels and other various business models, and is planning to develop the business of grassroots social governance. The Company collaborated with the government to create a safe, harmonious, civilized and orderly urban environment, basically forming a pattern of integrated development of multiple business models. There are more than 20 subsidiaries under ITC Property Management, and with the functional departments of the headquarters as the platform, it has actively built three centers of "market, empowerment and supervision", and formed three business centers and profit centers of specialized business model companies, specialized companies and companies in other regions, so as to continuously and effectively realize the new pattern of coordinated development of "1+1>2". Amidst the Reporting Period, ITC Property Management augmented its realm through self-reliant development and mergers and acquisitions, culminating in the administration of a 35 million square meters of property. The segment dedicated to industrial parks outstripped expectations, surpassing 10 million square meters. Notably, the scale of operational management for high-end industrial parks is predicted to retain its exalted status among domestic industrial park operations.

3. Industrial ecosystem operation

With respect to the industrial ecosystem operation segment, the Company gave full play to its foundation in the three basic industries, namely, real estate development, property management, and leasing and the advantage of the whole industry chain, focused on the two major strategies of "value-added operation of existing assets" and "light-asset operation output", and deepened internal and external strategic cooperation. It is committed to creating a closed loop of the whole industrial ecosystem, covering project development services, park operation services, and supporting rental operations, and keeping improving the space service and rental ecosystem in the industrial park. A unique and mature business development model has been put in place with the capability and experience of the whole chain of planning, dismantling, construction control, business invitation, operation, and on-site management with respect to various assets. The Company is expediting the stock taking and assessment of its properties in stock and strengthening the management over them. In the future, it will gradually expand the scope of leasing and raise the development capability of property rental. Moreover, the Company gradually shifts the focus of industrial ecosystem operation to sci-tech parks, provides supporting services covering the whole value chain, such as the import of industrial ecosystem, project development services, and park operation services, and serves the role of "space service provider" centering on sci-tech parks.

4. Other business

In the Reporting Period, the Company's businesses also included catering service and project supervision service. The catering

service is operated by Shenzhen Guomao Catering Co., Ltd. Guomao Catering Co., Ltd., established in 1986, became famous at home and abroad, as it was the place where President Deng Xiaoping gave talks during his inspection to the south in 1992. Since its establishment, it has received more than 600 country leaders, famous people, and numerous domestic and overseas guests, with its reputation spreading all over the world. The project supervision service is handled by the subordinated supervision company of the Group. The company has the Grade A supervision qualification of building works of the Ministry of Housing and Urban-Rural Development (MOHURD). It was originally known as Shenzhen Property Engineering Management Department, and takes part in the construction and management work of Shenzhen International Trade Center Building. It is a witness of the whole process of "Shenzhen speed", and mainly serves for the development project of the Group.

(II) Business Review for the Company in 2022

As a crucial year for the "14th Five-Year Plan" and the Group's 40th anniversary since its establishment and 30th anniversary since listing, 2022 holds significant importance. The Company concentrates on implementing key work deployments established at the beginning of the year and promotes long-term sustainable development by enhancing overall efficiency, guided by the principle of "long-term targets, medium-term expectations and short-term results". The Real Estate Company took expansion as the goal, and made efforts to seek a breakthrough in project expansion. The Property Management Company took strategic transformation as the guide to enhance the empowerment value and brand value. The Commercial Operation Company aimed at improving quality and efficiency, and continued to innovate the operation and management mode, and each business segment has maintained a stable and healthy development trend. As at the end of the Reporting Period, the total assets of the Group stood at approximately RMB15.8 billion. During the year, the Group recorded operating revenue of more than RMB3.7 billion and a gross profit of more than RMB750 million, successfully achieving the major economic indicators for the year.

First, the industry-city space development segment achieved outstanding results and project expansion was fruitful. The real estate business recorded operating revenue of RMB1,914 million, accounting for 51.6% of the total operating revenue. During the Reporting Period, the Group actively participated in the fiercely competitive land auction market, successfully winning the first and second batches of land plots for the Yangzhou Slender West Lake Science and Innovation City urban-industry integration project, adding approximately 230,000 square meters to the Group's land reserves. This project provides solid support for the Group's future sustainable development, deep cultivation in the Yangtze River Delta region, and strengthening of the urban-industry strategic layout. Moreover, the Group's various business lines, such as cost, design, and engineering, continuously strengthened node targets and resource protection coordination while adhering to market-oriented management concepts and highly coordinated cooperation. Comprehensive planning and project construction were carried out in advance, including project scheme design, bidding and procurement, target cost determination, and on-site construction. The projects in Bangling, Guangming, Humen, and Yangzhou were efficiently and orderly developed, with the refined management system for the entire real estate project development process taking shape. Furthermore, the Guanlan Bangling project, the first urban-industry integrated project in the Longhua Guanlan area that the Company has implemented through a market-oriented approach, obtained confirmation of the main body for the first and second phases, completed the bidding for the total contract engineering and the demonstration area scheme. The project development has gradually transitioned from the early stage to substantial construction and sales stages. Projects such as Yulin Lushan, Tianjun Industrial Park, Baolu Plot, Fuyuan Industrial Zone, Huiyang Danshui, and Xuzhou Phase II have also made significant breakthrough progress.

Second, the property management segment grew steadily and continued to accelerate market expansion. The operating revenue from property management was RMB1,667 million throughout the year, accounting for 44.95% of the total operating revenue, remaining the Group's second-largest revenue source and increasing its share. During the Reporting Period, efforts were made to actively expand property management projects, with the managed area exceeding 35 million square meters. This resulted in winning honors such as "Top 100 Comprehensive Strength of Chinese Property Service Enterprises in 2022," continuously enhancing brand value and reputation. Furthermore, the operating performance of the International Trade Science and Technology Park exceeded the promised net profit by nearly RMB28 million, successfully fulfilling the three-year performance commitment of mergers and acquisitions. The management rights switch and integration of the five newly acquired companies proceeded

smoothly and orderly. Efforts were made to undertake diverse formats such as hotels and sports venues for the first time. Concurrently, inventory and profit and loss analysis of managed projects were carried out, formulating a series of measures to improve quality and efficiency, providing scientific and referable experiences and models for subsequent project acquisition and operation. Additionally, efforts were made to actively promote upstream and downstream mergers and acquisitions in the industrial chain, strategically investing in China Construction Science and Industry Group's smart parking company. The first phase of the International Trade Cloud 2.0 digital platform was successfully constructed and deployed, further promoting the digital and intelligent transformation of the property management sector. Various measures were taken to improve labor efficiency, exploring the establishment of market-oriented expansion incentive mechanisms, implementing the *Market Expansion Reward Management Measures* and other systems, and actively promoting the coordination and cost management of the security business.

Third, quality and efficiency were improved and core operating capabilities were cultivated for the industrial ecological operation and other segments. The operating revenue from property rental throughout the year was RMB128 million, accounting for 3.45% of the total operating revenue. In recent years, the Company has taken various steps to accelerate its transformation and upgrading, explored the establishment of an incremental sharing mechanism and intensified project expansion. Besides, core operating capabilities were cultivated in multiple paths and the transformation of the current simple leasing business mode to a commercial operation mode was promoted, thereby boosting the development and growth of the industrial ecological operation segment. During the Reporting Period, the industrial operation sector cultivated core operational capabilities through multiple paths, such as improving asset quality and efficiency and exploring the establishment of incremental sharing mechanisms. The company made all-out efforts to stabilize tenants, rents, and expectations, with a property leasing rate of approximately 94.9% and rent collection rate of approximately 97.3%. Additionally, the company actively implemented rent reduction policies, resulting in a cumulative reduction of rent by about RMB50.36 million, benefiting 705 tenants and demonstrating the responsibility of state-owned enterprises. Furthermore, the company accelerated the transformation and upgrading of existing assets and revitalized their utilization, after completing the disposal of 17 low-efficiency assets. An estimated increase of about RMB55 million in revenue is expected. In terms of industrial investment promotion, the Group released the "Industrial Operation White Paper" within the year, building a "1+2+3+N" industrial strategy system through multiple channels. The company also explored the in-depth property development strategy and vigorously promoted investment promotion work for Bangling, Yangzhou, and International Trade Mall upgrade projects.

New additions to the land bank:

Name of land lot or project	Location	Planned use of land	Site area (m ²)	Floor area with plot ratio (m ²)	How the land is obtained	The Company's interest	Total land price (RMB'0,000)	Consideration of the Company's interest (RMB'0,000)
Land Lot No. GZ342 in Yangzhou City	Pingshan Village, Hanjiang District, Yangzhou City	Commercial and residential	195,633	305,496.40	Open market	67.00%	83,535.29	55,968.64
Land Lot No. GZ399 in Yangzhou City	Pingshan Village, Hanjiang District, Yangzhou City	Commercial and residential	35,979	64,762.20	Open market	67.00%	17,917.54	12,004.75

Cumulative land bank:

Name of project/area	Site area (0,000 m ²)	Floor area (0,000 m ²)	Floor area available for development (0,000 m ²)
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Land in Danshui, Huiyang District, Huizhou City	1.77	4.25	4.25
Land in Hongqi Town, Haikou City	15.80	-	-
Total	17.57	4.25	4.25

Development status of major projects:

City/region	Name of project	Location	Usage	The Company's interest	Time for commencement of construction	% developed	% that has completed construction	Site area (m ²)	Planned floor area with plot ratio (m ²)	Floor area that completed construction in the Current Period (m ²)	Cumulative floor area that has completed construction (m ²)	Estimated total investment (RMB'0,000)	Cumulative investment (RMB'0,000)
Shenzhen	Fuhui Huayuan	Futian District	Residential	100.00%	2018.12	Under construction	Main work completion filing completed, and fine decoration completed and accepted	4,274	33,430	0	0	91,133.00	77,396.00
Shenzhen	Guanlan Bangling	Longhua District	Residential, commercial apartments and industrial	69.00%	2020.10	Under construction	Phase I is going through land use approval formalities, Phase II has earthwork, foundation pit supporting and pile foundation under construction, and certain land lot is going through main body construction	68,298	433,640	0	0	694,150.00	468,620.22
Shenzhen	Yutang Shangfu	Guangming District	Residential	100.00%	2022.03	Under construction	All engineering piles completed, basement (±0.000) completed, and 4 floors of main body completed	14,901	81,960	0	0	258,818.56	179,227.88
Dongon	Sea Bay Garden	Humen	Residential	100.00%	2022.03	Under	Basement topped out,	51,687	113,713	0	0	321,173.93	236,156.79

gg ua n Ci ty		Town				er co ns tru cti on	±0.000 floor beams completed for main body, tower building completed to 6/F						
Ya ng zh ou Ci ty	Yangzho u Shouxih u project	Pingsh an Villag e	Industri al, office and residenti al	67.00%	2023.03	To be co ns tru ct ed	-	231,612	370,258	0	0	377,479. 00	86,396.6 3
X uz ho u Ci ty	Banshan Yujing (Phase II)	Tongs han Distric t	Resident ial	100.00%	2019.03	C o m p l e t e d	100.00%	31,537	22,795	22,795	22,795	24,700.0 0	22,964.0 0

Sales status of major projects:

City /regi on	Name of projec t	Location	Usage	The Compa ny's interes t	Floor area with plot ratio (m ²)	Floor area availabl e for sale (m ²)	Cumulativ e pre- sold/sold floor area (m ²)	Floor area pre- sold/sold in the Current Period (m ²)	Pre- sale/sale s revenue generate in the Current Period (RMB'0 ,000)	Cumulativ e settled floor area (m ²)	Floor area settled in the Current Period (m ²)	Pre- sale/sale s revenue settled in the Current Period (RMB'0 ,000)
She nzhe n	Golde n Collar 's Resort apart ments	Intersection of Futian South Road and Binhe Road in Futian District	Residential, studio apartments and commercial	100.00 %	133,8 00.60	125,231 .07	119,004.9 9	12,479.71	110,446. 58	119,004.5 1	18,643.9 1	159,276. 00
Yan gzho u City	Hupan Yujing Phase I	Intersection of Shouxihu Road and Hangou Road	Residential units, shops, apartments, parking garages and lots	100.00 %	36,14 1.28	48,870. 98	43,023.81	200.94	77.30	43,023.81	200.94	70.92
Xuz hou City	Bansh an Yujing Phase II	6 Huashan Road, Tongshan District	Residential	100.00 %	22,79 4.76	21,720. 72	21,720.72	-	-	21,660.46	21,660.4 6	25,308.3 8
Don ggua n City	Songh u Langy uan	Dalang Town, Dongguan City	Residential and commercial	100.00 %	147,1 39.96	140,911 .00	140,911.0 0	108.00	88.34	149,349.8 4	108.00	84.13
Yan gzho u City	Hupan Yujing Phase II	Intersection of Shouxihu Road and Hangou Road	Residential units, shops, apartments, parking garages and lots	100.00 %	56,93 5.75	73,121. 96	70,050.02	1,716.05	2,481.69	70,030.91	1,716.05	2,339.25

Rental status of major projects:

Name of project	Location	Usage	The Company's	Rentable area (m ²)	Cumulative rented area	Average occupancy
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			working interest		(m ²)	rate
Xi Apartments (Longyuan)	Shenzhen	Apartments for long-term rental	100.00%	3,967.05	3,967.05	100.00%
Xi Apartments (Longhua)	Shenzhen	Apartments for long-term rental	100.00%	1,609.42	1,609.42	100.00%
Xi Apartments (Xinhu)	Shenzhen	Apartments for long-term rental	100.00%	1,600.00	1,600.00	100.00%
Donghu Apartments	Shenzhen	Apartments for long-term rental	100.00%	8,253.80	6,163.71	74.68%
Food Court in the International Trade Center	Shenzhen	Commercial	100.00%	4,152.47	1,534.30	36.95%
Fumin Complex	Shenzhen	Commercial, apartments	100.00%	5,899.00	4,771.92	80.89%
Tower A of Wenjindu Port Building	Shenzhen	Office building	75.00%	5,884.30	5,619.30	95.50%
Haiwai Lianyi Building	Shenzhen	Commercial units and offices	75.00%	9,313.78	9,313.78	100.00%
Anhua Building	Shenzhen	Offices	75.00%	1,414.00	1,414.00	100.00%
Pengfu Building	Shenzhen	Offices	75.00%	6,494.00	6,494.00	100.00%
Jinfu Building	Shenzhen Shenzhen	Commercial	75.00%	1,702.70	1,652.70	97.06%
Jinfu Building	Shenzhen Shenzhen	Commercial	100.00%	567.56	567.56	100.00%
Fuxing Garden	Shenzhen	Residential/commercial	75.00%	5,787.22	5,787.22	100.00%
Fuxing Garden	Shenzhen	Commercial	100.00%	1,417.15	1,417.15	100.00%
Plant area in Tangxia Town, Dongguan City	Dongguan City	Plant	75.00%	1,782.00	1,782.00	100.00%
Pacific Business Building	Shenzhen	Commercial units/offices	75.00%	3,149.03	2,385.42	75.75%
Pacific Business Building	Shenzhen	Commercial units/offices	15.00%	14,888.76	12,344.33	82.91%
Kangti Building	Shenzhen	Commercial units/offices	75.00%	2,095.87	1,925.47	91.87%
Kangti Building	Shenzhen	Commercial units/offices	15.00%	1,146.81	1,146.81	100.00%
Lyhua Building	Shenzhen	Commercial and residential	75.00%	7,106.95	6,869.19	96.65%
Shops on the ground floor of Tower 48 in Lianhua North Village	Shenzhen	Shops	75.00%	1,000.34	1,000.34	100.00%
Haonianhua Building	Shenzhen	Apartments and commercial units	100.00%	1,939.56	1,939.56	100.00%
Haonianhua Building	Shenzhen	Apartments and commercial units	75.00%	2,277.90	2,240.73	98.37%
Hostel 2 at Yuxin School	Shenzhen	Hostel	75.00%	3,000.00	3,000.00	100.00%
Kaifeng Garden in Shangmeilin	Shenzhen	Residential	100.00%	1,306.82	922.44	70.59%
Fuyuan Industrial Zone	Shenzhen	Plant area	75.00%	47,131.40	47,131.40	100.00%
Tonglu Industrial Zone	Shenzhen	Plant area	100.00%	76,886.26	73,408.48	95.48%
Jiangling Industrial Zone	Shenzhen	Plant area	75.00%	10,396.64	10,396.64	100.00%
Zone 21	Shenzhen	Commercial/offices	75.00%	9,514.30	9,434.30	99.16%
Baoli Community	Shenzhen	Residential	75.00%	9,020.07	8,208.79	91.01%
Songgang Plant	Shenzhen	Plant area	75.00%	5,700.00	5,700.00	100.00%

Longbu Plant	Shenzhen	Plant area	75.00%	7,471.36	7,471.36	100.00%
Gonglu Building in Huanggang	Shenzhen	Offices	75.00%	4,599.72	4,552.84	98.98%
Yuetong Complex	Shenzhen	Offices	75.00%	3,044.00	3,044.00	100.00%
Department Store Plaza	Shenzhen	Offices	33.00%	12,751.15	12,751.15	100.00%
Southern Securities Building	Shenzhen	Offices	33.00%	8,809.80	2,194.82	24.91%
Building 409, Sangda Industrial Zone	Shenzhen	Plant area	33.00%	3,309.20	3,309.20	100.00%
Mianshui Studio Apartment	Shenzhen	Apartment	33.00%	3,440.12	3,440.12	100.00%
Xiangfu Building	Shenzhen	Commercial	33.00%	3,109.40	3,109.40	100.00%

Primary land development:

Applicable Not applicable

Financing channels:

Unit: RMB

Financing channel	Ending balance of financings	Financing cost range/average financing cost	Maturity structure			
			Within 1 year	1-2 years	2-3 years	Over 3 years
Bank loans	3,809,915,668.00	4%-6%	126,500,000.00	2,999,400,000.00	523,600,000.00	160,415,668.00
Total	3,809,915,668.00	4%-6%	126,500,000.00	2,999,400,000.00	523,600,000.00	160,415,668.00

Development strategy and operating plan for the coming year:

Under the macro-economic environment of "triple pressure" in 2023 and amid the overall downward development trend of the conventional real estate market, SZPRD will actively search for the strategic breakthrough direction, comprehensively connect with the major strategic orientation of the state-owned asset system and firmly grasp the core processes of stock asset value management and industrial ecological operation services. Relying on the principle of "expanding the main business and making breakthroughs", efforts will be doubled to develop four major businesses, i.e., industry-city space development, property management services, industrial ecological operation and main business ecosystem investment, and guide high-quality development with a new development philosophy.

In terms of land reserves, SZPRD plans to expand and boost its land reserves through market competition and capital operations. The group's focus will remain on the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, and other regions with promising economic development prospects. To expedite project execution, the group will actively facilitate market-oriented bidding, auctioning, and listing, as well as pursue industrial land acquisition, urban renewal, and project cooperation. To promote both construction and sales repayment, SZPRD will accelerate project development in 2023. The group will prioritize ongoing project design management and approval work, showcasing high-quality and high-standard demonstration areas and image displays for each project. While ensuring quality, safety, and environmental protection, the group will comprehensively advance project construction by proactively responding to uncertain market conditions and focusing on the core goal of "cash inflow." To coordinate development and business operations effectively, the group's headquarters will work hard on "speeding up, expanding, empowering, and producing results." The group will deepen the management functions of the platform company, continuously enhance development capabilities in product planning, project operation, accelerated destocking, and centralized procurement, establish unified standards, deepen lean management, and further strengthen the overall advantages of the group's real estate sector. To begin with, it is essential to coordinate the development of major and complex projects. This involves expediting the construction and development of various projects, such as the Humen Coastal Harbor Project, Guangming Yutang

Shangfu Project, Guanlan Bengling Urban Renewal Project, and Yangzhou Project. Additionally, efforts should be made to facilitate the timely completion and acceptance of the second phase of Fuchang's fine decoration. The second objective is to promote the preliminary work of urban renewal projects and ensure the group's future success. The Pingshan Tianjun Industrial Park Project should aim to complete the signing of the demolition memorandum and demolition compensation agreement, while the Fuyuan Industrial Park Project should focus on updating the unit scope, unit change, plan approval, and special planning preparation. The third priority is to enhance marketing and trading capabilities to meet sales targets. Opportunities in the market should be seized to promote the sales liberalization of residential properties in Humen, Guangming, and Bengling projects, finish delivery of the second phase of Fuchang and other works.

For details, please refer to "XI Prospects" in "Part III Management Discussion and Analysis" in the 2022 annual report. The above business plan and business objectives do not represent the listed Company's profit forecast for 2023. Whether it can be achieved depends on various factors including changes in market conditions and the effort made by the management team. Investors must pay special attention to that because there exists huge uncertainty.

Provision of guarantees for homebuyers on bank mortgages:

Applicable Not applicable

As a usual practice for real estate developers, the Company has been providing guarantees and security deposits for its homebuyers on their bank mortgages. As at 31 December 2022, security deposits for such outstanding guarantees amounted to RMB1,131,041.58, which will be returned upon the expiry of the guarantees, i.e. when the relevant homebuyers paid off their bank mortgages.

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

Applicable Not applicable

Name of project	Type of investment entity	Amount of investment (RMB'0,000)	% of investment amount	As % of the peak of the project funds	Cumulative income	Disinvestment	Compatibility of actual investment amount and distributed income
Urban Renewal of Bangling Section at Guanlan Street	Mandatory investment entities (including directors and senior management)	2,647.00	66.18%	N/A	0	None	N/A
	Voluntary investment entities	1,353.00	33.82%	N/A	0	None	N/A

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

III Core Competitiveness Analysis

Advantages in brand and cultural accumulation: SZPRD, a state-owned enterprise in Shenzhen, has forged an unparalleled legacy of pioneering development over the past four decades. The company has crafted a diversified development pattern with real estate development at the forefront, accompanied by urban renewal, property management, asset operation, and industrial investment. The brand value and comprehensive strength of "Shenzhen Property," imbued with the spirit of reform and opening up in international trade, have garnered significant market recognition. Born from the World Trade Building, the company has flourished through reform and opening up, coexisting and flourishing alongside the miraculous city of Shenzhen. The corporate culture of "daring to be the first and striving for transformation" intermingles with the "pioneering spirit" of surmounting challenges, providing guidance in advancing the remarkable progress of SZPRD from "Shenzhen speed" to "Shenzhen quality."

Market-oriented advantages: In accordance with the market-oriented pace of a small change in a year and a big change in three

years, the Group continues to innovate institutional mechanisms, deepen internal reforms, and actively benchmark with industry models for market-oriented operation, which significantly stimulates the vitality and momentum of the Group's high-quality development. In recent years, the Guanlan Bangling project pioneered the cooperation between state-owned enterprises and private enterprises in developing urban renewal projects, marking the first fully market-oriented urban renewal project in the history of the Group, and took the lead in implementing the follow-on investment system for urban renewal projects in the city's state-owned capital system. With regard to the property management segment, the Company actively explores projects outside Guangdong Province, and enhances market-oriented expansion, which has effectively increased the Company's competitiveness in China's property management market. The Company has simultaneously established a multi-level incentive and restraint mechanism including follow-on investment and long-term incentives, allocating resources, selecting talents and assessing rewards and punishments according to the market-oriented approach.

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

City-industry integration advantage: The Company's space development division endeavors to develop a abundance of business types, encompassing residential, high-end apartments, office buildings, and industrial parks. From the earliest urban complex of Shenzhen International Trade Center Building, Huanggang Port area development to the development and operation of large city-industry complex project of Guanlan Bangling urban renewal project, the Group's advantages of city-industry complex development products have been highlighted, and with the implementation of a series of urban renewal projects and industrial projects, the advantages of city-industry complex will be further consolidated and enhanced.

Advantages as a holding subsidiary of a Fortune Global 500 company: Shenzhen Investment Holdings Co., Ltd., the controlling shareholder of the Company, has been committed to building a world-leading state-owned capital investment and operation company and a financial holding group. It has now developed into a state-owned capital investment company focusing on fintech, technology parks, infant industries and high-end services. It was listed in Fortune Global 500 companies in 2022 with operating revenue of RMB242.5 billion and ranked 372nd on the list, 24 places higher than that in 2021. Relying on the controlling shareholder's advantages in the whole industrial chain of technology parks, the Company carries out active transformation and upgrading and concentrates on the development and construction of industry-city complexes, heralding a broader development prospect.

IV Core Business Analysis

1. Overview

See contents under the heading “II Principal Activity of the Company in the Reporting Period” above in “Management Discussion and Analysis”.

2. Revenue and Cost Analysis

(1) Breakdown of Operating Revenue

Unit: RMB

	2022		2021		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	3,708,669,046.85	100.00%	4,911,120,528.33	100.00%	-24.48%

By operating division					
Property development	1,913,674,526.31	51.60%	3,131,113,534.70	63.76%	-38.88%
Property management	1,666,961,878.32	44.95%	1,603,746,855.20	32.66%	3.94%
Property rental	128,032,642.22	3.45%	176,260,138.43	3.59%	-27.36%
By product category					
Property development	1,913,674,526.31	51.60%	3,131,113,534.70	63.76%	-38.88%
Property management	1,666,961,878.32	44.95%	1,603,746,855.20	32.66%	3.94%
Property rental	128,032,642.22	3.45%	176,260,138.43	3.59%	-27.36%
By operating segment					
Shenzhen	3,122,667,234.12	84.20%	4,465,808,268.81	90.93%	-30.08%
Other	586,001,812.73	15.80%	445,312,259.52	9.07%	31.59%
By marketing model					

(2) Operating Division, Product Category, Operating Segment or Marketing Model Contributing over 10% of Operating Revenue or Operating Profit

Applicable Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Property development	1,913,674,526.31	433,443,568.87	77.35%	-38.88%	0.22%	-8.84%
Property management	1,666,961,878.32	1,441,477,771.44	13.53%	3.94%	10.53%	-5.15%
By product category						
Property development	1,913,674,526.31	433,443,568.87	77.35%	-38.88%	0.22%	-8.84%
Property management	1,666,961,878.32	1,441,477,771.44	13.53%	3.94%	10.53%	-5.15%
By operating segment						
By marketing model						

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

Applicable Not applicable

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

Yes No

Operating division	Item	Unit	2022	2021	Change (%)
Property development	Sales volume	m ²	14,396.70	37,622.78	-62.00%
	Output	m ²	495,583.11	262,098.00	89.00%
	Inventory	m ²	28,008.22	35,157.25	-20.00%

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

Applicable Not applicable

The sales volume dropped as a result of the decreased properties available for sale, a weakening market, etc.; and the output increased due to the start of construction of a number of real estate projects.

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

Applicable Not applicable

(5) Breakdown of Cost of Sales

By operating division

Unit: RMB

Operating division	Item	2022		2021		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Property development		433,443,568.87	21.90%	432,501,558.96	23.67%	-1.77%
Property management		1,441,477,771.44	72.85%	1,304,193,657.50	71.37%	1.48%
Property rental		103,856,280.91	5.25%	90,687,606.72	4.96%	0.29%

Note:

N/A

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

Yes No

See “VIII Changes to the Consolidation Scope” in “Part X Financial Statements” in this Report.

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

Applicable Not applicable

(8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	410,823,986.62
Total sales to top five customers as % of total sales of the Reporting Period (%)	11.08%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	8.18%

Information about top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Corporation 1	303,186,237.98	8.18%
2	Corporation 2	46,010,450.34	1.24%
3	Corporation 3	24,265,146.78	0.65%
4	Corporation 4	20,413,436.28	0.55%
5	Natural person 1	16,948,715.24	0.46%
Total	--	410,823,986.62	11.08%

Other information about major customers:

Applicable Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	476,983,727.17
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	33.50%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	8.11%

Information about top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Corporation 1	237,055,828.36	16.65%
2	Corporation 2	115,448,234.35	8.11%
3	Corporation 3	77,574,607.34	5.45%
4	Corporation 4	25,617,258.95	1.80%
5	Corporation 5	21,287,798.17	1.50%
Total	--	476,983,727.17	33.50%

Other information about major suppliers:

Applicable Not applicable

3. Expense

Unit: RMB

	2022	2021	Change (%)	Reason for any significant change
Selling expenses	53,541,997.78	73,372,016.02	-27.03%	Decrease in commissions paid for sales agents
Administrative expenses	329,991,655.74	323,975,355.61	1.86%	
Finance costs	50,571,183.83	5,361,667.33	843.20%	Decrease in interest income
R&D expenses	3,244,129.11	2,171,797.80	49.38%	Acquisition of FMC in September 2021

4. R&D Investments

Applicable Not applicable

Major R&D program	Purpose	Progress	Objectives	Expected impact on the Company
Property Management System (PMS)	To meet the management needs as an integrated property management company as well as a professional property service provider	Delivered	It fully supports all kinds of project-level business such as engineering, customer service, environment, safety, order, quality, etc., as well as the Group's control level business. Specific functional modules include task management, plan management, demand management, charge management, material inventory, quality management, personnel management and other functions, and provides internal PC terminal and APP terminal, as well as mini-app for customers. Decision analysis can be further customised according to the actual needs of the customer with more analytical reports and large display screens.	Add full view of operations and digital management, laying the foundation for more and better access to the consumer market in the future
Facility Management System (FMS)	It realises that the assets of equipment and facilities can be accounted for, the quality of operation and maintenance services can be managed, the risks of facilities can be controlled, and the data for decision-making can be relied on, and through the continuous accumulation of platform data, it promotes the continuous optimisation of management standards and construction standards to realise true digital operation and maintenance.	Delivered	It supports full coverage of facility and equipment control activities throughout the building's lifecycle, including the entire process of handover and takeover (customised function), operation, maintenance, repair, renovation and end-of-life disposal, and supports IOT integrated operation monitoring, operation and maintenance work management, basic settings, intelligent analysis and other functions. The local intelligent subsystems/equipment collects data through the edge computing gateway.	Add full view of operations and digital management, laying the foundation for more and better access to the consumer market in the future

Details about R&D personnel:

	2022	2021	Change (%)
Number of R&D personnel	37	30	23.33%
R&D personnel as % of total employees	0.40%	0.39%	0.01%
Educational background			
Bachelor's degree	23	11	109.09%
Master's degree	4	0	-
Junior college	10	19	-47.37%
Age structure			

Below 30	24	9	166.67%
30~40	11	9	22.22%
Over 40	2	12	-83.33%

Details about R&D investments:

	2022	2021	Change (%)
R&D investments (RMB)	3,244,129.11	2,171,797.80	49.38%
R&D investments as % of operating revenue	0.09%	0.04%	0.05%
Capitalized R&D investments (RMB)	0.00	0.00	
Capitalized R&D investments as % of total R&D investments	0.00%	0.00%	

Reason for any significant change to the composition of R&D personnel and impact:

Applicable Not applicable

Reasons for any significant YoY change in the percentage of R&D investments in operating revenue:

Applicable Not applicable

Reason for any sharp variation in the percentage of capitalized R&D investments and rationale:

Applicable Not applicable

5. Cash Flows

Unit: RMB

Item	2022	2021	Change (%)
Subtotal of cash generated from operating activities	4,526,054,341.31	6,246,168,443.05	-27.54%
Subtotal of cash used in operating activities	4,420,821,237.45	8,075,148,195.50	-45.25%
Net cash generated from/used in operating activities	105,233,103.86	-1,828,979,752.45	-105.75%
Subtotal of cash generated from investing activities	197,490,121.81	234,973.91	83,947.68%
Subtotal of cash used in investing activities	45,114,342.34	29,143,961.50	54.80%
Net cash generated from/used in investing activities	152,375,779.47	-28,908,987.59	-627.09%
Subtotal of cash generated from financing activities	303,349,674.44	2,140,000.00	14,075.22%
Subtotal of cash used in financing activities	963,797,633.48	575,922,103.76	67.35%
Net cash generated from/used in financing activities	-660,447,959.04	-573,782,103.76	15.10%
Net increase in cash and cash equivalents	-398,048,377.77	-2,433,157,872.42	-83.64%

Explanation of why any of the data above varies significantly:

Applicable Not applicable

(1) Net cash generated from operating activities increased year on year, primarily driven by the decreased land acquisition and tax expenditures in the Reporting Period.

(2) Cash generated from investing activities increased year on year, primarily driven by the receipt of the compensation for the requisition of the land at Baolu in the Reporting Period.

(3) Cash generated from financing activities increased year on year, primarily driven by new bank borrowings in the Reporting Period.

(4) Cash used in financing activities increased year on year, primarily driven by the payment for an equity acquisition involving entities under common control in the Reporting Period.

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

Applicable Not applicable

For the Reporting Period, net cash generated from operating activities stood at RMB105,233,103.86, representing a big difference from the net profit of RMB529,340,607.96, primarily driven by the receipt of the compensation for the requisition of the land at Baolu and an increase in land bank expenditure in the Reporting Period.

V Analysis of Non-Core Businesses

Applicable Not applicable

Unit: RMB

	Amount	As % of total profit	Main source/reason	Recurrent or not
Return on investment	1,981,330.90	0.26%	Share of profits of joint ventures	Yes
Gain/loss on changes in fair value	117,082.19	0.02%	Purchase of held-for-trading financial assets in the Reporting Period	Not
Asset impairments	-528,430.23	-0.07%	Inventory valuation allowances	Not
Non-operating income	7,198,004.28	0.96%	Miscellaneous confiscatory and penalty income and write-off of payables that have been not able to be settled for a long time	Not
Non-operating expense	2,556,893.74	0.34%	Payments for liquidated damages and fines	Not
Credit impairment loss	-17,395,139.90	-2.32%	Allowances for doubtful accounts	Not
Gain on disposal of assets	175,810,605.44	23.42%	Receipt of the compensation for the requisition of the land at Baolu	Not

VI Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	31 December 2022		1 January 2022		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	1,517,528,893.83	9.60%	2,280,821,442.11	15.37%	-5.77%	Payment for land
Accounts receivable	419,933,915.30	2.66%	293,985,139.93	1.98%	0.68%	Increased property management fees receivable

Contract assets	1,094,632.90	0.01%	0.00	0.00%	0.01%	
Inventories	10,975,334,223.37	69.46%	9,125,134,062.27	61.51%	7.95%	Increased land bank
Investment property	405,762,739.18	2.57%	459,204,609.35	3.10%	-0.53%	
Long-term equity investments	79,781,437.31	0.50%	50,360,681.37	0.34%	0.16%	Increased returns from joint ventures
Fixed assets	82,745,172.12	0.52%	114,155,590.40	0.77%	-0.25%	Reclassification of assets
Construction in progress		0.00%		0.00%	0.00%	
Right-of-use assets	70,168,415.65	0.44%	71,472,680.73	0.48%	-0.04%	
Short-term borrowings		0.00%		0.00%	0.00%	
Contract liabilities	920,828,040.81	5.83%	1,374,165,809.40	9.26%	-3.43%	Operating revenue carryforwards
Long-term borrowings	3,618,782,344.00	22.90%	3,524,500,000.00	23.76%	-0.86%	New bank loan
Lease liabilities	77,963,283.55	0.49%	83,081,182.89	0.56%	-0.07%	
Other receivables	639,903,523.33	4.05%	926,361,533.14	6.24%	-2.19%	Recovery of certain current accounts and increased allowances for doubtful accounts
Deferred income tax assets	1,383,050,586.04	8.75%	1,279,816,590.32	8.63%	0.12%	Increased land VAT provisions
Other non-current assets	2,750,873.08	0.02%	45,571,997.85	0.31%	-0.29%	Prepayment for equity acquisition transferred to long-term equity investments as acquiree has been transferred
Accounts payable	608,283,388.52	3.85%	351,894,812.23	2.37%	1.48%	Increased payables for engineering
Other payables	1,515,085,832.45	9.59%	1,027,622,090.94	6.93%	2.66%	Receipt of cooperation funds from cooperation party Yangzhou Wuhe

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

Applicable Not applicable

2. Assets and Liabilities at Fair Value

Applicable Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
4. Investments in other equity instruments	1,002,551.95		-168,720.11				54,006.80	887,838.64
Total of the above	1,002,551.95		-168,720.11				54,006.80	887,838.64
Financial liabilities	0.00							0.00

Contents of other changes:

Other changes were resulted from exchange rate movements.

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

Yes No

3. Restricted Asset Rights as at the Period-End

Unit: RMB

Item	Ending carrying value	Reason for restriction
Monetary assets	7,835,036.35	Notes 1-10
Land use rights at Fumin New Village, Futian District, Shenzhen	542,507,314.43	Note 11
Total	550,342,350.78	

Note 1: In terms of monetary assets with restricted right to use at the period-end, there was an escrow deposit of RMB44,820.14 of the catering branch of the subsidiary company Shandong Shengguomao Real Estate Management Co., Ltd.

Note 2: In terms of monetary assets with restricted right to use at the period-end, there was an advance payment guarantee deposit of RMB459,627.50 issued by the subsidiary company Shenzhen Facility Management Community Technology Co., Ltd. in December 2021 for the upgrading and reconstruction of the smart park of Shenzhen Bay Eco-Technology Park and the software platform development contract.

Note 3: In terms of monetary assets with restricted right to use at the period-end, there was RMB3,000,000.00 of the subsidiary company Shenzhen Facility Management Community Technology Co., Ltd. frozen by a court of law due to pre-litigation preservation for contract disputes.

Note 4: In terms of monetary assets with restricted right to use at the period-end, there was a loan deposit of RMB1,131,041.58 provided as mortgage loan guarantees for commercial housing purchasers and paid by the Company as a real estate developer according to real estate business practices.

Note 5: In terms of monetary assets with restricted right to use at the period-end, there was RMB2,860,000.00 of interest on term

deposits accrued at the period-end.

Note 6: In terms of monetary assets with restricted right to use at the period-end, there was RMB16,111.20 of interest on large-denomination CDs (more than one year).

Note 7: In terms of monetary assets with restricted right to use at the period-end, there was RMB129,154.28 in the account of the subsidiary company Shenzhen Property Engineering and Construction Supervision Co., Ltd. The account was in a receiving-only status because the legal person change formalities had not been completed by the period-end.

Note 8: In terms of monetary assets with restricted right to use at the period-end, there was a restricted fund of RMB42,781.65 in the frozen account of the subsidiary company Shenzhen Huazhengpeng Property Management Co., Ltd.

Note 9: At the end of the period, there were monetary funds with restricted use rights, including an amount of RMB150,000.00, which was provided by the subsidiary Shenzhen International Trade Center Property Management Co., Ltd (ITC Property Management). This amount was submitted on 28 December 2022, as an on-demand bid bond deposit to participate in the bidding process for the Jiulong Street Domestic Waste Sorting Operation Project (Bidding No.: 21C00183).

Note 10: In terms of monetary assets with restricted right to use at the period-end, there was a POS security deposit of RMB1,500.00 of subsidiary Shandong Shengguomao Real Estate Management Co., Ltd.

Note 11: Due to the needs of daily business activities, the Company applied for a loan from Bank of Communications Co., Ltd. Shenzhen Branch and mortgaged the land use right of Fumin New Village, Futian District. The loan has a duration from November 27, 2020 to November 27, 2023 and applies floating interest rates.

VII Investments Made

1. Total Investment Amount

Applicable Not applicable

2. Major Equity Investments Made in the Reporting Period

Applicable Not applicable

Unit: RMB

Name of investee corporation	Main businesses	Investment method	Invested amount	Shareholding percentage (%)	Source of fund	Partners	Investment duration	Product type	Status as at the balance sheet date	Predicted return	Investment return in the current period	Whether involved in any legal actions	Date of disclosure (if any)	Disclosure index (if any)
Shenzhen Property Management Co., Ltd.	Property management services	Acquisition	206,390,636.61	100.00%	Equity fund	ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. and Shenzhen SPG Investment Co., Ltd.	Long-term	Equity interest	Ownership transferred	206,390,636.61	1,994,678.06	No	15 February 2022	For details, see the <i>Announcement on the Progress of the Wholly-owned Subsidiary's Acquisition of 100% Equity in Shenzhen Property Management Co., Ltd.</i>

	maintenanc e of muni cipal publi c facilit ies, road cleaning, etc.														Related- party Transactions on www.cninfo. com.cn (Announce ment No.: 2022-05).
Shen zhen Free Trade Zone Security Service Co., Ltd.	Prope rty secur ity and enterprise internal security	Acqu isition	3,935,937.1 2	100.00 %	Equit y fund	Shenzhen Shenfuba o (Group) Co., Ltd.	Long -term	Eq uit y int ere st	Own ers hip tran sfer red	3,935,937.1 2	78,811.51	No	25 Febru ary 2022	For details, see the <i>Announce ment on the Progress of the Wholly- owned Subsidiary's Acquisition of 100% Equity in Three Enterprises Owned by Shenzhen Shenfubao (Group) Co., Ltd. and Related- party Transactions on www.cninfo. com.cn (Announce ment No.: 2022-05).</i>	
CSC EC Smart Parki ng Techno logy Co., Ltd.	Invest ment , const ructio n, opera tion, etc. of park ing busi ness and sup portin g facilit ies and equip ment	Capit al incre ase	27,352,941. 18	10.00%	Equit y fund	China Constructi on Science and Industry Corporati on Ltd.	Long -term	Eq uit y int ere st	Capit al incre ase comple ted	27,352,941. 18	632,605.58	No	30 Decem ber 2022	For details, see the <i>Voluntary Announce ment on a Capital Increase to the Delisted CSCEC Smart Parking Technology Co., Ltd. through a Tender Offer on www.cninfo. com.cn (Announce ment No.: 2022-52).</i>	
Total	--	--	341,568,642 .80	--	--	--	--	--	--	341,568,642 .80	514,068.16	--	--	--	

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

Applicable Not applicable

4. Financial Investments

(1) Securities Investments

Applicable Not applicable

Unit: RMB

Variety of security	Code of security	Name of security	Initial investment cost	Accounting measurement method	Beginning carrying value	Gain/Loss on fair value changes in Reporting Period	Accumulated fair value changes charged to equity	Purchased in Reporting Period	Sold in Reporting Period	Gain/loss in Reporting Period	Ending carrying value	Accounting title	Source of investment funds
Domestic/Foreign stock	400016 、 420016	Gintian A, Gintian B	3,565,856.06	Fair value method	1,002,551.95	0.00	-168,720.11	0.00	0.00	54,006.80	887,838.64	Investments in other equity instruments	Obtained in Gintian's debt restructuring
Total			3,565,856.06	--	1,002,551.95	0.00	-168,720.11	0.00	0.00	54,006.80	887,838.64		

(2) Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

5. Use of Funds Raised

Applicable Not applicable

No such cases in the Reporting Period.

VIII Sale of Major Assets and Equity Interests

1. Sale of Major Assets

Applicable Not applicable

Transaction party	Asset sold	Date of sale	Transaction price (RMB', 0,000)	Net profit contributed to the Company from the period-begin to	Effect on the Company	Ratio of the net profit contributed by the sale of the asset to the Company	Pricing principle	Related-party transaction or	Relationship between the transaction party and the Company	Ownership of the asset involved has been all	Creditor's rights and liabilities involved have been	Executed as scheduled or not; if not, give reasons and measures taken	Disclosure date	Index to disclosed information
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				the date of sale (RMB' 0,000)		ny's total profit (%)		not	(applicable for related-party transactions)	transferred or not	all transferred or not			
Longgang Branch of Shenzhen Planning and Natural Resources Bureau	Land Lot No. G02408-0002 at Baolong Street, Longgang District, ("Baolu Land" for short)	7 November 2022	19,667.57	-530.85	The sale of the asset helps completely eliminate the risks of inactivity fees and non-compensation requisition, among others, for the Baolu Land, thereby achieving the pre-determined goals of a quick realization and value increase of state-owned assets.	24.52%	Market valuation	No	Non-related party	Yes	Yes	Yes	16 December 2022	For details, see the <i>Announcement on the Progress of the Receipt of a Land Requisition Compensation by a Subsidiary</i> on www.cninfo.com.cn (Announcement No.: 2022-48).

2. Sale of Major Equity Investments

Applicable Not applicable

IX Principal Subsidiaries and Joint Stock Companies

Applicable Not applicable

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

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen Huangcheng Real Estate Co., Ltd.	Subsidiary	Development and sales of real estate	30,000,000.00	7,657,167,638.96	2,972,163,473.73	1,615,509,012.59	623,535,541.95	468,882,708.28
SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.	Subsidiary	Development and sales of real estate	50,000,000.00	22,809,215.04	41,495,109.21	253,083,803.64	36,388,880.48	35,287,240.03
Shenzhen International Trade Center Property	Subsidiary	Property management services	20,000,000.00	1,678,426,626.04	313,016,033.66	1,661,030,007.13	85,991,459.18	57,825,200.38

Management Co., Ltd.								
Shenzhen SZPRD Urban Renewal Co., Ltd.	Subsidiary	Development and sales of real estate	30,000,000.00	637,397,817.95	132,669,835.56	125,289,644.99	283,209,126.04	203,146,791.45

Subsidiaries obtained or disposed in the Reporting Period

Applicable Not applicable

Subsidiary	How subsidiary was obtained or disposed in the Reporting Period	Effects on overall operations and operating performance
Shenzhen Wuhe Urban Renewal Co., Ltd.	Newly established	Revenue: RMB18.6755 million Net profit: RMB3.2644 million
Shenzhen Tonglu Wuhe Investment Development Co., Ltd.	Newly established	Revenue: RMB7.3296 million Net profit: RMB0.5998 million
Yangzhou Wuhe Real Estate Co., Ltd.	Newly established	Revenue: RMB0 Net profit attributable to the Company as the parent: RMB-1.8704 million
Shenzhen Guomao Industrial Space Service Co., Ltd.	Newly established	Revenue: RMB0 Net profit attributable to the Company as the parent: RMB0.0020 million
Shenzhen Property Management Co., Ltd.	Acquired under common control	Revenue: RMB156.6348 million Net profit: RMB1.7568 million
Shenzhen Shenwu Elevator Co., Ltd.	Acquired under common control	Revenue: RMB5.3699 million Net profit: RMB0.3131 million
Shenzhen Shenfang Real Estate Cleaning Co., Ltd.	Acquired under common control	Revenue: RMB9.6523 million Net profit: RMB-0.0753 million
Shenzhen Foreign Trade Property Management Co., Ltd.	Acquired under common control	Revenue: RMB39.5823 million Net profit: RMB2.9049 million
Shenzhen Shenfubao Property Development Co., Ltd.	Acquired under common control	Revenue: RMB79.8539 million Net profit: RMB-0.7402 million
Shenzhen Fubao Urban Resource Management Co., Ltd.	Acquired under common control	Revenue: RMB13.6029 million Net profit attributable to the Company as the parent: RMB0.2235 million
Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd.	Acquired under common control	Revenue: RMB47.5134 million Net profit: RMB-4.5802 million
Shenzhen Free Trade Zone Security Service Co., Ltd.	Acquired under common control	Revenue: RMB25.2621 million Net profit: RMB0.0788 million

Notes to the principal subsidiaries and joint stock companies:

X Structured Bodies Controlled by the Company

Applicable Not applicable

XI Prospects

(I) Industry Overview and Trends

See “I Industry Overview for the Reporting Period” in “Part III Management Discussion and Analysis”.

(II) The Company's Development Strategy

As the traditional real estate market's development declines on the whole, various industrial resources have been continuously occupied by the large-scale brand houses, which has threatened the survival and development of medium and small-sized property companies. "Large-scale Enterprises Taking All Advantages" has become normal in the industry, and the positioning of "Houses are for living in, not for speculating on" has already been established. In this case, Shenzhen Properties & Resources Development (Group)Ltd. specialized in the traditional real estate will be confronted with the extremely severe industrial situation.

In this context, the Company put forward the "12345" overall development idea of "1 Vision + 2 Major Divisions + 3 Driving Factors + 4 Businesses + 5 Value-added Services". In other words, the Company will take effective measures with the focus on "industrial and urban space asset management" and "space digital ecosystem operation" to develop four major businesses including industrial and urban space development, industrial ecological operation, property management services, and main ecological investment through expanding the main business and making breakthroughs. Meanwhile, the Company will realize rapid deployment and integration of five major value-added services including high-end consulting services, customized housekeeper services, intelligent operation platform, data tapping and commercial ecosystem integration. Base on Shenzhen with scientific and technological innovation as the primary driving force, the Company will include Guangdong, Hong Kong and Macao metropolitan area and surrounding areas to maximize the leverage of capital to build a door type intelligent management and control service platform with smart society basic functions, aiming to build "China's leading intelligent operator of industrial and urban space".

In accordance with three-step strategic implementation route of "strengthening bases, brink breakthrough, and focus on leading", the Company will seek transformation and upgrading in the development base on the current development conditions, and promote incremental development in the transformation to build unique development advantages and create a new pattern of innovation and development of the Company.

(III) Business plan for 2023

In 2022, the management team of the Group conscientiously implemented the decisions and arrangements of the Board of Directors and the Party Committee and carried out work around key tasks. Despite being confronted with various challenges such as economic downturn, the group actively responded, resulting in its major performance indicators consistently ranking among the top non-financial enterprises in the system for multiple years. Regarding project development, milestone objectives were successfully achieved for Bangling project, Guangming Yutang Upper Mansion, and Fuchang Phase II project. Concerning capital operation, the group made a strategic investment in China Construction Science and Industry Group's smart parking company, which fortified the group's equity investment portfolio. In all, as the policies and mechanisms of the Group become more flexible, the enthusiasm of cadres and employees for planning and entrepreneurship has been enhanced. Throughout the year, the Group did not suffer any material safety incidents or material risk stability maintenance events, showing a positive and promising opening.

In 2023, the Group will adhere to the general work guideline of "seeking improvement in stability". Guided by Xi Jinping's Socialist Thought with Chinese Characteristics for a New Era, it will deeply study and implement the spirit of the 20th CPC National Congress, deeply understand the decisive significance of the "two establishments", resolutely fulfill the "two safeguards", grasp the major opportunities of Shenzhen's "dual zone" drive, "dual zone" overlap and "dual reform" demonstration, and fully implement the decision and deployment of the State-owned Assets Supervision and Administration Commission of Shenzhen. Meanwhile, it will highlight the target-oriented, problem-oriented and result-oriented practices, focus closely on the core objective of "cash inflow" with precise and continuous efforts, take the initiative to take charge, faithfully perform its duties, and continue to make great efforts in "acceleration, amplification, empowerment and effectiveness".

—— Project acceleration: The Group will do a good job of co-ordination, tighten the chain of responsibility, compact the work responsibilities, ensure the rigid constraints of time nodes, focus on solving the outstanding problems that restrict the construction of projects, solidly promote the speed of the projects under construction again, achieve the speed-up of both node construction and sales payment collection and promote, if necessary, the node construction should be subordinated to and serve the sales payment collection.

—— Capital amplification: The Group will seize the once-in-a-decade opportunity in the capital market to amplify the functions of

state-owned capital and to strengthen and enlarge the listed Company through the two-wheel drive of "equity and debt"; to make good use of the advantages as a state-owned enterprise and the potential of the listing platform to "amplify" the Group's ability to obtain resources.

— — Platform empowerment: Focusing on the three major priorities of the Group's headquarters' overseeing empowerment, secondary platform service empowerment, and information technology empowerment, the Group will continue to promote the downward shift of management focus and management capabilities, with the full coverage of the entire Group using Kingdee's financial system, HR system and OA system to integrate and enhance the technical platform and service system for the Group's digital transformation.

— — Effective achievement of indicators: Based on the principle of "long-term targets, medium-term expectations and short-term results", the Group will strive to achieve its annual budget targets and to exceed the three-year rolling plan and reach the planned levels. Additionally, it will ensure that the annual sales payment collection, additional financing and investment return targets are achieved.

With a focus on the annual priority tasks, the Group will spare no effort in four work priorities, i.e., project acceleration, capital amplification, platform empowerment and indicator effectiveness, and resolutely overcome a number of difficulties affecting the advancement of major projects. Besides, the Group's development will be guided toward a benign track where business segments and projects move forward together and compete for development. The Group will continue to be a pioneer in enterprise reform and development, comprehensively accomplish the annual tasks and objectives and make new contributions to the Group's high-quality sustainable development and the vision of building China's leading smart operator of industry-city space.

First, the Group will create conditions on the basis of the current resource endowment and business level and strive to accomplish the leading annual indicators according to the plan. Budget targets such as annual revenue and total profit will be achieved. Regarding the sales work, the principle of "early planning, early arrangements and early sales payment collection" will be followed. The group will exert effort to attain the sales target for the Jinling project, deliver and complete the Fuchang Phase II project, and ensure timely opening of projects such as Bangling, Guangming, and Humen.

Second, the Group will overcome difficulties, strengthen node management and achieve the overall acceleration of projects under construction. Schedule control will be intensified, responsibilities will be fulfilled and improvements will be made in the capability of commanding and controlling projects and the operating efficiency. The following work needs to be done for newly started projects in a forward-looking manner, including scheme design, construction drawing design, the determination of cost targets at various phases and the implementation of bidding and tendering plans. Such work will be matched seamlessly with the phased plans and will be carried out ahead of schedule moderately, to ensure that each project is implemented with both quality and quantity guaranteed in strict accordance with the phased plans. Additionally, the pace of the Fuchang Phase II project will be advanced in an orderly manner. The construction progress of the Sea Bay Garden project in Humen Town, Dongguan and the Yutang Shangfu project in Guangming District, Shenzhen will be vigorously pushed forward. Continuous efforts will be put into the confirmation of land rights for the Huiyang Danshui project, the establishment of project companies, and the scoping of the renewal unit for the Fuyuan Industry Park project, among others.

Third, the Group will continue to strengthen the building of independent operating capacity of secondary platform companies, the development of platform functions and the playing of roles and stick to the development pattern of real estate as the main business. A standardized model of the whole process of real estate project development will be built. The results of real estate work conferences will be implemented, as well as the improvement plans of "3+1" for project management and "1+5" for cost management. Continuous efforts will be made to improve the project development management system and achieve the complementation, synergy and coordination among the business lines in the Group's project design, construction, bidding and tendering and marketing. In addition, the Group will compare its projects with benchmarking projects of the industry to enhance the management level and build an efficient, standardized model of the whole process of real estate project development to guarantee the efficient and stable operation of projects during the whole life cycle. **With respect to the property management segment, the high-quality expansion will be sped up and various steps will be taken to enhance the internal management level.** According to the

annual target, external M&As and endogenous expansion will be strengthened and the integration of property management assets in the system will continue to be promoted, in a bid to achieve the target of adding 10 million square meters of management scale through M&As within the year. Furthermore, the opportunity from inspection and remediation will be used for comprehensive remediation and the building of a service standardization system will be deepened so that it will match the strategic positioning of the system's property management platform as soon as possible. **The focus will be placed on improving the quality and efficiency of stock assets and transformation and upgrading will be accelerated.** The growth of annual rental income shall not be less than 10% and the average occupancy rate shall not be less than 95%. With the establishment of an indicator system for quality and efficiency improvement assessment of stock properties and an incentive and restraint mechanism, the format transformation and upgrading of old properties will be promoted and the stock asset management will change from "passive lease" to "active operation".

Fourth, the Group will adhere to the Party's overall leadership, promote the decentralization of business focus, the downward shift of management priorities and the penetration of management capabilities. The Group will continue to consolidate the Party building, strengthen the building of grass-roots Party organizations and Party members, give full play to the Party's political leadership to facilitate operation and development and carry out characteristic theme Party building and corporate culture publicity and creation activities in due time. The group will leverage the chance provided by the third round of inspections conducted by the party committee, the second round of follow-up inspections, and the resolution of issues identified in the 2022 administrative supervision and inspection to holistically enhance the group's overall management level. Financial management will aim at improving the efficiency and effectiveness of resource utilization. The corresponding measures include optimizing resource allocation, tightening budget control and assessment, strengthening industry-finance integration, financial analysis and tax management and raising funds through multiple channels. The establishment of an all-around, multi-level incentive and restraint mechanism involving node awards and incremental sharing will continue to be promoted, with secondary and tertiary companies covered by the mechanism. The introduction, cultivation, employment, education and restraint of cadres will be intensified and a talent selection and employment orientation of promoting the capable, awarding the excellent, demoting the mediocre and dismissing the inferior will be formed. Administrative work will be pushed downward, the basic management level of secondary platform companies and tertiary units will be enhanced significantly in the form of resident supervision, and the Group's digital transformation planning will be prepared and implemented. The Group's industrial operation platform of "industry-university-research-application" will be built, the industrial operation system will be improved gradually and the investment attraction capability and level will be enhanced.

Fifth, the Group will be always vigilant about production safety, complaint letters and visits and stability maintenance. The specific measures include strengthening risk control, safeguarding the bottom line of safe production, keeping production safety in a stable situation, deepening the building of safe production standardization and the "dual prevention mechanism", and intensifying regular production safety inspections. In addition, hidden risks will be collated regularly, list management will be implemented for risk points in key areas and key processes, and remediation will be strictly carried out, to ensure that no production safety accident occurs throughout the year. Moreover, the Group will strengthen the dynamic follow-up and implementation of material risks, keep a close watch on wages for migrant workers and labor contract disputes, maintain a strict and tight prevention and control posture, and resolutely safeguard stability and unity.

(IV) Potential risks

1. Market risk

Under the guidance of the policy that "houses are for living in, not for speculating on", the demand side of the real estate market remains in the downward channel. Consequently, the development space of the property industry has been constantly compressed, industry profits have fallen sharply and there has been a shift from land dividends to management dividends. In particular, it poses unprecedented challenges to business capabilities such as cost design and engineering. The advancement of urban renewal projects is confronted with complicated conditions and formidable obstacles and the Company's business and development face opportunities and challenges.

Under grim circumstances, the Company thoroughly studied the opportunities and challenges brought about by macroeconomic

trends and policy movements, actively sought the strategic breakthrough direction and adhered to prudent operation. Additionally, it raised funds from multiple channels, focused on enhancing the management level and seized opportunities in the land market. Based in Shenzhen, the Company aims to extend its presence to the Guangdong-Hong Kong-Macao metropolitan area and surrounding areas and strives to improve its sustainable development capabilities.

2. Land Reserve Risk

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

Facing the challenges, the Company will continue to expand through market competition, capital operation and urban renewal, increase land reserves and promote the launch of projects. In respect to property type, residential projects will focus on Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Delta metropolitan area and areas where existing projects locate, and gradually turn to central urban agglomeration surrounding Wuhan, key cities in Chengdu- Chongqing in the West and those in Beijing, Tianjin and Hebei. Urban renewal projects will focus on Shenzhen, Dongguan and Huizhou, and follow-up of urban renewal projects in Guangzhou. Comprehensive industry and urban projects will focus on Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Delta region, Wuhan region in the central part and Chengdu-Chongqing area in the West.

3. Financing Risk

In the process of actively increasing land reserves and accelerating the business development in the recent years, the Company needs to invest a large amount of funds for land acquisition and project development. In addition to its own funds, the Company's project development funds need to be externally financed through bank loans and issuing securities.

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

The above business plan and business objectives do not represent the listed Company's profit forecast for 2023. Whether it can be achieved depends on various factors including changes in market conditions and the effort made by the management team. Investors must pay special attention to that because there exists huge uncertainty.

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

Applicable Not applicable

Date of visit	Place of visit	Way of visit	Type of visitor	Visitor	Contents and materials provided	Index to relevant information
17 February 2022	The Company	Other	Individual	Individual	Inquiring about land reserve situation	N/A
24 February 2022	The Company	Other	Individual	Individual	Inquiring about the disclosure time of the 2021 annual report	N/A
24 February 2022	The Company	Other	Individual	Individual	Inquiring about the company's related business layout	N/A
13 March 2022	The Company	Other	Individual	Individual	Inquiring about the company's related business layout	N/A
22 March 2022	The Company	Other	Individual	Individual	Inquiring about the scope of the company's business	N/A
31 March 2022	The Company	Other	Individual	Individual	Inquiring about the disclosure time of the	N/A

	any				company's quarterly report	
1 April 2022	The Company	Other	Individual	Individual	Inquiring about dividend distribution	N/A
5 April 2022	The Company	Other	Individual	Individual	Inquiring about the company's fulfillment of social responsibility	N/A
7 April 2022	The Company	Other	Individual	Individual	Inquiring about the development of the company's main business	N/A
18 April 2022	The Company	Other	Individual	Individual	Inquiring about issues related to information disclosure	N/A
27 April 2022	The Company	Other	Individual	Individual	Inquiring whether the company is launching new businesses	N/A
28 April 2022	The Company	Other	Individual	Individual	Inquiring about this year's performance highlights	N/A
5 May 2022	The Company	Other	Individual	Individual	Inquiring about the impact of the "Belt and Road" policy on the company's operations	N/A
9 May 2022	The Company	Other	Individual	Individual	Inquiring about the company's land reserve situation and pending development projects	N/A
25 May 2022	The Company	Other	Individual	Individual	Inquiring about the company's profitability	N/A
26 May 2022	The Company	Other	Individual	Individual	Inquiring about the company's land reserve situation	N/A
28 May 2022	The Company	Other	Individual	Individual	Inquiring about Jinling sales situation	N/A
28 May 2022	The Company	Other	Individual	Individual	Inquiring about the group's supervision of its subsidiaries	N/A
31 May 2022	The Company	Other	Individual	Individual	Inquiring about the number of shareholders	N/A
1 June 2022	The Company	Other	Individual	Individual	Inquiring about dividend distribution	N/A
6 June 2022	The Company	Other	Individual	Individual	Inquiring about the disclosure of the annual report	N/A
7 June 2022	The Company	Other	Individual	Individual	Inquiring about the timing of periodic information disclosure	N/A
8 June 2022	The Company	Other	Individual	Individual	Inquiring about the status of properties for sale	N/A
10 June 2022	The Company	Other	Individual	Individual	Inquiring about the company's shareholder situation	N/A
10 June 2022	The Company	Other	Individual	Individual	Inquiring about dividend distribution	N/A
13 June 2022	The Company	Other	Individual	Individual	Inquiring about dividend distribution	N/A
14 June 2022	The Company	Other	Individual	Individual	Inquiring about the number of company shareholders	N/A
15 June 2022	The Company	Other	Individual	Individual	Inquiring about the company's future	N/A

	any				development plan	
15 June 2022	The Company	Other	Individual	Individual	Inquiring about the company's investment plan	N/A
16 June 2022	The Company	Other	Individual	Individual	Inquiring about land reserve situation	N/A
17 June 2022	The Company	Other	Individual	Individual	Inquiring about the company's future development plan	N/A
23 June 2022	The Company	Other	Individual	Individual	Inquiring about dividend distribution	N/A
1 July 2022	The Company	Other	Individual	Individual	Inquiring about the Guanlan Bangling project situation	N/A
21 July 2022	The Company	Other	Individual	Individual	Inquiring about the company's future development plan	N/A
28 July 2022	The Company	Other	Individual	Individual	Inquiring about solutions to industry competition	N/A
1 August 2022	The Company	Other	Individual	Individual	Inquiring about the state-owned enterprise reform by the State-owned Assets Supervision and Administration Commission	N/A
27 November 2022	The Company	Other	Individual	Individual	Inquiring about the number of company shareholders	N/A
29 November 2022	The Company	Other	Individual	Individual	Inquiring about the company's future cooperation plan	N/A
7 December 2022	The Company	Other	Individual	Individual	Inquiring about the company's business development situation	N/A
9 December 2022	The Company	Other	Individual	Individual	Inquiring about the company's measures to cope with the real estate industry's refinancing policy	N/A
10 December 2022	The Company	Other	Individual	Individual	Providing suggestions for the company's development	N/A

Part IV Corporate Governance

I General Information of Corporate Governance

The internal control system of the Company is complete, accomplished and defined that in accordance with Company Law, Articles of Association and other laws and regulations as well as requirements of regulatory documents. The convene of Shareholders' General Meeting, the Board of Directors and Supervisory Board are strictly in accordance with relevant rules and regulations, all directors and supervisors earnestly and diligently commit their responsibilities. Corporate structure of the Company is complete and the operation of the Company is standardized.

Organized by the principle of being scientific, simplified and high efficient, the Company's departments and institutions currently include Party-mass office, discipline inspection and supervision office (the audit department, office of the supervisory committee, office of board of directors, comprehensive office (procedure and information center, letters and visits office), HR department (training center), financial management department (settlement center), investment development department, operation and management department, design management department (technological center), cost contract department, engineering management department (office of security committee), office of industrial operation. Each department performs its own functions, and strictly carries out work according to internal control system, to ensure the normal and efficient operation of the Company.

The Company has always attached great importance on standardizing insider information management, formulated and completed *Management Provisions on Information Disclosure*, *Work Procedures of Annual Report of Auditing Committee*, *Accountability System of Major Errors in Information Disclosure of Annual Report*, *Work System of Annual Report*, *Insider Management System of Insider Information*, *Management System of Investor Relationship*, and other internal control system, to ensure the authenticity, accuracy and completeness of Company information disclosure. During the reporting period, the Company strictly carried out information disclosure, corporate governance conference organization, and other work according to requirements of securities supervision, disclosed information timely, accurately and completely, without any accidents which violate relevant internal control system of information disclosure.

The Company carried out quality self-examination of listed companies according to the requirements of Shenzhen Securities Regulatory Bureau to find out deficiencies in the operation of the Company and formulate rectification plan to improve company governance and standard operation.

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

Yes No

No such cases in the Reporting Period.

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

The Company was independent from the controlling shareholder in business, personnel, assets, organization and finance to realize that independent personnel, independent finance, complete assets, independent organization and independent business. In aspect of business: The Company was independent from the controlling shareholder with independent and complete business and independent operation capability. There was no business which was same or competitive with the controlling shareholder. In aspect of personnel: The Company was complete independent from the controlling shareholder in terms of labor and personnel, management on remuneration. Personnel of the Company are independent, all ones signed labor contract with the Company. The Company was independent from the shareholders or other related parties in personnel management, social security, salary etc. In aspect of asset:

The Company's assets were complete and independent, the property relationship was clear. There was no capital occupation by controlling shareholder, and assets of the Company were completely independent from controlling shareholder. In aspect of organization: The Company's organization was independent, and the Company implemented rules and regulations as well as responsibilities for all departments, formed independent responsibilities and rights, scientific and rational internal control system. In aspect of finance: The Company's finance was independent with independent finance department. The Company established the independent finance settling system and financial management system, had its own finance account and paid the tax in line with laws, run finance decision-making independently.

The controlling shareholder of the Company performed normatively with no conduct that intervened with the operation decision-making and operation activities directly or indirectly over the shareholders' general meeting, however, the controlling shareholder could influence on the significant decision-making through the shares holding.

III Horizontal Competition

Applicable Not applicable

Type of problem	Relationship with the Company	Company name	Company nature	Cause of problem	Solution	Progress and subsequent plan
Horizontal competition	Controlling shareholder	Shenzhen Investment Holdings Co., Ltd.	Other	Note 1	Note 2	Note 3

Note 1: 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 Construction Development (Group) Company ("Shenzhen Construction Development"), ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. ("SPG") 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.

Note 2: To avoid horizontal competition, SIHC make the following commitments: 1. On the horizontal competition solution of Shenzhen Construction Development: as the holding shareholder of the Listed Company, during the listing period at Shenzhen Stock Exchange of the Listed Company, as for the current business of Shenzhen Construction Development which has horizontal competition with the Listed Company, within the scope permitted by law and regulation, within 12 months from the equity of SZPRD being transferred to SIHC, SIHC will start the solution with practical operability among below horizontal competition solution timely and complete implementation of the solution within 3 years from the date that the equity of SZPRD is transferred to SIHC to solve current horizontal competition problems: (1) Shenzhen Construction Development signs asset custody agreement with the Listed Company, entrusts the assets which has direct competition with the Listed Company to the Listed Company, confirms fair custodian fee at the same time, and takes effective measures to solve horizontal competition within commitment period; (2) Inject assets with direct competition with the Listed Company into the Listed Company; (3) Transfer assets with direct competition with the Listed Company to unrelated third party; (4) other measures which can solve horizontal competition effectively and is favorable for protecting the interest of the Listed Company and legal interests of other shareholders. Before

solving current horizontal competition, while company, enterprise, economic organization (not including enterprises controlled by the Listed Company, hereinafter referred to as subordinated Companies) which the Listed Company and SIHC hold controlling shares or controls actually have business, in case the involved dispute, etc. have major influence on the business, SIHC should keep neutral as a controlling shareholder to ensure that the Listed Company and subordinated Companies can take part in market competition on the principle of fair competition. 2. Horizontal competition solution of SPG: From 14 September 2016 to now, SPG has had stock suspension because of major assets restructuring. According to *Review Opinions on Delaying Stock Resumption because of Major Assets Restructuring of SPG announced by CITIC Securities and Huatai Securities* on 26 November 2016, the restructuring solution is that SPG plans to issue A share and / or use currency to purchase 100% equity of Evergrande Group (hereinafter referred to as “the restructuring of SPG”). Guangzhou Chiron Real Estate Co., Ltd. will be the controlling shareholder of SPG upon the completion of the restructuring of SPG. If the restructuring of SPG is completed, SIHC will cease to control SPG, which means there will be no horizontal competition between SPG and SZPRD. If the restructuring of SPG is terminated, for business of SPG which has horizontal competition with the Listed Company, SIHC, within the scope permitted by law and regulation, SIHC will start a rational horizontal competition solution according to actual situation at the time within 12 months after the termination of reconstruction of SPG and stock resumption announcement date, and fulfill announcement obligation, and SPG will complete to implement the solution and solve the horizontal competition between SZPRD and SPG within 3 years from the date SPG terminates the reconstruction and announces stock resumption. 3. Other commitments to avoid horizontal competition: as the controlling shareholder of the Listed Company and during the listing period of the Listed Company at Shenzhen Stock Exchange, other subordinated Companies of SIHC will not engage in relevant business which has direct horizontal business competition with the Listed Company in new business fields except for in the business field where it already has had horizontal competition with the Listed Company. Shenzhen Investment Holdings promises not to seek improper benefits with the position of controlling shareholder of the Listed Company and damage the interest of the Listed Company and its shareholders. In case of violating above commitment, SIHC shall undertake corresponding legal liabilities, including but not limited to undertaking compensation responsibilities for all losses caused to the Listed Company.

Note 3: SIHC has always been actively committed to fulfilling its relevant commitments. During the term of commitment, SIHC did not seek any illegitimate interests as the controlling shareholding of SZPRD or damage any rights and interests of SZPRD and its shareholders. During the term of commitment, SIHC actively collated the underlying assets and businesses of Shenzhen Construction Development (Group) Company and devoted itself to developing practical and feasible plans as soon as possible to solve the horizontal competition issue for SZPRD. It also actively promoted the restructuring of SPG. However, given the objective circumstances, SIHC failed to fulfill the original commitment to avoid horizontal competition. SIHC re-issued the Letter on Changing the Commitment to Avoiding Horizontal Competition on 31 August 2021 and such commitment change matter was approved at the first extraordinary general meeting of 2021 held on 27 September 2021. For more details, see the *Announcement on the Application by the Company's Controlling Shareholder for Changing the Commitment to Avoiding Horizontal Competition* (Announcement No.: 2021-32) disclosed by the Company on www.cninfo.com.cn on 11 September 2021.

IV Annual and Special General Meetings Convened during the Reporting Period

1. General Meeting Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Resolutions
The 2021 Annual General Meeting	Annual General Meeting	60.68%	17 May 2022	18 May 2022	The reports and proposals deliberated and approved at the meeting included the <i>Report on the Work of the Board of Directors in 2021</i> , the <i>Report on the Work of the Board of Supervisors in 2021</i> , the <i>2021 Annual Report</i> , the <i>2021</i>

					<p><i>Financial Accounts Report, the 2022 Financial Budget Report, the Plan on Profit Distribution and Capitalization from Capital Reserve in 2021, the Proposal on the Comprehensive Credit Line for 2022, the Proposal on Estimated Routine Related-party Transactions for 2022 and the Proposal on Renewing the Engagement of Accounting Firm. For details, please refer to the Announcement on the Resolutions of the 2021 Annual General Meeting (No.: 2022-19) on www.cninfo.com.cn.</i></p>
The 1 st Extraordinary General Meeting of 2022	Extraordinary General Meeting	59.98%	20 July 2022	21 July 2022	<p>During the meeting, the proposals below were reviewed and approved: "Participation of the Subsidiary in the Dongguan Humen Chigang Community 2021WR023 Land Use Rights Auction and Subsequent Land Development", "Participation of the Company in the Shenzhen Guangming Yutang A606-0258 Land Use Rights Auction and Subsequent Land Development", "Purchase of Liability Insurance for Directors, Supervisors, and Senior Management" and "Election of Mr. Ma Hongtao as the Shareholder Representative Supervisor of the Tenth Supervisory Board of the Company". For additional information, please refer to the announcement of resolutions made at the 2022 First Extraordinary Shareholders' Meeting, with the reference number 2022-31 on the China Securities Regulatory Commission Information Network.</p>

2. Special General Meetings Convened at the Request of Preferred Shareholders with Resumed Voting Rights

Applicable Not applicable

V Directors, Supervisors and Senior Management

1. General Information

Name	Office title	Incumbent/Former	Gender	Age	Start of tenure	End of tenure	Beginning	Increase	Decrease	Other	Ending	Reason
							ing	in	as	in	ear	for
							sh	th	in	ea	eh	re
							ar	e	th	se/	ol	cha
							eh	Re	e	de	di	nge

							ol di ng (s ha re)	po rti ng Pe rio d (s ha re)	Re po rti ng Pe rio d (s ha re)	cr ea se (s ha re)	ng (s ha re)
Liu Shengxiang	Party Secretary and Chairman of the Board	Incumbent	Male	52	15 June 2018	26 September 2024					
Wang Hangjun	Director, Deputy Party Secretary, GM	Incumbent	Male	57	15 June 2018	26 September 2024					
Zhang Zhimin	Director, Deputy Party Secretary	Incumbent	Male	46	29 June 2022	26 September 2024					
Shen Xueying	Director and CFO	Incumbent	Female	54	15 June 2018	26 September 2024					
Wang Ge	Director	Incumbent	Male	52	15 June 2018	26 September 2024					
Xie Chang	Director	Incumbent	Male	51	7 April 2020	26 September 2024					
Mei Yonghong	Independent Director	Incumbent	Male	59	15 June 2018	26 September 2024					
Li Donghui	Independent Director	Incumbent	Male	51	27 September 2021	26 September 2024					
Hu Caimei	Independent Director	Incumbent	Female	41	27 September 2021	26 September 2024					
Ma Hongtao	Chairman of the Supervisory Committee	Incumbent	Male	55	21 July 2022	26 September 2024					
Zhang Manhua	Supervisor	Incumbent	Male	48	15 June 2018	26 September 2024					
Li Qinghua	Supervisor	Incumbent	Male	41	15 June 2018	26 September 2024					
Wang Qiuping	Employee Supervisor, Executive Director of ITC Park, Secretary of the Party Committee	Incumbent	Female	53	15 June 2018	26 September 2024					
Gu Weimin	Employee Supervisor, Discipline Inspection Director, Deputy Secretary of the Discipline Inspection Commission	Incumbent	Female	42	15 June 2018	26 September 2024					
Chen Hongji	Member of the Party Committee and Deputy GM	Incumbent	Male	54	28 December 2020	26 September 2024					
Cai Lili	Member of the Party Committee and Deputy GM	Incumbent	Female	51	15 June 2018	26 September 2024					
Li Peng	Member of the Party Committee and Deputy GM	Incumbent	Male	47	15 June 2018	26 September 2024					
Zhang Gejian	Member of the Party Committee, Deputy GM and Board	Incumbent	Male	48	15 June 2018	26 September 2024					

	Secretary											
Wei Xiaodong	Director, Deputy Party Secretary	Former	Male	53	15 June 2018	29 June 2022						
Dai Xianhua	Chairman of the Supervisory Committee and Secretary of the Discipline Inspection Commission	Former	Male	61	15 June 2018	20 July 2022						
Total	--	--	--	--	--	--	0	0	0	0	0	--

Indicate whether any director, supervisor or senior management resigned before the end of their tenure during the Reporting Period.

Yes No

(1) Mr. Wei Xiaodong submitted a written resignation report on 29 June 2022, with his resignation effective immediately upon receipt by the company.

(2) Mr. Dai Xianhua submitted a written resignation report to the company on 4 July 2022, with his resignation taking effect on 20 July 2022, when a new supervisor was elected at the company's shareholder meeting.

Change of directors, supervisors and senior management:

Applicable Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Wei Xiaodong	Director, Deputy Party Secretary	Former	29 June 2022	Reappointment
Dai Xianhua	Chairman of the Supervisory Committee and Secretary of the Discipline Inspection Commission	Former	20 July 2022	Retirement

2. Biographical Information

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

Members of the Board of Directors:

Mr. Liu Shengxiang, born in August 1971, is a now member of the Communist Party of China, professor-level senior engineer, National Certified Architect (Level 1), and has obtained his Bachelor Degree, Master of Engineering, and MBA. In June 1994, he joined Shenzhen Tagen Group Co., Ltd., and successively served as the deputy general manager, general manager, and general Party branch secretary of Shenzhen Municipal Engineering Corp. and the deputy general manager of Shenzhen Tagen Group Co., Ltd. In June 2013, he joined Shenzhen Road & Bridge Group as the executive director, Secretary of the Party Committee and general manager. He starts to serve as the Secretary of the Party Committee and the Chairman (June 2018) of the Company since September 2017. Concurrently, he was the Secretary of the Party Committee, Executive Director and GM (from August 2018 to May 2020) in Shenzhen Toukong Property Management Co., Ltd.. Mr. Liu Shengxiang was awarded the title of Outstanding Communist Party Member of Shenzhen in 2001, and obtained Tien-yow Jeme Civil Engineering Prize in 2013, and May 1st Labor Medal of Shenzhen in 2015, the Party representative of the 6th Party Congress in Shenzhen.

Mr. Wang Hangjun, born in Nov. 1966, member of Communist Party of China, is a senior auditor with a master degree of economy. He ever took post of Deputy Chief of Audit Bureau of Nanshan District, Shenzhen; Vice Minister, Minister of Audit Department of Shenzhen Investment and Management Company; Vice Minister, Minister of Supervision Department of Shenzhen Investment and Management Company; Minister of Audit and Inspection Department of Shenzhen Investment Holding Co., Ltd. He has been Deputy GM of the Company since Oct. 2007. Now he is the Director, deputy Party Secretary and GM of the Company.

Mr. Zhang Zhimin, born in October 1977, is a Chinese Communist Party member who holds a master's degree. In 2016, he joined the State-owned Assets Supervision and Administration Commission of the Shenzhen Municipal People's Government, where he has held various roles including chief staff member of the office (petition office), chief staff member of the office (party committee of the office), deputy researcher of the office (party committee of the office), fourth-level researcher of the office, and third-level researcher of the office (party committee of the office). Since May 2022, he has served as the deputy secretary of the company's party committee, and since June 2022, he has taken on additional roles as the company's director, deputy secretary of the party committee, and chairman of the labor union.

Ms. Shen Xueying, born in October 1969, member of the Communist Party of China, Bachelor of Economics, is a senior accountant. Ms. Shen Xueying has been engaged in the financial management of listed companies for nearly 30 years. She joined the Finance Department of the Company in 1991 and successively served as the clerk and deputy manager of the financial management department of the Company. She was the manager of the financial management department of the Company from 2007-2018 and has served as the CFO of China Shenzhen Foreign Trade (Group) Corp., Ltd. since March 2020. Now she is currently the Director and Chief Financial Officer of the Company.

Mr. Wang Ge, born in October 1971, the member of the Communist Party of China, is now the senior engineer with the degree of Bachelor of Engineering. Mr. Wang Ge has been engaged in the enterprise management for many years. He successively served as the deputy director and director of the engineering department of Shenzhen Jian'an (Group) Co., Ltd., the manager and the deputy secretary of the Party Branch of Jian'an Group Construction and Municipal Engineering Company, and the deputy general manager, director, the deputy secretary of the Party Committee and the general manager of Jian'an Group. From March 2017 to present, he has served as the Chief Engineer of Shenzhen Investment Holdings Co., Ltd.

Mr. Xie Chang, born in November 1971, CPC member, bachelor of engineering, senior engineer, economist, and political engineer. He used to be the head of the Party and Mass Work Department, member of the Disciplinary Committee, and head of the Asset Management Department of Shenzhen Jian'an (Group) Co., Ltd.; the deputy GM of Shenzhen Sibiono GeneTech Co., Ltd.; the head of the operation management department, office director, secretary of the Board of Directors of Shenzhen Foreign Labor Service Co., Ltd.; office director of Shenzhen Talent Exchange Service Center Co., Ltd. He has served as the head of the comprehensive management department of Shenzhen Investment Holdings Co., Ltd. from September 2017, and a director of the Company from April 2020.

Mr. Mei Yonghong, born in October 1964, is the member of the Communist Party of China, and graduated from the Department of Agriculture of Huazhong Agricultural University with the Degree of Bachelor of Agriculture. He successively served as the deputy director of the General Office of Ministry of Science and Technology and the director of the information research office, the director of the Policy, Regulations and System Reform Department of Ministry of Science and Technology and the mayor of Jining City in Shandong Province. Now he serves as the Chairman of the Board of BGI Agricultural Group (starting from September 2015), Vice president of Country Garden Group & CEO of Country Garden Holdings Co. Ltd. (starting from August 2018).

Mr. Li Donghui, born in June 1976, is a graduate with a bachelor's degree from the Audit Department of the Economics and Management School of Wuhan University and received a PhD degree in Accounting and Finance at the University of New South Wales Business School, Australia. He once worked as a civil servant at the Department of Financial System Audit of the National Audit Office of the People's Republic of China and as the Executive Dean of the School of Management, Jinan University. He is currently a distinguished professor of accounting and finance and doctoral supervisor at the College of Economics Shenzhen University and the Director of the Committee of Professors of the college. Many of his articles were published in top international journals and key authoritative academic journals of China. He was named a talented person of Shenzhen's overseas high-level "Peacock Plan" and served as an expert of the Senior Title Review Committee of the Shenzhen Financial Bureau, an expert of the Xinshen Communication Think-tank of Shenzhen Press Group and a reviewer of the National Natural Science Foundation of China.

Ms. Hu Caimei, born in September 1982, is a Doctor of Management, Postdoctoral Fellow in Economics, Associate Professor and backup talent of Shenzhen. She currently serves as the Deputy Director of the Institute of Financial Development and State-owned Assets and Enterprises, China Development Institute and has been long engaged in policy research and consultation in finance and

state-owned assets and enterprises, with extensive experience in the consultation on the reform and development of state-owned assets and enterprises. She presided over and participated in a number of national, ministerial and provincial scientific research projects and more than 50 consulting topics. Many of her research results were adopted by government departments and won scientific research awards.

Members of the Supervisory Committee:

Mr. Ma Hongtao was born in October 1968 and holds a master's degree. He is a member of the Chinese Communist Party. Throughout his career, Mr. Ma has held various positions in the banking sector. From 1991 to 2000, he worked at the Bank of China Taiyuan Branch as a cashier, auditor, credit section chief, and deputy director of the office. Following that, he served as the branch manager and department general manager of China Minsheng Bank Taiyuan Branch from 2000 to 2004. From 2004 to 2016, he held the position of business supervisor and department general manager at the head office of China Minsheng Bank. From 2016 to 2019, Mr. Ma took a study tour and provided teaching support in mountainous areas. He then served as the deputy general manager of the finance department and capital director of Kelu Electronics Co., Ltd. from 2019 to 2020. From 2020 to 2022, he was the general manager of the office of Wanhe Securities Co., Ltd. Currently, Mr. Ma is the chairman of the supervisory board of the company. He has held this position since July 2022.

Mr. Zhang Manhua, born in Feb. 1975, master's degree, member of the Communist Party of China, studied and worked in Central South University from 1992 to 2004; Senior Manager in the Investment Center of Konka Group and concurrently worked as the Board Secretary for Shenzhen Jvlong Optoelectronic Co., Ltd., and Investment Manager in Shenchao Technological Investment Co., Ltd. from 2004 to 2013; he worked as deputy director in the Strategy & Development Department in Shenzhen Investment Holding Co., Ltd from 2013 to 2018. He is the director in Law and Risks Management department of Shenzhen Investment Holdings Co., Ltd since 2018.

Mr. Li Qinghua, born in April 1982, has obtained his Bachelor degree. From 2003 to 2013, he worked for DZX International Appraisal Limited, and successively served as the project assistance, the project manager and the senior manager; from 2013 to 2017, he served as the senior executive of the property right management and legal affairs department of Shenzhen Investment Holdings Co., Ltd., and from 2017 till now, he serves as the deputy director of the audit department of Shenzhen Investment Holdings Co., Ltd.

Ms. Wang Qiuping, born in January 1970, is a Party member and senior economist with a bachelor's degree. From 1992 to 2015, she was engaged in management in the General Manager's Office, Accounting and Finance Department, Operation Management Department and Development Management Department of the Company. From 2015 to 2018, she served as the Party Secretary, Deputy General Manager and Trade Union President of ITC Property Management. From 2018 to 2020, she served as the Party Secretary and General Manager of ITC Property Management. From 2020 to August 2021, she served as the Party Secretary, Executive Director and General Manager of ITC Technology Park. She is currently the Party Secretary and Executive Director of ITC Technology Park.

Ms. Gu Weimin, Born in October 1981, is the member of the Communist Party of China with the Master's Degree. From 2007 to 2010, she served in KPMG Shenzhen in external audit; from 2011 till now, she has worked for the Company in the audit department (the office of the board of supervisors), and is now the Deputy Secretary of the Discipline Inspection Commission and the director of the Discipline Inspection and Supervision Office (Audit Department, the Office of the Supervisory Committee) of the Company.

Executive officers:

Mr. Wang Hangjun, born in Nov. 1966, member of Communist Party of China, is a senior auditor with a master degree of economy. He ever took post of Deputy Chief of Audit Bureau of Nanshan District, Shenzhen; Vice Minister, Minister of Audit Department of Shenzhen Investment and Management Company; Vice Minister, Minister of Supervision Department of Shenzhen Investment and Management Company; Minister of Audit and Inspection Department of Shenzhen Investment Holding Co., Ltd. He has been Deputy GM of the Company since Oct. 2007. Now he is the Director, deputy Party Secretary and GM of the Company.

Mr. Chen Hongji, born in May 1968, CPC member, postgraduate degree, and master of philosophy. He has worked in Shenzhen

Municipal People's Government for many years. He joined Shenzhen Construction Investment Holding Co., Ltd. in January 1998 and successively served as section chief of development research department, deputy director of office, deputy director of Party committee office and director of secretary office of board of directors. In October 2004, he joined Shenzhen Investment Holding Co., Ltd. and successively served as director of the party mass department and director of the board office. Since July 2012, he has been the deputy GM of Shenzhen Expander. From December 2020, he has served as a member of the party committee and deputy GM of the Company.

Ms. Cai Lili, Born in November 1972, is the member of the Communist Party of China, and has obtained the Master's Degree in Economics. Since 1995, he has worked in Shenzhen Tax Service, SAT, and ever served as the deputy chief of the taxation and scientific and technological development department of Shenzhen Tax Service, SAT, and the member of the Party Organization and the deputy director of Futian District Tax Bureau in Shenzhen. Currently, he is the member of the Party Committee, deputy general manager and Chief Financial Officer.

Mr. Li Peng, Born in May 1976, is the member of the Communist Party of China, the Bachelor of Engineering and the intermediate economist. Since July 1999, he has worked for the Company as the operation manager, and successively served as the deputy manager of the Company's development management department, the manager of the cost control department, and the secretary of the Party branch and the deputy general manager of Shenzhen Huangcheng Real Estate Co., Ltd. Currently, he now is the member of the Party Committee, and deputy general manager.

Mr. Zhang Gejian, born in September 1975, the member of the Communist Party of China, MBA, is an Accountant as well as Auditor. He was engaged in internal auditing work in Audit Department of the Company since July 1997. He acted as the audit manager, Supervisor of the Company and concurrently the Cost Control Manager. Now he is the member of the Party Committee, the vice GM and Board Secretary of the Company.

Ms. Shen Xueying, born in October 1969, the member of the Communist Party of China, Bachelor of Economics, is a senior accountant. Ms. Shen Xueying has been engaged in the financial management of listed companies for nearly 30 years. She joined the Finance Department of the Company in 1991 and successively served as the clerk and deputy manager of the financial management department of the Company. She has been the manager of the financial management department of the Company from 2007 to 2018, and the Chief Financial Officer of China Shenzhen Foreign Trade (Group) Corp., Ltd. since March 2020, and now she is the Director, and Chief Financial Officer of the Company.

Offices held concurrently in shareholding entities:

Applicable Not applicable

Name	Shareholding entity	Office held in the shareholding entity	Start of tenure	End of tenure	Remuneration or allowance from the shareholding entity
Wang Ge	Shenzhen Investment Holdings Co., Ltd.	Chief Engineer	1 March 2017		Yes
Xie Chang	Shenzhen Investment Holdings Co., Ltd.	Director of the general management department	7 April 2020		Yes
Zhang Manhua	Shenzhen Investment Holdings Co., Ltd.	Director of the legal and risk management department	1 January 2017		Yes
Li Qinghua	Shenzhen Investment Holdings Co., Ltd.	Deputy director of the audit department	1 January 2017		Yes
Note	Except for the major offices held concurrently in shareholding entities above, Directors Wang Ge and Xie Chang, as well as Supervisors Zhang Manhua and Li Qinghua also serve as Director or Supervisor in a number of non-listed subsidiaries or invested companies of relevant shareholders.				

Offices held concurrently in other entities:

Applicable Not applicable

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Shen Xueying	China Shenzhen Foreign Trade (Group) Co., Ltd.	Chief Financial Officer	1 March 2020		No
Mei Yonghong	BGI Agricultural Group, County Garden	Chairman of BGI Agricultural Group, Vice president of County Garden Group & CEO of Country Garden Holdings Co. Ltd.	1 September 2015		Yes
Li Donghui	Shenzhen University	Distinguished professor, doctoral supervisor, director of the Professor Committee of the School of Economics	1 April 2019		Yes
Hu Caimei	China (Shenzhen) Development Institute	Deputy Director of the Institute of Financial Development and State-owned Assets and Enterprises	1 November 2016		Yes
Note	N/A				

Punishments imposed in the recent three years by the securities regulator on the incumbent directors, supervisors and senior management as well as those who left in the Reporting Period:

Applicable Not applicable

3. Remuneration of Directors, Supervisors and Senior Management

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

During this Reporting Period, the board and the management of the Company signed statement of operation objectives responsibility for 2022, conducted appraisal system integrating operation indicators, classification indicators with management objectives. After the end of this Reporting Period, assessment was implemented by the board. Remuneration of senior executives was determined according to “Management Method of Annual salary System of Directors, Supervisors and Senior Executives of ShenZhen Properties & Resources Development (Group) Ltd.” and “Long-term Incentive-and-Restraint Mechanism of ShenZhen Properties & Resources Development (Group) Ltd.” and need to be implemented after the annual assessment of the board.

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

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/Former	Total before-tax remuneration from the Company during the Reporting Period		Any remuneration from related
					Total	Of which	

						Salaries	Mandated benefits	Fee for director/supervisor and/or meeting allowances	party
Liu Shengxiang	Party Secretary and Chairman of the Board	Male	52	Incumbent	122.33	93.48	28.85	N/A	No
Wang Hangjun	Director, GM	Male	57	Incumbent	116.36	88.12	28.24	N/A	No
Zhang Zhimin	Director, Deputy Party Secretary	Male	46	Incumbent	50.89	39.14	11.75	N/A	No
Wei Xiaodong	Director, Deputy Party Secretary	Male	53	Former	43.53	36.06	7.47	N/A	No
Shen Xueying	Director and CFO	Female	54	Incumbent	140.79	118.52	22.27	N/A	No
Wang Ge	Director	Male	52	Incumbent	0	0	0	N/A	Yes
Xie Chang	Director	Male	51	Incumbent	0	0	0	N/A	Yes
Mei Yonghong	Independent Director	Male	59	Incumbent	8	8	0	N/A	Yes
Li Donghui	Independent Director	Male	51	Incumbent	8	8	0	N/A	No
Hu Caimei	Independent Director	Female	41	Incumbent	8	8	0	N/A	No
Ma Hongtao	Chairman of the Supervisory Committee	Male	54	Incumbent	64.64	53.68	10.96	N/A	No
Dai Xianhua	Chairman of the Supervisory Committee, Secretary of Committee for Discipline Inspection	Male	61	Former	59.41	52.05	7.36	N/A	No
Zhang Manhua	Supervisor	Male	48	Incumbent	0	0	0	N/A	Yes
Li Qinghua	Supervisor	Male	41	Incumbent	0	0	0	N/A	Yes
Wang Qiuping	Employee supervisor, executive director of ITC Technology Park, Party Secretary	Female	53	Incumbent	87.03	68.93	18.1	N/A	No
Gu Weimin	Employee supervisor, Director of Discipline Inspection Office, and Deputy Secretary of the Discipline Inspection Commission	Female	42	Incumbent	85.75	69.59	16.16	N/A	No
Chen Hongji	Member of the Party Committee, Vice GM	Male	54	Incumbent	105.33	82.37	22.96	N/A	No
Cai Lili	Member of the Party Committee, Vice GM	Female	51	Incumbent	105.33	82.37	22.96	N/A	No
Li Peng	Member of the Party Committee, Vice GM	Male	47	Incumbent	105.33	82.37	22.96	N/A	No
Zhang Gejian	Member of the Party Committee, Vice GM, Board Secretary	Male	48	Incumbent	103.24	80.28	22.96	N/A	No
Total	--	--	--	--	1,213.96	--	--	--	--

Pay Statement:

(1) The pay comprises of a fixed salary, 2021 performance bonus, and communication allowance. The company provides statutory benefits, including social insurance, enterprise annuity, and housing provident fund, in compliance with regulations.

(2) The table does not incorporate the 2021 long-term incentive bonuses granted to directors Liu Shengxiang, Wang Hangjun, Wei Xiaodong, and senior managers Chen Hongji, Cai Lili, Li Peng, and Zhang Gejian. The bonuses amount to RMB849,100, RMB591,200, RMB487,000, RMB208,800, RMB384,800, RMB243,200, and RMB245,800, respectively, and will be paid in 2022. The estimated long-term incentive bonuses for the mentioned directors and senior managers in 2021 conform to the relevant rules and regulations. However, the actual payment amount will prevail.

(3) All of the mentioned bonuses are pre-tax amounts.

VI Performance of Duty by Directors in the Reporting Period

1. Board Meetings Convened during the Reporting Period

Meeting	Date of the meeting	Disclosure date	Resolutions
The 6 th Meeting of the 10 th Board of Directors	21 February 2022	22 February 2022	Rewrite: The board of directors approved various proposals, including <i>Appointment of the General Manager of the Company</i> , <i>Appointment of Vice General Manager and Financial Officer of the Company</i> , and <i>Appointment of the Chief Financial Officer of the Company</i> . For more details, please refer to the <i>Announcement of the Resolutions of the Sixth Meeting of the Tenth Board of Directors</i> , with the identification number of 2022-03, on the website of the China Securities Regulatory Commission (CSRC) Information Disclosure website.
The 7 th Meeting of the 10 th Board of Directors	3 March 2022	4 March 2022	The board of directors has given their approval to several proposals, such as <i>Signing Post Appointment Agreements and Term Business Performance Responsibility Letters by Members of the Company's Management Proposal and Formulating the Authorization Management Measures of the Board of Directors of ShenZhen Properties & Resources Development (Group) Ltd. to the Management Proposal</i> , among others. Additional information can be found in the <i>announcement of the Seventh Meeting's Resolutions of the Tenth Board of Directors</i> , identified as 2022-07, on the China Securities Regulatory Commission (CSRC) Information Disclosure website.
The 8 th Meeting of the 10 th Board of Directors	29 March 2022	30 March 2022	The board of directors has approved a range of proposals, which include the <i>Work Report of the Board of Directors for 2021</i> , <i>Annual Report for 2021</i> , <i>Financial Final Account Report for 2021</i> , <i>Financial Budget Report for 2022</i> , <i>Proposal on Provision and Reduction of Various Asset Impairment Reserves</i> , <i>Proposal on Profit Distribution and Capitalization of Reserve Fund for 2021</i> , <i>Proposal on Comprehensive Credit Limits and Financing Limits for 2022</i> , <i>Proposal on Operating Plan and Investment Plan for 2022</i> , <i>Internal Control Evaluation</i>

			<p><i>Report for 2021, Proposal on Estimated Routine Related Transactions for 2022, and Proposal on Renewing the Engagement of Accounting Firm.</i> Further details are available in the <i>Announcement of the Board of Directors' Resolutions</i>, identified as 2022-10, on the China Securities Regulatory Commission (CSRC) Information Disclosure website.</p>
The 9 th Meeting of the 10 th Board of Directors	26 April 2022	27 April 2022	<p>The board of directors has given their approval to several proposals, such as the <i>Proposal on Signing Performance Target Responsibility Letters for Senior Management in 2022, Proposal on Convening the 2021 Shareholders' Meeting, Company's First Quarter Report for 2022</i>, among others. Additional information can be found in the <i>Announcement of the Board of Directors' Resolutions</i>, identified as 2022-16, on the China Securities Regulatory Commission (CSRC) Information Disclosure website.</p>
The 10 th Meeting of the 10 th Board of Directors	4 July 2022	5 July 2022	<p>The board of directors has approved multiple proposals, such as the <i>Proposal on Subsidiaries Participating in Bidding for the Use Right of Land No. 2021WR023 in Chigang Area of Humen, Dongguan and Subsequent Land Development, Proposal on Company's Participation in Bidding for the Use Right of Land A606-0258 in Yutang, Guangming, Shenzhen and Subsequent Land Development, Proposal on Purchasing Liability Insurance for Directors, Supervisors and Senior Management, Proposal on Convening the First Extraordinary General Meeting of 2022, Proposal on Changing the Name of the Audit Committee of the Board of Directors, Proposal on Adjusting the List of Members of Some Special Committees of the 10th Board of Directors, Proposal on the Performance Commitment Completion of ITC Technology Park Shenzhen ITC Technology Park Service Co., Ltd. (formerly Shenzhen Toukong Property Management Co., Ltd. (TK Property) for 2019-2021</i>, and others. For more information, please refer to the <i>Announcement of the Resolutions of the Tenth Meeting of the Tenth Board of Directors</i>, identified as 2022-22, on the China Securities Regulatory Commission (CSRC) Information Disclosure website.</p>

The 11 th Meeting of the 10 th Board of Directors	26 August 2022	29 August 2022	During the meeting, the board of directors passed the <i>2022 Interim Report of the Company</i> and the <i>Proposal on Revising the Internal Control System of ShenZhen Properties & Resources Development (Group) Ltd.</i> . To learn more about these matters, please refer to the <i>Announcement of Board Resolutions for the Interim Report</i> with the number 2022-37, which can be found on the China Securities Journal Information Network.
The 12 th Meeting of the 10 th Board of Directors	28 October 2021	31 October 2022	The <i>2022 Third Quarter Report of the Company</i> was passed during the meeting. For further information, please see the <i>2022 Third Quarter Report</i> with the reference number 2022-42 on the China Securities Journal Information Network.
The 13 th Meeting of the 10 th Board of Directors	7 November 2022	8 November 2022	During the meeting, the <i>Proposal on Formulating the Company's '14th Five-Year Plan' Strategic Plan</i> and the <i>Proposal on Subsidiaries Signing Land Compensation Agreements</i> were passed. For more information, please consult the <i>Announcement of Board Resolutions for the 13th Meeting of the 10th Board of Directors</i> with the reference number 2022-44, available on the China Securities Journal Information Network.
The 14 th Meeting of the 10 th Board of Directors	23 December 2022	24 December 2022	The Board of Directors deliberated and approved the <i>Proposal for Wholly-owned Subsidiaries to Sign Agreements with Related Parties and Related Party Transactions</i> . For details, please refer to the <i>Announcement of Board Resolution on the 14th Meeting of the 10th Board of Directors</i> with the number 2022-49 on the website of the CSRC GEM Information Disclosure System.
The 15 th Meeting of the 10 th Board of Directors	30 December 2022	31 December 2022	The Board of Directors deliberated and approved the <i>Proposal on the Results of the Company's 2021 Executive Assessment and Its Application Plan</i> and the <i>Proposal for Wholly-owned Subsidiaries to Sign Property Service Contracts with Related Parties and Related Party Transactions</i> . For details, please refer to the <i>Announcement of Board Resolution on the 15th Meeting of the Tenth Board of Directors</i> with the number 2022-53 on the website of the CSRC GEM Information Disclosure System.

2. Attendance of Directors at Board Meetings and General Meetings

Attendance of directors at board meetings and general meetings							
Director	Total number of board meetings the director was eligible to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings attended through a proxy	Board meetings the director failed to attend	The director failed to attend two consecutive board meetings (yes/no)	General meetings attended

Liu Shengxiang	10	1	9	0	0	No	2
Wang Hangjun	10	1	9	0	0	No	2
Shen Xueying	10	1	9	0	0	No	2
Wang Ge	10	1	9	0	0	No	2
Xie Chang	10	1	9	0	0	No	2
Mei Yonghong	10	1	9	0	0	No	2
Li Donghui	10	1	9	0	0	No	2
Hu Caimei	10	1	9	0	0	No	2
Zhang Zhimin	6	0	6	0	0	No	1
Wei Xiaodong	4	1	3	0	0	No	1

Why any director failed to attend two consecutive board meetings:

Not applicable

3. Objections Raised by Directors on Matters of the Company

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

Yes No

No such cases in the Reporting Period.

4. Other Information about the Performance of Duty by Directors

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

Yes No

Suggestions from directors adopted or not adopted by the Company:

During the Reporting Period, all directors of the Company actively attended Board meetings and general meetings and performed their duties diligently and conscientiously in strict accordance with the *Articles of Association*, the *Rules of Procedure of the Board of Directors* and relevant laws, rules and regulations. Based on the Company's reality, they put forward relevant opinions on the Company's major governance and operation decisions and reached consensus through sufficient communication and discussion. Additionally, they resolutely supervised and promoted the implementation of the resolutions of the Board of Directors, to ensure scientific, timely and efficient decision-making and safeguard the legitimate rights and interests of the Company and all shareholders.

VII Special Committees under the Board of Directors during the Reporting Period

Name of committee	Members	Number of meetings convened	Date of meeting	Contents	Important comments and suggestions	Other performance of duties	Specific disputed matters (if any)
Strategic Development and Investment Decision Committee	Liu Shengxiang, Wang Hangjun, Zhang Zhimin, Wang Ge, Xie Chang	1	4 November 2022	Deliberation on the <i>Proposal for Formulating the Company's "14th Five-Year" Strategic Plan</i>	Agree	Guiding the preparation of the Company's strategic planning during the "14th Five-year Plan"	

						period.	
Audit and Risk Committee	Li Donghui, Wang Hangjun, Wei Xiaodong (former), Zhang Zhimin, Mei Yonghong, and Hu Caimei	6	25 January 2022	Review of the company's 2021 annual audit report and the 2022 annual audit work plan.	Agree	Supervising the work of external audit agencies and the Company's internal audit work; supervising the implementation of the Company's internal control policies; coordinating the communication of the management, internal audit departments and relevant departments with external audit agencies.	
			25 March 2022	1. Review of the company's 2021 annual consolidated financial statements audit report; 2. Review of the company's 2021 internal control audit report; 3. Review of the proposal for reappointment of the accounting firm.	Agree		
			29 March 2022	1. Deliberation on the <i>Inspection Report on the Company's 2021 Guarantee, Related Party Transactions and Other Matters</i> ; 2. Deliberation on the <i>2021 Internal Control System Work Report and its Annex of SZPRD</i> ; 3. Deliberation on the <i>2022 Major Risk Assessment Report and its Annex of SZPRD</i> .	Agree		
			25 April 2022	1. Review of the progress of the company's 2022 Q1 internal audit work; 2. Review of the quarterly tracking and monitoring table of major risks (Q1 2022).	Agree		
			22 August 2022	1. Deliberation on the company's 2022 half-year report; 2. Review of the progress of the company's 2022 Q2 internal audit work; 3. Review of the <i>Inspection Report on the Company's Guarantee, Related Party Transactions and Other Matters in the First Half of 2022</i> ; 4. Review of the <i>Development Plan for Risk Management and Internal Control of SZPRD (Review Draft)</i> ; 5. Review of the <i>Guidelines for the Construction of Risk, Internal Control, and Compliance System of SZPRD (Review Draft)</i> .	Agree		
			27 October 2022	Review of the progress of the company's 2022 Q3 internal audit work	Agree		
Remuneration and Evaluation Committee	Hu Caimei, Mei Yonghong, Li Donghui, Xie Chang, Shen Xucyng	2	16 May 2022	Deliberation on the proposal regarding the 2021 performance assessment results of the group company	Agree	Studying the assessment standards, remuneration policies and plans for the Company's directors and senior management personnel; supervising the performance of duties by the Company's directors and senior management personnel; conducting annual performance assessment on the Company's directors and senior management personnel and offering suggestions.	
			28 November 2022	1. Discussion of the <i>2021 Annual Performance Evaluation Plan for Senior Management of the Group</i> ; 2. Examination of the <i>2021 Individual Duty Reports of Senior Management of SZPRD</i> ; 3. Review of the <i>Completion Status Chart for Annual Performance Objectives of Senior Management of SZPRD</i> ; 4. Consideration of the supplementary and veto items for the 2021 senior management assessment; 5. Deliberation on the roster of personnel accountable for the 2021 senior management assessment.	Agree		

Nomination Committee	Mei Yonghong, Liu Shengxiang, Wang Ge, Hu Caimei and Li Donghui	1	14 February 2022	The verification and examination of Shen Xueying's eligibility for the position of CFO in the company	Agree	Studying the size and constitution of the Board of Directors and its special committees and offering suggestions to the Board of Directors.
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VIII Performance of Duty by the Supervisory Committee

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

Yes No

The Supervisory Committee raised no objections in the Reporting Period.

IX Employees

1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent at the period-end	98
Number of in-service employees of major subsidiaries at the period-end	9,232
Total number of in-service employees at the period-end	9,330
Total number of paid employees in the Reporting Period	9,330
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	0
Functions	
Function	Employees
Production	6,863
Sales	175
Technical	1,416
Financial	201
Administrative	421
R&D	37
Managerial	217
Total	9,330
Educational backgrounds	
Educational background	Employees
Junior college and technical secondary school and above	3527
Senior high school and below	5803
Total	9,330

2. Employee Remuneration Policy

To align with the group's development strategy requirements in 2022, the group company implemented a performance-based assessment and management system for managers of subordinate enterprises. This system established clear rules for utilizing various types of assessment results in the annual assessment of manager members, resulting in increased work efficiency and enhanced effectiveness of the compensation and performance management system. The group headquarters rigorously implemented several compensation management systems and conducted market-oriented research and revision on subordinate companies' organizational structure design, department function division, post establishment and staffing, and compensation and performance system.

3. Employee Training Plans

In 2022, the group company prioritized the creation of a learning organization and made significant efforts to construct its training center. It worked towards optimizing its training system to meet the enterprise's development strategy and the personal development goals of its employees. The company offered courses to enhance management abilities, improve professional skills, and upgrade job skills for employees at all levels. This objective was to continuously enhance the employees' professional knowledge, business capabilities, and execution skills, aligning the company's development with the growth of its employees, thereby providing robust support for the group's strategic planning and development.

4. Labor Outsourcing

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

Final dividend plan for the Reporting Period:

Applicable Not applicable

Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB) (tax inclusive)	3.61
Total shares as the basis for the profit distribution proposal (share)	595,979,092
Cash dividends (RMB) (tax inclusive)	215,148,452.21
Cash dividends in other forms (such as share repurchase) (RMB)	0.00
Total cash dividends (including those in other forms) (RMB)	215,148,452.21
Distributable profit (RMB)	1,105,473,319.87
Total cash dividends (including those in other forms) as % of total profit distribution	100%
Cash dividend policy	

If the Company is in a mature development stage and has no plans for any significant expenditure, in profit allocation, the ratio of cash dividends in the profit allocation shall be 80% or above.
Details about the proposal for profit distribution and converting capital reserve into share capital
The Board has approved a final dividend plan as follows: based on the share capital of 595,979,092 shares, a cash dividend of RMB3.61 (tax inclusive) per 10 shares is to be distributed to the shareholders, with no bonus issue from either profit or capital reserves.

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

Applicable Not applicable

No such cases in the Reporting Period.

XII Construction and Implementation of Internal Control System during the Reporting Period

1. Internal Control Construction and Implementation

During the Reporting Period, the Company established, improved and effectively implemented internal control according to the *Basic Code for Internal Control of Enterprises*, the *Guidelines on Internal Control of Listed Companies* and the Company's actual situation, to ensure the legitimacy and compliance of business and management, guarantee scientific and rational operating procedures and promote the normal and orderly functioning of all major processes. The Board of Directors of the Company is in full charge of the development, implementation and improvement of the Company's internal control system and carries out regular inspections and effect assessments on internal control. Besides, it serves as the highest decision-making body and the ultimately responsible unit for the Company's comprehensive risk management and is responsible for the effectiveness of the Company's comprehensive risk management. The Audit and Risk Management Committee under the Board of Directors is accountable to the Board of Directors and is under the direct leadership of the Board of Directors. The Audit and Risk Management Committee carries out various work through internal audit departments, such as supervising and inspecting the implementation of the internal control system, assessing the effectiveness of internal control and offering suggestions on how to improve internal control and correct mistakes. The Board of Supervisors is in charge of supervising and inspecting the implementation of internal control and the establishment, improvement and implementation of the risk management system.

The company persisted in promoting the optimization of the risk management and internal control system and the standardization of the financial management system project in 2022. It established operational standards and tool forms for the risk management and internal control manual and completed the review and promotion training for all optimization project results. The company will continue to optimize the system in the later period.

2. Material Internal Control Weaknesses Identified for the Reporting Period

Yes No

XIII Management and Control of Subsidiaries by the Company during the Reporting Period

Name of company	Integration plan	Integration	Problems encountered in integration	Solutions taken	Settlement	Follow-up settle
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		prog ress			prog ress	ment plan
Shenzhen Property Management Co., Ltd.	<p>1. Guarantee the stability of the existing business while gradually implementing Shenzhen Property's standardized business system.</p> <p>2.Ensure the stability of the workforce by integrating human resource management into the Shenzhen Property system.</p> <p>3. Drive the integration of the OA office and financial management systems.</p> <p>4. Consolidate the property management sector system, establish clear labor divisions and promote collaboration among diverse professional firms, enhance professional skills, bolster marketization and core competitiveness.</p> <p>5. Formulate strategies to enhance the quality and efficiency of each company, and gradually implement measures to reduce losses and transform losses into profits.</p>	The wor k is bein g prog ress ed as per the plan .	<p>1. Disparities exist in the salary and benefits framework.</p> <p>2.The pool of officials in reserve is inadequate to fulfill business requirements.</p>	<p>1. Formulate a plan to reform the employment mechanism that is market-driven.</p> <p>2.Systematically integrate human resources management into the Shenzhen Property management system.</p> <p>3. Enhance and gradually build up the pool of officials through internal competition, market-driven recruitment, and training mechanisms.</p>	The wor k is bein g prog ress ed as per the plan .	None at the mome nt
Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd.	<p>1.Guarantee the stability of the existing business while gradually implementing Shenzhen Property's standardized business system.</p> <p>2. Ensure the stability of the workforce by integrating human resource management into the Shenzhen Property system.</p> <p>3. Drive the integration of the OA office and financial management systems.</p> <p>4.Consolidate the property management sector system, establish clear labor divisions and promote collaboration among diverse professional firms, enhance professional skills, bolster marketization and core competitiveness.</p> <p>5.Formulate strategies to enhance the quality and efficiency of each company, and gradually implement measures to reduce losses and transform losses into profits.</p>	The wor k is bein g prog ress ed as per the plan .	<p>1. Inadequate pool of officials in reserve.</p> <p>2. Disparities exist in the salary and benefits framework.</p> <p>3.Subpar standard of business.</p> <p>4. Considerable pressure to curtail losses and achieve profitability.</p>	<p>1.Formulate a plan to reform the employment mechanism that is market-driven.</p> <p>2.Systematically integrate human resources management into the Shenzhen Property management system.</p> <p>3. Prepare a list of authority management for water and electricity engineering, clarify the limits of the company's rights and responsibilities, and rigorously manage compliance risks.</p> <p>4.Develop strategies to enhance quality and efficiency, lower costs, enhance quality, and gradually reverse the loss-making trend.</p>	The wor k is bein g prog ress ed as per the plan .	None at the mome nt
Shenzhen Shenfubao	1.Guarantee the stability of the existing business while gradually implementing	The wor	1. Inadequate pool of officials in	1.Formulate a plan to reform the	The wor	None at the

<p>Property Development Co., Ltd.</p>	<p>Shenzhen Property's standardized business system. 2. Ensure the stability of the workforce by integrating human resource management into the Shenzhen Property system. 3. Drive the integration of the OA office and financial management systems. 4. Consolidate the property management sector system, establish clear labor divisions and promote collaboration among diverse professional firms, enhance professional skills, bolster marketization and core competitiveness. 5. Formulate strategies to enhance the quality and efficiency of each company, and gradually implement measures to reduce losses and transform losses into profits.</p>	<p>k is being progressed as per the plan .</p>	<p>reserve. 2. Disparities exist in the salary and benefits framework. 3. Subpar standard of business. 4. Considerable pressure to curtail losses and achieve profitability.</p>	<p>employment mechanism that is market-driven. 2. Systematically integrate human resources management into the Shenzhen Property management system. 3. In the case of pivotal park projects, incorporate Shenzhen Property's standardized operating procedures, while aligning with individualized business practices, to enrich the customer service experience. Additionally, engage with the party A entities to enhance the charging criteria and streamline service requirements. 4. Develop strategies to enhance quality and efficiency, lower costs, enhance quality, and gradually reverse the loss-making trend.</p>	<p>k is being progressed as per the plan .</p>	<p>moment</p>
<p>Shenzhen Free Trade Zone Security Service Co., Ltd.</p>	<p>1. Guarantee the stability of the existing business while gradually implementing Shenzhen Property's standardized business system. 2. Ensure the stability of the workforce by integrating human resource management into the Shenzhen Property system. 3. Drive the integration of the OA office and financial management systems. 4. Consolidate the property management sector system, establish clear labor divisions and promote collaboration among diverse professional firms, enhance professional skills, bolster marketization and core competitiveness. 5. Formulate strategies to enhance the</p>	<p>The work is being progressed as per the plan .</p>	<p>1. Inadequate pool of officials in reserve. 2. Disparities exist in the salary and benefits framework. 3. Subpar standard of business. 4. Considerable pressure to curtail losses and achieve profitability.</p>	<p>1. Formulate a plan to reform the employment mechanism that is market-driven. 2. Systematically integrate human resources management into the Shenzhen Property management system. 3. Formulate strategies to enhance quality and efficiency, curtail</p>	<p>The work is being progressed as per the plan .</p>	<p>None at the moment</p>

	quality and efficiency of each company, and gradually implement measures to reduce losses and transform losses into profits.			expenses, boost quality, and progressively overturn the loss-making trend. 4. Augment revenue and decrease management costs through internal business coordination.		
Shenzhen Foreign Trade Property Management Co., Ltd.	<ol style="list-style-type: none"> 1. Guarantee the stability of the existing business while gradually implementing Shenzhen Property's standardized business system. 2. Ensure the stability of the workforce by integrating human resource management into the Shenzhen Property system. 3. Drive the integration of the OA office and financial management systems. 4. Consolidate the property management sector system, establish clear labor divisions and promote collaboration among diverse professional firms, enhance professional skills, bolster marketization and core competitiveness. 5. Formulate strategies to enhance the quality and efficiency of each company, and gradually implement measures to reduce losses and transform losses into profits. 	The work is being progressed as per the plan.	<ol style="list-style-type: none"> 1. Inadequate pool of officials in reserve. 2. Disparities exist in the salary and benefits framework. 3. Subpar standard of business. 4. Considerable pressure to curtail losses and achieve profitability. 	<ol style="list-style-type: none"> 1. Formulate a plan to reform the employment mechanism that is market-driven. 2. Systematically integrate human resources management into the Shenzhen Property management system. 3. Develop strategies to enhance quality and efficiency, reduce costs, improve quality, and gradually turn the tide on losses. 	The work is being progressed as per the plan.	None at the moment

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

1. Internal Control Self-Evaluation Report

Disclosure date of the internal control self-evaluation report	25 March 2023	
Index to the disclosed internal control self-evaluation report	http://www.cninfo.com.cn	
Evaluated entities' combined assets as % of consolidated total assets	100.00%	
Evaluated entities' combined operating revenue as % of consolidated operating revenue	99.64%	
Identification standards for internal control weaknesses		
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting
Nature standard	<p>Indications of the serious defect of the financial report were including:</p> <ol style="list-style-type: none"> 1. the control environment is invalid; 2. Commitment of major fraud by directors, supervisors or senior management of the Company; 3. the audit institution discovered the 	<p>Major defects include:</p> <ol style="list-style-type: none"> 1. Serious violation of national laws and regulations leading to major litigation, or investigation of regulatory agencies, ordered suspension of business for rectification, investigation for criminal responsibility or replacement of senior

	<p>current financial report had great defect while the internal control of the Company didn't found out during the operating process;</p> <p>4. Correction of major misstatement in financial reports reported or disclosed by the Company;</p> <p>5. the supervision of the Company's Audit and Risk Management Committee and the internal audit department on the internal control was invalid.</p> <p>Indications of the important defect of the financial report were including: 1. didn't abide by the universally acknowledged accounting standard to choose and apply the accounting policies; 2. had not built up the anti-fraud process and the control measures; 3. had not built up the corresponding control mechanism or had not executed the corresponding compensating control for the accounting treatment which was unconventional or with special transaction; 4. the control during the process of the financial report at the period-end existed one or multiple defects that could not guarantee the compile of the financial report reach the goal of being real and complete;</p> <p>5. Important or general defects of internal control to be rectified.</p> <p>Common defect: refers to the other control defect except for the above great defect and significant defect.</p>	<p>managers;</p> <p>2. Abnormal major changes of directors, supervisors, senior management and main technical personnel of the Company;</p> <p>3. Major decision-making errors due to lack of internal democratic decision-making procedures or unscientific procedures;</p> <p>4. Serious loss of core management or technical personnel;</p> <p>5. Vicious negative news frequently appeared in the media, involving a wide range and negative existing influence;</p> <p>6. Significant impact on the Company's production and operation due to lack of system control or system failure of important business;</p> <p>7. Major defects of internal control evaluation to be rectified;</p> <p>8. Any other negative circumstances generating significant impact on the Company.</p> <p>Significant defects include: 1. Incomplete democratic decision-making process that affects production and operation of the Company;</p> <p>2. Violation of internal rules and regulations leading to important losses;</p> <p>3. Exposure of negative news by the media leading to significant impact on the Company;</p> <p>4. Important defects of important business regulations or system to be rectified;</p> <p>5. Any other negative case leading to great impact on the Company.</p> <p>Common defects: any other control defect except for the above major and significant defects.</p>
Quantitative standard	<p>Serious defect: potential misstatement of the operating income $\geq 1\%$ of the operating income of the consolidated statements of the Company, potential misstatement of the total assets amount $\geq 0.40\%$ of the total assets of the consolidated statements of the Company, potential misstatement of the net assets $\geq 1.00\%$ of the net assets of the consolidated statements of the Company.</p> <p>Important defect: 0.50% of the operating income of the consolidated statements of the Company \leq misstatement $< 1\%$ of the operating income of the consolidated statements of the Company; 0.2% of the total assets of the consolidated statements of the Company \leq misstatement $< 0.4\%$ of the total assets of the consolidated statements of the Company, 0.5% of the net assets of the consolidated statements of the Company \leq misstatement $< 1\%$ of the net assets of the consolidated statements of the Company.</p> <p>Common defect: misstatement of the operating</p>	<p>Major defects: direct property loss $\geq 1.00\%$ of net assets of the previous year;</p> <p>Significant defects: 0.5% of net assets of the previous year \leq direct property loss $< 1.00\%$ of net assets of the previous year;</p> <p>Common defects: direct property loss $< 0.5\%$ of net assets of the previous year.</p>

	income<0.5% of the operating income of the consolidated statements of the Company, misstatement of the total assets amount<0.2% of the total assets amount of the consolidated statements of the Company, misstatement of the net assets<0.5% of the net assets of the consolidated statements of the Company.	
Number of material weaknesses in internal control over financial reporting		0
Number of material weaknesses in internal control not related to financial reporting		0
Number of serious weaknesses in internal control over financial reporting		0
Number of serious weaknesses in internal control not related to financial reporting		0

2. Independent Auditor's Report on Internal Control

Applicable Not applicable

Opinion paragraph in the independent auditor's report on internal control	
We believe that Shenzhen Properties & Resources Development (Group) Ltd. maintained efficient internal control of financial reports in all significant aspects according to "Basic Standards of Corporate Internal Control" and relevant regulations.	
Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	25 March 2023
Index to such report disclosed	http://www.cninfo.com.cn
Type of the auditor's opinion	Unmodified unqualified opinion
Material weaknesses in internal control not related to financial reporting	None

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

Yes No

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

Yes No

XV Remediation of Problems Identified by Self-inspection in the Special Action on the Governance of Listed Companies

Not applicable.

Part V Environmental and Social Responsibility

I Major Environmental Issues

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

Yes No

Administrative penalties imposed for environmental issues during the Reporting Period

Name of the company or subsidiary company	Penalty reason	Violation situation	Penalty result	Impact on the production and operation of the listed companies	Remediation measures of the Company
N/A	N/A	N/A	N/A	N/A	N/A

Other environmental information disclosed with reference to key emission units

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

Actions taken to reduce carbon dioxide emissions during the Reporting Period and the impact:

Applicable Not applicable

Reasons for not disclosing other environmental information

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

II Social Responsibility

Since its inception, SZPRD has been adhering to the concept of honesty, responsibility and win-win cooperation for the benefit of society. The Company actively fulfills its social responsibilities and always takes repaying the society as an important development concept. It actively fulfills its statutory social responsibilities and ethical social obligations, and unifies the realization of economic and social benefits to create an excellent corporate image. The Company carried out the following activities to perform its social responsibility in 2022:

(I) Visit seriously ill employees in difficulty

On 20 January, the Party Committee of SZPRD organized a symposium to extend regards to the employees in difficulty before the Spring Festival. Liu Shengxiang, Secretary of the Party Committee of the Group and Chairman of the Group, and Wei Xiaodong, Deputy Secretary of the Party Committee of the Group delivered sympathy funds and items amounting to approximately RMB110,000 to representatives of Party members and employees in difficulty, making them feel the care and warmth of the Group as an extended family.

During the symposium, Group leaders communicated with Party members and representatives of employees in difficulty and learned about their work and life in detail. Liu Shengxiang, Secretary of the Party Committee of the Group and Chairman of the Group, introduced the Group's strategic planning under the 14th Five-Year Plan, fruitful achievements made by the Group in 2021 and the Group's deployment of key work for 2022, while fully affirming and sincerely thanking all the Party members and employees in difficulty for their earnest performance of duties in spite of numerous difficulties. Mr. Liu stressed that the development of the Group is inseparable from the strong leadership of Shenzhen SASAC and SIHC, and the tireless efforts and selfless contribution of leading cadres at all levels and grassroots employees of the Group. In the process of development, the

Group will never let any employee fall behind. Finally, he expressed the hope that the Group's Party members and employees in difficulty would face life bravely with a positive attitude and the determination to overcome difficulties, and get out of difficulties to live a happy and healthy life as soon as possible.

After the symposium, Group leaders delivered sympathy funds and items as well as sincere New Year wishes to the representatives of Party members and employees in difficulty, hoping that they could have a safe and peaceful Spring Festival.

(II) SZPRD reduced and exempted rental totaling over RMB50 million for enterprises in difficulty

In order to firmly implement the work requirements of Shenzhen SASAC and SIHC, SZPRD actively fulfills its social responsibilities and implements various measures for rental reduction and exemption by state-owned enterprises (hereinafter referred to as "SOE rental reduction and exemption measures"). The Group had completed rental reduction and exemption totaling RMB50.36 million for existing tenants, benefiting 504 small and micro enterprises, 197 household industrial and commercial entities and four private kindergartens, among others, with a view to effectively alleviating the downward economic impact on small and micro enterprises, and making every effort to help market entities tide over difficulties.

1. The Group practically assumes the responsibility for rental reduction based on scientific coordination and rapid response.

In order to accelerate the implementation of rental reduction and exemption policies, the Group effectively fulfills its entity responsibility, and establishes a SOE rental reduction and exemption working group in the first time to coordinate and organize the implementation of rental reduction and exemption for the Group and its affiliated enterprises. The Group organizes the formulation of the Work Plan of SZPRD for Implementing SOE Rental Reduction and Exemption and relevant work guidelines to refine the working mechanism, review and approval authority and review process, and to clarify houses to be included in the rental reduction and exemption measures, the period of reduction and exemption as well as applicable objects and identification methods. Moreover, it also releases rental reduction and exemption announcements through WeChat groups and bulletin boards to disclose such information as acceptance method, contact person and contact number, so that all tenants can be aware of relevant rental reduction and exemption policies, through which the Group overcomes the current difficulties together with small and micro enterprises and other market entities, and well demonstrates its assumption of responsibility as a state-owned enterprise.

2. The Group weaves a compact "guarantee network" for rental reduction based on extensive publicity and Group-wide vertical linkage.

After the official launch of rental reduction, all affiliated enterprises of the Group timely take the initiative to visit tenants, guide tenants to submit materials, and simplify the declaration process, so as to effectively open up the "last kilometer" for the implementation of rental reduction policy. The Group establishes an effective routine working mechanism to strengthen communication and liaison among all parties, properly deal with the demands of all parties, and comprehensively address the problems encountered in practical operation. The Group and all its affiliated enterprises disseminate rental reduction and exemption policies across all levels and, for units and individuals really unable to enjoy such policies, relieve their negative emotions through patient explanation, thanks to which they haven't experienced any complaint or petition event so far.

Based on the full investigation in the early stage, the Group, in view of the problems and special cases centrally reflected by its affiliated enterprises during their implementation of relevant policies, organizes a number of special meetings on the promotion of rental reduction and exemption to further clarify such issues as policy basis, implementation entity and application scope, so as to ensure the precise and full implementation of rental reduction and exemption measures.

3. The Group standardizes operation, strengthens review, and does well in the review of rental reduction.

All the Group's affiliated enterprises strictly fulfill and improve the decision-making process for SOE housing rental reduction and exemption matters. In line with the requirements of "one policy for one enterprise" and "one archive for one household", the Group reviews the materials submitted by more than 700 tenant applicants batch by batch and item by item, including entity qualification declaration document, business license, tax payment certificate, etc., based on which strictly and carefully screens the objects of rental reduction, and verifies the business scope and actual rental situation of tenants, so as to ensure the compliance of rental reduction objects with relevant laws and regulations. In view of the special matters occurred in the process of rental reduction and exemption, the Group holds two rounds of symposia on the list of beneficiaries for deliberation. Based on the

deliberation results, the Group takes such indexes as rental period, rental standard and rental reduction period as the determination basis for reduction and exemption amount, clearly requires middleman landlords subleasing state-owned houses to ensure the final lessee benefit from rental reduction and exemption in line with the requirements of "achieving rental reduction and exemption to the maximum possible extent" and, premised on the standardization of rental reduction and exemption procedures, enables flexible reduction and exemption by means of direct return of rental or deduction from subsequent unpaid rental following the principle of "implementing policies by category in an active and stable manner, and doing the utmost to satisfy commercial tenants", with a view to further reducing resistance to rental reduction and exemption.

Next, the Group will continue to coordinate various rental reduction and exemption work, conduct rental reduction and exemption for incremental tenants, expand the effects of the aforesaid work, help market entities overcome difficulties, and stimulate the development vitality of small and micro enterprises.

(III) The guomao property's party committee embarks on "red flag, red action" national blood donation month 2022, donating 150,000 ml

In a bid to heighten the commitment to serving the people, the Guomao Property Management Company Party Committee has taken concrete measures to strengthen the company's party-building brand. With an eye towards practicality, comprehensiveness, and meticulousness, they orchestrated a national voluntary blood donation month campaign in 2022 under the banner of "Red Flag, Red Action."

Their efforts involved ten subsidiaries spread out across several cities, including Hangzhou, Shenzhen, Jinan, Yangzhou, Baoding, and others. These enterprises organized on-site blood donation events and facilitated the personnel to donate blood at local blood donation stations and centers. A total of 415 individuals stepped up and donated their blood, contributing a total volume of approximately 150,000 milliliters.

III Efforts in Poverty Alleviation and Rural Revitalization

With a noble sense of duty, the group strove to uphold its corporate citizenship responsibilities by uplifting those in poverty through the power of consumption. The labor union assumed a leading role in fulfilling social obligations, heeding the investment holding companies' call to action in support of consumption. Under the guidance of the group's party committee, the union meticulously crafted procurement plans, executed procurement tasks with great care, and furnished all necessary documentation in a systematic manner. The union's unwavering commitment to the cause of poverty alleviation through consumption manifested in an expenditure of around 1.6 million, placing them amongst the foremost enterprises in the system. With hearts full of devotion, the union poured their resources into supporting the central targeted poverty alleviation work.

Indicator	Performance in 2022	Data Statistics Scope
Investment in Rural Revitalization/Funds (RMB10,000)	Approximately 162.9	Group-wide, including subsidiaries
Investment in Rural Revitalization/Cadres (number of times)	1	Group-wide, including subsidiaries

Part VI Significant Events

I Fulfillment of Commitments

1. Commitments of the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and other Entities Fulfilled in the Reporting Period or Ongoing at the Period-end

Applicable Not applicable

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfillment
Commitments made in acquisition documents or shareholding alteration documents	Shenzhen Investment Holdings Co., Ltd. (SIHC)	Commitments on horizontal competition, related-party transactions and capital occupation	Wholly-owned subsidiary Shenzhen Construction Development and majority-owned subsidiary SPG of SIHC deal with real estate operation and commercial house sales, which belong to the same industry of the Listed Company, and has horizontal competition with the Listed Company. To avoid horizontal competition, SIHC make the following commitment. ¹	6 September 2018	Three years	Normal performance ²
Commitments made in acquisition documents or shareholding alteration documents	Shenzhen Investment Holdings Co., Ltd.	Commitments on horizontal competition, related-party transactions and capital occupation	To reduce and standardize related transactions with the Listed Company, SIHC makes the following commitment. ³	6 September 2018	Long-term	Normal performance
Other commitments made to minority shareholders	Shenzhen Investment Holdings Co., Ltd.	Performance commitment and compensation arrangement	SIHC signed equity transfer contract on 100% equity transfer of TK Property with the Company, and the contract stipulated relevant commitments	23 September 2019	Three years	Fulfillment ⁵

			on performance. ⁴			
Fulfilled on time	Yes					

Note 1: Wholly-owned subsidiary Shenzhen Construction Development and majority-owned subsidiary SPG of SIHC deal with real estate operation and commercial house sales, which belong to the same industry of the Listed Company, and has horizontal competition with the Listed Company. To avoid horizontal competition, SIHC make the following commitments: 1. On the horizontal competition solution of Shenzhen Construction Development: as the holding shareholder of the Listed Company, during the listing period at Shenzhen Stock Exchange of the Listed Company, as for the current business of Shenzhen Construction Development which has horizontal competition with the Listed Company, within the scope permitted by law and regulation, within 12 months from the equity of SZPRD being transferred to SIHC, SIHC will start the solution with practical operability among below horizontal competition solution timely and complete implementation of the solution within 3 years from the date that the equity of SZPRD is transferred to SIHC to solve current horizontal competition problems: (1) Shenzhen Construction Development signs asset custody agreement with the Listed Company, entrusts the assets which has direct competition with the Listed Company to the Listed Company, confirms fair custodian fee at the same time, and takes effective measures to solve horizontal competition within commitment period; (2) Inject assets with direct competition with the Listed Company into the Listed Company; (3) Transfer assets with direct competition with the Listed Company to unrelated third party; (4) other measures which can solve horizontal competition effectively and is favorable for protecting the interest of the Listed Company and legal interests of other shareholders. Before solving current horizontal competition, while company, enterprise, economic organization (not including enterprises controlled by the Listed Company, hereinafter referred to as subordinated Companies) which the Listed Company and SIHC hold controlling shares or controls actually have business, in case the involved dispute, etc. have major influence on the business, SIHC should keep neutral as a controlling shareholder to ensure that the Listed Company and subordinated Companies can take part in market competition on the principle of fair competition. 2. Horizontal competition solution of SPG: From 14 September 2016 to now, SPG has had stock suspension because of major assets restructuring. According to *Review Opinions on Delaying Stock Resumption because of Major Assets Restructuring of SPG announced by CITIC Securities and Huatai Securities* on 26 November 2016, the restructuring solution is that SPG plans to issue A share and / or use currency to purchase 100% equity of Evergrande Group (hereinafter referred to as “the restructuring of SPG”). On 9 November 2020, SPG issued an announcement that the current condition to continue to promote the major assets restructuring was not sound yet based on the current market environment and decided to terminate this transaction to safeguard interests of the company and all shareholders. After the termination of this transaction, SIHC is still the controlling shareholder of SPG. For business of SPG which has horizontal competition with the Listed Company, SIHC, within the scope permitted by law and regulation, SIHC will start a rational horizontal competition solution according to actual situation at the time within 12 months after the termination of reconstruction of SPG and stock resumption announcement date, and fulfill announcement obligation, and SPG will complete to implement the solution and solve the horizontal competition between SZPRD and SPG within 3 years from the date SPG terminates the reconstruction and announces stock resumption. 3. Other commitments to avoid horizontal competition: as the controlling shareholder of the Listed Company and during the listing period of the Listed Company at Shenzhen Stock Exchange, other subordinated Companies of SIHC will not engage in relevant business which has direct horizontal business competition with the Listed Company in new business fields except for in the business field where it already has had horizontal competition with the Listed Company. Shenzhen Investment Holdings promises not to seek improper benefits with the position of controlling shareholder of the Listed Company and damage the interest of the Listed Company and its shareholders. In case of violating above commitment, SIHC shall undertake corresponding legal liabilities, including but not limited to undertaking compensation responsibilities for all losses caused to the Listed Company.

Note 2: SIHC has always been actively committed to fulfilling its relevant commitments. During the term of commitment, SIHC did not seek any illegitimate interests as the controlling shareholding of SZPRD or damage any rights and interests of SZPRD and its shareholders. During the term of commitment, SIHC actively collated the underlying assets and businesses of Shenzhen

Construction Development (Group) Company and devoted itself to developing practical and feasible plans as soon as possible to solve the horizontal competition issue for SZPRD. It also actively promoted the restructuring of SPG. However, given the objective circumstances, SIHC failed to fulfill the original commitment to avoid horizontal competition. SIHC re-issued the Letter on Changing the Commitment to Avoiding Horizontal Competition on 31 August 2021 and such commitment change matter was approved at the first extraordinary general meeting of 2021 held on 27 September 2021. For more details, see the *Announcement on the Application by the Company's Controlling Shareholder for Changing the Commitment to Avoiding Horizontal Competition* (Announcement No.: 2021-32) disclosed by the Company on www.cninfo.com.cn on 11 September 2021.

Note 3: To reduce and standardize related transactions with the Listed Company, as controlling shareholder of the Listed company and during the listing period of the Listed Company at Shenzhen Exchange Stock, SIHC promises: 1. SIHC and its controlling or actually controlled companies, enterprises, economic organizations (not including enterprises controlled by the Listed Company, hereinafter referred to as the “subordinated companies”) will strictly exercise the rights of shareholders according to provisions of laws, regulations, and other normative documents, and fulfill the obligations of shareholders, and keep the independence of the Listed Company in assets, finance, employees, business and agency, etc. 2. SIHC promises not to use its position of controlling shareholder to promote board of shareholders or board of directors to make resolutions which may damage the legal interest of the Listed Company or other shareholders; 3. SIHC and its subordinated companies will try their best to avoid having related transactions with the Listed Company. In case the transaction with the Listed Company is inevitable, SIHC and its subordinated companies will have transaction with the Listed Company on the basis of equality and free will, according to fair, rational and normal commercial transaction conditions, will not require or accept conditions which is more preferential than the Listed Company gives to the third party in any fair market transactions, and strictly fulfill various related transactions with the Listed Company with good will. 4. SIHC and its subordinated companies will strictly fulfill decision making procedures and relevant information disclosure obligations of related transactions according to articles of association of the Listed Company and relevant laws and regulations. 5. SIHC and its subordinated companies will make sure that they will not seek special interests beyond above stipulations by having related transactions with the Listed Company, will not use related transactions to illegally transfer funds and profits of the Listed Company and to maliciously damage the legal interests of the Listed Company and its shareholders. 6. As for current related transaction with the Listed Company, within the scope permitted by laws and regulations, SIHC promises to confirm rational related transaction solution within 12 months after the Company shares are transferred to SIHC, and complete to implement the solution within 5 years after the Company shares are transferred to SIHC, to solve such related transactions completely. The specific forms include: (1) After current related transaction contract expires, it will not be renewed. In case contract renewal is necessary according to the operation needs of the Listed Company, it will fulfill relevant decision making procedures strictly according to procedures of related transactions. (2) Under the precondition of possible realization, terminate contract which is being fulfilled, and adopt marketized and open bid invitation, etc., inquire again on service items involved in such related transactions to confirm appropriate service provider. In case related transaction is involved, it should fulfill relevant decision making procedures according to related transaction procedures. (3) In case there is possibility of price re-negotiation in the related transaction contract which is being fulfilled, conduct price negotiation again, make the contract amount after re-pricing conform to market price and not higher than the amount of contract which is being fulfilled, and strictly fulfill relevant decision making procedures according to related transaction procedures.(4) Other appropriate measures which can reduce and finally eliminate current related transaction but not necessary. 7. In case of violating above commitments, SIHC shall undertake corresponding legal liabilities, including but not limited to undertaking compensation liability for all the losses caused to the Listed Company.

Note 4: SIHC signed equity transfer contract on 100% equity transfer of TK Property with the Company, and the contract stipulated: 1. SIHC promises that the cumulative net profits (net profit after deducting extraordinary items) of TK Property from 2019 to 2021 will not be less than 18% of the equity transfer payment amount of this transaction, i.e. three-year cumulative net profits \geq equity transfer payment * 18%. The above net profits are subject to the amount which is confirmed by audited financial report of TK Property. 2. In case three-year cumulative profits of TK Property fails to reach above promised amount, SIHC shall

compensate the insufficient part to the Company in full amount by cash. In case three-year cumulative profits (net profit after deducting extraordinary items) of TK Property is more than the promised amount, the Company will not refund. 3. In case SIHC needs to fulfill performance compensation obligation, it shall complete the performance compensation obligation within 30 days after receiving the compensation notice of the Company, and the specific delivery method will be agreed by both parties. In case SIHC delays to pay the performance compensation, it shall pay liquidated damages of 3/10000 of unpaid amount for each day delay. In case of failing to pay for more than 90 days, then Company has the right to cancel the contract. On 27 November 2019, the Company completed the procedures for registration changes in industry and commerce regarding 100% equity transfer of TK Property. According to the Equity Transfer Contract and the audit result on profit or loss of transitional period in the audit report, the final price for this equity transfer was determined bilaterally as RMB1,027,382,513.56.

Note 5: The audit results of Baker Tilly International (Special General Partner) show that, by the end of 2021, the cumulative net profit upon deduction of non-recurring gains and losses of ITC Technology Park Company during the three-year performance commitment period of 2019 - 2021 was RMB212,788,300, and the portion exceeding 18% of transaction equity transfer payment (RMB184,928,900) amounted to RMB27,859,400. The three-year cumulative net profit of the ITC Technology Park Company has reached the promised amount. According to the Equity Transfer Contract, it is unnecessary for SIHC to compensate the Company in cash, and the Company will not return the portion exceeding the promised amount (RMB27,859,400 in total) to SIHC. The three-year cumulative net profit of the ITC Technology Park Company has reached the promised amount. According to the Equity Transfer Contract, it is unnecessary for SIHC to compensate the Company in cash, and the Company will not return the portion exceeding the promised amount (RMB27,859,400 in total) to SIHC. This commitment has already been fulfilled so far.

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

Applicable Not applicable

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

Applicable Not applicable

No such cases in the Reporting Period.

III Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

IV Explanations Given by the Board of Directors Regarding the Latest "Modified Opinion" Issued by the Independent Auditor

Applicable Not applicable

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

Applicable Not applicable

VI YoY Changes to Accounting Policies and Estimates and Correction of Material Accounting Errors

Applicable Not applicable

No such cases in the Reporting Period.

VII YoY Changes to the Scope of the Consolidated Financial Statements

Applicable Not applicable

For the detailed changes to the scope of the Company's consolidated statements of the Reporting Period, see "Part X Financial Statements", VIII Changes to the Scope of the Consolidated Financial Statements.

VIII Engagement and Disengagement of Independent Auditor

Current independent auditor:

Name of the domestic independent auditor	Baker Tilly China Certified Public Accountants (LLP)
The Company's payment to the domestic independent auditor (RMB'0,000)	95
How many consecutive years the domestic independent auditor has provided audit service for the Company	3 years
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Chen Zihan, Zhong Qinfang
How many consecutive years the certified public accountants have provided audit service for the Company	Three years for Chen Zihan, one year for Zhong Qinfang

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

Yes No

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

Applicable Not applicable

In this Reporting Period, the Company engaged Baker Tilly China Certified Public Accountants (LLP) for its internal control audit and paid an internal control audit fee of RMB0.2 million to it for the period.

IX Possibility of Delisting after Disclosure of this Report

Applicable Not applicable

X Insolvency and Reorganization

Applicable Not applicable

No such cases in the Reporting Period.

XI Major Legal Matters

Applicable Not applicable

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed

							inform ation
Arbitration case of property contract dispute between the Fourth Owners' Committee of Shenzhen Nanshan District Software Park (Applicant) and Shenzhen ITC Technology Park Service Co., Ltd. for Software Park Phase I. The Applicant requested an award to the Respondent to return the owners' public revenue and bear the attorney's fees.	1,319.63	Yes	Following the initial hearing, a disagreement arose between the two parties involved in the arbitration over the amount in question. As a result, they requested a third-party audit institution to conduct an audit. During the second hearing, the arbitration panel inquired about the details of the case and the audit report issued by the third-party institution. Our side provided our perspective in response, and we are presently awaiting the decision of the arbitration panel.	Not yet	Not yet		
Shenzhen Qitian Sunshine Hotel Management Co., Ltd. (plaintiff) sued ShenZhen Properties & Resources Development (Group) Ltd. (defendant) for property leasing contract dispute, requesting the defendant to pay compensation for interior decoration of the relocated house and relocation fee of the leased house and to return the subsidy fee of the leased house, etc.	1,144	Not	The first instance judgment reads that the plaintiff Shenzhen Qitian Sunshine Hotel Management Co., Ltd. shall pay rent of RMB1,050,913.6 to the defendant ShenZhen Properties & Resources Development (Group) Ltd. within ten days from the effective date of this judgment. All the claims of the plaintiff Shenzhen Qitian Sunshine Hotel Management Co., Ltd. were rejected, and the remaining counterclaims of the defendant ShenZhen Property Development (Group) Co., Ltd. were rejected. Shenzhen Qitian Sunshine Hotel Management Co., Ltd. has instituted an appeal. The case is currently in the second trial stage.	Not yet	Not yet		
Summary of other contract disputes	9,870.76	See Part X Financial	See Part X Financial Report-XIV-2	See Part X Financial Report-XIV-	See Part X Financial Report-		

		Report- XIV-2		2	XIV-2		
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XII Punishments and Rectifications

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

XIV Major Related-Party Transactions

1. Continuing Related-Party Transactions

Applicable Not applicable

Related party	Relationship with the Company	Type of transaction	Specific transaction	Pricing principle	Transaction price	Total value (RMB'0,000)	As % of total value of all same-type transactions	Approved transaction line (RMB'0,000)	Over the approved line or not	Method of settlement	Obtainable market price for same-type transactions	Disclosure date	Index to disclosed information
Shenzhen Bay Area International Hotel Co., Ltd.	Wholly-owned subsidiary of the Company as the parent	Related-party transactions governing sales of commodity and providing of labors	Property management services	Property management services	Property management services	7,510.1	4.51%	8,164.58	No	Cash	7,510.10	31 December 2022	Announcement on Signing Property Management Contract with Related Party by a Wholly-owned Subsidiary and Related-party Transaction (No.:

													2022-54) disclosed on Cninfo
Shenzhen Bay Technology Development Co., Ltd.	Wholly-owned subsidiary of the Company as the parent	Related-party transactions governing sales of commodity and providing of labors	Property management services	Property management services	Property management services	5,456.24	3.27%	4,100	Yes	Cash	5,456.24	30 March 2022	Announcement on Estimated Continuing Related-party Transactions in 2022 (No.: 2022-12) disclosed on Cninfo
Hebei Shenbao Investment Development Co., Ltd.	Subsidiary of the Company as the parent	Related-party transactions governing sales of commodity and providing of labors	Property management services and engineering services	Property management services	Property management services	3,145.98	1.89%	658.68	Yes	Cash	3,145.98	30 March 2022	
Shenzhen Bay Technology Development Co., Ltd.	Wholly-owned subsidiary of the Company as the parent	Related-party transactions governing purchase of commodity and providing of labors	Management services	Market principle	Agreement price	8,651.83	6.00%	8,100	Yes	Cash	8,651.83	30 March 2022	
Shenzhen Shentou Real Estate Development Co., Ltd.	Wholly-owned subsidiary of the Company as the parent	Trusteeship	Trustee management services of houses	Market principle	Agreement price	4,405.74	34.41%	7,883.01	No	Cash	4,405.74	30 March 2022	
Total				--	--	29,169.89	--	28,906.27	--	--	--	--	--

Large-amount sales return in detail	N/A
Give the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period	The total amount of daily related-party transactions of the Company in 2022 is expected to be RMB262,399,800, and the actual total amount is RMB330,527,800. The mainly reason for the difference is that: during the Reporting Period, the Company completed the acquisition of five enterprises which caused the changes in the scope of consolidated financial statements of the Company. The five enterprises are Shenzhen Property Management Co., Ltd., Shenzhen Foreign Trade Property Management Co., Ltd., Shenzhen Shenfubao Property Development Co., Ltd., Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd. and Shenzhen Free Trade Zone Security Service Co., Ltd. The total amount of daily related-party transactions conducted by above five enterprises and SIHC as well as its subordinate companies is RMB82,011,900. For details, please refer to the Announcement on Estimated Continuing Related-party Transactions in 2023 disclosed on the same day of this report.
Reason for any significant difference between the transaction price and the market reference price (if applicable)	N/A

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

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

No such cases in the Reporting Period.

4. Credits and Liabilities with Related Parties

Applicable Not applicable

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

Yes No

Receivable from related parties

Related party	Relationship with the Company	Reason	Capital occupation for non-operating purposes (yes/no)	Beginning balance (RMB'0,000)	Amount newly added in current period (RMB'0,000)	Amount received in current period (RMB'0,000)	Interest rate	Current interest (RMB'0,000)	Ending balance (RMB'0,000)
Shenzhen Xinhai Holdings Co., Ltd.	The parent company of the subsidiary Rongyao Real Estate's minority shareholder Xinhai Rongyao	Business circulating funds before acquisition	No	40,150.00		20,000.00			20,150.00
Shenzhen Xinhai Rongyao Real Estate Develop	Minority shareholder of the subsidiary Rongyao Real	Business circulating funds before acquisition	No	33,047.29					33,047.29

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

Liabilities payable to related parties

Related party	Relation with the Company	Formation reason	Beginning balance (RMB'0,000)	Amount newly added in current period (RMB'0,000)	Amount returned in current period (RMB'0,000)	Interest rate	Current interest (RMB'0,000)	Ending balance (RMB'0,000)
Shenzhen Jifa Warehouse Co., Ltd.	Joint venture	Intercourse funds	3,879.67	350.00				4,229.67
Shenzhen Tian'an International Building Property Management Co., Ltd.	Joint venture	Intercourse funds	521.43					521.43
Influence on the Company's operating results and financial condition	All were within the risks control of the Company and not influenced the operating results and the financial conditions.							

5. Transactions with Related Finance Companies

Applicable Not applicable

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

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

Applicable Not applicable

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

7. Other Major Related-Party Transactions

Applicable Not applicable

At the 14th Meeting of the 10th Board of Directors held on 23 December 2022, the Company reviewed and approved the Proposal on the Signing of the Agreement and Related-party Transactions between a Wholly-owned Subsidiary and a Related Party. Shenzhen SZPRD Yanzihu Development Co., Ltd. (hereinafter referred to "Yanzihu Company"), a wholly-owned subsidiary of the Company, intends to enter into an agreement with Shenzhen Tianjun Industrial Co., Ltd. (hereinafter referred to as "Tianjun Company", a subordinate company of the controlling shareholder SIHC's wholly-owned subsidiary China Shenzhen Foreign Trade (Group) Corp. Ltd. on a voluntary, equal and consensual basis. To successfully promote the urban renewal project of Tianjun Industrial Park in Pingshan District, Shenzhen (hereinafter referred to as "Project"), Tianjun Company plans to leave the lands and properties of Tianjun Industrial Park held by it (hereinafter referred to as "Subject Assets") to the management of Yanzihu Company in advance. And Yanzihu Company agreed to pay RMB27 million to Tianjun Company as one part of the overall relocation compensation and resettlement fee of the Project. No transfer of ownership of any assets will occur in this transaction and Yanzihu will take over the park to facilitate the development of the Project.

Index to announcements on major related-party transactions

Announcement	Disclosure time	Disclosure website
Announcement on the Signing of the Agreement and Related-party Transactions between a Wholly-owned Subsidiary and a Related Party	24 December 2022	http://www.cninfo.com.cn

XV Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

Applicable Not applicable

No such cases in the Reporting Period.

(2) Contracting

Applicable Not applicable

No such cases in the Reporting Period.

(3) Leases

Applicable Not applicable

No such cases in the Reporting Period.

2. Major guarantees

Applicable Not applicable

Unit: RMB'0,000

Guarantees provided by the Company as the parent and its subsidiaries for external parties (exclusive of those for subsidiaries)										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Guarantees provided by the Company for its subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Shenzhen Rongyao Real	18 October 2019	500,000	27 November 2019	299,940		Security deposit		27 November 2019 to 20	No	Yes

Estate Development Co., Ltd.								November 2024		
Total approved line for such guarantees at the end of the Reporting Period (B3)		500,000	Total actual balance of such guarantees at the end of the Reporting Period (B4)							299,940
Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Total guarantee amount (total of the three kinds of guarantees above)										
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)		500,000	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)							299,940
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets				67.97%						
Of which:										
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)				299,940						
Total of the three amounts above (D+E+F)				299,940						

Compound guarantees:

3. Cash Entrusted to Other Entities for Management

(1) Cash Entrusted for Wealth Management

Applicable Not applicable

No such cases in the Reporting Period.

(2) Entrusted Loans

Applicable Not applicable

No such cases in the Reporting Period.

4. Other Major Contracts

Applicable Not applicable

No such cases in the Reporting Period.

XVI Other Significant Events

Applicable Not applicable

(I) Matters on winning of the bid for land use right

On 18 February 2022, the Company and Yangzhou Lvfa Real Estate Co., Ltd., by joint bidding, won the state-owned land use right of No. GZ342 land plot in Pingshan Township, Yangzhou at a price of RMB835,352,910 in the online listing auction of state-owned construction land use right in Yangzhou. For details, see the Announcement on Winning of the Bid for Land Use Right (Announcement No.: 2022-02) disclosed by the Company on Cninfo (www.cninfo.com.cn) on 19 February 2022.

(II) Matters on appointment of senior managers of the Company

The Company held the Sixth Meeting of the 10th Board of Directors on 21 February 2022, where the Proposal on Appointment of General Manager of the Company, the Proposal on Appointment of Deputy General Manager and Officer in Charge of Finance of the Company and the Proposal on Appointment of Chief Financial Officer of the Company were reviewed and approved, and the Board of Directors agreed to appoint Mr. Wang Hangjun as general manager of the Company, Mr. Chen Hongji, Ms. Cai Lili, Mr. Li Peng and Mr. Zhang Gejian as deputy general managers of the Company, with Ms. Cai Lili concurrently serving as officer in charge of finance of the Company, and Ms. Shen Xueying as chief financial officer of the Company. The term of office of the senior managers above starts from the date of review and approval at the Sixth Meeting of the 10th Board of Directors and expires on the date of expiration of the term of office of the 10th Board of Directors. For details, see the Announcement on Appointment of Senior Managers of the Company (Announcement No.: 2022-04) disclosed by the Company on Cninfo (www.cninfo.com.cn) on 22 February 2022.

(III) Matters on changes of directors and supervisors of the Company

During the Reporting Period, Mr. Wei Xiaodong, a director of the Company, applied for resignation from the position of non-independent director and staff representative director of the 10th Board of Directors for reason of job transfer; Mr. Dai Xianhua, a supervisor of the Company, applied for resignation from the position of supervisor and chairman of the Board of Supervisors for reaching the statutory retirement age. The Company held the Congress of Workers and Staff on 29 June 2022, where Mr. Zhang Zhimin was elected as staff representative director of the 10th Board of Directors of the Company, whose term of office shall expire upon expiration of the term of office of the 10th Board of Directors. The Company held the Seventh Meeting and Eighth Meeting of the Tenth Board of Supervisors respectively on 4 July 2022 and 20 July 2022, and held the General Meeting of Shareholders on 20 July 2022, where Mr. Ma Hongtao was elected as supervisor and chairman of the Board of Supervisors, whose term of office shall expire upon expiration of the term of office of the 10th Board of Supervisors. For details, see the Announcement on Resignation of Directors and Election of Staff Representative Director (Announcement No.: 2022-20), Announcement on Proposed Change of Supervisors of the Company (Announcement No.: 2022-29) and Announcement on Election of Chairman of the Board of Supervisors (Announcement No.: 2022-33) disclosed by the Company on Cninfo (www.cninfo.com.cn) respectively on 30 June 2022, 5 July 2022 and 21 July 2022.

(IV) Matters on progress of acquisition by the wholly-owned subsidiary of 100% equity in Shenzhen Property Management Co., Ltd., three enterprises owned by Shenzhen Shenfubao (Group) Co., Ltd. and Shenzhen Foreign Trade Property Management Co., Ltd., and progress of relevant connected transactions

During the Reporting Period, all relevant procedures for industrial and commercial change registration were handled and the Notice of Change (for Recordation) approved by Shenzhen Market Supervision Administration was obtained for acquisition by Shenzhen International Trade Center Property Management Co., Ltd. (a wholly-owned subsidiary of the Company) of 100% equity in Shenzhen Property Management Co., Ltd., Shenzhen Shenfubao Property Development Co., Ltd., Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd., Shenzhen Free Trade Zone Security Service Co., Ltd. and Shenzhen Foreign Trade Property Management Co., Ltd. The equity transfer fund was paid upon the special audit by Baker Tilly China Certified Public Accountants (LLP). Since then, the acquisition of 100% equity in Shenzhen Property Management Co., Ltd., three enterprises owned by Shenzhen Shenfubao (Group) Co., Ltd. and Shenzhen Foreign Trade Property Management Co., Ltd. as well as related-party transactions have been officially completed. For details, see the Announcement on Progress of Acquisition by the Wholly-owned Subsidiary of 100% Equity in Shenzhen Property Management Co., Ltd. and Progress of Relevant Connected Transactions (Announcement No.: 2022-01), Announcement on Progress of Acquisition by the Wholly-owned Subsidiary of 100% Equity in

Three Enterprises Owned by Shenzhen Shenfubao (Group) Co., Ltd. and Progress of Relevant Connected Transactions (Announcement No.: 2022-05), Announcement on Progress of Acquisition by the Wholly-owned Subsidiary of 100% Equity in Shenzhen Foreign Trade Property Management Co., Ltd. and Progress of Relevant Connected Transactions (Announcement No.: 2022-06), Announcement on Completion of Acquisition by the Wholly-owned Subsidiary of 100% Equity in Three Enterprises Owned by Shenzhen Shenfubao (Group) Co., Ltd. and Progress of Relevant Connected Transactions (Announcement No.: 2022-39) and Announcement on Completion of Acquisition by the Wholly-owned Subsidiary of 100% Equity in Shenzhen Foreign Trade Property Management Co., Ltd. and Progress of Relevant Connected Transactions (Announcement No.: 2022-40) disclosed by the Company on Cninfo (www.cninfo.com.cn) respectively on 15 February 2022, 25 February 2022 and 26 September 2022.

(V) Matters on the holding subsidiary winning the bid of the land use right

In the Reporting Period, the Company's subsidiary, Yangzhou Wuhe Real Estate Co., Ltd, successfully secured state-owned land use rights for Plot GZ399 in Pingshan Township, Yangzhou City. The acquisition was made through an online public bidding on the state-owned construction land use rights platform of Yangzhou City, with a transaction price of RMB179,175,420. This strategic purchase will effectively bolster the company's land reserve and provide valuable resources to further advance its industrial and urban development strategies in a sustainable manner. Additional information on this transaction can be found in the "Announcement on the Subsidiary's Winning of Land Use Rights" (Announcement No. 2022-47), which was published by the company on 17 November 2022, on the CNINFO website.

XVII Significant Events of Subsidiaries

Applicable Not applicable

Part VII Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
1. Restricted shares	1,898,306	0.32%	0	0	0	0	0	1,898,306	0.32%
1.1 Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
1.2 Shares held by state-owned Legal-person	3,326	0.00%	0	0	0	0	0	3,326	0.00%
1.3 Shares held by other domestic investors	1,894,980	0.32%	0	0	0	0	0	1,894,980	0.32%
Among which: shares held by domestic legal person	1,894,980	0.32%	0	0	0	0	0	1,894,980	0.32%
Shares held by domestic natural person	0	0.00%	0	0	0	0	0	0	0.00%
1.4 Oversea shareholdings	0	0.00%	0	0	0	0	0	0	0.00%
Among which: shares held by oversea legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by oversea natural person	0	0.00%	0	0	0	0	0	0	0.00%
2. Unrestricted shares	594,080,786	99.68%	0	0	0	0	0	594,080,786	99.68%
2.1 RMB ordinary shares	526,475,543	88.34%	0	0	0	0	0	526,475,543	88.34%
2.2 Domestically listed foreign shares	67,605,243	11.34%	0	0	0	0	0	67,605,243	11.34%
2.3 Oversea listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
2.4 Other	0	0.00%	0	0	0	0	0	0	0.00%
3. Total shares	595,979,092	100.00%	0	0	0	0	0	595,979,092	100.00%

Reasons for share changes:

 Applicable Not applicable

Approval of share changes:

 Applicable Not applicable

Transfer of share ownership:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Changes in Restricted Shares

Applicable Not applicable

II. Issuance and Listing of Securities

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

Applicable Not applicable

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

Applicable Not applicable

3. Existing Staff-Held Shares

Applicable Not applicable

III Shareholders and Actual Controller

1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Number of ordinary shareholders	48,233	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	45,859	Number of preferred shareholders with resumed voting rights (if any)	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0	
5% or greater shareholders or top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares, marked in pledge or frozen	
							Status	Shares

Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	50.57%	301,414,637	0	3,326	301,411,311		
Shenzhen State-owned Equity Management Co., Ltd.	Domestic non-state-owned legal person	6.38%	38,037,890	0	0	38,037,890		
China Orient Asset Management Co., Ltd.	State-owned legal person	2.77%	16,491,402	-6,744,998	0	16,491,402		
Duan Shaoteng	Domestic natural person	0.29%	1,755,565	0	0	1,755,565		
Shenzhen Duty-Free Commodity Enterprises Co., Ltd.	Domestic non-state-owned legal person	0.29%	1,730,300	0	1,730,300	0		
Yang Yaochu	Domestic natural person	0.27%	1,640,984	140,600	0	1,640,984		
CITIC Securities Company Limited	State-owned legal person	0.25%	1,545,368	1,545,368	0	1,545,368		
Li Xinyi	Domestic natural person	0.25%	1,500,000	-2,050,100	0	1,500,000		
Shenzhen Hengbang Zhaofeng Private Equity Fund Management Co., Ltd.-Hengbang Xiangshang Win-Win Growth No.1 Private Equity Investment Fund	Other	0.22%	1,303,100	1,303,100	0	1,303,100		
Mai Furong	Domestic natural person	0.20%	1,244,596	141,500	0	1,244,596		
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any)		N/A						
Related or acting-in-concert parties among the shareholders above	The largest shareholder, Shenzhen Investment Holdings Co., Ltd., is the controlling shareholder of the Company and Shenzhen State-owned Equity Management Co., Ltd. And the Company does not know whether there are related parties or acting-in-concert parties among the other shareholders.							
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights	N/A							
Special account for share repurchases (if any) among the top 10 shareholders	N/A							
Top 10 unrestricted shareholders								
Name of shareholder	Unrestricted shares held at the period-end	Shares by type						
		Type	Shares					

Shenzhen Investment Holdings Co., Ltd.	301,411,311	RMB common share	301,411,311
Shenzhen State-owned Equity Management Co., Ltd.	38,037,890	RMB common share	38,037,890
China Orient Asset Management Co., Ltd.	16,491,402	RMB common share	16,491,402
Duan Shaoteng	1,755,565	RMB common share	1,755,565
Yang Yaochu	1,640,984	Domestically listed foreign share	1,640,984
CITIC Securities Company Limited	1,545,368	RMB common share	1,545,368
Li Xinyi	1,500,000	RMB common share	1,500,000
Shenzhen Hengbang Zhaofeng Private Equity Fund Management Co., Ltd.-Hengbang Xiangshang Win-Win Growth No.1 Private Equity Investment Fund	1,303,100	RMB common share	1,303,100
Mai Furong	1,244,596	Domestically listed foreign share	1,244,596
You Jianping	1,214,700	RMB common share	1,214,700
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	The largest shareholder, Shenzhen Investment Holdings Co., Ltd., is the controlling shareholder of the Company and Shenzhen State-owned Equity Management Co., Ltd. And the Company does not know whether there are related parties or acting-in-concert parties among the other shareholders.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A		

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

Yes No

No such cases in the Reporting Period.

2. Controlling Shareholder

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

Type of the controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Shenzhen Investment Holdings Co., Ltd.	He Jianfeng	13 October 2004	914403007675664218	To execute investments and M&A on financial equity such as banks, securities, insurance, funds and guarantees and pseudo-banking equity; to engage in the property development and operation business within the scale of legally acquire the land use right; to execute investments and services in strategic emerging industry; to execute the investment, operating and management of the state-owned equities of the wholly-owned, controlling and stock-participating enterprises through the methods such as the restructuring

				integration, capital operation and assets disposal; other business developed with the authority from the Municipal State-owned Assets Supervision and Administration Commission (if the activity needs approval as required by state regulations, it shall not be operated until it is approved).
Shareholdings of the controlling shareholder in other listed companies at home or abroad in this Reporting Period	<p>Shenzhen Textile A (000045) holds 234.07 million shares, accounting for 46.10%; SPG A (000029) holds 642.88 million shares, accounting for 63.55%; Shenzhen Universe A (000023) holds 9.59 million shares, accounting for 6.91%; Ping'an (601318) holds 962.72 million shares, accounting for 5.27%; Guosen Securities (002736) holds 3,223.11 million shares, accounting for 33.53%; Guotai Jun'an (601211) holds 609.43 million A-shares and 103.37 million H-shares, totally accounting for 8.00%; Telling Telecommunication (000829) holds 195.03 million shares, accounting for 18.89%; Shenzhen International (00152) holds 952.01 million shares, accounting for 43.39%; Beauty Star (002243) holds 604.82 million shares, accounting for 49.96%; Bay Area Development (00737) holds 2213.45 million shares, accounting for 71.83%; Infinova (002528) holds 315.83 million shares, accounting for 26.35%; Eternal Asia (002183) holds 388.45 million shares, accounting for 18.30%; Shenzhen Energy (000027) holds 6.77 million shares, accounting for 0.14%; Bank of Communications (601328) holds 9.52 million shares, accounting for 0.01%; Techand (300197) holds 113.98 million shares, accounting for 4.84%; Vanke (02202) holds 77.27 million shares, accounting for 0.67%.</p>			

Change of the controlling shareholder in the Reporting Period:

Applicable Not applicable

The controlling shareholder remained the same in the Reporting Period.

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

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

Type of the actual controller: legal person

Name of actual controller	Legal representative/ person in charge	Date of establishment	Unified social credit code	Principal activity
Shenzhen Municipal State-owned Assets Supervision and Administration Commission	Wang Yongjian	1 July 2004	K31728067	<p>(I) Implementing and practicing state, provincial and municipal laws and regulations related to management on state-owned assets, drafting local laws, regulations, and policies about management on state-owned assets, and organizing implementation activities upon approvals. Intending to draft supervision systems and methods about operational state-owned assets, and organizing implementation activities.</p> <p>(II) On the basis of authorization from municipal government, fulfilling duties of investors according to laws and regulations, and protecting the rights and interests of investors for state-owned assets according to laws</p> <p>(III) Taking charge of Party-building work for enterprises in its supervision and organs entrusted</p> <p>(IV) Undertaking the supervision over state-owned assets of municipal enterprises, strengthening management on state-owned assets, further perfecting the</p>

			<p>management mechanism for state-owned assets with the unification of power, obligation, and duties, as well as the combination of managing assets, people, and affairs</p> <p>(V) Being responsible for hedging and appreciation of the value of state-owned assets of enterprises in its supervision, establishing and perfecting the index system for hedging and appreciation of the value of state-owned assets, setting out assessment standards, supervising on hedging and appreciation of the value of state-owned assets of enterprises in its supervision by statistics, audit, and check, and urging enterprises in its supervision to fulfill social duties</p> <p>(VI) In charge of researching and preparing the general planning for transformation and development of state-owned enterprise in its supervision, guiding and boosting transformation and re-organization of state-owned enterprises, prompting the construction of modern enterprise system, carrying forward operation of state-owned capital, pushing the strategic adjustment on state-owned economy layout and structure, and making state-owned capital play the role in significant industries and key fields including national security, national economy lifeline, etc.</p> <p>(VII) Directing and propelling enterprises in its supervision to perfect company governance structure, intensifying construction of Board and Supervision Committees of enterprises in its supervision, and forming the governance mechanism with specific duties, coordinating operation, and effective counterbalance</p> <p>(VIII) Assuming the management work of income distribution for enterprises in its supervision, and standardizing the income distribution and position-related consumption over people in charge of enterprises in its supervision</p> <p>(IX) In line with rules of municipal Party committee, appointing and dismissing, appraising, as well as, in accordance with business performance, rewarding and punishing people in charge of enterprises in its supervision by applying legal procedures, establishing the mechanism of selecting and choosing candidates meeting the requirements of socialist market economy system and modern enterprise system, and perfecting the incentive and control system for operators</p> <p>(X) Being responsible for appointing or recommending board directors, supervisors, CFOs to enterprises in its supervision, and auditing on economic duties of people in charge of enterprises in its supervision according to rules about management authorization to people in charge of enterprises</p>
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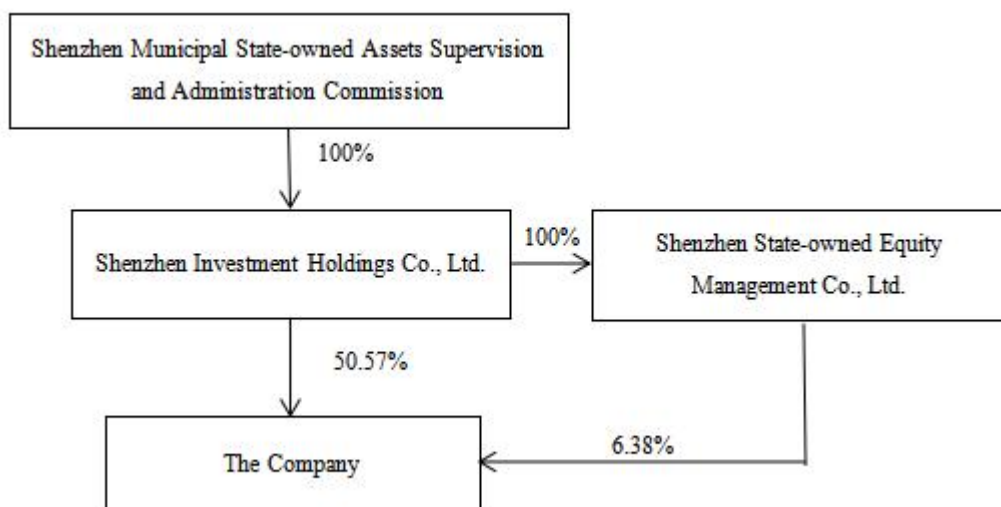
				(XI) In charge of preparing the draft of budgets and final accounts of annual state-owned capital of enterprises in its supervision, including it to the government budget system, organizing the execution upon approvals, and collecting earnings of state-owned capital handed in by enterprises in its supervision (XII) In charge of strategy research, policy formulation, and guidance for transformation, development, and asset management related to collectively-owned enterprises (XIII) Assuming other assignments assigned by municipal government and superior departments
Shareholdings of the actual controller in other listed companies at home or abroad in this Reporting Period	Listed companies such as the Shenzhen Airport, YTP, Shenzhen Energy, Shenzhen Zhenye, Shenzhen Tagen and SDGI.			

Change of the actual controller in the Reporting Period

Applicable Not applicable

The actual controller remained the same in the Reporting Period.

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



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

Applicable Not applicable

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

Applicable Not applicable

5. Other 10% or Greater Corporate Shareholders

Applicable Not applicable

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

Applicable Not applicable

IV Specific Implementation of Share Repurchase during the Reporting Period

Progress on any share repurchase

Applicable Not applicable

Progress on reducing the repurchased shares by means of centralized bidding

Applicable Not applicable

Part VIII Preference Shares

Applicable Not applicable

No preference shares in the Reporting Period.

Part IX Bonds

Applicable Not applicable

Part X Financial Statements

I. Auditor's Report

Type of the independent auditor's opinion	Unmodified unqualified opinion
Date of signing this report	24 March 2023
Name of the independent auditor	Baker Tilly China Certified Public Accountants (LLP)
Reference number of Audit Report	Baker Tilly YZ[2023]No. 13206
Name of the certified public accountants	Chen Zihan, Zhong Qinfang

Text of the Auditor's Report

All shareholders of Shenzhen Properties & Resources Development (Group) Ltd.:

1. Opinion

We have audited the financial statements of Shenzhen Properties & Resources Development (Group) Ltd. (the "Company"), which comprise the consolidated and parent company balance sheets as of 31 December 2022, the consolidated and parent company statements of income, cash flows and changes in shareholders' equity for the year then ended, as well as the notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated and parent company financial position of the Company at 31 December 2022, and the consolidated and parent company operating results and cash flows for the year then ended, in conformity with the Chinese Accounting Standards (CAS).

2. Basis for Opinion

We conducted our audits in accordance with the Audit Standards for Chinese Registered Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Audit of Financial Statements section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the said Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key audit items

Key audit items are the items that are considered most important for the audit of the current financial statements based on our professional judgment. The response to these items is based on the audit of the financial statements as a whole and the formation of audit opinions. We do not comment on these items separately.

Key audit item	Audit response
1. Recognition and measurement of revenue from real estate development and sales	
SZPRD achieved a revenue of RMB1.914 billion from real estate development projects in 2022, accounting for 51.60% of the total operating revenue. SZPRD confirms revenue from real estate development projects when all the following conditions are met: (1) Real estate products of sales contracts under development are completed and accepted; (2) Irreversible sales contracts are signed and buyers' payment certificates are received; (3) Notice of property acceptance is issued.	Our audit procedures for this key audit issue include: Understanding and sampling key control measures related to property sales business to evaluate the effectiveness of implementation of control procedures. Obtaining and reviewing completion acceptance documents of projects; reviewing property sales contracts and verifying the authenticity of revenue from property sales recognized in this year; checking original collection certificates or certificates of

<p>The recognition and measurement of revenue from real estate business has a significant impact on the operating results of SZPRD, which may be inaccurately measured or recognized in improper accounting period. Therefore, we regard the recognition and measurement of real estate development and sales revenue as key audit issues.</p> <p>For accounting policies and details of revenue from real estate development and sales, please refer to Note III, (28), VI, (37) to the financial statement.</p>	<p>bank mortgage procedures to determine whether full payment amount is received; reviewing admission notice or other supporting documents on delivery of properties to evaluate whether revenue from property sales meets the conditions for revenue recognition as stipulated by the Company's accounting policy.</p> <p>Obtaining and reviewing supporting documents for property delivery before and after the balance sheet date to evaluate whether revenue from property sales is recorded in proper accounting period.</p>
<p>2. Provision of increment tax on land value</p>	
<p>The Company shall pay increment tax on land value at the rate of 30-60% of extra progressive tax rate of increment amount on land value for real estate sales and development. At the end of each financial reporting period, the Management shall estimate the provision amount of increment tax on land value. When making estimation judgment, main factors to be included in consideration shall include the provisions and explanations of relevant tax laws and regulations, the amount of estimated revenue from sale of real estate minus estimated deductible land cost, real estate development cost, interest expense and development cost, etc. The actual amount in final settlement payable by SZPRD for increment tax on land value may be different from the estimated amount.</p> <p>As the importance of provision of increment tax on land value on the profit and loss of real estate enterprises, and Management includes the understanding of relevant tax laws and regulations and actual practices in consideration for estimation judgment, we determine the provision of increment tax on land value of SZPRD as a key audit issue.</p>	<p>Our audit procedures for this key audit issue include:</p> <p>Obtaining calculation data of increment tax on land value of main real estate development projects to review and calculate the accuracy of amount of increment tax on land value accrued by the Company in this year.</p> <p>Combining the audit revenue from real estate sales to review the rationality of estimated amount of revenue from real estate sales made by the Management in the calculation of increment tax on land value.</p> <p>Combining inventory audit to review the accuracy of land cost, real estate development cost, interest expense and development cost deducted by the Management in the calculation of increment tax on land value.</p>

4. Other Information

The Company's management (hereinafter referred to as the Management") is responsible for the other information. The other information comprises all of the information included in the Company's 2022 Annual Report other than the financial statements and our auditor's report thereon.

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

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

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

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

The Management is responsible for the preparation of the financial statements that give a fair view in accordance with CAS, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (hereinafter referred to as the "Governance") are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material

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

As part of an audit in accordance with CAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by CAS to draw users' attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

Beijing·China 24 March 2023	Chinese CPA	Chen Zihan
	<hr/> (Engagement Partner):	
	Chinese CPA:	Zhong Qinfang

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.

31 December 2022

Unit: RMB

Item	31 December 2022	1 January 2022
Current assets:		
Monetary assets	1,517,528,893.83	2,280,821,442.11
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		200,000.00
Accounts receivable	419,933,915.30	293,985,139.93
Accounts receivable financing		
Prepayments	100,341,806.56	70,979,023.99
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	639,903,523.33	926,361,533.14
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	10,975,334,223.37	9,125,134,062.27
Contract assets	1,094,632.90	
Assets held for sale		
Current portion of non-current assets		
Other current assets	65,655,266.27	58,996,984.81
Total current assets	13,719,792,261.56	12,756,478,186.25
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables	22,651,454.07	23,831,889.11
Long-term equity investments	79,781,437.31	50,360,681.37
Investments in other equity instruments	887,838.64	1,002,551.95
Other non-current financial assets		
Investment property	405,762,739.18	459,204,609.35
Fixed assets	82,745,172.12	114,155,590.40
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets	70,168,415.65	71,472,680.73
Intangible assets	1,269,382.91	1,753,389.33
Development costs		
Goodwill	9,446,847.38	9,446,847.38
Long-term prepaid expense	21,980,602.46	22,751,829.74
Deferred income tax assets	1,383,050,586.04	1,279,816,590.32
Other non-current assets	2,750,873.08	45,571,997.85
Total non-current assets	2,080,495,348.84	2,079,368,657.53
Total assets	15,800,287,610.40	14,835,846,843.78
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	608,283,388.52	351,894,812.23
Advances from customers	2,260,847.31	1,381,666.59
Contract liabilities	920,828,040.81	1,374,165,809.40
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	239,126,392.02	230,618,067.23
Taxes payable	3,917,278,346.81	3,316,590,190.34
Other payables	1,515,085,832.45	1,027,622,090.94
Including: Interest payable		
Dividends payable	12,202,676.04	17,542,675.98
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	218,858,766.82	83,924,701.83
Other current liabilities	83,991,786.83	77,403,624.02
Total current liabilities	7,505,713,401.57	6,463,600,962.58
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	3,618,782,344.00	3,524,500,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	77,963,283.55	83,081,182.89
Long-term payables		
Long-term employee benefits payable		
Provisions	766,612.52	1,425,490.50
Deferred income		
Deferred income tax liabilities	241,978.54	307,853.79
Other non-current liabilities	128,008,919.79	126,059,683.08
Total non-current liabilities	3,825,763,138.40	3,735,374,210.26
Total liabilities	11,331,476,539.97	10,198,975,172.84
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	154,342,349.00
Less: Treasury stock		
Other comprehensive income	-3,854,377.95	-8,174,653.66
Specific reserve		
Surplus reserves	48,886,605.81	47,574,940.18
General reserve		

Retained earnings	3,691,056,182.73	3,800,330,330.23
Total equity attributable to owners of the Company as the parent	4,412,555,547.97	4,590,052,057.75
Non-controlling interests	56,255,522.46	46,819,613.19
Total owners' equity	4,468,811,070.43	4,636,871,670.94
Total liabilities and owners' equity	15,800,287,610.40	14,835,846,843.78

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	31 December 2022	1 January 2022
Current assets:		
Monetary assets	532,263,736.63	1,177,352,486.44
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	5,137,042.71	2,223,974.66
Accounts receivable financing		
Prepayments		5,400.00
Other receivables	5,162,396,869.45	2,412,506,681.28
Including: Interest receivable		
Dividends receivable	151,433,108.41	
Inventories	793,075,051.53	2,343,857,737.13
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	18,130,015.97	496,729.09
Total current assets	6,511,002,716.29	5,936,443,008.60
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	1,447,747,317.70	1,109,826,561.76
Investments in other equity instruments	1,118,338.64	1,233,051.95
Other non-current financial assets		
Investment property	260,599,477.89	283,198,989.66
Fixed assets	31,577,309.67	41,133,269.92
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets	3,238,351.85	4,075,422.31
Intangible assets		
Development costs		
Goodwill		
Long-term prepaid expense	860,115.06	259,463.73
Deferred income tax assets	152,942,094.59	190,014,842.35
Other non-current assets	2,362,376,650.86	1,718,846,484.20
Total non-current assets	4,260,459,656.26	3,348,588,085.88

Total assets	10,771,462,372.55	9,285,031,094.48
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	41,228,778.20	48,640,839.24
Advances from customers	952,186.65	425,164.77
Contract liabilities	840,878,470.63	524,139,983.49
Employee benefits payable	56,425,731.67	49,313,279.30
Taxes payable	1,783,757.84	4,678,424.25
Other payables	7,258,663,180.38	5,963,004,158.44
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	190,431,469.82	65,163,793.74
Other current liabilities	75,679,062.35	47,172,598.51
Total current liabilities	8,466,042,637.54	6,702,538,241.74
Non-current liabilities:		
Long-term borrowings	462,000,000.00	525,100,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	1,947,178.87	2,976,367.29
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	503,947,178.87	568,076,367.29
Total liabilities	8,969,989,816.41	7,270,614,609.03
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	-2,742,841.65	-2,574,121.54
Specific reserve		
Surplus reserves	48,886,605.81	29,637,548.47
Retained earnings	1,105,473,319.87	1,337,497,586.41
Total owners' equity	1,801,472,556.14	2,014,416,485.45

Total liabilities and owners' equity	10,771,462,372.55	9,285,031,094.48
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3. Consolidated Income Statement

Unit: RMB

Item	2022	2021
1. Revenue	3,708,669,046.85	4,911,120,528.33
Including: Operating revenue	3,708,669,046.85	4,911,120,528.33
Interest revenue		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	3,142,047,245.48	3,584,941,653.00
Including: Cost of sales	1,978,777,621.22	1,827,382,823.18
Interest costs		
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	725,920,657.80	1,352,677,993.06
Selling expense	53,541,997.78	73,372,016.02
Administrative expense	329,991,655.74	323,975,355.61
R&D expense	3,244,129.11	2,171,797.80
Finance costs	50,571,183.83	5,361,667.33
Including: Interest expense	64,941,564.63	75,361,420.03
Interest income	21,591,864.72	75,033,921.17
Add: Other income	19,484,058.67	32,012,226.29
Return on investment ("-" for loss)	1,981,330.90	6,609,725.37
Including: Share of profit or loss of joint ventures and associates	2,040,461.81	4,650,460.58
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)	117,082.19	193,746.57
Credit impairment loss ("-" for loss)	-17,395,139.90	-29,194,857.89
Asset impairment loss ("-" for loss)	-528,430.23	23,120.82
Asset disposal income ("-" for loss)	175,810,605.44	27.94
3. Operating profit ("-" for loss)	746,091,308.44	1,335,822,864.43
Add: Non-operating income	7,198,004.28	15,587,559.41
Less: Non-operating expense	2,556,893.74	7,495,978.90
4. Profit before tax ("-" for loss)	750,732,418.98	1,343,914,444.94
Less: Income tax expense	221,391,811.02	335,904,738.19
5. Net profit ("-" for net loss)	529,340,607.96	1,008,009,706.75
5.1 By operating continuity		
5.1.1 Net profit from continuing operations ("-" for net loss)	529,340,607.96	1,008,009,706.75

5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to shareholders of the Company as the parent	537,664,698.69	1,025,380,909.03
5.2.1 Net profit attributable to non-controlling interests	-8,324,090.73	-17,371,202.28
6. Other comprehensive income, net of tax	4,320,275.71	-1,425,064.25
Attributable to owners of the Company as the parent	4,320,275.71	-1,425,064.25
6.1 Items that will not be reclassified to profit or loss	-168,720.11	-28,670.35
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	-168,720.11	-28,670.35
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	4,488,995.82	-1,396,393.90
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	4,488,995.82	-1,396,393.90
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	533,660,883.67	1,006,584,642.50
Attributable to owners of the Company as the parent	541,984,974.40	1,023,955,844.78
Attributable to non-controlling interests	-8,324,090.73	-17,371,202.28
8. Earnings per share		
8.1 Basic earnings per share	0.9022	1.7205
8.2 Diluted earnings per share	0.9022	1.7205

Where business combinations under common control occurred in the Current Period, the net profit achieved by the acquirees before the combinations was RMB9,596,148.16, with the amount for the same period of last year being RMB21,251,005.70.

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	2022	2021
1. Operating revenue	75,486,414.74	80,529,601.93
Less: Cost of sales	44,999,240.65	38,571,950.27

Taxes and surcharges	5,106,898.84	7,146,348.46
Selling expense	400,095.36	2,006,401.50
Administrative expense	102,699,790.62	95,334,812.14
R&D expense		
Finance costs	6,565,334.70	-34,874,500.11
Including: Interest costs	27,016,860.03	25,501,758.97
Interest revenue	13,235,541.77	63,489,075.60
Add: Other income	183,849.33	20,102,972.08
Return on investment (“-” for loss)	313,407,689.63	134,368,018.21
Including: Share of profit or loss of joint ventures and associates	2,040,461.81	4,650,460.58
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)	280,304.06	-356,512.44
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	229,586,897.59	126,459,067.52
Add: Non-operating income		7,173,820.40
Less: Non-operating expense	23,576.47	169,457.44
3. Profit before tax (“-” for loss)	229,563,321.12	133,463,430.48
Less: Income tax expense	37,072,747.76	29,147,742.04
4. Net profit (“-” for net loss)	192,490,573.36	104,315,688.44
4.1 Net profit from continuing operations (“-” for net loss)	192,490,573.36	104,315,688.44
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	-168,720.11	-28,670.35
5.1 Items that will not be reclassified to profit or loss	-168,720.11	-28,670.35
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	-168,720.11	-28,670.35
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	192,321,853.25	104,287,018.09
7. Earnings per share		
7.1 Basic earnings per share	0.3230	0.1750
7.2 Diluted earnings per share	0.3230	0.1750

5. Consolidated Cash Flow Statement

Unit: RMB

Item	2022	2021
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	3,437,128,020.73	5,848,887,354.06
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	10,058,351.98	42,434,277.83
Cash generated from other operating activities	1,078,867,968.60	354,846,811.16
Subtotal of cash generated from operating activities	4,526,054,341.31	6,246,168,443.05
Payments for commodities and services	2,510,779,597.33	4,893,470,956.31
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	983,205,651.52	941,865,001.94
Taxes paid	688,906,681.47	1,533,290,206.83
Cash used in other operating activities	237,929,307.13	706,522,030.42
Subtotal of cash used in operating activities	4,420,821,237.45	8,075,148,195.50
Net cash generated from/used in operating activities	105,233,103.86	-1,828,979,752.45
2. Cash flows from investing activities:		
Proceeds from disinvestment	297,479.85	

Return on investment		122,536.02
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	197,192,641.96	112,437.89
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	197,490,121.81	234,973.91
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	17,734,048.21	24,851,720.82
Payments for investments	27,380,294.13	
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		4,292,240.68
Cash used in other investing activities		
Subtotal of cash used in investing activities	45,114,342.34	29,143,961.50
Net cash generated from/used in investing activities	152,375,779.47	-28,908,987.59
3. Cash flows from financing activities:		
Capital contributions received	17,760,000.00	2,140,000.00
Including: Capital contributions by non-controlling interests to subsidiaries	17,760,000.00	2,140,000.00
Borrowings raised	285,589,674.44	
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	303,349,674.44	2,140,000.00
Repayment of borrowings	63,300,000.00	31,000,000.00
Interest and dividends paid	593,986,146.21	482,143,700.54
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities	306,511,487.27	62,778,403.22
Subtotal of cash used in financing activities	963,797,633.48	575,922,103.76
Net cash generated from/used in financing activities	-660,447,959.04	-573,782,103.76
4. Effect of foreign exchange rates changes on cash and cash equivalents	4,790,697.94	-1,487,028.62
5. Net increase in cash and cash equivalents	-398,048,377.77	-2,433,157,872.42
Add: Cash and cash equivalents, beginning of the period	1,907,742,235.25	4,340,900,107.67
6. Cash and cash equivalents, end of the period	1,509,693,857.48	1,907,742,235.25

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	2022	2021
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	421,114,781.33	655,800,441.53
Tax rebates		33,168,933.87
Cash generated from other operating activities	1,762,436,455.47	2,571,773,113.99

Subtotal of cash generated from operating activities	2,183,551,236.80	3,260,742,489.39
Payments for commodities and services	97,820,597.35	1,726,321,339.89
Cash paid to and for employees	65,677,185.99	63,355,236.26
Taxes paid	34,805,390.11	12,501,445.12
Cash used in other operating activities	1,082,444,909.69	3,120,104,282.29
Subtotal of cash used in operating activities	1,280,748,083.14	4,922,282,303.56
Net cash generated from/used in operating activities	902,803,153.66	-1,661,539,814.17
2. Cash flows from investing activities:		
Proceeds from disinvestment	1,841,000,000.00	50,000,000.00
Return on investment	473,625,777.76	
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	209.00	2,344.57
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	2,314,625,986.76	50,002,344.57
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	1,154,885.13	2,309,879.80
Payments for investments	3,124,506,071.91	466,000,000.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	3,125,660,957.04	468,309,879.80
Net cash generated from/used in investing activities	-811,034,970.28	-418,307,535.23
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	125,000,000.00	
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	125,000,000.00	
Repayment of borrowings	63,100,000.00	30,800,000.00
Interest and dividends paid	432,215,867.55	269,890,778.58
Cash used in other financing activities	1,603,790.70	1,198,076.70
Subtotal of cash used in financing activities	496,919,658.25	301,888,855.28
Net cash generated from/used in financing activities	-371,919,658.25	-301,888,855.28
4. Effect of foreign exchange rates changes on cash and cash equivalents	12,768.24	-12,608.83
5. Net increase in cash and cash equivalents	-280,138,706.63	-2,381,748,813.51
Add: Cash and cash equivalents, beginning of the period	808,411,401.68	3,190,160,215.19
6. Cash and cash equivalents, end of the period	528,272,695.05	808,411,401.68

7. Consolidated Statements of Changes in Owners' Equity

2022

Unit: RMB

Item	2022														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 prior year	595,979,092.00				80,488,045.38		-8,174,653.66		29,637,548.47		3,788,180.75		4,486,110.79	44,979,674.19	4,531,090,464.58	
Add: Adjustment for change in accounting policy																
Adjustment for correction of previous error																
Adjustment for business combination under common control					73,854,303.62				17,937,391.71		12,149,572.03		103,941,267.36	1,839,939.00	105,781,206.36	
Other adjustments																
2. Balance as at the beginning of the year	595,979,092.00				154,342,349.00		-8,174,653.66		47,574,940.18		3,800,330.23		4,590,052.05	46,819,613.19	4,636,871,670.94	
3. Increase/decrease in the period ("-" for decrease)					-73,854,303.62		4,320,275.71		1,311,665.63		-109,274,147.50		-177,496,509.78	9,435,909.27	-168,060,600.51	
3.1 Total comprehensive income							4,320,275.71				537,664,698.69		541,984,974.40	-8,324,090.73	533,660,883.67	
3.2 Capital increased and reduced by owners					-73,854,303.62				-17,937,391.71		-222,424,006.29		-314,215,701.62	17,760,000.00	-296,455,701.62	

3.2.1 Ordinary shares increased by owners														17,760,000.00	17,760,000.00
3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners' equity															
3.2.4 Other				-73,854,303.62			-17,937,391.71		-222,424,006.29		-314,215,701.62			-314,215,701.62	
3.3 Profit distribution							19,249,057.34		-424,514,839.90		-405,265,782.56			-405,265,782.56	
3.3.1 Appropriation to surplus reserves							19,249,057.34		-19,249,057.34						
3.3.2 Appropriation to general reserve															
3.3.3 Appropriation to owners (or shareholders)									-405,265,782.56		-405,265,782.56			-405,265,782.56	
3.3.4 Other															
3.4 Transfers within owners' equity															
3.4.1 Increase in capital (or share capital) from capital reserves															
3.4.2 Increase in capital (or share capital) from surplus															

reserves																
3.4.3 Loss offset by surplus reserves																
3.4.4 Changes in defined benefit schemes transferred to retained earnings																
3.4.5 Other comprehen- sive 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				80,4 88,0 45.3 8		- 3,85 4,37 7.95		48,8 86,6 05.8 1		3,69 1,05 6,18 2.73		4,41 2,55 5,54 7.97	56,2 55,5 22.4 6		4,468,811,07 0.43

2021

Unit: RMB

Item	2021																
	Equity attributable to owners of the Company as the parent														Non- contr ollin g inter ests	Total owners' equity	
	Share capital	Other equity instruments			Capita l reser ves	Less: Trea sury stock	Othe r com pre hens ive inc ome	Spec ific reser ve	Surp lus reser ves	Gene ral reser ve	Retain ed earn ings	Othe r	Sub total				
		Prefe rred share s	Perp etual bond s	Othe r													
1. Balance as at the end of the prior year	595, 979, 092. 00				80,4 88,0 45.3 8		- 6,74 9,58 9.41		19,2 05,9 79.6 3		3,03 8,99 3,91 2.43		3,72 7,91 7,44 0.03	53,2 04,0 39.8 0		3,781,121,47 9.83	
Add: Adjustment for change in accounting policy																	
Adjustment for correction of previous error																	

Adjustment for business combination under common control					73,854,303.62				17,937,391.71		-9,261,494.67		82,530,200.66		82,530,200.66
Other adjustments															
2. Balance as at the beginning of the year	595,979,092.00				154,342,349.00	-6,749,589.41		37,143,371.34		3,029,732,417.76		3,810,447,640.69	53,204,039.80		3,863,651,680.49
3. Increase/decrease in the period (“-” for decrease)						-1,425,064.25		10,431,568.84		770,597,912.47		779,604,417.06	-6,384,426.61		773,219,990.45
3.1 Total comprehensive income						-1,425,064.25				1,025,380,909.03		1,023,955,844.78	-17,371,202.28		1,006,584,642.50
3.2 Capital increased and reduced by owners													10,986,756.77		10,986,775.67
3.2.1 Ordinary shares increased by owners													2,140,000.00		2,140,000.00
3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners' equity															
3.2.4 Other													8,846,756.67		8,846,775.67
3.3 Profit distribution								10,431,568.84		-254,782,996.56		-244,351,427.72			-244,351,427.72
3.3.1 Appropriation to surplus reserves								10,431,568.84		-10,431,568.84					
3.3.2 Appropriation to general reserve															
3.3.3															

Appropriation to owners (or shareholders)										244,351,427.72		244,351,427.72		244,351,427.72
3.3.4 Other														
3.4 Transfers within owners' equity														
3.4.1 Increase in capital (or share capital) from capital reserves														
3.4.2 Increase in capital (or share capital) from surplus reserves														
3.4.3 Loss offset by surplus reserves														
3.4.4 Changes in defined benefit schemes transferred to retained earnings														
3.4.5 Other comprehensive income transferred to retained earnings														
3.4.6 Other														
3.5 Specific reserve														
3.5.1 Increase in the period														
3.5.2 Used in the period														
3.6 Other														
4. Balance as at the end of the period	595,979,092.00			154,342,349.00		-8,174,653.66		47,574,940.18		3,800,330.23		4,590,005,205.75	46,819,613.19	4,636,871,670.94

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

2022

Unit: RMB

Item	2022											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surpluses reserves	Retained earnings	Other	Total owners' equity
		Preferr ed shares	Perpet ual bonds	Other								
1. Balance as at the end of the prior year	595,979,092.00				53,876,380.11		-2,574,121.54		29,637,548.47	1,337,497,586.41		2,014,416,485.45
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments												
2. Balance as at the beginning of the year	595,979,092.00				53,876,380.11		-2,574,121.54		29,637,548.47	1,337,497,586.41		2,014,416,485.45
3. Increase/ decrease in the period ("-" for decrease)							-168,720.11	19,249,057.34	-232,024,266.54			-212,943,929.31
3.1 Total comprehensive income							-168,720.11		192,490,573.36			192,321,853.25
3.2 Capital increased and reduced by owners												
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												
3.2.4 Other												
3.3 Profit distribution								19,249,057.34	-424,514,839.90			-405,265,782.56
3.3.1 Appropriation to surplus reserves								19,249,057.34	-19,249,057.34			
3.3.2 Appropriation to owners (or									-405,26			-405,265,782.56

shareholders)										5,782.56		
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the period	595,979,092.00				53,876,380.11		-2,742,841.65		48,886,605.81	1,105,473,319.87		1,801,472,556.14

2021

Unit: RMB

Item	2021											Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplu s reserves	Retain ed earnings	Other	
		Preferr ed shares	Perpet ual bonds	Other								
1. Balance as at the end of the prior year	595,979,092.00				53,876,380.11		-2,545,451.19		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 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)							-28,670.35	10,431,568.84	-150,467,308.12			-140,064,409.63
3.1 Total comprehensive income							-28,670.35		104,315,688.44			104,287,018.09
3.2 Capital increased and reduced by owners												
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners’ equity												
3.2.4 Other												
3.3 Profit distribution								10,431,568.84	-254,782,996.56			-244,351,427.72
3.3.1 Appropriation to surplus reserves								10,431,568.84	10,431,568.84			
3.3.2 Appropriation to owners (or shareholders)									-244,351,427.72			-244,351,427.72
3.3.3 Other												
3.4 Transfers within owners’ equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or												

share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the period	595,979,092.00			53,876,380.11		-2,574,121.54		29,637,548.47	1,337,497,586.41			2,014,416,485.45

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 17th Meeting of the 10th Board of Directors of the Company on 24 March 2023.

The consolidation scope of the Company’s consolidated financial statements was determined based on the control which included the financial statements of the Company and all its subsidiaries. A subsidiary refers to an enterprise or entity controlled by the

Company. There were 63 subsidiaries 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:

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

For business combination under the same control achieved through one transaction or step by step through multiple transactions by the Company, the assets and liabilities acquired in a business combination are measured at the carrying value of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the carrying value of net assets acquired by the Company and the carrying value of the combination consideration paid (or the total nominal value of shares issued) is referred to for adjusting capital reserve; if capital reserve is not sufficient to offset the difference, then retained earnings are adjusted.

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

The Group 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 acquiree, the Company shall recheck the various identifiable assets and liabilities obtained from the acquiree, 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 acquiree after recheck, the Company shall record the balance into the profit and loss of the current period.

Business combinations not under the same control achieved step by step through multiple transactions should be treated in the following order:

(1) Adjusting the initial investment cost of long-term equity investment If the equity held prior to the date of purchase is accounted under the equity method, the equity is remeasured at the fair value on the purchase date, and the difference between the fair value and its carrying value is included in the investment income of the current period; if the equity in the acquiree held prior to the purchase date involves other comprehensive income or changes in other owners' equity under the equity method of accounting, it is converted into income for the current period on the purchase date, except for other comprehensive income arising from the re-measurement of the investee's net liabilities of the defined benefit pension plan or changes in net assets of the defined benefit plan and changes in the fair value of investments in other equity instruments held.

(2) Determining the goodwill (or the amount included in the profit or loss for the current period) When comparing the initial investment cost of long-term equity investments adjusted in the first step with the share of the fair value of the identifiable net assets of the subsidiary on the purchase date, if the former is more than the latter, the difference between the former and the latter is recognized as goodwill; if the former is less than the latter, the difference is included in profit or loss for the current period.

Step-by-step disposal of equity through multiple transactions that results in loss of control over the subsidiary

(1) Principles for determining whether transactions in the process of step-by-step disposal of equity that results in the loss of control over a subsidiary constitute a "package deal"

The multiple transactions are generally regarded as a "package deal" in accounting treatment if the clauses, conditions, and economic impacts of various transactions fall under one or more of the following circumstances:

- 1) These transactions are reached concurrently or after the impact thereof on each other is taken into consideration.
- 2) These transactions may achieve a complete business result only as a whole.
- 3) The occurrence of a transaction depends on the occurrence of, at a minimum, one another transaction.
- 4) A transaction is considered uneconomical separately but is considered economical when other transactions are also taken into consideration.

(2) Accounting treatment when transactions in the process of step-by-step disposal of equity that results in the loss of control over a subsidiary constitute a "package deal"

If the transactions in the disposal of equity of a subsidiary that results in the loss of control constitute a package deal, each transaction

should be accounted for as a transaction that disposes of and loses control over a subsidiary; however, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment for each disposal prior to the loss of control should be recognized as other comprehensive earnings in the consolidated financial statements and transferred to profit or loss for the current period when the Company lost the control.

In the consolidated financial statements, the remaining equity should be remeasured at fair value on the date of loss of control. The sum of the consideration obtained from the disposition of equity and the fair value of the residual equity minus the Company's portion of net assets in the former subsidiary calculated from the date of combination on an ongoing basis at the original shareholding ratio is included in the return on investment for the current period when the Company lost the control. Other comprehensive income related to the equity investments in the former subsidiary should be included in the return on investment or retained earnings for the current period when the Company lost the control.

(3) Accounting treatment when transactions in the process of step-by-step disposal of equity that results in the loss of control over a subsidiary do not constitute a "package deal"

If the Company disposes of investments made in its subsidiary without losing control over the subsidiary, in the consolidated financial statements, the difference between the payment for equity disposed of and the Company's corresponding portion of net assets in the subsidiary is included in the capital reserve. If the capital reserve is insufficient for offset, the retained earnings should be adjusted.

If the disposal of investments made in its subsidiary results in a loss of control over the subsidiary, in the consolidated financial statements, the remaining equity should be remeasured at the fair value on the date of loss of control. The sum of the consideration obtained from the disposition of equity and the fair value of the residual equity minus the Company's portion of net assets in the former subsidiary calculated from the date of combination on an ongoing basis at the original shareholding ratio is included in the return on investment for the current period when the Company lost the control. Other comprehensive income related to the equity investments in the former subsidiary should be included in the return on investment or retained earnings for the current period when the Company lost the control.

6. Methods for Preparing 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 Group 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. Identification and classification of joint arrangements

A joint arrangement is an arrangement over which two or more parties have joint control. A joint arrangement has the following characteristics: (1) Each participant is bound by the arrangement; (2) two or more parties of the joint arrangement exercise joint control over the arrangement. No one party can control the arrangement alone, and any party with joint control over the arrangement can prevent the other party or combination of parties from controlling the arrangement alone.

Joint control refers to the common control over a particular arrangement according to relevant agreement, and that the decisions on relevant activities under such arrangement are subject to unanimous consent from the parties sharing the joint control.

Joint arrangements are divided into joint operations and joint ventures. A joint operation is a joint arrangement whereby the party to joint arrangement has rights to the assets, and obligations for the liabilities related to the arrangement. A joint venture is a joint arrangement whereby the party to joint arrangement has rights to the net assets of the arrangement.

2. Accounting treatment of joint arrangements

A party to a joint operation shall recognize the following items related to its share of interest in the joint operation and conduct accounting treatment for them in accordance with the relevant provisions of the Accounting Standard for Business Enterprises: (1) Recognition of assets held separately and of assets held jointly in proportion to its share; (2) recognition of liabilities incurred separately and of liabilities incurred jointly in proportion to its share; (3) recognition of revenue from the sale of its share of the output of the joint operation; (4) recognition of revenue from the sale of output of the joint operation in proportion to its share; (5) recognition of expenses incurred separately and of expenses incurred in the joint operation in proportion to its share.

The party to a joint venture should conduct accounting treatment in accordance with relevant provisions of the Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investment.

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 spot exchange rate at the time when they are incurred. The difference from translation of foreign currency financial statements thereof shall be recognized as comprehensive income.

10. Financial Instruments

1. Recognition and derecognition of financial instruments

When the Group becomes a party to a financial instrument contract, it recognizes relevant financial assets or financial liabilities.

All regular acquisition or sales of financial assets are recognized and derecognized on a trading day basis. Regular acquisition or sales of financial assets means delivering financial assets within the time limit of laws, regulations and usual market practices and in line with contract terms. The trading day refers to the date when the Group promises to acquire or sell financial assets.

Financial assets (or part of financial assets, or part of a set of similar financial assets) are derecognized, i.e., written off from its

account and balance sheet, if the following conditions are met:

- (1) The right to receive cash flows from financial assets has expired;
- (2) The right to receive cash flows from the financial assets is transferred, or the obligation to pay the full amount of cash flows received to a third party in a timely manner is assumed under a "pass-through agreement"; and (a) substantially almost all the risks and rewards of its ownership of the financial assets are transferred, or (b) control over the financial asset is relinquished, although substantially all the risks and rewards of its ownership of the financial assets are neither transferred nor retained.

2. Classification and measurement of financial assets

At initial recognition, according to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, financial assets of the Group are classified into the following categories: Financial assets measured at the amortized cost, financial assets measured at fair value through other comprehensive income of the current period, and financial assets measured at fair value through profit and loss for the current period. The subsequent measurement of financial assets depended on their categories.

The Group's classification of financial assets is based on the Group's business model for managing financial assets and the cash flow characteristics of the financial assets.

(1) Financial assets measured at amortized cost

Financial assets that meet both of the following conditions shall be classified as financial assets measured at amortized cost: The Group's business model of managing the financial assets aims at obtaining contractual cash flows; and, as stipulated by contract clauses of the financial assets, the cash flows generated on a specific date are merely for the payment of principal or interest from the unpaid principal. Such financial assets are subsequently measured at amortized cost using the effective interest method. Gain or loss arising from derecognition or amortization using the effective interest method is included in profit and loss for the current period.

(2) Debt instrument investment measured at fair value through other comprehensive income

Financial assets that meet all the following conditions shall be classified as financial assets measured at fair value through other comprehensive income: The Group's business model of managing the financial assets aims at obtaining contractual cash flows as well as selling financial assets; and, as stipulated by contract clauses of the financial assets, the cash flows generated on a specific date are merely for the payment of principal or interest from the unpaid principal. Such financial assets shall be subsequently measured at fair value. The discount or premium is amortized using the effective interest method and recognized as interest income or expense. Except for impairment losses or gains and exchange differences that are recognized as profit and loss for the current period, changes in the fair value of such financial assets shall be recognized as other comprehensive income, until the financial assets are derecognized when accumulative gains or losses shall be transferred to profit and loss for the current period. Interest income related to such financial assets is included in profit or loss for the current period.

(3) Equity instrument investment measured at fair value through other comprehensive income

For financial assets measured at fair value through other comprehensive income that are irrevocably chosen and designated by the Group from some non-trading equity instruments, the relevant dividend income shall be included in profit and loss for the current period and changes in the fair value shall be recognized as other comprehensive income, until the financial assets are derecognized when accumulative gains or losses shall be transferred to retained earnings.

(4) Financial assets measured at fair value through profit and loss for the current period

The aforementioned financial assets measured at amortized cost and financial assets other than those measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit and loss for the current period. At initial recognition, in order to eliminate or significantly reduce accounting mismatch, financial assets can be designated as financial

assets measured at fair value through profit or loss for the current period. Such financial assets shall be measured at fair value, and all changes in fair value are included in the profit and loss for the current period.

When and only when the Group changes its business model of managing financial assets, all relevant financial assets affected will be re-classified.

For financial assets measured at fair value through profit and loss for the current period, transaction costs are directly included in profit and loss for the current period. For other types of financial assets, related transaction costs are included in their initial recognized amounts.

3. Classification and measurement of financial liabilities

At initial recognition, the financial liabilities of the Group are classified into the following categories: Financial liabilities measured at the amortized cost, and financial liabilities measured at fair value through profit and loss for the current period.

Financial liabilities can be designated as financial liabilities measured at fair value through profit or loss for the current period at initial measurement if one of the following conditions is met: (1) The designation can eliminate or significantly reduce accounting mismatch; (2) the management and performance evaluation of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities are based on fair value in accordance with the Group's risk management or investment strategy as set out in a formal written document, and are reported to key management personnel on this basis within the Group; (3) The financial liabilities contain embedded derivatives require splitting.

The Group determines the classification of financial liabilities at initial recognition. For financial liabilities measured at fair value through profit and loss for the current period, transaction costs are directly included in profit and loss for the current period. For other types of financial liabilities, related transaction costs are included in their initial recognized amounts.

The subsequent measurement of financial liabilities depended on their categories:

(1) Financial liabilities measured at amortized cost

Such financial liabilities shall be subsequently measured at amortized cost using the effective interest method.

(2) Financial liabilities measured at fair value through profit and loss for the current period

Financial liabilities measured at fair value through profit or loss for the current period include trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss at initial recognition.

4. Financial instrument offset

The net amount after financial assets and financial liabilities offset each other is reported in the balance sheet if both of the following conditions are met: The Group had a currently enforceable legal right to offset the recognized amounts; the Group planned to settle them on a net basis or to realize the financial assets and pay off the financial liabilities simultaneously.

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
Trade acceptance bills receivable		

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

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

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

6. Financial asset transfer

Financial assets are derecognized if the Group has transferred almost all the risks and rewards of its ownership transferred to the transferor; financial assets are not derecognized if the Group has retained almost all the risks and rewards of its ownership.

If the Group has neither transferred nor retained almost all the risks and rewards of its ownership of the transferred financial assets, it will be treated respectively according to the following circumstances: If the control over the financial assets is waived, relevant financial assets shall be derecognized, and the assets and liabilities arising from them shall be recognized; if the control over the financial assets is not waived, relevant financial assets shall be recognized based on the extent of continuing involvement with transferred financial assets, and related liabilities shall be recognized accordingly.

If continuing involvement is provided by way of financial guarantee for the transferred financial assets, the assets resulting from the continuing involvement are recognized at the lower of the carrying value of the financial assets and the financial guarantee amount. The financial guarantee amount refers to the maximum amount of the consideration received that will be required to be repaid.

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

Refer to Note V-10. Financial Instrument for details.

22. Long-term Equity Investments

(1) Judgment of Joint Control and Significant Influences

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

(2) Recognition of Investment Cost

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

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

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

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

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

② In consolidate financial statements, judge whether the transactions constitute the "package deal". If they do, the accounting treatment shall be carried out on the basis of assuming all transactions as one transaction with the acquisition of control. If they do

not, for the acquiree's equity held before the acquisition date, re-measurement shall be carried out according to the fair value of the equity on the acquisition date and the difference between the fair value and the carrying value shall be recorded into current investment income; if the acquiree's equity held before the acquisition date involves other comprehensive income accounted in equity method, other comprehensive income related to it shall be transferred into the income for the period in which the acquisition date falls, with the exception of the other comprehensive incomes occurred because of the changes of net liabilities or net assets of the defined benefit pension plans be re-measured for setting by the investees.

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

(3) Method of subsequent measurement and recognition of profits and losses

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

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

1) Individual financial statements

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

2) Consolidated financial statements

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

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

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

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

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

(5) Impairment test method and impairment provision method

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

23. Investment Property

Measurement mode of investment real estates

Measurement of cost method

Depreciation or amortization method

1. The term "investment real estate" includes the right to use any land which has already been rented, the right to use any land which is held and prepared for transfer after appreciation, and the right to use any building which has already been rented.
2. The Company initially measures the investment property according to the costs, and adopts the cost method in the subsequent measurement of investment property, and adopts the same methods with fixed assets and intangible assets to withdraw depreciation or amortization. When there is any indication of impairment of investment property on the balance sheet date, corresponding provision for impairment shall be made according to the difference between the book value and recoverable amount.

24. Fixed Assets

(1) Recognized Standard of Fixed Assets

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

(2) Depreciation Method

Category	Depreciation method	Useful life (year)	Expected net salvage value	Annual depreciation
Houses and buildings	Straight-line depreciation	20-25	5-10	3.6-4.75
Transportation	Straight-line depreciation	5	5	19
Other equipment	Straight-line depreciation	5	5	19
Machinery equipment	Straight-line depreciation	5	5	19
Decoration of fixed assets	Straight-line depreciation	5	0	20

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

Not applicable.

25. Construction in Progress

1. No construction in progress may be recognized unless it simultaneously meets the conditions as follows: (1) The economic benefits are likely to flow into the enterprise; (2) The cost of the fixed asset can be measured reliably. Construction in progress shall be measured according to the occurred actual costs before the assets available for the intended use.
2. When the construction in progress is available for the intended use, it shall be transferred to fixed assets according to the actual cost of the project. For construction in progress available for the intended use but not dealing with final accounts of completed project, it shall be transferred to fixed assets according to the estimated value first, and then adjust original temporarily estimated value based on the actual costs after the final accounts of completed project, but not adjust the depreciation that was already

calculated.

26. Borrowing Costs

1. Recognition Principle of Capitalization of Borrowing Costs

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

2. Capitalization Period of Borrowings Costs

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

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

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

3. Capitalized rate and amount of borrowing costs

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

27. Biological Assets

Not applicable.

28. Oil and Gas Assets

Not applicable.

29. Right-of-use Assets

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

The Group 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 Group 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 Group 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 Group 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 Group will depreciate the leased asset(s) over the lease term or the remaining service life, whichever is shorter.

The Group 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, 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 Group deems the right-of-use assets and lease obligations, except for the simplified short-term lease and low-value leases.

The Group 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 Group 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 Group 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 Group will exercise such an option;
- (5) estimated amount payable based on the residual value of the guarantee provided by the Group.

When calculating the present value of lease payments, the Group uses the interest rate implicit in lease as the rate of discount. If the interest rate implicit in lease cannot be determined, the Group'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, sales of software and property leasing (refer to 42. Leasing for more detail).

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

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

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

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

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

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

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

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

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

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

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

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

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

5) The customer has accepted the commodity.

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

Specific policies of the Company for recognizing revenue:

1) Real Estate Sales Contracts

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

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

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

2) Providing Labor Services

If the provision of labor services can be reliably estimated (all the following conditions are met: ① The amount of income can be measured reliably; ② The relevant economic benefits are likely to inflow to the Company; ③ The progress of the transaction can be reliably determined; ④ The cost incurred and to be incurred in the transaction can be measured reliably), it shall recognize the revenue from providing services employing the percentage-of-completion method, and confirm the completion of labor service

according to the costs incurred as a percentage of the total estimated costs. If the Company can't, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labor services it provides, it shall be handled under the following conditions: If the cost of labor services incurred is expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount; If the cost of labor services incurred is not expected to compensate, the cost incurred should be included in the current profits and losses, and no revenue from the providing of labor services may be recognized.

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

3) Transferring the Right to Use Assets

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

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

4) Software sales revenue

① Revenue recognition and measurement methods for sales of custom software and independent software products

Custom software refers to the special software designed and developed after the full on-site investigation of the user's business according to the software development contract signed with the customer based on the actual needs of the user, and the resulting developed software is not universal. Revenue is recognized over time based on the progress of completed performance obligations over the contract period only if the goods produced by the Company in the course of performance have an irreplaceable use and the Company is entitled to receive payment for the cumulative portion of performance completed to date throughout the contract period, with the progress of completed performance obligations determined by the proportion of the contract costs actually incurred to complete the performance obligations to the total estimated contract costs. Otherwise, the revenue is recognized at a certain point in time.

For sales contracts of independent software products signed with the customer, the customer directly purchases the standard version of the software, i.e., the real estate and facilities management platform, and the corresponding modules are deployed by implementation personnel according to the customer's requirements. In this case, the performance obligations are to be performed at a certain point in time. The revenue is recognized after the Company delivers the product to the customer and the customer accepts the product.

② Revenue recognition and measurement methods for systems integration contracts

System integration includes the sale and installation of purchased merchandise and software products. The revenue is recognized when the Company has transferred the primary risks and rewards of the ownership of the purchased merchandise to the purchaser; the Company neither retained the continued management rights usually associated with the ownership, nor effectively controlled the sold goods; the installation and commissioning of the system have been completed and the system has been put into trial operation, or the initial inspection report of the purchaser is obtained; the economic benefits relevant to the transaction are likely to flow into the Company, the relevant costs can be reliably measured.

③ Revenue recognition and measurement methods for technical service revenue

Technical service revenue mainly refers to the business of providing consulting, implementation and after-sales services of products to customers as required by contracts. If a service period is agreed upon in a contract, it is considered as a performance obligation to be performed within a certain period of time, and revenue is recognized for services settled with the customer in accordance with the contracted service period during the service provision period.

5) Other Business Income

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

3. Measurement of Revenue

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

(1) Variable consideration

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

(2) Significant financing component

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

(3) Non-cash consideration

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

(4) Consideration payable to a customer

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

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

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

Not applicable.

40. Government Grants

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

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

The government subsidies that are acquired for construction or form long-term assets in other ways according to government documents shall be defined as asset-related government subsidies. For those not specified in government documents, the judgment shall be made based on the compulsory fundamental conditions for acquiring the subsidies. If the subsidies are acquired with

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

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

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

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

41. Deferred Income Tax Assets/Deferred Income Tax Liabilities

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

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

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

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

42. Lease

(1) Accounting Treatment of Operating Lease

1. Lessee

The Group 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 Group uses the cost model for subsequent measurement of right-of-use assets. The Group 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 Group 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 Group 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 Group 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

In the case of the Group 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 Group 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 Group shall adopt the depreciation policy of similar assets to calculate and distill depreciation. For other assets under operating lease, the Group shall amortize them in a systematic and reasonable manner in accordance with the accounting standards for enterprises applicable to the assets. The Group 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 Group 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.

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.

44. Changes in Main Accounting Policies and Estimates**(1) Change of Accounting Policies**

Applicable Not applicable

(2) Changes in Accounting Estimates

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 2022; the data of the period-end refers to the financial statement data on 31 December 2022; the Reporting Period refers to the 2022; the same period of last year refers to the 2021. 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%
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 International Trade Center Property Management Co., Ltd. Chongqing Branch	15%
Shenzhen Facility Management Community Co., Ltd	15%
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%
Shenzhen SZPRD Yanzihu Development Co., Ltd.	20%
Shenzhen SZPRD Fuyuantai Development Co., Ltd.	20%
Shenzhen Social Welfare General Company	20%
Shenzhen Fuyuanmin Property Management Co., Ltd.	20%
Shenzhen Meilong Industrial Development Co., Ltd.	20%
Shenzhen Sports Service Co., Ltd.	20%
Shenzhen Penghongyuan Industrial Development Co., Ltd.	20%
Shenzhen Tianque Elevator Technology Co., Ltd.	20%
Shenzhen Guoguan Electromechanical Device Co., Ltd.	20%
Shenzhen Shenshan Special Cooperation Zone Guomao Property Development Co., Ltd.	20%
Shenzhen Helinhua Construction Management Co., Ltd.	20%
Shenzhen Guomao Tongle Property Management Co., Ltd.	20%
Shenzhen International Trade Industry Space Service Co., Ltd.	20%
Shenzhen Foreign Trade Property Management Co., Ltd.	20%
Shenzhen Fubao Urban Resources Management Co., Ltd.	20%
Shenzhen Shenwu Elevator Co., Ltd.	20%
Shenzhen Shenfeng Property Cleaning Co., Ltd.	20%
Shandong International Trade Center Hotel Management Co., Ltd.	20%
Beijing Facility Home Technology Co., Ltd.	20%
Subsidiaries registered in Hong Kong area	16.50%
Subsidiaries registered in Vietnam area	20%
Other taxpaying bodies within the consolidated scope	25%

2. Tax Preference

According to the regulations of No. 2, Property Service of No. 37, Commercial Service among the encouraging category of the Guidance Catalogue of Industry 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 subsidiaries of the Group Chongqing Shenzhen International Trade Center Property Management Co., Ltd. and Shenzhen International Trade Center Property Management Co., Ltd. Chongqing Branch applied to above policy.

On 19 December 2022, Shenzhen Facility Management Community Technology Co., Ltd. successfully passed the re-evaluation for its High-tech Enterprise Certificate. The company has been assigned certificate number GR202244204675, and the certificate is valid for three years. As per the tax laws and regulations, the company will be eligible for a preferential enterprise income tax rate of 15% for the year 2022.

As per the "Announcement on the Implementation of Tax Preferential Policies for Small and Micro Enterprises and Individual Industrial and Commercial Taxpayers" (Announcement No. 12 of 2021 of the Ministry of Finance and the State Taxation Administration) and the "Announcement of the State Taxation Administration on Matters Related to Implementing the Preferential Income Tax Policy to Support the Development of Small and Micro Enterprises and Individual Industrial and Commercial Taxpayers" (Announcement No. 8 of 2021 of the State Taxation Administration), for small and micro-profit enterprises, if their annual taxable income does not exceed RMB1 million from 1 January 2021 to 31 December 2022, the taxable income will be reduced by 12.5%, and the enterprise income tax rate will be 20%. Furthermore, as per the "Announcement on Further Implementing the Preferential Income Tax Policy for Small and Micro Enterprises" (Announcement No. 13 of 2022 of the Ministry of Finance and the State Taxation Administration), for small and micro-profit enterprises, if their annual taxable income exceeds RMB1 million but does not exceed RMB3 million from 1 January 2022 to 31 December 2024, the taxable income will be reduced by 25%, and the enterprise income tax rate will be 20%. This policy applies to 30 subsidiaries, including Shenzhen Guomao Catering Co., Ltd. (Guomao Catering) and Shenzhen Property Engineering and Construction Supervision Co., Ltd.

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 Main Items of Consolidated Financial Statements

1. Monetary Assets

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	43,833.00	122,823.16
Bank deposits	1,512,202,363.19	1,906,868,484.28
Other monetary funds	5,282,697.64	373,830,134.67
Total	1,517,528,893.83	2,280,821,442.11
Of which: total amount deposited overseas	66,436,595.66	64,351,098.39
Total amount of restriction in use by guaranteed, pledged or frozen	7,835,036.35	373,079,206.86

Other notes:

Among other monetary assets, the funds with limited use rights mainly include the margin and interest of RMB1,780,754.70; the funds with limited use rights in bank deposits mainly include the bank frozen funds of RMB42,781.65 and the interest on time deposits of RMB2,860,000.00, plus the balance of the bank margin account of RMB3,151,500.00. The above amount is not regarded as cash and cash equivalents due to restrictions on use.

2. Trading Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
Of which:		
Of which:		

Other notes:

3. Derivative Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
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Other notes:

4. Notes Receivable**(1) Notes Receivable Listed by Category**

Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance bill		200,000.00
Total		200,000.00

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	
Notes receivable for which bad debt provision separately accrued						200,000.00	100.00%			200,000.00
Of which:										
Of which:										
Total						200,000.00	100.00%			200,000.00

Please refer to the relevant information of disclosure of bad debt provision of other accounts receivable if adopting the general mode of expected credit loss to withdraw bad debt provision of notes receivable.

Applicable Not applicable

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

Withdrawal of bad debt provision:

Unit: RMB

Category	Beginning balance	Changes in the current period				Ending balance
		Withdrawal	Reversed or recovered	Verification	Others	

Of which significant amount of recovered or transferred-back bad debt provision for the current period:

Applicable Not applicable

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

Unit: RMB

Item	Ending pledged amount
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(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
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(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
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Other notes:

(6) Notes Receivable with Actual Verification for the Current Period

Unit: RMB

Item	Written-off amount
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Of which, verification of significant notes receivable:

Unit: RMB

Name of the entity	Nature	Written-off amount	Reason for verification	Verification procedures performed	Whether occurred because of related-party transactions
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Notes of the verification of notes receivable

5. Accounts Receivable**(1) Listed 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 withdrawal of bad debt provision separately accrued	111,808,371.14	20.01%	109,689,294.54	98.10%	2,119,076.60	109,683,529.63	25.93%	108,118,031.66	98.57%	1,565,497.97
Of which:										
Accounts receivable withdrawal of bad debt provision of by group	447,078,385.18	79.99%	29,263,546.48	6.55%	417,814,838.70	313,253,344.07	74.07%	20,833,702.11	6.65%	292,419,641.96
Of which:										
Total	558,886,756.32	100.00%	138,952,841.02	24.86%	419,933,915.30	422,936,873.70	100.00%	128,951,733.77	30.49%	293,985,139.93

Bad debt provision separately accrued: RMB109,689,294.54

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdraw
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	93,811,328.05	100.00%	Involved in lawsuit and unrecoverable
Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	2,836,561.00	100.00%	Expected to be unrecoverable
Lunan Industry Corporation	2,818,284.84	2,818,284.84	100.00%	Expected to be unrecoverable
Shenzhen Hampoo Science & Technology Co., Ltd.	1,436,020.29	1,433,070.29	99.79%	Expected to be unrecoverable
Those with insignificant single amount for which bad debt provision separately accrued	10,906,176.96	8,790,050.36	80.60%	Uncollectible for a long period
Total	111,808,371.14	109,689,294.54		

Bad debt provision accrued by item:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdraw

Bad debt provision accrued by item:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdraw

Bad debt provision accrued by item:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdraw

Bad debt provision accrued by item:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdraw

Withdrawal of bad debt provision by group: RMB29,263,546.48

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Portfolio of credit risk features	211,445,244.12	21,569,742.26	10.20%
Portfolio of transactions with other related parties	235,633,141.06	7,693,804.22	3.27%
Total	447,078,385.18	29,263,546.48	

Notes to the determination basis for the group:

Bad debt provision accrued by portfolio:

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

Disclosure by aging

Unit: RMB

Aging	Carrying amount
Within 1 year (including 1 year)	394,914,334.75
1 to 2 years	31,016,372.76
2 to 3 years	12,333,910.99
Over 3 years	120,622,137.82
3 to 4 years	6,141,296.85
4 to 5 years	4,392,591.92
Over 5 years	110,088,249.05
Total	558,886,756.32

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

Withdrawal of bad debt provision:

Unit: RMB

Category	Beginning balance	Changes in the current period				Ending balance
		Withdrawal	Reversed or recovered	Verification	Others	
Bad debt provision accrued by item	108,118,031.66	1,571,262.88				109,689,294.54
Withdrawal of bad debt provision by group	20,833,702.11	8,440,902.17	11,057.80			29,263,546.48
Total	128,951,733.77	10,012,165.05	11,057.80			138,952,841.02

Of which significant amount of recovered or transferred-back bad debt provision for the current period:

Unit: RMB

Name of the entity	Amount reversed or recovered	Way of recovery
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(3) Accounts Receivable Written-off in Current Period

Unit: RMB

Item	Written-off amount
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Of which the verification of significant accounts receivable:

Unit: RMB

Name of the entity	Nature	Written-off amount	Reason for verification	Verification procedures performed	Whether occurred because of related-party transactions
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Notes to verification of accounts receivable:

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

Unit: RMB

Name of the entity	Ending balance	Proportion to total ending balance of accounts receivable	Ending balance of bad debt provision
Shenzhen Bay Technology Development Co., Ltd.	131,203,332.93	23.48%	3,936,099.99
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	16.79%	93,811,328.05
Shenzhen Bay Area International Hotel Co., Ltd.	51,312,666.65	9.18%	1,539,380.00
Hebei Shenbao Investment Development Co., Ltd.	15,856,697.13	2.84%	475,700.91
ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.	10,072,563.13	1.80%	674,112.86
Total	302,256,587.89	54.09%	

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

Other notes:

(6) Accounts Receivable Derecognized due to the Transfer of Financial Assets**6. Accounts Receivable Financing**

Unit: RMB

Item	Ending balance	Beginning balance
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The changes of accounts receivable financing in the Current Period and the changes in fair value

Applicable Not applicable

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 financing.

Applicable Not applicable

Other notes:

7. Prepayment**(1) Prepayment Listed by Aging Analysis**

Unit: RMB

Aging	Ending balance	Beginning balance
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	Amount	Proportion	Amount	Proportion
Within 1 year	98,477,532.46	98.14%	24,618,321.77	34.68%
1 to 2 years	1,652,279.14	1.65%	25,907,661.19	36.50%
2 to 3 years	1,438.19	0.00%	499,638.55	0.70%
Over 3 years	210,556.77	0.21%	19,953,402.48	28.11%
Total	100,341,806.56		70,979,023.99	

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

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

Name of the entity	Carrying amount	As % of the total ending balance of the prepayments (%)
Natural Resources and Planning Bureau of Yangzhou City	53,587,710.00	53.41
The Yangzhou Municipal Bureau of Finance	36,000,000.00	35.88
Beijing Jingdong Century Information Technology Co., Ltd.	1,887,916.50	1.88
Chongqing Yudi Assets Management Co., Ltd.	1,869,630.00	1.86
China State Construction & Engineering 4th Bureau 5th Corp Limited	818,177.48	0.82
<u>Total</u>	<u>94,163,433.98</u>	<u>93.84</u>

Other notes:

8. Other Receivables

Unit: RMB

Item	Ending balance	Beginning balance
Other receivables	639,903,523.33	926,361,533.14
Total	639,903,523.33	926,361,533.14

(1) Interest Receivable

1) Category of Interest Receivable

Unit: RMB

Item	Ending balance	Beginning balance
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2) Significant Overdue Interest

Unit: RMB

Entity	Ending balance	Overdue time	Overdue reason	Whether occurred impairment and its judgment basis
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Other notes:

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

Unit: RMB

Project (or investee)	Ending balance	Beginning balance
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2) Significant Dividends Receivable Aging over 1 Year

Unit: RMB

Project (or investee)	Ending balance	Aging	Reason	Whether occurred impairment and its judgment basis
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3) Withdrawal of Bad Debt Provision□Applicable Not applicable

Other notes:

(3) Other Receivables**1) Category of Other Receivables by Account Nature**

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Security deposit	14,333,480.59	15,080,675.80
Margin	33,052,554.40	44,541,666.67
Reserve fund	315,131.82	414,042.10
Payment on behalf	7,861,406.33	9,613,270.01
Intercourse funds	645,712,452.33	823,874,343.35
Centralized management receivables		88,988,669.52
Others	26,868,828.99	24,696,812.94
Total	728,143,854.46	1,007,209,480.39

2) Withdrawal of Bad Debt Provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss in 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, 2022,	51,328,567.96		29,519,379.29	80,847,947.25
Balance of 1 January 2022 in the current period				
Withdrawal of the current period	7,117,248.24		275,135.64	7,392,383.88
Balance as at 31 December 2022	58,445,816.20		29,794,514.93	88,240,331.13

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

Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Carrying amount
Within 1 year (including 1 year)	45,898,989.35
1 to 2 years	582,305,977.29
2 to 3 years	32,848,373.42
Over 3 years	67,090,514.40
3 to 4 years	1,460,635.19
4 to 5 years	1,563,169.64
Over 5 years	64,066,709.57
Total	728,143,854.46

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

Withdrawal of bad debt provision:

Unit: RMB

Category	Beginning balance	Changes in the current period				Ending balance
		Withdrawal	Reversed or recovered	Verification	Others	
Bad debt provision accrued by item	46,215,164.01	876,420.17				47,091,584.18
Withdrawal of bad debt provision by group	34,632,783.24	6,515,963.71				41,148,746.95
Total	80,847,947.25	7,392,383.88				88,240,331.13

Of which the bad debt provision recovered or transferred-back with significant amount during the current period:

Unit: RMB

Name of the entity	Amount reversed or recovered	Way of recovery

4) Particulars of the Actual Verification of Other Receivables during the Current Period

Unit: RMB

Item	Written-off amount

Of which the verification of significant other receivables:

Unit: RMB

Name of the entity	Nature	Written-off amount	Reason for verification	Verification procedures performed	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 total ending balance of other	Ending balance of bad debt provision

				receivables %	
Shenzhen Xinhai Holding Co., Ltd. and the related party Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.	Intercourse funds	576,568,974.73	Within 1 year, one to five years	79.17%	17,297,069.25
Shenzhen Bangling Stock Cooperative Company	Intercourse funds	30,000,000.00	Two to three years	4.12%	9,000,000.00
Yangzhou Hanjiang Taxation Bureau	Intercourse funds	13,136,828.79	Within 1 year	1.80%	394,104.86
Shenzhen Qianhai Advanced Information Service Co., Ltd.	Intercourse funds	10,720,575.27	Within 1 year, one to two years	1.47%	321,617.26
Total		630,426,378.79		86.56%	27,012,791.37

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:

9. Inventories

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

Yes

(1) Category of Inventory

The Company shall comply with the disclosure requirements for the real estate industry in the *Self-regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

Classification by nature:

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves of inventories or impairment provision for contract	Carrying value	Carrying amount	Depreciation reserves of inventories or impairment provision for contract	Carrying value

		performance costs			performance costs	
R&D expenses	10,778,950,699.23	6,648,404.13	10,772,302,295.10	8,720,133,125.46	6,648,404.13	8,713,484,721.33
Developing properties	199,674,693.59		199,674,693.59	409,687,436.41		409,687,436.41
Contract performance costs	1,965,933.85		1,965,933.85			
Raw materials	1,891,354.81	1,040,612.30	850,742.51	2,082,008.73	752,182.07	1,329,826.66
Inventory goods	2,536,973.19	2,094,300.39	442,672.80	2,600,344.84	2,094,300.39	506,044.45
Low-value consumables	97,885.52		97,885.52	126,033.42		126,033.42
Total	10,985,117,540.19	9,783,316.82	10,975,334,223.37	9,134,628,948.86	9,494,886.59	9,125,134,062.27

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

Unit: RMB

Project name	Time for commencement	Estimated date of completion	Estimated total investment	Beginning balance	Transferred to developing properties for the current period	Other decreased amount for the current period	Increase (R&D expenses) for the current period	Ending balance	Accumulated amount of interest capitalization	Of which: amount of capitalized interests for the current period	Capital resources
Guanlan Bangling project	7 January 2021	10 September 2029	6,941,500,000.00	3,805,312,202.35			880,889,950.18	4,686,202,152.53	238,303,509.98	123,432,826.55	Bank loans
SZPRD-Banshan Yujing Phase II	15 March 2019	12 January 2022	247,000,000.00	196,197,525.93	216,122,609.92		19,925,083.99				Others
SZPRD-Fuchang Garden Phase II (Fuhui Huayuan)	27 December 2018	30 June 2023	911,330,000.00	677,368,072.10			69,919,499.84	747,287,571.94			Others
Humen coastal Harbor project	22 March 2022	30 April 2024	3,211,739,300.00	2,133,826,142.11			227,741,768.82	2,361,567,910.93			Others
Guangming Yutang Shangfu Project	7 March 2022	21 October 2024	2,588,185,600.00	1,621,000,000.00			171,278,782.42	1,792,278,782.42			Others
Yupinluanshan Garden (A117-12 land commercial and residential construction project)				232,030,746.62			4,402,759.02	236,433,505.64			Others
Haikou Hongqi Town Land				6,648,404.13				6,648,404.13			Others
Shenhui Garden				37,002,030.89			254,017.27	37,256,048.16			Others
Fuyuantai Project				9,127,089.11			3,627,248.54	12,754,337.65			Others

Project of Slender West Lake ecological health valley in Yangzhou	6 March 2023	31 August 2026	3,774,790,000.00				863,966,304.45	863,966,304.45				Others
Others				1,620,912.22			32,934,769.16	34,555,681.38				Others
Total	--	--	14,328,176,400.00	8,720,133,125.46	216,122,609.92	0.00	2,274,940,183.69	10,778,950,699.23	238,303,509.98	123,432,826.55	--	

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

Unit: RMB

Project name	Time of completion	Beginning balance	Increase for the current period	Decrease for the current period	Ending balance	Accumulated amount of interest capitalization	Of which: amount of capitalized interests for the current period
SZPRD-Langqiao International	1 December 2012	3,447,316.75			3,447,316.75	83,077,702.96	
SZPRD-Hupan Yujing Phase I	1 June 2015	57,356,637.66		541,547.38	56,815,090.28		
SZPRD-Banshan Yujing Phase II	12 January 2022		221,291,899.45	217,684,502.39	3,607,397.06	10,446,911.43	
SZPRD-Songhu Langyuan	1 July 2017	24,505,635.91		305,308.44	24,200,327.47	27,205,315.95	
SZPRD-Hupan Yujing Phase II	1 November 2017	45,306,202.60		14,788,389.37	30,517,813.23	30,539,392.65	
SZPRD-Golden Collar's Resort	1 December 2019	270,245,459.13	1,569,890.15	199,554,784.84	72,260,564.44		
International Trade Center Plaza	1 December 1995	4,839,083.10			4,839,083.10	26,385,636.29	
Huangyuyuan 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 items		2,551,428.03			2,551,428.03		
Total	--	409,687,436.41	222,861,789.60	432,874,532.42	199,674,693.59	177,654,959.28	

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

Unit: RMB

Project name	Beginning balance	Increase for the current period	Decrease for the current period	Ending balance
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(2) Falling Price Reserves of Inventory and Impairment Reserves for Contract Performance Costs

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

Classification by nature:

Unit: RMB

Item	Beginning balance	Increased amount of the current period		Decreased amount for the current period		Ending balance	Notes
		Withdrawal	Others	Transferred-back or charged-off	Others		
R&D expenses	6,648,404.13					6,648,404.13	
Raw materials	752,182.07	528,430.23		240,000.00		1,040,612.30	
Inventory goods	2,094,300.39					2,094,300.39	
Total	9,494,886.59	528,430.23		240,000.00		9,783,316.82	

Classification by nature:

Unit: RMB

Project name	Beginning balance	Increased amount of the current period		Decreased amount for the current period		Ending balance	Notes
		Withdrawal	Others	Transferred-back or charged-off	Others		
Haikou Hongqi Town Land	6,648,404.13					6,648,404.13	
Total	6,648,404.13					6,648,404.13	

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

Project name	Period-begin	Current period	Carry-over in current period	Period-end
SZPRD-Golden Collar's Resort	1,115,856.40		774,175.34	341,681.06
Guanlan Bangling Project	114,870,683.43	123,432,826.55		238,303,509.98
SZPRD-Langqiao International	2,971,986.54			2,971,986.54
SZPRD-Hupan Yujing Phase I	1,292,469.40		42,953.98	1,249,515.42
Total	120,250,995.77	123,432,826.55	817,129.32	242,866,693.00

(4) Inventory Restrictions

Disclosing restricted inventory by project:

Unit: RMB

Project name	Beginning balance	Ending balance	Reason for restriction

10. Contract Assets

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Impairment provision	Carrying value	Carrying amount	Impairment provision	Carrying value
Municipal engineering retention money	1,094,632.90		1,094,632.90			

Total	1,094,632.90		1,094,632.90		
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Amount of significant changes in carrying value of contract assets in the Current Period and reasons thereof:

Unit: RMB

Item	Change in amount	Reason(s)
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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 Current Period:

Unit: RMB

Item	Withdrawal of the current period	Amount transferred-back for the current period	Write-off/verified for the current period	Reason
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Other notes:

11. Held-for-sale Assets

Unit: RMB

Item	Ending carrying amount	Impairment provision	Ending carrying amount	Fair value	Estimated disposal expense	Estimated disposal time
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Other notes:

12. Current Portion of Non-current Assets

Unit: RMB

Item	Ending balance	Beginning balance
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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	16,846,758.27	13,510,039.34
Deducted input tax	28,950,002.85	11,848,968.49
Prepaid income tax	1,436,395.15	85,107.14
Prepaid land VAT	16,438,505.72	30,741,415.30
Prepaid urban construction tax	1,156,118.20	1,423,246.18
Prepaid education surcharge	825,798.74	1,029,901.67

Immediate rebate of receivable software sales VAT	1,687.34	358,306.69
Total	65,655,266.27	58,996,984.81

Other notes:

14. Investments in Debt Obligations

Unit: RMB

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

Significant investments in debt obligations

Unit: RMB

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

Status of accrued depreciation reserves

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss in 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 2022 in the current period				

Changes of carrying amount with significant amount changed of loss provision in the current 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	Cost	Accumulated changes in fair value	Accumulated provision for losses recognized in other comprehensive income	Notes
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Significant other investments in debt obligations

Unit: RMB

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

Status of accrued depreciation reserves

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss in 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 2022 in the current period				

Changes of carrying amount with significant amount changed of loss provision in the current 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	
Financing lease accounts	22,651,454.07		22,651,454.07	23,831,889.11		23,831,889.11	
Of which: unrealized financing income	13,169,492.65		13,169,492.65	16,430,753.09		16,430,753.09	
Total	22,651,454.07		22,651,454.07	23,831,889.11		23,831,889.11	

Impairment of bad debt provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss in 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 2022 in the current period				

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

Investee	Beginning balance (carrying value)	Increase/decrease for the current period								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	Others		
I. Joint ventures											
Shenzhen Real Estate Jifa Warehousing Co., Ltd.	43,516,665.12			1,213,920.17						44,730,585.29	
Tian'an International Building Property Management Company of Shenzhen	6,844,016.25			193,936.06						7,037,952.31	
Subtotal	50,360,681.37			1,407,856.23						51,768,537.60	
II. Associated enterprises											
Shenzhen Wufang Ceramics Industrial Co., Ltd.	18,983,614.14									18,983,614.14	18,983,614.14
Shenzhen Kangfu Health Products Co., Ltd.	165,000.00									165,000.00	165,000.00
Shenzhen Xinghao Imitation Porcelain Co., Ltd.	756,670.68									756,670.68	756,670.68
Shenzhen Social Welfare Company Fuda Electronics Factory	326,693.24									326,693.24	326,693.24
Shenzhen Fulong Industry Development Co., Ltd.	1,684,350.00									1,684,350.00	1,684,350.00
Haonianhua Hotel	2,733,570.05									2,733,570.05	2,733,570.05
Shenzhen Education Fund Longhua Investment	500,000.00									500,000.00	500,000.00

Shenzhen Kangle Sports Club Huangfa Branch	540,060.00									540,060.00	540,060.00
Dankeng Village Plants of Fumin in Guanlan Town, Shenzhen City	1,168,973.20									1,168,973.20	1,168,973.20
Shenzhen Bull Entertainment Co., Ltd.	500,000.00									500,000.00	500,000.00
Shenzhen Lianhua Caitian Property Management Co., Ltd.	1,475,465.91									1,475,465.91	1,475,465.91
Shenzhen Yangyuan Industrial Co., Ltd.	1,030,000.00									1,030,000.00	1,030,000.00
Jiakaifeng Co., Ltd. Bao'an Company	600,000.00									600,000.00	600,000.00
Guiyuan Garage	350,000.00									350,000.00	350,000.00
Shenzhen Wuweiben Roof Greening Co., Ltd.	500,000.00									500,000.00	500,000.00
Shenzhen Yuanning Plastic Steel Doors Co., Ltd.	240,000.00									240,000.00	240,000.00
Shenzhen Yofang Printing Co., Ltd.	100,000.00									100,000.00	100,000.00
Shenzhen Lusheng Industrial Development Co., Ltd.	100,000.00									100,000.00	100,000.00
CSCEC Intelligent Parking Technology Co., Ltd.		27,380,294.13		632,605.58						28,012,899.71	
Subtotal	31,754,397.22	27,380,294.13		632,605.58						59,767,296.93	31,754,397.22
Total	82,115,078.59	27,380,294.13		2,040,461.81						111,535,834.53	31,754,397.22

Other notes:

18. Other Equity Instrument Investment

Unit: RMB

Item	Ending balance	Beginning balance
Gintian Industry (Group) Co., Ltd.	887,838.64	1,002,551.95
Total	887,838.64	1,002,551.95

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

Unit: RMB

Project name	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.			2,702,517.67		Not for business transaction purposes	

Other notes:

19. Other Non-current Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
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Other notes:

20. Investment Property**(1) Investment Property Adopting the Cost Measurement Mode**Applicable Not applicable

Unit: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original carrying value				
1. Beginning balance	817,541,454.35	30,262,437.05	37,813,651.91	885,617,543.31
2. Increased amount for the current period	43,115,972.25	19,509,471.00	-620,935.08	62,004,508.17
(1) Outsourcing		19,509,471.00		19,509,471.00
(2) Transfer from inventory/fixed assets/construction in progress	41,393,882.14			41,393,882.14
(3) Business combination increase				
(4) Others	1,722,090.11		-620,935.08	1,101,155.03

3. Decreased amount for the current period	-1,045,082.77	35,276,005.85		34,230,923.08
(1) Disposal		35,276,005.85		35,276,005.85
(2) Other transfer				
(3) Exchange adjustment	-1,045,082.77			-1,045,082.77
4. Ending balance	861,702,509.37	14,495,902.20	37,192,716.83	913,391,128.40
II. Accumulative depreciation and accumulative amortization				
1. Beginning balance	395,715,194.03	15,870,449.43	14,827,290.50	426,412,933.96
2. Increased amount for the current period	75,563,017.13	11,902,257.30	7,169,473.04	94,634,747.47
(1) Withdrawal or amortization	42,349,989.34	11,902,257.30	7,169,473.04	61,421,719.68
(2) Others	33,213,027.79			33,213,027.79
3. Decreased amount for the current period	-992,828.63	14,412,120.84		13,419,292.21
(1) Disposal		14,412,120.84		14,412,120.84
(2) Other transfer				
(3) Exchange adjustment	-992,828.63			-992,828.63
4. Ending balance	472,271,039.79	13,360,585.89	21,996,763.54	507,628,389.22
III. Depreciation reserves				
1. Beginning balance				
2. Increased amount for the current period				
(1) Withdrawal				
3. Decreased amount for the current period				
(1) Disposal				
(2) Other transfer				
4. Ending balance				
IV. Carrying value				
1. Ending carrying value	389,431,469.58	1,135,316.31	15,195,953.29	405,762,739.18
2. Beginning carrying value	421,826,260.32	14,391,987.62	22,986,361.41	459,204,609.35

(2) Investment Property Adopting the Fair Value Measurement Mode

Applicable Not applicable

The Company shall comply with the disclosure requirements for the real estate industry in the *Self-regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

Investment properties measured in fair value by project disclosure:

Unit: RMB

Project name	Location	Time of completion	Floor area	Lease income during this reporting period	Beginning fair value	Closing fair value	Range of fair value changes	Reason for fair value changes and report index
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Whether the Company has new investment properties in construction period measured in fair value

Yes No

Whether the Company has new investment properties measured in fair value

Yes No

(3) Investment Property Failed to Accomplish Certification of Property

Unit: RMB

Item	Carrying value	Reason
507 Unit, Block No. 6, Maguling	23,989.01	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.
Meilin land [Note 1]		Obtained after the success in the last instance in 2017, relevant certifications of property are in the procedure
Total	23,989.01	

Note 1: As at 31 December 2022, the original carrying value of Meilin land was RMB3,885,469.40, the accumulated accrued depreciation was RMB3,885,469.40, and the carrying value was RMB0.

21. Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	82,745,172.12	114,155,590.40
Total	82,745,172.12	114,155,590.40

(1) List of Fixed Assets

Unit: RMB

Item	Houses and buildings	Machinery equipment	Transportation vehicle	Decoration of the fixed assets	Other machinery	Total
I. Original carrying value:						
1. Beginning balance	170,769,520.52	6,457,738.92	19,945,359.01	37,558,734.54	56,822,575.07	291,553,928.06
2. Increased amount for the current period			925,802.96	156,911.34	4,648,113.87	5,730,828.17
(1) Purchase			925,802.96	34,972.76	4,648,113.87	5,608,889.59
(2) Transfer from construction in progress				121,938.58		121,938.58
(3) Business combination increase						
3. Decreased amount for the	40,910,235.23		1,409,600.00		4,395,553.86	46,715,389.09

current period						
(1) Disposal or scrap			1,409,600.00		4,395,553.86	5,805,153.86
(2) Exchange adjustment	-483,646.91					-483,646.91
(3) Others	41,393,882.14					41,393,882.14
4. Ending balance	129,859,285.29	6,457,738.92	19,461,561.97	37,715,645.88	57,075,135.08	250,569,367.14
II. Accumulative depreciation						
1. Beginning balance	117,648,374.76	2,104,341.60	13,173,259.62	11,190,690.65	33,205,953.87	177,322,620.50
2. Increased amount for the current period	11,004,265.53	544,615.34	1,951,429.64	7,458,565.17	7,218,351.90	28,177,227.58
(1) Withdrawal	11,004,265.53	544,615.34	1,951,429.64	7,458,565.17	7,218,351.90	28,177,227.58
3. Decreased amount for the current period	32,769,959.84		1,334,118.09		3,647,292.29	37,751,370.22
(1) Disposal or scrap			1,334,118.09		3,647,292.29	4,981,410.38
(2) Exchange adjustment	-443,067.95					-443,067.95
(3) Others	33,213,027.79					33,213,027.79
4. Ending balance	95,882,680.45	2,648,956.94	13,790,571.17	18,649,255.82	36,777,013.48	167,748,477.86
III. Depreciation reserves						
1. Beginning balance					75,717.16	75,717.16
2. Increased amount for the current period						
(1) Withdrawal						
3. Decreased amount for the current period						
(1) Disposal or scrap						
4. Ending balance					75,717.16	75,717.16
IV. Carrying value						
1. Ending carrying value	33,976,604.84	3,808,781.98	5,670,990.80	19,066,390.06	20,222,404.44	82,745,172.12
2. Beginning carrying value	53,121,145.76	4,353,397.32	6,772,099.39	26,368,043.89	23,540,904.04	114,155,590.40

(2) List of Temporarily Idle Fixed Assets

Unit: RMB

Item	Original carrying value	Accumulated depreciation	Impairment provision	Carrying value	Notes
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(3) Fixed Assets Leased out by Operation Lease

Unit: RMB

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

Unit: RMB

Item	Carrying value	Reason
Room 406, 2 units, Hulunbuir Guangxia Digital Building	2,364,479.98	Property rights disputes before, now have won a lawsuit with certification of the property being processed.
Room 401, 402, Sanxiang Business Building Office Building	652,721.66	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.
Total	3,017,201.64	

Other notes:

(5) Proceeds from Disposal of Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance
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Other notes:

22. Construction in Progress

Unit: RMB

Item	Ending balance	Beginning balance
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(1) List of Construction in Progress

Unit: RMB

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

(2) Changes in Significant Construction in Progress during the Current Period

Unit: RMB

Project name	Budget	Beginning balance	Increased amount of the current period	Transferred in fixed assets	Other decreased amount for the current period	Ending balance	Proportion of accumulated investment in constructions to budget	Job schedule	Accumulated amount of interest capitalization	Of which: amount of capitalized interests for the current period	Capitalization rate of interests for the current period	Capital resources
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(3) List of the Withdrawal of the Depreciation Reserves for Construction in Progress

Unit: RMB

Item	Amount withdrawn	Reason for withdrawal
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Other notes:

(4) Engineering Materials

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Impairment provision	Carrying value	Carrying amount	Impairment provision	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
I. Original carrying value		
1. Beginning balance	85,899,256.85	85,899,256.85
2. Increased amount for the current period	24,328,862.17	24,328,862.17
(1) New Leases	24,328,862.17	24,328,862.17
3. Decreased amount for the current period	13,249,845.21	13,249,845.21
(1) Expiration of lease contract		
(2) Lease termination	13,249,845.21	13,249,845.21
4. Ending balance	96,978,273.81	96,978,273.81
II. Accumulative depreciation		
1. Beginning balance	14,426,576.12	14,426,576.12
2. Increased amount for the current period	22,380,277.42	22,380,277.42
(1) Withdrawal	22,380,277.42	22,380,277.42
3. Decreased amount for the current period	9,996,995.38	9,996,995.38
(1) Disposal		
Lease termination	9,996,995.38	9,996,995.38
4. Ending balance	26,809,858.16	26,809,858.16
III. Depreciation reserves		
1. Beginning balance		
2. Increased amount for the current period		
(1) Withdrawal		
3. Decreased amount for the current		

period		
(1) Disposal		
4. Ending balance		
IV. Carrying value		
1. Ending carrying value	70,168,415.65	70,168,415.65
2. Beginning carrying value	71,472,680.73	71,472,680.73

Other notes:

26. Intangible Assets

(1) List of Intangible Assets

Unit: RMB

Item	Land use right	Patent right	Non-patent technologies	Software use rights	Total
I. Original carrying value					
1. Beginning balance				3,060,312.13	3,060,312.13
2. Increased amount for the current period					
(1) Purchase					
(2) Internal R&D					
(3) Business combination increase					
3. Decreased amount for the current period					
(1) Disposal					
4. Ending balance				3,060,312.13	3,060,312.13
II. Accumulated amortization					
1. Beginning balance				1,306,922.80	1,306,922.80
2. Increased amount for the current period				484,006.42	484,006.42
(1) Withdrawal				484,006.42	484,006.42
3. Decreased amount for the current period					
(1) Disposal					
4. Ending balance				1,790,929.22	1,790,929.22
III. Depreciation reserves					
1. Beginning balance					
2. Increased amount for the current period					
(1) Withdrawal					
3. Decreased amount for the current period					

(1) Disposal					
4. Ending balance					
IV. Carrying value					
1. Ending carrying value				1,269,382.91	1,269,382.91
2. Beginning carrying value				1,753,389.33	1,753,389.33

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

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

Unit: RMB

Item	Carrying value	Reason
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Other notes:

27. Development Costs

Unit: RMB

Item	Beginning balance	Increased amount of the current period			Decreased amount for the current period			Ending balance
		Internal development costs	Others		Recognized as intangible assets	Transferred into the current profit or loss		
Total								

Other notes:

28. Goodwill

(1) Original Carrying Value of Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Beginning balance	Increase for the current period		Decrease for the current period		Ending balance
		Formed by business combination		Disposal		
Shenzhen Facility Management Community Technology Co., Ltd.	9,446,847.38					9,446,847.38
Total	9,446,847.38					9,446,847.38

(2) Depreciation Reserves of Goodwill

Unit: RMB

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

Total					
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Information on the Assets Groups or Combination of Assets Groups which Goodwill Belongs to

Carrying value of goodwill	Assets group or combination of assets groups			
	Main composition	Carrying value	Recognition method	Changes in current period
9,446,847.38	Shenzhen Facility Management Community Technology Co., Ltd.	21,490,611.97	Assets group or combination of assets groups capable of generating cash flows independently in consideration of benefits from synergies of business combination and the management's administration and monitoring of production and operating activities.	No

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

Note: The Company acquired 35% equity of Shenzhen Facility Management Community Technology Co., Ltd. in 2021, which was a business combination not under the same control, and resulted in a goodwill of RMB9,446,847.38 without impairment after the impairment test.

Other notes:

29. Long-term Prepaid Expense

Unit: RMB

Item	Beginning balance	Increased amount of the current period	Amortization amount of the current period	Other decreased amount	Ending balance
Decoration fee	22,751,829.74	7,000,460.51	7,522,321.06	249,366.73	21,980,602.46
Total	22,751,829.74	7,000,460.51	7,522,321.06	249,366.73	21,980,602.46

Other notes:

30. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Deferred Income Tax Assets Had Not Been Off-set

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	72,321,489.09	15,066,804.41	119,305,827.39	28,122,514.38
Internal unrealized profit	439,263,809.16	109,815,952.29	137,494,156.00	34,373,539.00
Deductible losses	1,159,867,308.26	288,683,459.58	1,200,124,630.73	299,411,568.81
Accrued land VAT	3,838,271,429.24	959,567,857.31	3,184,602,479.28	796,150,619.82
Estimated profit calculated at pre-sale revenue of property enterprises	35,766,814.24	8,941,703.56	479,584,729.78	119,896,182.45

Other accrued expenses	4,512,525.55	974,808.89	8,579,103.04	1,862,165.86
Total	5,550,003,375.54	1,383,050,586.04	5,129,690,926.22	1,279,816,590.32

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

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
The carrying value of fixed assets was larger than the tax basis	967,914.16	241,978.54	1,231,415.14	307,853.79
Total	967,914.16	241,978.54	1,231,415.14	307,853.79

(3) Deferred Income Tax Assets or Liabilities Had Been Off-set Listed in Net Amount

Unit: RMB

Item	Ending off-set amount of deferred income tax assets and liabilities	Ending balance of deferred income tax assets and liabilities	Beginning off-set amount of deferred income tax assets and liabilities	Beginning balance of deferred income tax assets and liabilities
Deferred income tax assets		1,383,050,586.04		1,279,816,590.32
Deferred income tax liabilities		241,978.54		307,853.79

(4) List of Unrecognized Deferred Income Tax Assets

Unit: RMB

Item	Ending balance	Beginning balance
Deductible temporary differences	52,448,071.36	73,039,624.89
Deductible losses	508,734,563.66	477,329,778.68
Total	561,182,635.02	550,369,403.57

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

Unit: RMB

Year	Ending amount	Beginning amount	Notes
2022		49,880,895.14	The deductible losses of 2017
2023	265,603,820.64	265,603,820.64	The deductible losses of 2018
2024	124,895,242.05	124,895,242.05	The deductible losses of 2019
2025	22,711,013.85	22,711,013.85	The deductible losses of 2020
2026	14,238,807.00	14,238,807.00	The deductible losses of 2021
2027	81,285,680.12		The deductible losses of 2022
Total	508,734,563.66	477,329,778.68	

Other notes:

31. Other Non-current Assets

Unit: RMB

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

Prepayment for purchase of fixed assets, investment properties and intangible assets	115,779.31		115,779.31	115,779.31		115,779.31
Prepayment for equity acquisition				42,726,200.00		42,726,200.00
Others [note]	2,635,093.77		2,635,093.77	2,730,018.54		2,730,018.54
Total	2,750,873.08		2,750,873.08	45,571,997.85		45,571,997.85

Other notes:

[Note]:The amount is mainly the registered asset of real estate for investment, as the assets relate to the subsequent pending transfer of relocated properties for the shanty town renovation of Chuanbujie, and the term exceeds one year.

32. Short-term Borrowings

(1) Category of Short-term Borrowings

Unit: RMB

Item	Ending balance	Beginning balance
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Notes of the category for short-term loans:

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

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

Unit: RMB

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

33. Trading Financial Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Of which:		
Of which:		

Other notes:

34. Derivative Financial Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
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Other notes:

35. Notes Payable

Unit: RMB

Category	Ending balance	Beginning balance
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The total amount of notes payable due but unpaid was RMBXXX.

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

Unit: RMB

Item	Ending balance	Beginning balance
Engineering construction expense payable	484,123,042.01	242,383,453.30
Estimated payables	32,863,907.25	27,871,456.62
Others	91,296,439.26	81,639,902.31
Total	608,283,388.52	351,894,812.23

(2) Significant Accounts Payable Aged over 1 Year

Unit: RMB

Item	Ending balance	Unpaid/Un-carry-over reason
Shenzhen Municipal Bureau of Planning and Land	25,000,000.00	Historical problems
China Construction Fourth Engineering Division Corp., Ltd.	18,217,672.83	Unsettled
Shenzhen Ruihe Construction Decoration Co., Ltd.	7,129,246.31	Unsettled
Shanghai Mingpeng Construction Group Co., Ltd.	5,976,705.79	Unsettled
Shenzhen Weiye Decoration Group Co., Ltd.	3,269,572.34	Unsettled
Total	59,593,197.27	

Other notes:

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

Unit: RMB

Item	Ending balance	Beginning balance
Rental	2,260,847.31	1,381,666.59
Total	2,260,847.31	1,381,666.59

(2) Significant Advances from Customers Aged over 1 Year

Unit: RMB

Item	Ending balance	Unpaid/Un-carry-over reason
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38. Contract Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
House payment in advance	857,317,217.99	1,329,251,898.56
Property fee in advance	15,740,950.87	24,258,900.52
Other payments in advance	47,769,871.95	20,655,010.32
Total	920,828,040.81	1,374,165,809.40

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

Unit: RMB

Item	Change in amount	Reason(s)
SZPRD-Fuchang Garden Phase II (Fuhui Huayuan)	316,738,487.14	New buy-back payments in accordance with the terms of the repurchase agreement.
SZPRD-Golden Collar's Resort	-527,519,133.76	The carried down qualified for revenue carried forward is carried forward to income from principal businesses.
SZPRD-Banshan Yujing Phase II	-253,265,320.98	Banshan Yujing Phase II was delivered this year and met the conditions for carried down revenue.
Total	-464,045,967.60	—

The Company shall comply with the disclosure requirements for the real estate industry in the *Self-regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

The proceeds information of top five advance sale amount:

Unit: RMB

No.	Project name	Beginning balance	Ending balance	Estimated date of completion	Advance sale proportion
1	SZPRD-Fuchang Garden Phase II (Fuhui Huayuan)	840,878,470.63	524,139,983.49	30 June 2023	100.00%
2	SZPRD-Golden Collar's Resort	15,574,706.92	543,093,840.68	25 December 2019	95.02%
3	SZPRD-Hupan Yujing Phase II	716,422.02	8,401,706.42	30 November 2017	96.00%
4	SZPRD-Banshan Yujing Phase II	110,921.17	253,376,242.15	12 January 2022	100.00%
5	SZPRD-Hupan Yujing Phase I	36,697.25	36,697.25	1 June 2015	88.04%

39. Payroll Payable

(1) List of Payroll Payable

Unit: RMB

Item	Beginning balance	Increase for the current period	Decrease for the current period	Ending balance
I. Short-term salary	227,076,754.76	907,831,085.48	900,181,732.27	234,726,107.97
II. Post-employment benefit-defined contribution plans	2,208,300.26	75,306,256.06	75,863,872.27	1,650,684.05
III. Termination benefits	1,333,012.21	7,049,885.90	5,633,298.11	2,749,600.00
Total	230,618,067.23	990,187,227.44	981,678,902.65	239,126,392.02

(2) List of Short-term Salary

Unit: RMB

Item	Beginning balance	Increase for the current period	Decrease for the current period	Ending balance
1. Salary, bonus, allowance, subsidy	210,074,251.52	794,988,506.48	788,789,678.14	216,273,079.86
2. Employee welfare	1,522,398.43	6,668,010.03	6,781,928.92	1,408,479.54
3. Social insurance	175,180.41	30,144,641.17	30,248,751.23	71,070.35
Of which: Medical insurance premiums	171,489.07	26,038,316.48	26,149,746.01	60,059.54
Work-related injury insurance premiums	1,148.13	1,182,667.30	1,182,551.73	1,263.70

Maternity insurance	2,543.21	1,360,657.50	1,361,046.09	2,154.62
Other commercial insurances		1,562,999.89	1,555,407.40	7,592.49
4. Housing fund	1,739,640.18	27,832,396.89	28,292,393.76	1,279,643.31
5. Labor union budget and employee education budget	12,762,584.50	14,569,702.27	15,979,320.17	11,352,966.60
Non-monetary benefits	802,699.72	33,627,828.64	30,089,660.05	4,340,868.31
Total	227,076,754.76	907,831,085.48	900,181,732.27	234,726,107.97

(3) List of Defined Contribution Plans

Unit: RMB

Item	Beginning balance	Increase for the current period	Decrease for the current period	Ending balance
1. Basic pension insurance	123,001.91	59,598,053.07	59,575,378.23	145,676.75
2. Unemployment insurance premiums	3,276.52	1,606,957.30	1,606,108.79	4,125.03
3. Supplementary pension payment	2,082,021.83	14,101,245.69	14,682,385.25	1,500,882.27
Total	2,208,300.26	75,306,256.06	75,863,872.27	1,650,684.05

Other notes:

40. Taxes Payable

Unit: RMB

Item	Ending balance	Beginning balance
VAT	15,392,042.91	32,126,690.19
Enterprise income tax	57,096,046.69	89,593,466.11
Personal income tax	3,141,049.35	4,784,809.66
Urban maintenance and construction tax	1,464,551.01	2,226,514.52
Land appreciation tax	3,838,271,429.24	3,184,727,554.49
Land use tax	153,626.98	938,263.93
Property tax	600,966.66	406,052.03
Educational surcharge	707,668.15	1,063,657.57
Local educational fee	383,745.82	573,380.15
Others	67,220.00	149,801.69
Total	3,917,278,346.81	3,316,590,190.34

Other notes:

41. Other Payables

Unit: RMB

Item	Ending balance	Beginning balance
Dividends payable	12,202,676.04	17,542,675.98
Other payables	1,502,883,156.41	1,010,079,414.96
Total	1,515,085,832.45	1,027,622,090.94

(1) Interest Payable

Unit: RMB

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

Unit: RMB

Entity	Overdue amount	Overdue reason
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Other notes:

(2) Dividends Payable

Unit: RMB

Item	Ending balance	Beginning balance
Ordinary stock dividends	12,202,676.04	17,542,675.98
Total	12,202,676.04	17,542,675.98

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

Item	Amount unpaid	Reason
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
Others	33,639.36	Without access to its account and the final payment is unpaid
Total	12,202,676.04	

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

Unit: RMB

Item	Ending balance	Beginning balance
Security deposit	316,108,932.91	308,385,429.16
Margin	13,585,641.99	13,643,729.01
Collection on behalf	3,596,458.33	1,574,151.30
Intercourse funds	855,267,729.70	425,545,263.18
Accrued expenses	224,646,116.70	169,426,248.94
Payment on behalf	19,052,869.33	17,589,956.23
Others	70,625,407.45	73,914,637.14
Total	1,502,883,156.41	1,010,079,414.96

2) Significant Other Accounts Payable Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/Un-carry-over reason
Shenzhen Pason Aluminum Technology Co., Ltd.	196,416,155.45	Did not submit the payment application for historical reasons
Shenzhen Bay Technology Development Co., Ltd.	179,966,045.36	Unsettled

Shenzhen Hengyu (Group) Co., Ltd.	162,000,000.00	Unsettled
Shenzhen Real Estate Jifa Warehousing Co., Ltd.	42,296,665.14	Come-and-go accounts without specific payment term
Shenzhen Qianhai Micro Public Bank Co., Ltd.	6,875,262.75	Lease term not expired
Total	587,554,128.70	

Other notes:

42. Held-for-sale Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
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Other notes:

43. Current Portion of Non-current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Current portion of long-term borrowings	196,645,408.45	68,984,050.47
Lease obligation matured within 1 Year	22,213,358.37	14,940,651.36
Total	218,858,766.82	83,924,701.83

Other notes:

44. Other Current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Tax to be charged off	83,991,786.83	77,403,624.02
Total	83,991,786.83	77,403,624.02

Increase/decrease of the short-term bonds payable:

Unit: RMB

Name	Par value	Issue date	Bond duration	Issue amount	Beginning balance	Issued in the current period	Interest accrued at par value	Amortization of premium and depreciation	Repaid in the current period		Ending balance
Total											

Other notes:

45. Long-term Borrowings

(1) Category of Long-term Borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Pledged loans	3,156,782,344.00	2,999,400,000.00
Mortgage loans		1,500,000.00
Credit loan	462,000,000.00	523,600,000.00
Total	3,618,782,344.00	3,524,500,000.00

Note to the category of long-term borrowings:

The pledged borrowings at the period-end were used to develop the Bangling urban renewal project of Shenzhen Rongyao Real Estate Development Co., Ltd., a subsidiary of the Company (hereinafter referred to as “Rongyao Real Estate”) with the duration from 29 November 2019 to 20 November 2024. And 69% equity of Rongyao Real Estate held by the Company was pledged and the guarantee mode was the joint liability guaranty.

The pledge borrowings at the period-end were used to acquire 100% of five property management enterprises. They are Shenzhen Property Management Co., Ltd., Shenzhen Foreign Trade Property Management Co., Ltd., Shenzhen Shenfubao Property Development Co., Ltd., Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd. and Shenzhen Free Trade Zone Security Service Co., Ltd. by the Company’s subsidiary Shenzhen International Trade Center Property Management Co., Ltd. with the duration from 18 May 2022 to 26 April 2027. And the 100% equity of these five enterprises held by Shenzhen International Trade Center Property Management Co., Ltd.

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.

Other notes, including interest rate range:

46. Bonds Payable

(1) Bonds Payable

Unit: RMB

Item	Ending balance	Beginning balance
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(2) Changes of Bonds Payable (Excluding Other Financial Instruments Divided as Financial Liabilities such as Preferred Shares and Perpetual Bonds)

Unit: RMB

Name	Par value	Issue date	Bond duration	Issue amount	Beginning balance	Issued in the current period	Interest accrued at par value	Amortization of premium and depreciation	Repaid in the current period		Ending balance
Total											

(3) Convertible Conditions and Time for Convertible Corporate Bonds

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

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

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

Unit: RMB

Outstanding financial instruments	Period-beginning		Increase for the current period		Decrease for the current period		Period-end	
	Number	Carrying value	Number	Carrying value	Number	Carrying value	Number	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
Lease payments	119,208,080.55	124,179,565.50
Unrecognized financing expense	-19,031,438.63	-26,157,731.25

Less: lease liabilities due within 1 year	-22,213,358.37	-14,940,651.36
Total	77,963,283.55	83,081,182.89

Other notes:

48. Long-term Payables

Unit: RMB

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

Unit: RMB

Item	Ending balance	Beginning balance
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Other notes:

(2) Specific Payables

Unit: RMB

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

49. Long-term Payroll Payable

(1) List of Long-term Payroll Payable

Unit: RMB

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

Obligation present value of defined benefit plans:

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Plan assets:

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Net liabilities (net assets) of defined benefit plans:

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Notes of influence of content of defined benefit plans and its relevant risks to the future cash flow, time and uncertainty of the Company:

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

Other notes:

50. Provisions

Unit: RMB

Item	Ending balance	Beginning balance	Reason for formation
Pending litigation	766,612.52	1,425,490.50	Xuansheng property management fee lawsuit
Total	766,612.52	1,425,490.50	

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 for the current period	Decrease for the current period	Ending balance	Reason for formation
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Item involving government grants:

Unit: RMB

Item	Beginning balance	Amount of newly subsidy for the current period	Amount recorded into non-operating income in the current period	Amount recorded into other income in the current period	Amount offset cost in the current period	Other changes	Ending balance	Related to assets/related income
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Other notes:

52. Other Non-current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Utility specific fund	634,414.79	615,787.03
Housing principle fund	15,105,690.42	21,212,930.24
House warming deposit	7,058,030.03	7,008,598.13
Electric Equipment Maintenance fund	4,019,415.44	4,019,415.44
Deputed maintenance fund	53,798,172.96	46,608,942.66
Follow-up investment of employees for Guanlan Bangling project	40,000,000.00	40,000,000.00
Others	7,393,196.15	6,594,009.58
Total	128,008,919.79	126,059,683.08

Other notes:

53. Share Capital

Unit: RMB

	Beginning balance	Increase/decrease (+/-)					Ending balance
		New shares issued	Bonus shares	Bonus issue from profit	Others	Subtotal	
Total shares	595,979,092.00						595,979,092.00

Other notes:

54. Other Equity Instruments

(1) Basic Information about Other Outstanding Financial Instruments such as Preferred Shares and Perpetual Bonds at the Period-end

(2) Changes of Outstanding Financial Instruments such as Preferred Shares and Perpetual Bonds at the Period-end

Unit: RMB

Outstanding financial instruments	Period-beginning		Increase for the current period		Decrease for the current period		Period-end	
	Number	Carrying value	Number	Carrying value	Number	Carrying value	Number	Carrying value

Changes of other equity instruments in the Current Period, reasons thereof and basis of related accounting treatment:

Other notes:

55. Capital Reserve

Unit: RMB

Item	Beginning balance	Increase for the current period	Decrease for the current period	Ending balance
Capital premium (premium on stock)	73,854,303.62		73,854,303.62	
Other capital reserves	80,488,045.38			80,488,045.38
Total	154,342,349.00		73,854,303.62	80,488,045.38

Other notes, including a description of the increase or decrease for the current period and the reasons for the change:

Note: Capital reserve in the Current Period decreased because:

The Company's subsidiary, ITC Property Management Company, acquired 100% equity of Shenzhen Property Management Co., Ltd. in January 2022, and 100% equity of Shenzhen Shenfubao Property Development Co., Ltd., Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd., Shenzhen Free Trade Zone Security Service Co., Ltd., Shenzhen Free Trade Zone Property Development Co., Ltd. in February 2022, both by means of business combination under the same control. It is stipulated that, during the preparation of comparative statements at the end of the period for business combination, the parties involved shall be deemed to be in their present state at the time when the ultimate controlling party begins to exercise control. Therefore, during the combination of the acquired companies last year, the Company increased the opening surplus reserve and undistributed profit respectively by RMB73,854,303.62, and RMB17,937,391.71. At the combination date, we reversed RMB73,854,303.62 in capital surplus and RMB17,937,391.71 in surplus reserves, which were retroactively presented as an increase under the same control as the previous year and RMB222,424,006.29 in unappropriated profit offset the difference.

56. Treasury Shares

Unit: RMB

Item	Beginning balance	Increase for the current period	Decrease for the current period	Ending balance
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Other notes, including a description of the increase or decrease for the current period and the reasons for the change:

57. Other Comprehensive Income

Unit: RMB

Item	Beginning balance	Amount for the current period					Ending balance
		Amount before deducting income tax for the current period	Less: recorded in other comprehensive income in prior period and transferred in profit or loss in the current period	Less: recorded in other comprehensive income in prior period and transferred in retained earnings in the current period	Less: Income tax expense	Attributable to the Company as the parent after tax	
I. Other comprehensive income that may not be reclassified to profit or loss	-2,574,121.54	-168,720.11				-168,720.11	-2,742,841.65
Changes in fair value of other equity instrument investment\	-2,574,121.54	-168,720.11				-168,720.11	-2,742,841.65
II. Other comprehensive income that may subsequently be reclassified to profit or loss	-5,600,532.12	4,488,995.82				4,488,995.82	-1,111,536.30
Differences arising from translation of foreign currency-denominated financial statements	-5,600,532.12	4,488,995.82				4,488,995.82	-1,111,536.30
Total of other comprehensive income	-8,174,653.66	4,320,275.71				4,320,275.71	-3,854,377.95

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 for the current period	Decrease for the current period	Ending balance
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Other notes, including a description of the increase or decrease for the current period and the reasons for the change:

59. Surplus Reserves

Unit: RMB

Item	Beginning balance	Increase for the current period	Decrease for the current period	Ending balance
Statutory surplus reserves	47,209,537.05	19,249,057.34	17,937,391.71	48,521,202.68
Discretionary surplus reserves	365,403.13			365,403.13
Total	47,574,940.18	19,249,057.34	17,937,391.71	48,886,605.81

Notes, including changes and reason of change:

60. Retained Earnings

Unit: RMB

Item	Current period	Previous period
Beginning balance of retained profits before adjustments	3,788,180,758.20	3,038,993,912.43
Total adjustment of retained earnings at the beginning of the adjustment (+ for up, - for down)	12,149,572.03	-9,261,494.67
Beginning balance of retained profits after adjustments	3,800,330,330.23	3,029,732,417.76
Add: Net profit attributable to owners of the Company as the parent	537,664,698.69	1,025,380,909.03
Less: Withdrawal of statutory surplus reserve	19,249,057.34	10,431,568.84
Dividends of common shares payable	405,265,782.56	244,351,427.72
Others	222,424,006.29	
Ending retained profits	3,691,056,182.73	3,800,330,330.23

List of adjustment of beginning retained profits:

- 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) RMB12,149,572.03 beginning retained profits 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	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Principal business	3,601,884,752.72	1,937,899,553.46	4,825,516,904.62	1,819,108,894.44
Others	106,784,294.13	40,878,067.76	85,603,623.71	8,273,928.74
Total	3,708,669,046.85	1,978,777,621.22	4,911,120,528.33	1,827,382,823.18

Whether the lower of the net profit before and after deduction of non-recurring gains and losses through audit is negative

 Yes No

Relevant information of revenue:

Unit: RMB

Category of contracts	Segment 1	Segment 2	Total
Product categories	3,708,669,046.85		3,708,669,046.85
Of which:			
Real estate	1,913,674,526.31		1,913,674,526.31
Property management	1,666,961,878.32		1,666,961,878.32
Leasing business	128,032,642.22		128,032,642.22
Classification by operating region			
Of which:			
Shenzhen	3,122,667,234.12		3,122,667,234.12
Other regions	586,001,812.73		586,001,812.73

Market or customer type				
Of which:				
Contract type				
Of which:				
Classification by time of commodity transfer				
Of which:				
Classification by contract term				
Of which:				
Classification by sales channel				
Of which:				
Total				

Information about performance obligations:

On 31 December, 2022, the transaction price assigned to unfulfilled (or partially fulfilled) performance obligations was estimated to be RMB921 million, which is mainly expected future revenue of transaction prices that have not met the delivery conditions stipulated in sales contracts of real estate. The Company is expected to achieve the planned sales revenue within one or two years when the house property is completed and passes the acceptance, which meets the delivery conditions stipulated in sales contracts, and when the customers acquire the control rights of relevant goods or services on a pilot basis.

Information in relation to the transaction price apportioned to the residual contract performance obligation:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet was RMB920,828,040.81 at the period-end, among which RMB917,619,093.82 was expected to be recognized in 2023, RMB3,208,946.99 in 2024.

Other notes:

The Company shall comply with the disclosure requirements for the real estate industry in the *Self-regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

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

Unit: RMB

No.	Project name	Income balance
1	Golden Collar's Resort	1,592,762,154.29
2	Banshan Yujing Phase I	253,083,803.64
3	Hupan Yujing Phase II	22,767,795.40
4	Songhu Langyuan	841,321.90
5	Hupan Yujing Phase I	709,174.33

62. Taxes and Surtaxes

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Urban maintenance and construction tax	11,647,933.20	15,933,888.97
Educational surcharge	5,019,133.52	6,928,652.97
Property tax	5,773,106.72	11,021,155.00
Land use tax	783,939.43	1,548,163.43
Land appreciation tax	695,789,536.89	1,309,913,734.35
Local educational fee	3,314,949.88	4,465,135.88
Other taxes	3,592,058.16	2,867,262.46
Total	725,920,657.80	1,352,677,993.06

Other notes:

63. Selling Expense

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Agency fee	30,682,192.07	35,845,559.65
Consultancy and sales service charges	5,037,241.10	8,151,107.45
Advertising expenses	2,582,813.39	9,731,964.11
Employee remuneration	7,740,228.91	6,438,365.79
Others	7,499,522.31	13,205,019.02
Total	53,541,997.78	73,372,016.02

Other notes:

64. Administrative Expense

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Employee remuneration	238,534,091.52	230,698,574.25
Administrative office cost	28,064,014.57	36,035,374.29
Assets amortization and depreciation expense	26,431,430.81	22,235,485.56
Litigation costs	960,169.09	1,316,110.53
Consultancy and broker charges	7,721,484.95	4,829,258.25
Entertainment expense	3,661,253.01	2,623,501.19
Rent and property fee	2,313,473.60	2,217,778.35
Travel expense	516,335.81	667,459.58
Others	21,789,402.38	23,351,813.61
Total	329,991,655.74	323,975,355.61

Other notes:

65. Development Expense

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Employee remuneration	2,948,680.83	1,959,851.56

Depreciation and amortization expense	27,342.88	6,204.09
Office cost	85,952.39	64,656.03
Travel expense	16,471.28	17,928.57
Entertainment expense	4,280.00	18,118.90
R&D material expense	25,050.00	68,288.00
Amortization of right-of-use assets	59,696.04	20,285.78
Others	76,655.69	16,464.87
Total	3,244,129.11	2,171,797.80

Other notes:

66. Finance Costs

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Finance costs	64,941,564.63	75,361,420.03
Less: Interest income	-21,591,864.72	-75,033,921.17
Foreign exchange gains or losses	-600,187.19	145,683.08
Others	7,821,671.11	4,888,485.39
Total	50,571,183.83	5,361,667.33

Other notes:

67. Other Income

Unit: RMB

Sources	Amount for the current period	Amount for the previous period
Government grants related to income	10,637,742.42	24,201,919.63
Government grants related to assets		
Return of auxiliary expense for individual income tax withheld	282,364.88	270,696.35
Additional deduction of VAT	8,204,836.92	6,867,086.50
Rebate of VAT	359,114.45	672,523.81
Total	19,484,058.67	32,012,226.29

68. Investment Income

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Long-term equity investment income accounted by equity method	2,040,461.81	4,650,460.58
Funds central clearing house money management investment	-59,130.91	1,959,264.79
Total	1,981,330.90	6,609,725.37

Other notes:

69. Net Gain on Exposure Hedges

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Other notes:

70. Gain on Changes in Fair Value

Unit: RMB

Sources	Amount for the current period	Amount for the previous period
Trading financial assets	117,082.19	193,746.57
Total	117,082.19	193,746.57

Other notes:

71. Credit Impairment Loss

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Bad debt loss	-17,395,139.90	-29,194,857.89
Total	-17,395,139.90	-29,194,857.89

Other notes:

72. Asset Impairment Loss

Unit: RMB

Item	Amount for the current period	Amount for the previous period
II. Inventory falling price loss and impairment provision for contract performance costs	-528,430.23	23,120.82
Total	-528,430.23	23,120.82

Other notes:

73. Asset Disposal Income

Unit: RMB

Sources	Amount for the current period	Amount for the previous period
Gains on disposal of fixed assets	-130,574.60	
Investment properties disposal gains	175,811,822.99	
Others	129,357.05	27.94
Total	175,810,605.44	27.94

74. Non-operating Income

Unit: RMB

Item	Amount for the current period	Amount for the previous period	Amount recorded in the current non-recurring profit or loss
Government grants		10,000.00	
Gains on damage and scrap of non-current assets	5,963.68	9,650.00	5,963.68
Confiscated income	354,580.59	809,424.18	354,580.59

Payments unable to clear	3,129,253.59	2,330,544.39	1,151,425.28
Others	3,708,206.42	12,427,940.84	3,192,592.06
Total	7,198,004.28	15,587,559.41	4,704,561.61

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	Amount for the current period	Previous period	Related to assets/related income
Others		Subsidies	Subsidies obtained from the state by undertaking the sustainability of public utilities, the supply of socially necessary products, or the function of price control	No	No		10,000.00	Related to revenue

Other notes:

Other non-operating income in the current period mainly comes from the owner tarte settlement confirmed by the Company.

75. Non-operating Expense

Unit: RMB

Item	Amount for the current period	Amount for the previous period	Amount recorded in the current non-recurring profit or loss
Donation	26,000.00	139,000.01	26,000.00
Litigation expenses	258,891.82	191,457.86	147,528.97
Penalty and fine for delaying payment	121,377.17	263,358.41	232,740.02
Losses from damage and scrap of non-current assets	207,427.68	76,980.64	172,026.10
Others	1,943,197.07	6,825,181.98	1,773,514.16
Total	2,556,893.74	7,495,978.90	2,351,809.25

Other notes:

76. Income Tax Expense

(1) List of Income Tax Expense

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Current income tax expense	324,691,681.99	664,966,662.82
Deferred income tax expense	-103,299,870.97	-329,061,924.63
Total	221,391,811.02	335,904,738.19

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

Unit: RMB

Item	Amount for the current period
Total profit	750,732,418.98
Current income tax expense accounted at statutory/applicable tax rate	187,683,104.75
Influence of applying different tax rates by subsidiaries	-4,167,739.41

Influence of income tax before adjustment	19,508,155.56
Influence of non-deductible costs, expenses and losses	19,580,957.75
The effect of using deductible losses of deferred income tax assets that have not been recognized in the previous period	-4,183,108.31
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current period	2,512,300.58
Changes in the balance of deferred income tax assets/liabilities at the beginning of the period due to adjustment of tax rate	458,140.10
Income tax expense	221,391,811.02

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	Amount for the current period	Amount for the previous period
Large intercourse funds received	531,021,536.31	119,896,015.78
Interest income	21,591,864.72	74,905,183.74
Net margins, security deposit and various special funds received	118,560,933.18	134,580,455.36
Government grants received	10,637,742.42	24,634,476.35
Other small receivables	30,089,906.24	830,679.93
Decreased limited amount for the current period	366,965,985.73	
Total	1,078,867,968.60	354,846,811.16

Notes:

(2) Cash Used in Other Operating Activities

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Paying administrative expense in cash	61,038,183.86	55,452,674.82
Paying selling expense in cash	48,198,423.56	62,996,298.93
Net payment of utility expense and various collecting payments on behalf of others	79,085,946.82	179,760,738.91
Other small payments	47,884,937.67	35,233,110.90
Amount of newly limited funds	1,721,815.22	373,079,206.86
Total	237,929,307.13	706,522,030.42

Notes:

(3) Cash Generated from Other Investing Activities

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Notes:

(4) Cash Used in Other Investing Activities

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Notes:

(5) Cash Generated from Other Financing Activities

Unit: RMB

Item	Amount for the current period	Amount for the previous period
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Notes:

(6) Cash Used in Other Financing Activities

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Cash consideration paid by the merging party in a business combination under common control at the combination date	271,489,501.62	42,726,200.00
Profits allocation from consolidated companies under common control to former shareholders	5,339,999.94	
Payment for lease liabilities	29,681,985.71	20,052,203.22
Total	306,511,487.27	62,778,403.22

Notes:

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

Unit: RMB

Supplemental information	Amount during the current period	Previous period
1. Reconciliation of net profit to net cash flows generated from operating activities		
Net profit	529,340,607.96	1,008,009,706.75
Add: Provision for impairment of assets	17,923,570.13	29,171,737.07
Depreciation of fixed assets, oil-gas assets, and productive biological assets	89,598,947.26	53,521,819.80
Depreciation of right-of-use assets	22,380,277.42	13,946,768.72
Amortization of intangible assets	484,006.42	428,057.97
Amortization of long-term prepaid expenses	7,522,321.06	5,168,232.95
Losses from disposal of fixed assets, intangible assets and other long-lived assets (gains represented by "-")	-170,564,114.45	-27.94
Losses from scrap of fixed assets (gains represented by "-")	201,464.00	67,330.64
Losses from changes in fair value (gains represented by "-")	-117,082.19	-193,746.57
Finance costs (gains represented by "-")	69,585,200.52	78,852,906.52

Investment loss (gains represented by “-”)	-1,981,330.90	-6,609,725.37
Decrease in deferred income tax assets (gains represented by “-”)	-103,233,995.72	-329,039,966.22
Increase in deferred income tax liabilities (decrease represented by “-”)	-65,875.25	-21,958.41
Decrease in inventory (gains represented by “-”)	-1,729,017,854.81	-3,692,265,882.00
Decrease in accounts receivable generated from operating activities (gains represented by “-”)	611,487,330.14	-541,399,403.57
Increase in accounts payable used in operating activities (decrease represented by “-”)	761,689,632.27	1,551,384,397.21
Others		
Net cash flows from operating activities	105,233,103.86	-1,828,979,752.45
2. Significant investing and financing activities without involvement of cash receipts and payments		
Conversion of debt to capital		
Convertible corporate bonds matured within one year		
Fixed asset under finance lease		
3. Net increase/decrease of cash and cash equivalent:		
Closing balance of cash	1,509,693,857.48	1,907,742,235.25
Less: Opening balance of cash	1,907,742,235.25	4,340,900,107.67
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-398,048,377.77	-2,433,157,872.42

(2) Net Cash Paid For Acquisition of Subsidiaries

Unit: RMB

	Amount

Other notes:

(3) Net Cash Received 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	1,509,693,857.48	1,907,742,235.25
Of which: Cash on hand	43,833.00	122,823.16
Bank deposits on demand	1,506,148,081.54	1,902,488,048.83
Other monetary assets on demand	3,501,942.94	5,131,363.26
III. Ending balance of cash and cash equivalents	1,509,693,857.48	1,907,742,235.25

Other notes:

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

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

Not applicable.

81. Assets with Restricted Ownership or Right of Use

Unit: RMB

Item	Ending carrying amount	Reason for restriction
Monetary capital	7,835,036.35	Note 1 - Note 10
Land use right of Fumin New Village, Futian District	542,507,314.43	Note 11
Total	550,342,350.78	

Other notes:

Note 1: In terms of monetary assets with restricted right to use at the period-end, there was an escrow deposit of RMB44,820.14 in the catering branch of the subsidiary company Shandong Shengguomao Real Estate Management Co., Ltd.

Note 2: In terms of monetary assets with restricted right to use at the period-end, there was an advance payment guarantee of RMB459,627.50 issued by the subsidiary company Shenzhen Facility Management Community Technology Co., Ltd. in December 2021 for the upgrading and reconstruction of the smart park of Shenzhen Bay Eco-Technology Park and the software platform development contract.

Note 3: In terms of monetary assets with restricted right to use at the period-end, there was RMB3,000,000.00 in the subsidiary company Shenzhen Facility Management Community Technology Co., Ltd. blocked by the court due to pre-litigation preservation for contract disputes.

Note 4: In terms of monetary assets with restricted right to use at the period-end, there was a loan deposit of RMB1,131,041.58 provided as mortgage loan guarantees for commercial housing purchasers and paid by the Company as a real estate developer according to real estate business practices.

Note 5: In terms of monetary assets with restricted right to use at the period-end, there was RMB2,860,000.00 of interest on unexpired term deposits accrued at the period-end.

Note 6: In terms of monetary assets with restricted right to use at the period-end, there was RMB16,111.20 of interest on large-denomination CDs (more than one year).

Note 7: In terms of monetary assets with restricted right to use at the period-end, there was RMB129,154.28 in the account of the subsidiary company Shenzhen Property Engineering and Construction Supervision Co., Ltd. The account was in a receiving-only status because the legal person change formalities had not been completed by the period-end.

Note 8: In terms of monetary assets with restricted right to use at the period-end, there was a restricted fund of RMB42,781.65 in the blocked account of the subsidiary company Shenzhen Huazhengpeng Property Management Co., Ltd.

Note 9: At the end of the period, there were monetary funds with restricted use rights, including an amount of RMB 150,000.00, which was provided by the subsidiary Shenzhen Guomao Property Management Co., Ltd. This amount was submitted on 28 December, 2022, as an on-demand bid bond to participate in the bidding process for the Jiulong Street Domestic Waste Sorting Operation Project (Bidding No.: 21C00183).

Note 10: In terms of monetary assets with restricted right to use at the period-end, there was an deposit for POS of RMB1,500.00 in the Shandong Shengguomao Real Estate Management Co., Ltd.

Note 11: Due to the needs of daily business activities, the Company applied for a loan from Bank of Communications Co., Ltd. Shenzhen Branch and mortgaged the land use right of Fumin New Village, Futian District. The loan has a duration from 27 November 2020 to 27 November 2023 and applies floating interest rates.

82. Foreign Currency Monetary Items**(1) Foreign Currency Monetary Items**

Unit: RMB

Item	Closing foreign currency balance	Exchange rate	Ending balance converted to RMB
Monetary capital			6,918,098.51
Of which: USD	120,000.00	6.9646	835,752.00
EUR			
HKD	1,109,885.02	0.8933	991,426.99
VND	17,434,655,883.00	0.0003	5,090,919.52
Accounts prepaid	8,556.94		7,643.66
Of which: HKD	8,556.94	0.8933	7,643.66
Other payables	4,542,972.70		4,058,101.22
Of which: HKD	4,542,972.70	0.8933	4,058,101.22
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 Overseas 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	Standard currency for accounting	Basis for choosing
Shum Yip Properties Development Co., Ltd. and its subsidiary	Hong Kong	HKD	Located in HK, settled by HKD
Vietnam Shenguo Mao Property Management Co., Ltd.	Vietnam	VND	Located in Vietnam, settled by VND

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
Subsidies for pandemic prevention	4,166,354.92	Other income	4,166,354.92
Subsidies for purchase of post	1,734,011.90	Other income	1,734,011.90

The Subsidy for Stabilizing Employment	1,526,617.17	Other income	1,526,617.17
Other subsidies	1,205,562.34	Other income	1,205,562.34
Incentive grants for domestic waste classification	796,209.20	Other income	796,209.20
Shenzhen standard field special funds	658,326.00	Other income	658,326.00
Service industry special guidance funds to subsidize	400,000.00	Other income	400,000.00
Military service grants for college students	150,660.89	Other income	150,660.89
Total	10,637,742.42		10,637,742.42

(2) Return of Government Grants

Applicable Not applicable

Other notes:

85. Other**VIII. Change of Consolidation Scope****1. Business Combination Not under the Same Control****(1) Business Combination Not under the Same Control during the Current Period**

Unit: RMB

Name of acquiree	Time and place of gaining equity	Cost of gaining the equity	Proportion of equity	Way to gain 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	
-Cash	
-Fair value of non-cash assets	
-Fair value of debt issued or assumed	
-Fair value of equity securities issued	
-Fair value of contingent consideration	
-Fair value of equity interests held before the purchase date	
-Other	
Total combination costs	
Less: share in the fair value of identifiable net assets acquired	
The amount of goodwill/combination cost less than the share in the fair value of identifiable net assets acquired	

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
Assets:		
Monetary capital		
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		
Borrowings		
Accounts payable		
Deferred income tax liabilities		
Net assets		
Less: non-controlling interests		
Net assets acquired		

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 Current 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
Shenzhen Property Management	100.00%	Controlled by the same ultimate	31 January 2022	Shareholding change	25,035,486.19	9,699,809.03	163,878,223.34	3,393,386.78

Co., Ltd.		controlling party before and after the combination		completed				
Shenzhen Foreign Trade Property Management Co., Ltd.	100.00%	Controlled by the same ultimate controlling party before and after the combination	28 February 2022	Shareholding change completed	5,958,619.92	1,928,949.51	49,985,238.95	15,663,629.13
Shenzhen Shenfubao Property Development Co., Ltd.	100.00%	Controlled by the same ultimate controlling party before and after the combination	28 February 2022	Shareholding change completed	25,207,937.91	-1,029,615.71	137,536,234.26	1,524,213.27
Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd.	100.00%	Controlled by the same ultimate controlling party before and after the combination	28 February 2022	Shareholding change completed	12,592,981.47	-601,470.42	50,404,146.02	141,335.20
Shenzhen Free Trade Zone Security Service Co., Ltd.	100.00%	Controlled by the same ultimate controlling party before and after the combination	28 February 2022	Shareholding change completed	4,908,193.51	-401,524.25	29,035,534.66	528,441.32

Other notes:

(2) Combination Cost

Unit: RMB

Combination cost	Shenzhen Property Management Co., Ltd.	Shenzhen Foreign Trade Property Management Co., Ltd.	Shenzhen Shenfubao Property Development Co., Ltd.	Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd.	Shenzhen Free Trade Zone Security Service Co., Ltd.
Cash	206,390,636.61	20,902,006.86	61,147,388.00	21,839,733.03	3,935,937.12
Carrying value of non-cash assets					
Carrying value of debt issued or assumed					
Denomination value of equity securities issued					
Contingent consideration					

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

	Shenzhen Property Management Co., Ltd.		Shenzhen Foreign Trade Property Management Co., Ltd.		Shenzhen Shenfubao Property Development Co., Ltd.		Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd.		Shenzhen Free Trade Zone Security Service Co., Ltd.	
	Combination date	End of the previous period	Combination date	End of the previous period	Combination date	End of the previous period	Combination date	End of the previous period	Combination date	End of the previous period
Assets:	105,837,665.25	100,690,034.60	41,299,553.50	42,931,316.30	60,458,752.36	61,481,837.99	38,682,699.45	35,566,312.10	13,120,702.94	14,479,933.02
Monetary capital	58,855,529.69	65,906,572.11	10,609,630.28	20,820,248.28	8,732,915.07	12,441,809.51	4,663,174.47	4,186,518.89	3,922,018.67	5,640,117.11
Accounts receivable	6,828,196.32	454,920.23	1,069,114.51	51,580.00	26,118,212.57	14,738,482.13	12,859,828.40	6,336,522.79	4,233,577.07	2,073,848.13
Inventories	428,476.18	860,082.56	84,935.19	103,719.68	140.00	31,699.42	184,918.86	186,658.86	40,885.60	25,885.60
Fixed assets	2,478,334.18	2,546,464.18	165,161.96	172,534.15	2,678,518.26	2,534,272.41	633,898.40	661,516.56	72,922.78	79,360.08
Intangible assets					262,405.61	270,899.35				
Trading financial assets			7,115,781.28							
Other receivables	35,418,132.94	24,549,210.13	14,070,792.18	13,497,148.50	21,673,963.54	30,607,309.31	19,564,582.83	24,190,096.56	4,851,298.82	6,660,722.10
Investment properties	1,416,449.67	1,434,434.11	8,043,206.72	8,116,325.76						
Liabilities:	62,204,013.13	66,756,112.80	22,654,094.49	26,214,806.80	32,820,304.88	32,813,774.80	17,047,124.62	13,329,266.85	9,296,560.57	10,254,266.40
Borrowings										
Accounts payable	2,200.00	2,200.00	4,490.00	4,500.00	13,226,287.40	10,055,529.99	9,748,764.89	5,871,781.56		
Payments received in advance	423,970.84		937.00		2,154,855.41	2,362,915.66	225,682.87			115,861.36
Payroll payable	10,205,112.57	18,747,806.09	7,991,914.43	7,578,271.64	3,632,907.10	6,151,658.09	966,353.70	1,656,806.26	4,221,419.11	3,679,238.77
Tax and fees payables	6,547,489.62	1,987,355.64	4,485,268.35	7,680,380.89	2,355,221.84	2,149,728.75	498,884.07	422,251.30	73,144.90	125,128.30
Other payables	30,430,187.40	38,181,834.61	6,824,117.26	7,681,380.49	10,292,221.49	10,681,537.84	5,422,380.29	5,378,427.73	4,886,135.20	6,334,037.97
Long-term payables	14,133,360.26	7,836,916.46	3,347,367.45	3,270,273.78	1,154,911.64	1,412,404.47				
Net assets	43,633,652.12	33,933,921.80	18,645,459.01	16,716,509.50	27,638,447.48	28,668,063.19	21,635,574.83	22,237,045.25	3,824,142.37	4,225,666.62
Less: non-controlling interests					1,839,029.96	1,839,939.00				

Net assets acquired	43,633,652	33,933,921	18,645,459	16,716,509	25,799,417	26,828,124	21,635,574	22,237,045	3,824,142.	4,225,666.
	.12	.80	.01	.50	.52	.19	.83	.25	37	62

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 was a single disposal of an investment in a subsidiary that resulted in a loss of control

Yes No

Whether there was a step-by-step disposal of investment in a subsidiary through multiple transactions and loss of control during the current period

Yes No

5. Changes in Combination Scope for Other Reasons

Notes of other changes in the combination scope (e.g., new subsidiaries, liquidation of subsidiaries, etc.) and relevant situations:

Increase in scope of combination

Name	Way to gain equity	Time and place of gaining equity	Contribution amount	Contribution proportion
Shenzhen Shenwu Elevator Co., Ltd.	Business combination under common control	31 January 2022	3,500,000	100%
Shenzhen Shengfang Property Cleaning Co., Ltd.	Business combination under common control	31 January 2022		100%
Shenzhen Wuhe Urban Renewal Co., Ltd.	Newly-established subsidiary	25 February 2022	195,000,000	100%
Shenzhen Fubao Urban Resources Management Co., Ltd.	Business combination under common control	28 February 2022	3,000,000	60%
Yangzhou Wuhe Real Estate Co., Ltd.	Newly-established subsidiary	17 March 2022	33,500,000	67%
Shenzhen Tonglu Wuhe Investment Development Co., Ltd.	Newly-established subsidiary	2 April 2022	10,000,000	100%
Shenzhen International Trade Industry Space Service Co., Ltd.	Newly-established subsidiary	27 April 2022	1,540,000	55%

6. Other

IX. Equity in Other Entities

1. Equity in Subsidiaries

(1) Compositions of the Group

Name of subsidiaries	Main operating	Place of registratio	Business nature	Shareholding percentage (%)		Way of gaining
				Directly	Indirectly	

	place	n				
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
Shenzhen Facility Management Community Technology Co., Ltd.	Shenzhen	Shenzhen	Software and information technology services		35.00%	Business combination not under the same control
Beijing Facility Home Technology Co., Ltd.	Beijing	Beijing	Software and information technology services		17.85%	Business combination not under the same control
SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.	Xuzhou	Xuzhou	Real estate	100.00%		Set-up
Dongguan ITC Changsheng Real Estate Development Co., Ltd.	Dongguan	Dongguan	Real estate	100.00%		Set-up
SZPRD 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 Guomaomei Life Service Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Set-up
Shandong Shengguomao Real Estate Management Co., Ltd.	Jinan	Jinan	Real estate		100.00%	Set-up
Chongqing Shengguomao Real Estate Management Co., Ltd.	Chongqing	Chongqing	Real estate		100.00%	Set-up
Chongqing Aobo Elevator Co., Ltd.	Chongqing	Chongqing	Service industry		100.00%	Set-up
Chongqing Tianque Elevator Technology Co., Ltd.	Shenzhen	Shenzhen	Service industry		100.00%	Set-up
Shenzhen Guoguan Electromechanical Device Co., Ltd.	Shenzhen	Shenzhen	Service industry		100.00%	Set-up
Shenzhen Guomao Catering Co., Ltd.	Shenzhen	Shenzhen	Accommodation and catering		100.00%	Set-up
Shenzhen Property Engineering and Construction Supervision Co., Ltd.	Shenzhen	Shenzhen	Service industry	100.00%		Set-up
SZPRD Commercial Operation Co., Ltd.	Shenzhen	Shenzhen	Service industry	100.00%		Set-up
SZPRD Zhanjiang Branch	Zhanjiang City	Zhanjiang City	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 Shouxihu 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 ITC Technology Park Service Co., Ltd.	Shenzhen	Shenzhen	Real estate	100.00%		Business combination under the same control
Shenzhen Julian Human Resources Development Co., Ltd.	Shenzhen	Shenzhen	Service industry		100.00%	Business combination under the same control
Shenzhen Huazhengpeng Property Management Development Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
SZPRD Urban Renewal Co., Ltd.	Shenzhen	Shenzhen	Real estate	100.00%		Business combination under the same control
Shenzhen Penghongyuan Industrial Development Co., Ltd.	Shenzhen	Shenzhen	Accommodation and catering		100.00%	Business combination under the same control
Shenzhen Jinhailian Property Management Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Social Welfare Co., Ltd.	Shenzhen	Shenzhen	Sanitation and social work		100.00%	Business combination under the same control
Shenzhen Fuyuanmin Property Management Limited Liability Company	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Meilong Industrial Development Co., Ltd.	Shenzhen	Shenzhen	Service industry		100.00%	Business combination under the same control
Shenzhen Guomao Shenlv Garden Co., Ltd.	Shenzhen	Shenzhen	Public facilities management services		90.00%	Business combination under the same control
Shenzhen Jiayuan Property Management Co., Ltd.	Shenzhen	Shenzhen	Real estate		54.00%	Business combination under the same control
Shenzhen Helinhua Construction Management Co., Ltd.	Shenzhen	Shenzhen	Real estate		90.00%	Business combination under the same control
Shenzhen Zhongtongda House Xiushan Service Co., Ltd.	Shenzhen	Shenzhen	Construction industry		90.00%	Business combination under the same control
Shenzhen Kangping Industrial Co., Ltd.	Shenzhen	Shenzhen	Retail trade		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 trade		100.00%	Business combination under the same control
Shenzhen Education Industrial Co., Ltd.	Shenzhen	Shenzhen	Service industry		100.00%	Business combination under the same control
Shenzhen Yufa Industrial Co., Ltd.	Shenzhen	Shenzhen	Retail trade		80.95%	Business combination under the same control
SZPRD Fuyuantai Development Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Set-up
Xiamen Shengguomao Industrial City Smart Service Co., Ltd.	Shenzhen	Xiamen	Service industry		51.00%	Set-up
Vietnam Shengguomao Property Management Co., Ltd.	Shenzhen	Shenzhen	Service industry		100.00%	Set-up
Shenzhen SZPRD Yanzihu Development Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Set-up
Shenzhen Guangming Wuhe Real Estate Co., Ltd.	Shenzhen	Shenzhen	Real estate	100.00%		Set-up
Dongguan Wuhe Real Estate Co., Ltd.	Shenzhen	Dongguan	Real estate	100.00%		Set-up
Shenzhen Property Management Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Shenwu Elevator Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Shenfeng Property Cleaning Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Foreign Trade Property Management Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Shenfubao Property Development Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Fubao Urban Resources Management Co., Ltd.	Shenzhen	Shenzhen	Real estate		60.00%	Business combination under the same control
Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the same control
Shenzhen Free Trade Zone Security Service Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Business combination under the

						same control
Shenzhen Wuhe Urban Renewal Co., Ltd.	Shenzhen	Shenzhen	Real estate	100.00%		Set-up
Yangzhou Wuhe Real Estate Co., Ltd.	Yangzhou	Yangzhou	Real estate	67.00%		Set-up
Shenzhen Tonglu Wuhe Investment Development Co., Ltd.	Shenzhen	Shenzhen	Real estate		100.00%	Set-up
Shenzhen International Trade Industry Space Service Co., Ltd.	Shenzhen	Shenzhen	Real estate		55.00%	Set-up

Notes of shareholding percentage in subsidiaries different from voting percentage:

In May 2021, Shenzhen Wuhe Industry Investment Development Co., Ltd. (hereinafter referred to as “Wuhe Company”), a subsidiary of the Company, acquired 35% of the equity of Shenzhen Facility Management Community Technology Co., Ltd. (hereinafter referred to as “FMC”) through acquisition of equity and directional capital increase. Meanwhile, according to the agreement of the cooperation framework on equity acquisition signed by Wuhe Company and the original shareholders, 16% of the voting rights that the original shareholders hold or actually control in the equity of FMC shall be unconditionally granted to Wuhe Company to exercise after the transaction date. There are no prerequisites for the granting of voting rights, and the term of the voting rights is not stipulated in the contract.

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:

Basis of controlling significant structural entities incorporated in the scope of combination:

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

Other notes:

(2) Significant Non-wholly-owned Subsidiary

Unit: RMB

Name of subsidiaries	Shareholding proportion of non-controlling interests	The profit or loss attributable to the non-controlling interests for the current period	Declaring dividends distributed to non-controlling interests for the current period	Balance of non-controlling interests at the period-end
Shenzhen Rongyao Real Estate Development Co., Ltd.	31.00%	-12,942,884.64		4,549,221.78
Yangzhou Wuhe Real Estate Co., Ltd.	33.00%	-921,230.82		15,578,769.18
Yangzhou Shouxihu Jingyue Property Development Co., Ltd.	49.00%	968,766.90		6,498,415.70
Shenzhen Guomao Shenlv Garden Co., Ltd.	10.00%	306,914.34		3,636,840.35

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 of subsidiaries	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Rongyao Real Estate Development Co., Ltd.	5,463,417,860.24	148,966,845.59	5,360,025,967.25	237,683,829.61	5,360,025,967.25	5,597,709,796.86	4,650,977,976.49	137,576,247.00	4,788,554,223.49	1,730,779,983.83	3,001,348,089.90	4,732,128,073.73
Yangzhou Shouxihu Jingyue Property Development Co., Ltd.	20,620,873.64	957,140.53	21,578,014.17	8,192,080.81	123,860.50	8,315,941.31	18,565,365.94	1,106,169.89	19,671,535.83	8,205,301.82	181,236.45	8,386,538.27
Shenzhen Guomao Shenlv Garden Co., Ltd.	37,872,874.87	687,238.86	38,560,113.73	31,146,187.72	185,261.19	31,331,448.91	31,903,583.82	778,232.97	32,681,816.79	28,564,967.87		28,564,967.87
Yangzhou Wuhe Real Estate Co., Ltd.	1,003,117,568.27	923,562.28	1,004,041,130.55	956,832,739.09		956,832,739.09						

Unit: RMB

Name of subsidiaries	Amount for the current period				Amount for the previous period			
	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.		-41,751,240.79	-41,751,240.79	313,044,955.93		-69,082,966.63	-69,082,966.63	219,358,760.50
Yangzhou Shouxihu Jingyue Property Development Co., Ltd.	40,252,862.15	1,977,075.30	1,977,075.30	3,007,075.43	34,266,561.14	1,451,565.03	1,451,565.03	2,330,187.13
Shenzhen Guomao Shenlv Garden Co., Ltd.	21,954,911.42	3,111,815.90	3,111,815.90	-472,048.78	16,814,920.86	1,411,091.41	1,411,091.41	-181,629.00
Yangzhou Wuhe Real Estate Co., Ltd.		-2,791,608.54	-2,791,608.54	-716,033.23				

Other notes:

(4) Significant restrictions on leveraging the assets and liquidating the liabilities of the business consortium**(5) Financial support or other support 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 Changing but the Company Still Controls 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

Purchase cost/disposal consideration	
-Cash	
-Fair value of non-cash assets	
Total purchase cost/disposal consideration	
Less: Share of net assets of subsidiaries based on percentage of equity acquired/disposed of	
Difference	
Of which: Adjusting capital reserve	
Adjusting surplus reserve	
Adjusting retained profits	

Other notes:

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

Name	Main operating place	Place of registration	Business nature	Shareholding percentage (%)		Accounting treatment of the investment to joint venture or associated enterprise
				Directly	Indirectly	
Shenzhen Real Estate Jifa Warehousing Co., Ltd.	Shenzhen	Shenzhen	Warehouse service	25.00%	25.00%	Equity method
Tian'an International Building Property Management Company of Shenzhen	Shenzhen	Shenzhen	Property management	50.00%		Equity method
CSCEC Intelligent Parking Technology Co., Ltd.	Shenzhen	Shenzhen	Commercial services	10.00%		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

	Closing balance/amount of the current period		Opening balance/amount of the previous period	
	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	6,110,801.95	58,848,700.91	77,995,898.01	57,331,775.19
Of which: Cash and cash equivalents	4,923,260.32	37,841,255.88	9,519,579.27	36,510,372.60
Non-current assets	86,342,531.70	46,757.57	12,036,801.70	64,052.07
Total assets	92,453,333.65	58,895,458.48	90,032,699.71	57,395,827.26

Current liabilities	2,992,163.07	28,404,537.12	2,999,369.48	27,437,899.29
Non-current liabilities		16,415,016.74		16,269,895.46
Total liabilities	2,992,163.07	44,819,553.86	2,999,369.48	43,707,794.75
Equity of non-controlling interests				
Equity attributable to shareholders of the Company as the parent	89,461,170.58	14,075,904.62	87,033,330.23	13,688,032.51
Net assets shares calculated at the shareholding proportion	44,730,585.29	7,037,952.31	43,516,665.12	6,844,016.25
Adjusted items				
- Goodwill				
--Unrealized profit of intra-company transaction				
--Other				
Carrying value of equity investment to joint ventures	44,730,585.29	7,037,952.31	43,516,665.12	6,844,016.25
Fair values of equity investments of joint ventures with quoted prices				
Operating revenue	7,991,120.67	17,348,456.03	17,198,255.16	17,937,089.04
Financial expenses	-10,286.81	-369,996.65	-18,157.77	-524,285.04
Income tax expense	810,230.79	136,495.54	2,981,339.69	128,978.80
Net profit	2,427,840.35	387,872.11	8,925,482.39	375,438.76
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	2,427,840.35	387,872.11	8,925,482.39	375,438.76
Dividends received from the joint venture in the current period				

Other notes:

(3) Main Financial Information of Significant Associated Enterprises

Unit: RMB

	Closing balance/amount of the current period	Opening balance/amount of the previous period
	CSCEC	CSCEC
Current assets	235,089,462.02	
Non-current assets	3,014,735.77	
Total assets	238,104,197.79	
Current liabilities	77,308,723.18	
Non-current liabilities	24,777.90	

Total liabilities	77,333,501.08	
Equity of non-controlling interests		
Equity attributable to shareholders of the Company as the parent	160,770,696.71	
Net assets shares calculated at the shareholding proportion	16,077,069.67	
Adjusted items		
- Goodwill		
--Unrealized profit of intra-company transaction		
--Other		
Carrying value of investment to associated enterprises	16,077,069.67	
Fair value of equity investments in associated enterprises with publicly quoted prices		
Operating revenue	169,285,776.61	
Net profit	6,326,055.81	
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	6,326,055.81	
Dividends received from the associates in the current period		

Other notes:

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

Unit: RMB

	Closing balance/amount of the current period	Opening balance/amount of the previous period
Joint venture:		
Sum calculated by shareholding ratio of each item		
Associated enterprises:		
Sum calculated by shareholding ratio of each item		

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 current period	The accumulative unrecognized losses in current period

Other notes:

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

Name	Main operating place	Place of registration	Business nature	Proportion/Share portion	
				Directly	Indirectly

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

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

Other notes:

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

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

6. Other**X. Risks Associated with Financial Instruments**

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

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

i. Classification of financial instruments

1. The carrying value of financial assets on the balance sheet date

(1) 31 December 2022

Item	Financial assets measured at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value and changes included in other comprehensive income	Total
Monetary capital	1,517,528,893.83			1,517,528,893.83
Notes receivable				
Accounts receivable	419,933,915.30			419,933,915.30
Other receivables	639,903,523.33			639,903,523.33
Long-term receivables	22,651,454.07			22,651,454.07

Item	Financial assets measured at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value and changes included in other comprehensive income	Total
Other equity instrument investments			887,838.64	887,838.64

(2) 31 December 2021

Item	Financial assets measured at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value and changes included in other comprehensive income	Total
Monetary capital	2,280,821,442.11			2,280,821,442.11
Notes receivable	200,000.00			200,000.00
Accounts receivable	293,985,139.93			293,985,139.93
Other receivables	926,361,533.14			926,361,533.14
Long-term receivables	23,831,889.11			23,831,889.11
Other equity instrument investments			1,002,551.95	1,002,551.95

2. The carrying value of financial liabilities on the balance sheet date

(1) 31 December 2022

Item	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total
Accounts payable		608,283,388.52	608,283,388.52
Other payables		1,515,085,832.45	1,515,085,832.45
Current portion of non-current liabilities		196,645,408.45	196,645,408.45
Long-term borrowings		3,618,782,344.00	3,618,782,344.00

(2) 31 December 2021

Item	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total
Accounts payable		351,894,812.23	351,894,812.23
Other payables		1,027,622,090.94	1,027,622,090.94
Current portion of non-current liabilities		68,984,050.47	68,984,050.47
Long-term borrowings		3,524,500,000.00	3,524,500,000.00

ii. 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 basis 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

- a. The debtor has major financial difficulties;
- b. The debtor violates the binding provisions on the debtor in the contract;
- c. The debtor is likely to go bankrupt or carry out other financial restructurings;
- d. 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

The key parameters for measuring expected credit loss included default probability, loss given default and exposure at default. 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 VII-i, VII-v, VII-viii 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 monetary assets and accounts receivable. To control the aforementioned relevant risks, the Company has adopted the following measures.

(1) Monetary assets

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

(2)Accounts receivable

The Company conducts credit assessments 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 at 31 December 2022, there were certain credit concentration risks in the Company, and 54.09% of the accounts receivable of the Company (54.61% on 31 December 2021) came from the top 5 customers by 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 on balance sheet.

iii. 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 combines long-term and short-term financing modes and optimizes 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	Amount at the end of this current period				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Banking borrowings	3,618,782,344.00	3,998,835,011.38	190,669,039.72	3,648,297,102.30	159,868,869.36
Accounts payable	608,283,388.52	608,283,388.52	608,283,388.52		
Other payables	1,515,085,832.45	1,515,085,832.45	1,502,883,156.41		12,202,676.04
Current portion of other non-current liabilities	196,645,408.45	196,645,408.45	196,645,408.45		
Total	5,938,796,973.42	6,318,849,640.80	2,498,480,993.10	3,648,297,102.30	172,071,545.40

(Continued)

Item	Amount at the beginning of this current period				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Banking borrowings	3,524,500,000.00	4,196,417,741.29	186,248,876.28	3,603,862,408.90	406,306,456.11
Accounts payable	351,894,812.23	351,894,812.23	351,894,812.23		
Other payables	1,027,622,090.94	1,027,622,090.94	1,010,079,414.96		17,542,675.98
Current portion of other non-current liabilities	68,984,050.47	68,984,050.47	68,984,050.47		
Total	4,973,000,953.64	5,644,918,694.93	1,617,207,153.94	3,603,862,408.90	423,849,132.09

iv. Market risk

Market risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments arising from changes in market prices. Market risk mainly includes interest rate risk and foreign exchange risk.

1. Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments arising from changes in market interest rates. Interest-bearing financial instruments with fixed interest rates may bring the fair value interest rate risk to the Company, while those with floating interest rate may bring the cash flow interest rate risk to the Company. The Company will

determine the proportion between the financial instruments with fixed interest rate and those with floating interest rate in combination with market environment, and maintain an appropriate portfolio of financial instruments through regular review and monitoring. 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 at 31 December 2022, under the assumption of other fixed variables with 50 basis points changed in interest rate, the bank loan of RMB3,809,915,668.00 (RMB3,587,800,000.00 on 31 December 2021) calculated at floating rate would not result in significant influence on total profit and shareholders' equity of the Company.

2. Foreign exchange risk

Foreign exchange risk 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. Disclosure of Fair Value

1. Ending Fair Value of Assets and Liabilities at Fair Value

Unit: RMB

Item	Closing 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	887,838.64			887,838.64
The total amount of assets consistently measured at fair value	887,838.64			887,838.64
II. Inconsistent Fair Value Measurement	--	--	--	--

2. Basis for Determining the Market Price of Continuous and Non-continuous Level 1 Fair Value Measurement Items

The other equity instrument held by the Company was shares of listed companies whose fair value was determined based on the closing price on the stock exchange as of 30 December 2022.

3. Continuous and Non-continuous Level 2 Fair Value Measurement Items, Valuation Techniques Used, and The Qualitative and Quantitative Information of Important Parameters

4. Continuous and Non-continuous Level 3 Fair Value Measurement Items, Valuation Techniques Used, and The Qualitative and Quantitative Information of Important Parameters

5. Continuous and Non-continuous Level 3 Fair Value Measurement Items, Information On The Adjustment Between The Opening and Closing Carrying Value, and Sensitivity Analysis of Unobservable Parameters

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. The Fair Value of Financial Assets and Financial Liabilities not Measured at Fair Value

9. Others

XII. Related Party and Related-party Transactions

1. Information Related to the Company as the Parent of the Company

Name of the Company as the parent	Place of registration	Business nature	Registered capital	Proportion of share held by the Company as the parent against the Company (%)	Proportion of voting rights owned by the Company as the parent against the Company (%)
Shenzhen Investment Holdings Co., Ltd.	Shenzhen	Limited liability company (solely-owned by the state)	RMB30,009 million	56.96%	56.96%

Notes: Information on the Company as the parent

(1) The parent company of the Company is Shenzhen Investment Holdings Co., Ltd. (hereinafter referred to as "SIHC"), a newly-established and organized state-owned capital investment company based on the original three state-owned assets management companies in October 2004, and its 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.

(2) During the Reporting Period, SIHC, the controlling shareholder of the Company, transferred 38,037,890 ordinary shares of the Company in unlimited circulation (representing 6.382% of the total share capital of the Company) held by SIHC to Shenzhen State-owned Equity Management Co., Ltd. for free to replenish the social security funds. Shenzhen State-owned Equity Management Co., Ltd. is a newly established wholly-owned subsidiary of SIHC to manage the transferred state-owned equity in a special account. After the registration of the free transfer, SIHC held 301,414,637 shares of the Company, accounting for 50.575% of the total share capital of the Company, and Shenzhen State-owned Equity Management Co., Ltd. held 38,037,890 shares of the Company, accounting for 6.382% of the total share capital of the Company.

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-1.

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

Refer to Note IX-3.

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

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

Other notes:

4. Information on Other Related Parties

Name of other related party	Relationship with the Company
Shenzhen Xinhai Holding Co., Ltd.	The Company as the parent of Xinhai Rongyao of subsidiary Rongyao Real Estate by non-controlling interests
Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.	Subsidiary Rongyao Real Estate by non-controlling interests
Yangzhou Lvfa Real Estate Co., Ltd.	Subsidiary Yangzhou Wuhe by non-controlling interests
Shenzhen Wufang Ceramics Industrial Co., Ltd.	Associated enterprise of the Company
Shenzhen Real Estate Jifa Warehousing Co., Ltd.	Joint venture of the Company
Tian'an International Building Property Management Company of Shenzhen	Joint venture of the Company
Shenzhen Shenfubao (Group) Co., Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company
Shenzhen Xiangmihu International Exchange Center Development Co., Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company
Shenzhen Bay Area Urban Construction and Development Co., Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company
Shenzhen Environmental Protection Technology Group Co., Ltd.	Subsidiary of the Company as the parent of the Company
Shenzhen Shenzhen Hong Kong Science and Technology Innovation Cooperation Zone Development Co., Ltd.	Subsidiary of the Company as the parent of the Company
Shenzhen Bay Technology Development Co., Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company
Shenzhen Guarantee Group Co., Ltd.	Subsidiary of the Company as the parent of the Company
Shenzhen Infinova Limited	Subsidiary of the Company as the parent of the Company
Shenzhen Convention & Exhibition Center Management Co., Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company
Shenzhen Sports Center Operation Management Co., Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company
China Shenzhen Foreign Trade (Group) Corp. Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company
ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires	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
Shenzhen Shentou Property Development Co., Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company
Shenzhen General Institute of Architectural Design and Research Co., Ltd.	Wholly-owned subsidiary of the Company as the parent of the Company
Shenzhen Water Planning and Design Institute Co., Ltd.	Subsidiary of the Company as the parent of the Company
Shenzhen Large Industrial Zone (Shenzhen Export Processing Zone) Development Management Group Co., Ltd.	Wholly-owned sub-subsidiary of the Company as the parent of the Company
Shenzhen Urban Construction Mingyuan Industrial Co., Ltd.	Parent company's grandson company
Shenzhen Fubao Industrial Park Operation Co., Ltd.	Wholly-owned sub-subsidiary of the Company as the parent of the Company
Shenzhen Shenfubao Eastern Investment Development Co., Ltd.	Wholly-owned sub-subsidiary of the Company as the parent of the Company
Shenzhen Shenfubao (Group) Tianjin Industrial Development	Wholly-owned sub-subsidiary of the Company as the parent of

Co., Ltd.	the Company
Shenzhen Bay Area International Hotel Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen SME Venture Capital Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Hi-tech Zone Development Construction Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Bay (Baoding) Innovation Development Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Shenyue United Investment Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Shenfubao (Group) Tianjin Investment Development Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Shantou Special Cooperation Zone Branch of Shenzhen Water Planning and Design Institute Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Infinova Smart Park Technology Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Meibainian Garment Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Tianjun Industrial Co., Ltd.	Parent company's grandson company
Shenzhen Shendan Credit Enhancement Financing Guarantee Co., Ltd.	Parent company's grandson company
Shenzhen Foreign Service Group Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Free Trade Zone Life Service Co., Ltd.	Parent company's grandson company
Hebei Shenbao Investment Development Co., Ltd.	Parent company's grandson company
Shenzhen Bay Wanli Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Bay Wanyi Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Infinova Renyong Information Co., Ltd.	Wholly-owned sub-subsiidiary of the Company as the parent of the Company
Shenzhen Total Logistics Service Co., Ltd.	Parent company's grandson company
Shenzhen SDG Service Co., Ltd.	Parent company's grandson company
Shenzhen Wancheng Logistics Co., Ltd.	Parent company's grandson company
Research Institute of Tsinghua University in Shenzhen	Parent company's subsidiary

Other notes:

5. List of Related-party 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 parties	Content of the related-party transaction	Amount for the current period	The approval trade credit	Whether exceed trade credit or not	Amount for the previous period
Shenzhen Bay Technology Development Co., Ltd.	Management service fee	86,518,273.32	81,000,000.00	Yes	79,121,747.44
Shenzhen Tianjun Industrial Co., Ltd.	Demolition compensation	27,000,000.00	27,000,000.00	No	
Shenzhen Foreign	Outsourcing	9,312,805.11	-	Yes	

Service Group Co., Ltd.	service charges				
Shenzhen General Institute of Architectural Design and Research Co., Ltd.	Project architectural design service	8,161,599.83	-	Yes	4,160,439.35
ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires	Management service fee	4,026,979.11	-	Yes	3,930,479.73
GUOREN PROPERTY AND CASUALTY INSURANCE CO., LTD.	Insurance	3,296,379.71	2,178,700.00	Yes	1,726,868.41
Shenzhen Shendan Credit Enhancement Financing Guarantee Co., Ltd.	Guarantee fee	793,950.00	-	Yes	
Shenzhen SDG Service Co., Ltd.	Property service fee	465,715.62	-	Yes	244,679.11
Shenzhen Meibainian Garment Co., Ltd.	Apparel procurement	402,743.64	-	Yes	
Shenzhen Shenfubao (Group) Co., Ltd.	Catering services	210,975.00	-	Yes	188,791.00
Shenzhen Water Planning and Design Institute Co., Ltd.	Consultant service expense	113,320.00	-	Yes	
Shenzhen Guarantee Group Co., Ltd.	Guarantee fee	26,548.11	-	Yes	
Shenzhen Infinova Limited	Intelligent engineering expense		-	No	816,303.96

Information of sales of goods and provision of labor service

Unit: RMB

Related parties	Content of the related-party transaction	Amount for the current period	Amount for the previous period
Guoren Property and Casualty Insurance Co., Ltd.	Property service fee	365,485.39	261,696.11
Guosen Securities Co., Ltd.	Property service fee		1,188,060.37
Hebei Shenbao Investment Development Co., Ltd.	Project payment	20,874,664.05	10,793,087.64
Hebei Shenbao Investment Development Co., Ltd.	Property service fee	10,585,122.24	6,826,046.08
Shenzhen Shenyue United Investment Co., Ltd.	Property service fee	2,429,042.80	4,426,434.93
Shenzhen Guarantee Group Co., Ltd.	Property service fee	4,347,773.48	1,641,330.00

Shenzhen Hi-tech Zone Development Construction Co., Ltd.	Property service fee	1,844,495.70	1,592,696.30
Shenzhen Convention & Exhibition Center Management Co., Ltd.	Property service fee	6,587,040.80	1,778,221.08
ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires	Property service fee	12,696,424.71	10,377,456.79
Shenzhen Total Logistics Service Co., Ltd.	Property service fee	2,500,524.01	669,875.70
Shenzhen Shenzhen Hong Kong Science and Technology Innovation Cooperation Zone Development Co., Ltd.	Property service fee	1,707,998.32	431,567.61
Shenzhen Shenzhen Hong Kong Science and Technology Innovation Cooperation Zone Development Co., Ltd.	Supervision service fee		96,688.44
Shenzhen Urban Construction Mingyuan Industrial Co., Ltd.	Project payment	564,220.20	
Shenzhen Large Industrial Zone (Shenzhen Export Processing Zone) Development Management Group Co., Ltd.	Project payment	4,124,594.71	5,821,041.28
Shenzhen Large Industrial Zone (Shenzhen Export Processing Zone) Development Management Group Co., Ltd.	Property service fee	81,796.64	137,559.84
Shenzhen Fubao Industrial Park Operation Co., Ltd.	Project payment	255,834.10	852,453.80
Shenzhen Fubao Industrial Park Operation Co., Ltd.	Property service fee	98,543.56	119,081.39
Shenzhen Environmental Protection Technology Group Co., Ltd.	Project payment	212,270.67	737,860.57
Shenzhen Environmental Protection Technology Group Co., Ltd.	Property service fee	6,269,868.04	5,575,777.64
Shenzhen Shenfubao (Group) Tianjin Industrial Development Co., Ltd.	Project payment		201,939.74
Shenzhen Shenfubao (Group) Tianjin Industrial Development Co., Ltd.	Property service fee	1,095,907.44	1,823,813.14
Shenzhen Shenfubao (Group) Tianjin Investment Development Co., Ltd.	Property service fee	8,068,487.11	8,678,718.12
Shenzhen Shenfubao (Group) Co., Ltd.	Project payment	1,330,275.23	
Shenzhen Shenfubao (Group) Co., Ltd.	Property service fee	4,785,217.03	4,760,067.50
Shenzhen Shenfubao (Group) Co., Ltd.	Funding occupancy expense	-233,337.05	1,053,272.32
Shenzhen Shenfubao Eastern Investment Development Co., Ltd.	Project payment	67,252.15	380,733.95
Shenzhen Shenfubao Eastern Investment Development Co., Ltd.	Property service fee	170,701.27	635,082.10
Shenzhen Shantou Special Cooperation Zone Branch of Shenzhen Water Planning and Design Institute Co., Ltd.	Property service fee	22,050.00	
Shenzhen Sports Center Operation Management Co., Ltd.	Property service fee	687,914.48	
Shenzhen Investment Holdings Co., Ltd.	Project payment	7,209,951.08	1,267,596.34
Shenzhen Investment Holdings Co., Ltd.	Service expense	1,886,792.46	1,980,443.98
Shenzhen Investment Holdings Co., Ltd.	Funding	174,206.14	905,992.47

	occupancy expense		
Shenzhen Investment Holdings Co., Ltd.	Property service fee	7,584,483.75	
Shenzhen Bay Area International Hotel Co., Ltd.	Property service fee	75,100,961.12	
Shenzhen Bay Wanli Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd.	Property service fee	360,707.44	298,892.38
Shenzhen Bay Wanyi Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd.	Property service fee	235,915.67	201,669.81
Shenzhen SME Venture Capital Co., Ltd.	Property service fee	872,990.19	1,347,253.40
Shenzhen Bay (Baoding) Innovation Development Co., Ltd.	Property service fee	354,142.48	202,133.32
Shenzhen Bay Technology Development Co., Ltd.	Property service fee	54,562,406.82	56,337,675.04
Shenzhen Bay Technology Development Co., Ltd.	Consultant service expense		541,666.98
Shenzhen Bay Area Urban Construction and Development Co., Ltd.	Project payment	686,767.33	744,795.72
Shenzhen Bay Area Urban Construction and Development Co., Ltd.	Property service fee	2,977,659.03	2,515,433.40
Shenzhen Xiangmihu International Exchange Center Development Co., Ltd.	Project payment	1,419,537.05	67,434.49
Shenzhen Xiangmihu International Exchange Center Development Co., Ltd.	Property service fee	2,423,260.33	
Shenzhen Infinova Limited	Property service fee	289,916.74	286,508.61
Shenzhen Infinova Smart Park Technology Co., Ltd.	Consultant service expense	512,000.00	
China Shenzhen Foreign Trade (Group) Corp. Ltd.	Property service fee	2,763,006.30	1,804,718.93
China Shenzhen Foreign Trade (Group) Corp. Ltd.	Supervision service fee	618,867.93	
Shenzhen Tsinghua University Research Institute	Property service fee	351,203.22	285,775.44

Notes to acquisition of goods and reception of labor service

(2) Information on Related-party Trusteeship/Contract

Lists of trusteeship/contract of the Company:

Unit: RMB

Name of the entruster/contractee	Name of the trustee/contractor	Type	Start date	Due date	Pricing basis	Income recognized in this current period
Shenzhen Shentou Property Development Co., Ltd.	ShenZhen Properties & Resources Development (Group) Ltd.	Investment properties	6 November 2019	5 November 2025	Market pricing	44,057,444.98
Shenzhen Shenfubao (Group) Co., Ltd.	Shenzhen Shenfubao Property	Real Estate, engineering	1 January 2021	31 December 2022	Market pricing	1,476,804.42

	Development Co., Ltd.	g				
Shenzhen Fubao Industrial Park Operation Co., Ltd.	Shenzhen Shenfubao Property Development Co., Ltd.	Property maintenance project	1 January 2021	31 December 2022	Market pricing	142,317.25
Shenzhen Shenfubao (Group) Co., Ltd.	Shenzhen Free Trade Zone Security Service Co., Ltd.	Property	1 January 2021	31 December 2022	Market pricing	853,210.46
Shenzhen Shenfubao (Group) Co., Ltd.	Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd.	Property	1 January 2021	31 December 2022	Market pricing	1,238,467.02

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 current period

Notes:

(3) Information on Related-party Lease

The Company was lessor:

Unit: RMB

Name of lessee	Category of leased assets	The lease income confirmed in the current period	The lease income confirmed in the previous period
Shenzhen Bay Wanyi Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd.	Investment properties	1,369,729.39	504,175.20
Shenzhen Bay Wanli Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd.	Investment properties	1,891,531.05	616,214.13

The Company was lessee:

Unit: RMB

Name of lessor	Category of leased assets	Rental expense of simplified short-term leases and low-value asset leases (if applicable)		Variable lease payments that are not covered in the measurement of the lease liabilities (if applicable)		Rent payable		Interest expense on lease liabilities borne		Added right-of-use assets	
		Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period
Shenzhen Shentou Property Development Co., Ltd.	Investment properties					796,404.00	388,326.60	139,419.23	129,955.05	614,554.40	1,801,300.23
Shenzhen Hi-tech Zone Development	Investment properties	519,166.28				104,160.00	50,400.00	8,533.45	6,723.46		295,875.35

Construction Co., Ltd.											
Shenzhen Large Industrial Zone (Shenzhen Export Processing Zone) Development Management Group Co., Ltd.	Investment properties	3,690.77									
Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires	Investment properties	640,523.85	491,428.54			55,000.00		8,020.54		1,782,328.10	

Notes:

(4) Information on Related-party Guarantee

The Company was guarantor:

Unit: RMB

Secured party	Amount of guarantee	Start date	End date	Execution accomplished or not
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The Company was secured party

Unit: RMB

Guarantor:	Amount of guarantee	Start date	End date	Execution accomplished or not
Guoren P&C	82,093,413.89	26 June 2022	30 April 2024	Not
Shenzhen Shendan Zengxin Financing Guarantee Co., Ltd.	16,750,000.00	29 March 2022	28 March 2025	Not
Shenzhen Shendan Zengxin Financing Guarantee Co., Ltd.	36,850,000.00	29 March 2022	28 March 2026	Not
Shenzhen Shendan Zengxin Financing Guarantee Co., Ltd.	13,400,000.00	29 March 2022	28 March 2027	Not
Shenzhen Credit Guarantee Group Co., Ltd.	2,895,117.51	1 May 2022	1 May 2023	Not

Notes:

(5) Information on Inter-bank Lending of Capital of Related Parties

Unit: RMB

Related parties	Amount	Start date	Maturity date	Note
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Borrowing
Lending

(6) Information on Assets Transfer and Debt Restructuring by Related Party

Unit: RMB

Related parties	Content of the related-party transaction	Amount for the current period	Amount for the previous period
Shenzhen Investment Holdings Co., Ltd.	Transfer of fixed assets	171,582.53	
Shenzhen Shenfubao (Group) Co., Ltd.	Acquisition of equity interest	86,923,058.15	
ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. and Shenzhen SPG Investment Co., Ltd.	Acquisition of equity interest	206,390,636.61	
China Shenzhen Foreign Trade (Group) Corp. Ltd.	Acquisition of equity interest	20,902,006.86	

(7) Information on Remuneration for Key Management Personnel

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Remuneration for key management personnel	15,149,368.18	15,959,991.00

(8) Other Related-party Transactions**6. Accounts Receivable and Payable of Related Party****(1) Accounts Receivable**

Unit: RMB

Project name	Related parties	Ending balance		Beginning balance	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Accounts receivable	Hebei Shenbao Investment Development Co., Ltd.	15,856,697.13	475,700.91	2,906,269.30	66,647.54
	Shenzhen Shenyue United Investment Co., Ltd.	1,545,493.83	46,364.81		
	Shenzhen Guarantee Group Co., Ltd.	69,764.97	2,092.95	484,328.21	14,529.85
	Shenzhen Hi-tech Zone Development Construction Co., Ltd.	3,292,961.84	177,657.15	2,038,315.65	75,908.99
	Shenzhen Convention & Exhibition Center Management Co., Ltd.	1,379,512.79	55,256.38	1,170,565.00	48,987.95
	ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires	10,072,563.13	674,112.86		
	Shenzhen Total Logistics Service Co., Ltd.	779,745.46	23,392.36	395,202.42	11,856.07

	Shenzhen Shenzhen Hong Kong Science and Technology Innovation Cooperation Zone Development Co., Ltd.	114,435.00	3,433.05	101,072.00	3,032.16
	Shenzhen Large Industrial Zone (Shenzhen Export Processing Zone) Development Management Group Co., Ltd.	1,811,138.85	104,774.17	52,000.00	
	Shenzhen Fubao Industrial Park Operation Co., Ltd.	307,714.39	9,231.43		
	Shenzhen Environmental Protection Technology Group Co., Ltd.	1,331,881.42	39,956.44	539,992.41	
	Shenzhen Shenfubao (Group) Tianjin Industrial Development Co., Ltd.	917,263.67	66,998.66	1,000,780.50	
	Shenzhen Shenfubao (Group) Tianjin Investment Development Co., Ltd.	2,454,324.58	88,615.34	4,700,758.68	
	Shenzhen Shenfubao (Group) Co., Ltd.	3,699,118.44	145,973.55	1,323,864.34	
	Shenzhen Shenfubao Eastern Investment Development Co., Ltd.	55.70	1.67		
	Shenzhen Shentou Property Development Co., Ltd.	1,500,297.75	45,008.93	3,618,388.27	108,551.65
	Shenzhen Investment Holdings Co., Ltd.	6,623,892.25	218,945.16	1,876,454.12	20,087.62
	Shenzhen Bay Area International Hotel Co., Ltd.	51,312,666.65	1,539,380.00		
	Shenzhen Bay (Baoding) Innovation Development Co., Ltd.	116,061.39	3,481.84	28,814.40	864.43
	Shenzhen Bay Technology Development Co., Ltd.	131,203,332.93	3,936,099.99	112,281,758.95	3,368,452.77
	Shenzhen Bay Area Urban Construction and Development Co., Ltd.			1,013,741.87	2,700.00
	Shenzhen Xiangmihu International Exchange Center Development Co., Ltd.	811,111.70	24,333.35		
	Shenzhen Infinova Smart Park Technology Co., Ltd.	320,000.00	9,600.00		
	Shenzhen Tsinghua University Research Institute	113,107.19	3,393.22	66,034.33	1,981.03
Total		235,633,141.06	7,693,804.22	133,598,340.45	3,723,600.06
Contractual assets	Hebei Shenbao Investment Development Co., Ltd.	373,225.04			
	Shenzhen Large Industrial Zone (Shenzhen Export	337,422.67			

	Processing Zone) Development Management Group Co., Ltd.				
	Shenzhen Fubao Industrial Park Operation Co., Ltd.	26,457.15			
	Shenzhen Environmental Protection Technology Group Co., Ltd.	28,385.93			
	Shenzhen Shenfubao (Group) Co., Ltd.	43,500.00			
	Shenzhen Shenfubao Eastern Investment Development Co., Ltd.	14,649.15			
	Shenzhen Investment Holdings Co., Ltd.	139,004.56			
	Shenzhen Bay Area Urban Construction and Development Co., Ltd.	50,169.55			
	Shenzhen Xiangmihu International Exchange Center Development Co., Ltd.	46,418.86			
Total		1,059,232.91			
Other non- current assets	Shenzhen Shenfubao (Group) Co., Ltd.			42,726,200.00	
Total				42,726,200.00	
Other receivables	Shenzhen Hi-tech Zone Development Construction Co., Ltd.	121,714.92	5,080.85	20,420.00	612.60
	ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires	100,000.00	10,000.00	20,822,314.85	
	Shenzhen Large Industrial Zone (Shenzhen Export Processing Zone) Development Management Group Co., Ltd.	2,583.54	77.51	3,613.60	
	Shenzhen Fubao Industrial Park Operation Co., Ltd.			11,950.00	
	Shenzhen Qianhai Advanced Information Service Co., Ltd.	10,720,575.27	321,617.26	8,430,575.27	252,917.26
	Shenzhen Shenfubao (Group) Co., Ltd.			59,759,134.93	
	Shenzhen Shenfubao Eastern Investment Development Co., Ltd.			3,533.26	
	Shenzhen Shentou Property Development Co., Ltd.	81,233.00	81,233.00	81,233.00	81,233.00
	Shenzhen Investment	685,740.90	112,893.70	12,421,260.83	46,829.92

	Holdings Co., Ltd.				
	Shenzhen Xinhai Holding Co., Ltd.	201,499,990.18	6,044,999.71	401,499,990.18	6,044,999.71
	Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.	375,068,984.55	11,252,069.54	355,026,166.83	10,650,785.01
	Shenzhen Tianjun Industrial Co., Ltd.	10,000,000.00		10,000,000.00	
	Shenzhen Bay Technology Development Co., Ltd.	4,159,687.50	124,790.63	11,809,060.35	419,496.75
	Shenzhen Wufang Ceramics Industrial Co., Ltd.	1,747,264.25	1,747,264.25	1,747,264.25	1,747,264.25
	China Shenzhen Foreign Trade (Group) Corp. Ltd.	3,734.83	373.48	1,410,306.11	
	Shenzhen Wancheng Logistics Co., Ltd.			8,005.74	
Total		604,191,508.94	19,700,399.93	883,054,829.20	19,244,138.50

Note 1: In January 2022, the Company completed the acquisition of equity interests in Shenzhen Property Management Co., Ltd. ("Shenzhen Property"), a subsidiary of ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. ("SPG"); in February 2022, the Company completed the acquisition of equity interests in Shenzhen Free Trade Zone Security Service Co., Ltd. ("Security Company"), Shenzhen Shenfubao Property Development Co., Ltd. ("Shenfubao Property") and Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd. ("Hydropower Company") which are subsidiaries of Shenzhen Shenfubao (Group) Co., Ltd. ("Shenfubao Group"), and Shenzhen Foreign Trade Property Management Co., Ltd. ("Foreign Trade Property") which is a subsidiary of China Shenzhen Foreign Trade (Group) Corp. Ltd. According to the requirements of Shenzhen SASAC's Guidance on Strengthening Bank Account Management and Comprehensive Supervision of Capital Risk Prevention of Municipal State-owned Enterprises (SZASAC [2014] No. 79), SPG, Shenfubao Group and Shenzhen Investment Holdings Co., Ltd. ("SIHC") centralized the management of some funds of their subsidiaries. Prior to the acquisition, Shenzhen Property pooled and deposited part of its funds with SPG; Shenfubao Property, Hydropower Company and Security Company pooled and deposited part of their funds with Shenfubao Group; and Foreign Trade Property pooled and deposited part of their funds with SIHC, thus forming non-operating fund transactions between the Company and SPG, Shenfubao Group and SIHC. The non-operating capital transactions with SPG, Shenfubao Group and SIHC for historical reasons at the beginning of 2022 were RMB20,722,314.85, RMB56,595,413.13 and RMB12,312,112.39, respectively. As of 31 December 2022, the Company has settled the non-operating capital transactions with SPG, Shenfubao Group and SIHC, and there is no situation of related parties occupying the Company's funds.

Note 2: The other receivables of the Company to Shenzhen Qianhai Advanced Information Service Co., Ltd. (hereinafter referred to as "Qianhai Advanced") are advance money paid in advance due to the demolition of Guanlan Bangling Project. According to the joint and several guarantee commitment letter signed by Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd., Xinhai Rongyao is jointly and severally liable for the tax and interest advanced by the Company. Out of prudence, the Company's transactions to Qianhai Advanced are disclosed.

(2) Accounts Payable

Unit: RMB

Project name	Related parties	Ending carrying amount	Beginning carrying amount
Accounts payable	Shenzhen Shentou Property Development Co., Ltd.	787,002.77	887,042.50
	Shenzhen Infinova Renyong Information Co., Ltd.	25,203.84	

	Shenzhen Hi-tech Zone Development Construction Co., Ltd.		252,198.81
	Shenzhen General Institute of Architectural Design and Research Co., Ltd.	1,199,653.20	1,666,199.82
	Shenzhen SDG Service Co., Ltd.	282,144.00	17,000.00
Total		<u>2,294,003.81</u>	2,822,441.13
Other payables	Shenzhen Guarantee Group Co., Ltd.	1,494,841.29	396,462.16
	Shenzhen Free Trade Zone Life Service Co., Ltd.	4,850.00	4,850.00
	Shenzhen Fubao Industrial Park Operation Co., Ltd.	11,579.00	250,890.00
	Shenzhen Shenfubao (Group) Co., Ltd.	2,503,870.62	146,410.00
	Shenzhen Shentou Property Development Co., Ltd.	10,126,517.16	10,874,467.40
	Shenzhen Bay Wanli Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd.	687,525.00	654,786.00
	Shenzhen Bay Wanyi Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd.	562,521.00	535,734.00
	Shenzhen SME Venture Capital Co., Ltd.	339,760.59	339,760.58
	Shenzhen Bay Technology Development Co., Ltd.	179,966,045.36	90,354,189.38
	Shenzhen Bay Area Urban Construction and Development Co., Ltd.	360,752.18	360,752.18
	Shenzhen Infinova Limited	144,219.02	144,219.02
	China Shenzhen Foreign Trade (Group) Corp. Ltd.	265,018.43	
	Shenzhen Real Estate Jifa Warehousing Co., Ltd.	42,296,665.14	38,796,665.14
	Tian'an International Building Property Management Company of Shenzhen	5,214,345.90	5,214,345.90
	Shenzhen Investment Holdings Co., Ltd.	868,934.14	769,277.91
	Guosen Securities Co., Ltd.		228,813.86
	Shenzhen Foreign Service Group Co., Ltd.	1,101,949.83	
	Yangzhou Lvfa Real Estate Co., Ltd.	313,705,372.89	
Total		559,654,767.55	149,071,623.53

7. Commitments of Related Party

8. Other

XIII. Stock Payment

1. The Overall Situation of Share-based Payments

Applicable Not applicable

2. Equity-settled Share-based Payments

Applicable Not applicable

3. Cash-settled Share-based Payments

Applicable Not applicable

4. Modification and Termination of Share-based Payments

5. Others

XIV. Commitments and Contingency

1. Significant Commitments

Significant commitments on balance sheet date

Signed large amount contract under performing or to be performed

Item	Amount of current period	Same period of last year
Commitments signed but hasn't been recognized in large amount	2,661,507,526.23	136,224,550.92

2. Contingency

(1) Significant Contingency on 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 amounting to RMB93.81 million from Jiyong Company in full in past years for the transfer of Jiabin Building. On 31 October 2018, Shenzhen Intermediate People's Court made a civil award and ruled that the Company's application for the bankruptcy of Jiyong Company would not be accepted. The Company appealed against the ruling. On 29 April 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 arbitration case of property contract dispute of Software Park Phase I between the Fourth Owners' Committee of Shenzhen Nanshan District Software Park (Applicant) and Shenzhen ITC Technology Park Service Co., Ltd. for Software Park I

In March 2021, the ITC Technology Park Company received arbitration notices respectively of the case [2021] Shengguozhongshou [2021] Shengguozhongshou No. 1063. The Fourth Owners' Committee of Shenzhen Nanshan District Software Park applied for the following award: 1. Respondent shall return RMB9,893,677.82 and fund occupation fee of RMB3,272,665.99 (temporarily calculated from 1 July 2012 to 31 January 2021), totaling RMB13,166,343.81; 2. respondent shall bear the attorney's fee of RMB30,000.00.

On 21 August 2022, the Arbitration Tribunal held the second hearing to inquire about the audit report issued by the third-party auditor and the details of the case, on 5 September 2022, Jun & Partners responded to the *Special Audit Report* of Case No. 1063. As of 24 March 2023, Case No. 1063 is awaiting the outcome of the determination.

(3) Litigation case about Shenzhen Basepoint Intelligent Co., Ltd.

On 20 August 2017, Shenzhen Facility Management Community Technology Co., Ltd. signed *Software Service Contract on China Merchants Property Intelligent Facility Management Platform* with China Merchants. The company procured a RMB3 million facility management system from Basepoint for the project. The Basepoint shall provide 31 projects, but only 11 projects passed the acceptance in the actual implementation. The Company considers that the facility management system provided by Basepoint needs to meet the contract's requirements and currently pays Basepoint only RMB60,000. On 15 December 2021, Basepoint sued Shenzhen Facility Management Community Technology Co., Ltd. for RMB500,000 for the implementation costs related to the cooperation project it had already incurred.

The first trial of the lawsuit has been concluded, and the facility house was awarded RMB3 million to integrate the same amount into the Basepoint. The Company appealed the result of the first trial for a second trial, which has yet to be held. As expressed in the legal opinion of Guangdong Sincere Partners & Attorneys on the second trial of the case, the second trial of the case will probably change the verdict, reverse the ruling of the first trial on the payment of RMB3 million purchase cost and interest by the facility home to the Basepoint or remand for retrial due to unclear facts and the need to find out the facts.

(4) Property management fee litigation case regarding Shenzhen Xuansheng Industrial Development Co., Ltd.

Haiwai Lianyi Building, No. 12 Yingchun Road, Luohu District, Shenzhen City, is partly owned by the United Front Work Department of the Shenzhen Municipal Committee, and Shenzhen Jinhailian Property Management Co., Ltd. is authorized by the United Front Work Department of the Shenzhen Municipal Committee to manage the property. On 31 December 2006, Jinhailian and Shenzhen Xuansheng Industrial Development Co., Ltd. signed the *Property Management Agreement of "Haiwai Lianyi Building"*, which agreed that Xuansheng would provide property management services to Jinhailian and Jinhailian would pay the corresponding property management fees to Xuansheng.

On 7 January 2020, Xuansheng signed the *Agreement* with Jinhailian and the outsider Shenzhen Shengxin Hotel Management Co., Ltd. and agreed that the three parties reached an agreement on the management fee, principal maintenance fee, and electricity fee owed to Xuansheng from 1 July 2017 to 31 December 2019 on the 5th-8th floor of Haiwai Lianyi Building by Jinhailian as follows: 1) The management fee, principal The amount of maintenance fee and electricity fee is RMB696,033.73; 2) Jinhailian will return the above arrears repayment date before 22 January 2020; 3) Out of friendly relationship, if Jinhailian cannot return the above arrears before 22 January 2020, then Shengxin Hotel is willing to advance from the rent payable to Jinhailian; 4) If due to objective reasons, Shengxin Hotel cannot complete the lease surrender, Xuansheng will refund this advance in total, and Jinhailian will still return the outstanding amount. However, both Jinhailian and Shengxin Hotel failed to fulfill their payment obligations as agreed in the said agreement. In this regard, Xuansheng issued a *Notice of Demand for Payment of Arrears* on 13 January 2022 and an *Attorney's Letter* to Jinhailian on 15 August 2022, demanding to fulfill its obligation to pay a property management fee, principal maintenance fee, and electricity fee totaling RMB696,033.73. On 1 September 2022, Xuansheng appealed to the Shenzhen Luohu District People's Court.

As of 31 December 2022, Jinhailian expects to pay RMB766,612.52 (including: property management fee, principal maintenance fee, and electricity fee totaling RMB696,033.73 and overdue interest of RMB70,578.79).

On 12 January 2023, the People's Court of Luohu District, Shenzhen, issued a judgment of first instance, which ruled that Shenzhen Jinhailian Property Management Co., Ltd. shall pay Shenzhen Xuansheng Industrial Development Co., Ltd. a total of RMB696,033.73 for a property management fee, principal maintenance fee, and electricity fee for the period from 1 July 2017 to 31 December 2019, and interest for late payment. Jinhailian appealed against the result of the first trial, pending the second trial.

(5) Others

As a real estate developer, the Company provides mortgage loan guarantees and pays loan deposits for commercial housing purchasers according to the operation practice of the real estate industry. By 31 December, 2022, the balance of the deposit not discharged with guarantee was RMB1,131,041.58, which would be discharged when the mortgage loans are paid off.

(2) Explanation shall be given even if there is no significant contingency for the Company to disclose

There was no significant contingency in the Company to disclose.

3. Others

XV. Events after Balance Sheet Date

1. Significant Non-adjustment Matters

Unit: RMB

Item	Contents	Influence number to the financial position and operating results	Reason of inability to estimate influence number
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2. Distribution of Profit

Unit: RMB

Profit or dividend to be distributed	215,148,452.21
Profit or dividend announced to issue after review and approval	215,148,452.21

3. Sales Return

4. Notes to Other Events after Balance Sheet Date

(I) Distribution of profit after the balance sheet date

On 24 March 2023, the 17th meeting of the 10th Board of Directors of the Company approved the profit distribution plan for 2022 as follows: a cash dividend of RMB3.61 (tax included) for every 10 shares are to be paid to all shareholders on the basis of 595,979,092 shares in total at the end of 2022. The total cash dividends will be RMB215,148,452.21, and the remaining undistributed profits will be carried forward to the next year. The plan will be implemented after approval by the Shareholders' Meeting.

(II) Matters on application for comprehensive credit line and financing line in 2023

On 24 March 2023, the 17th meeting of the 10th Board of Directors of the Company approved the Company's plan to apply for comprehensive credit line and financing line. With the capital needs for production, business operation and investment expansion in 2023, the Company plans to apply for comprehensive credit financing line to various financial institutions by virtue of its own land use rights, buildings, equipment, inventory, rights to earnings, and pledge of accounts receivable. The total amount of the above quota will not exceed RMB6.8 billion (including new, extended and renewed loans), which shall be used for financing businesses including but not limited to immediate fund loans, project loans, fixed asset loans, annexation loans, guarantee, financial leasing and financing after-sales repurchase. The actual credit and financing types, amounts, terms, interest rates and fees are ultimately subjected to the financing line actually approved by the financing institutions, or subjected to the financing agreements actually signed.

XVI. Other Significant Events

1. The Accounting Errors Correction in Previous Period

(1) Retrospective Restatement

Unit: RMB

Content	Processing program	Name of the influenced report items during comparison period	Accumulative impact
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(2) Prospective Application

Content	Processing program	Reason for adopting prospective application
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2. Debt Restructuring

3. Assets Replacement**(1) Non-monetary Assets Exchange****(2) Other Assets Replacement****4. Pension Plans****5. Discontinued Operations**

Unit: RMB

Item	Revenue	Costs	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 identifies the reportable segment based on the business segment, and assesses the operational performance of real estate sales, property management and catering service. 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
Operating revenue	1,913,674,526.31	1,666,961,878.32	128,032,642.22		3,708,669,046.85
Operating cost	433,443,568.87	1,441,477,771.44	103,856,280.91		1,978,777,621.22
Total assets	13,547,537,679.90	1,749,638,234.25	503,111,696.25		15,800,287,610.40
Total liabilities	9,731,844,737.86	1,389,199,802.72	210,431,999.39		11,331,476,539.97

(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. Accounts Receivable****(1) Listed 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 withdrawal of Bad debt provision separately accrued	96,702,269.40	94.67%	96,702,269.40	100.00%	0.00	96,702,269.40	97.65%	96,702,269.40	100.00%	0.00
Of which:										
Accounts receivable withdrawal of bad debt provision of by group	5,447,776.99	5.33%	310,734.28	5.70%	5,137,042.71	2,324,735.49	2.35%	100,760.83	4.33%	2,223,974.66
Of which:										
Total	102,150,046.39	100.00%	97,013,003.68	94.97%	5,137,042.71	99,027,004.89	100.00%	96,803,030.23	97.75%	2,223,974.66

Bad debt provision separately accrued: RMB96,702,269.40

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdraw
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	93,811,328.05	100.00%	Involved in lawsuit and unrecoverable
Shenzhen Tewe Industry 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		

Bad debt provision accrued by item:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdraw

Bad debt provision accrued by item:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdraw

Withdrawal of bad debt provision by group: RMB310,734.28

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Portfolio of credit risk features	5,447,776.99	310,734.28	5.70%
Total	5,447,776.99	310,734.28	

Notes to the determination basis for the group:

Withdrawal of bad debt provision by group: RMB310,734.28

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Within 1 year (including 1 year)	4,013,380.50	120,401.42	3.00%
1-2 years (including 2 years)	1,312,285.45	131,228.55	10.00%
2-3 years (including 3 years)	9,756.09	2,926.83	30.00%
3-4 years (including 4 years)	112,354.95	56,177.48	50.00%
Total	5,447,776.99	310,734.28	

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

Disclosure by aging

Unit: RMB

Aging	Carrying amount
Within 1 year (including 1 year)	4,013,380.50
1 to 2 years	1,312,285.45
2 to 3 years	9,756.09
Over 3 years	96,814,624.35
3 to 4 years	112,354.95
Over 5 years	96,702,269.40
Total	102,150,046.39

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

Withdrawal of bad debt provision:

Unit: RMB

Category	Beginning balance	Changes in the current period				Ending balance
		Withdrawal	Reversed or recovered	Verification	Others	
Bad debt provision accrued by item	96,702,269.40					96,702,269.40
Withdrawal of bad debt provision by group	100,760.83	209,973.45				310,734.28

Total	96,803,030.23	209,973.45				97,013,003.68
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Of which significant amount of recovered or transferred-back bad debt provision for the current period:

Unit: RMB

Name of the entity	Amount reversed or recovered	Way of recovery
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(3) Accounts Receivable Written-off in Current Period

Unit: RMB

Item	Written-off amount
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Of which the verification of significant accounts receivable:

Unit: RMB

Name of the entity	Nature	Written-off amount	Reason for verification	Verification procedures performed	Whether occurred because of related-party transactions
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Notes to verification of accounts receivable:

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

Unit: RMB

Name of the entity	Ending balance	Proportion to total ending balance of accounts receivable	Ending balance of bad debt provision
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	91.84%	93,811,328.05
Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	2.78%	2,836,561.00
Shenzhen Investment Holdings Co., Ltd.	2,000,000.00	1.96%	60,000.00
Shenzhen Feihuang Industrial Co., Ltd.	769,919.05	0.75%	76,991.91
Shenzhen Meige Xiazi Catering Management Co., Ltd.	542,366.40	0.53%	54,236.64
Total	99,960,174.50	97.86%	

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

Other notes:

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

2. Other Receivables

Unit: RMB

Item	Ending balance	Beginning balance
Dividend receivable	151,433,108.41	
Other receivables	5,010,963,761.04	2,412,506,681.28
Total	5,162,396,869.45	2,412,506,681.28

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

Unit: RMB

Item	Ending balance	Beginning balance
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2) Significant Overdue Interest

Unit: RMB

Entity	Ending balance	Overdue time	Overdue reason	Whether occurred impairment and its judgment basis
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Other notes:

3) Withdrawal of Bad Debt ProvisionApplicable Not applicable**(2) Dividend Receivable****1) Category of Dividend Receivable**

Unit: RMB

Project (or investee)	Ending balance	Beginning balance
SZPRD Urban Renewal Co., Ltd.	151,433,108.41	
Total	151,433,108.41	

2) Significant Dividends Receivable Aging over 1 Year

Unit: RMB

Project (or investee)	Ending balance	Aging	Reason	Whether occurred impairment and its judgment basis
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3) Withdrawal of Bad Debt ProvisionApplicable Not applicable

Other notes:

(3) Other Receivables**1) Category of Other Receivables by Account Nature**

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Guaranteed deposit	2,537,789.00	2,328,581.00
Payment on behalf		
External intercourse funds	23,374,171.34	56,305,486.73
Intercourse funds to subsidiary	5,017,542,623.59	2,386,210,528.77
Total	5,043,454,583.93	2,444,844,596.50

2) Withdrawal of Bad Debt Provision

Unit: RMB

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

		occurred)	occurred)	
Balance of 1 January 2022,	8,844,588.14		23,493,327.08	32,337,915.22
Balance of 1 January 2022 in the current period				
Withdrawal of the current period	152,907.67			152,907.67
Balance as at 31 December 2022	8,997,495.81		23,493,327.08	32,490,822.89

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

Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Carrying amount
Within 1 year (including 1 year)	5,011,106,446.45
1 to 2 years	51,049.05
2 to 3 years	69,600.00
Over 3 years	32,227,488.43
4 to 5 years	50,000.00
Over 5 years	32,177,488.43
Total	5,043,454,583.93

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

Withdrawal of bad debt provision:

Unit: RMB

Category	Beginning balance	Changes in the current period				Ending balance
		Withdrawal	Reversed or recovered	Verification	Others	
Other receivables	32,337,915.22	152,907.67				32,490,822.89
Total	32,337,915.22	152,907.67				32,490,822.89

Of which the bad debt provision recovered or transferred-back with significant amount during the current period:

Unit: RMB

Name of the entity	Amount reversed or recovered	Way of recovery

4) Particulars of the Actual Verification of Other Receivables during the Current Period

Unit: RMB

Item	Written-off amount

Of which the verification of significant other receivables:

Unit: RMB

Name of the entity	Nature	Written-off amount	Reason for verification	Verification procedures performed	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 total ending balance of other receivables %	Ending balance of bad debt provision
Dongguan Wuhe Real Estate Co., Ltd.	Intercourse funds to subsidiary	2,113,760,170.00	Within 1 year	41.91%	
Shenzhen Guangming Wuhe Real Estate Co., Ltd.	Intercourse funds to subsidiary	1,621,000,000.00	Within 1 year	32.14%	
Yangzhou Wuhe Real Estate Co., Ltd.	Intercourse funds to subsidiary	640,578,418.90	Within 1 year	12.70%	
Shenzhen Huangcheng Real Estate Co., Ltd.	Intercourse funds to subsidiary	460,533,918.98	Within 1 year	9.13%	
Shum Yip Properties Development Co., Ltd.	Intercourse funds to subsidiary	109,666,108.82	Over 5 years	2.17%	7,110,900.41
Total		4,945,538,616.70		98.05%	7,110,900.41

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	Impairment provision	Carrying value	Carrying amount	Impairment provision	Carrying value
Investment to subsidiaries	1,436,329,880.39	68,364,000.00	1,367,965,880.39	1,127,829,880.39	68,364,000.00	1,059,465,880.39
Investment to joint ventures and associated enterprises	98,765,051.45	18,983,614.14	79,781,437.31	69,344,295.51	18,983,614.14	50,360,681.37
Total	1,535,094,931.84	87,347,614.14	1,447,747,317.70	1,197,174,175.90	87,347,614.14	1,109,826,561.76

(1) Investment to Subsidiaries

Unit: RMB

Investee	Beginning balance (carrying value)	Increase/decrease for the current period				Ending balance (Carrying value)	Ending balance of depreciation reserve
		Additional investment	Reduced investment	Withdrawal of impairment provision	Others		
Shenzhen Huangcheng Real	35,552,671.93					35,552,671.93	

Estate Co., Ltd.										
Shenzhen Wuhe Industry Investment Development Co., Ltd.	44,950,000.00								44,950,000.00	
SZPRD Yangzhou Real Estate Development Co., Ltd.	50,000,000.00								50,000,000.00	
Dongguan ITC Changsheng Real Estate Development Co., Ltd.	20,000,000.00								20,000,000.00	
Shenzhen International Trade Center Property Management Co., Ltd.	195,337,851.23								195,337,851.23	
Shenzhen Property Engineering and Construction Supervision Co., Ltd.	3,000,000.00								3,000,000.00	
SZPRD Commercial Operation Co., Ltd.	63,509,120.32								63,509,120.32	
Zhanjiang Shenzhen Real Estate Development Co., Ltd.										2,530,000.00
Shum Yip Properties Development Co., Ltd.										15,834,000.00
SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.										50,000,000.00
Shenzhen Rongyao Real Estate Development Co., Ltd.	508,000,000.00								508,000,000.00	
Shenzhen ITC Technology Park Service Co., Ltd.										
SZPRD Urban Renewal Co., Ltd.	119,116,236.91			41,641,757.62					77,474,479.29	
Dongguan Wuhe Real Estate Co., Ltd.	20,000,000.00	30,000,000.00							50,000,000.00	
Shenzhen Guangming Wuhe Real Estate Co., Ltd.		50,000,000.00							50,000,000.00	
Shenzhen Wuhe Urban Renewal Co., Ltd.		236,641,757.62							236,641,757.62	
Yangzhou Wuhe Real Estate Co., Ltd.		33,500,000.00							33,500,000.00	
Total	1,059,465,880.39	350,141,757.62	41,641,757.62		0.00	0.00			1,367,965,880.39	68,364,000.00

(2) Investment to Joint Ventures and Associated Enterprises

Unit: RMB

Investee	Beginning balance (carrying value)	Increase/decrease for the current period								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	Others		
I. Joint ventures											
Shenzhen Real Estate Jifa Warehousing Co., Ltd.	43,516,665.12			1,213,920.18						44,730,585.30	
Tian'an International Building Property Management Company of Shenzhen	6,844,016.25			193,936.05						7,037,952.30	
Subtotal	50,360,681.37			1,407,856.23						51,768,537.60	
II. Associated enterprises											
Shenzhen Wufang Ceramics Industrial Co., Ltd.											18,983,614.14
CSCEC Intelligent Parking Technology Co.,		27,380,294.13		632,605.58						28,012,899.71	

Ltd.											
Subtotal		27,380,294.13		632,605.58						28,012,899.71	18,983,614.14
Total	50,360,681.37	27,380,294.13		2,040,461.81						79,781,437.31	18,983,614.14

(3) Other Notes**4. Operating Revenue and Cost of Sales**

Unit: RMB

Item	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Principal business	56,064,949.33	43,679,264.65	61,784,858.02	37,251,974.27
Others	19,421,465.41	1,319,976.00	18,744,743.91	1,319,976.00
Total	75,486,414.74	44,999,240.65	80,529,601.93	38,571,950.27

Relevant information of revenue:

Unit: RMB

Category of contracts	Segment 1	Segment 2		Total
Product categories	75,486,414.74			75,486,414.74
Of which:				
House leasing business	75,486,414.74			75,486,414.74
Classification by operating region	75,486,414.74			75,486,414.74
Of which:				
Shenzhen	75,486,414.74			75,486,414.74
Market or customer type				
Of which:				
Contract type				
Of which:				
Classification by time of commodity transfer				
Of which:				
Classification by contract term				
Of which:				
Classification by sales channel				
Of which:				
Total	75,486,414.74			75,486,414.74

Information about performance obligations:

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

Information in relation to the transaction price apportioned to the residual contract performance obligation:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet

was RMB840,878,470.63 at the period-end, among which RMB840,878,470.63 was expected to be recognized in 2023.

Other notes:

5. Investment Income

Unit: RMB

Item	Amount for the current period	Amount for the previous period
Long-term equity investment income accounted by cost method	151,433,108.41	
Long-term equity investment income accounted by equity method	2,040,461.81	4,650,460.58
Entrusted loans interest	159,934,119.41	129,717,557.63
Total	313,407,689.63	134,368,018.21

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 from the disposal of non-current assets	175,644,543.02	Mainly received compensation for land resumption
Government grants recorded in the current profit or loss (except for those acquired in the ordinary course of company's business, in line with national policies and regulations, or granted continuously according to certain standard quotas or amounts)	10,633,227.34	
Dispossession surcharge to non-financial institutions included in the current profit and loss	132,289.35	
Net profit or loss for the period from the beginning of the period to the date of consolidation of a subsidiary arising from a business combination under common control	9,596,148.16	
Gains and losses arising from contingencies unrelated to the normal operation of the company's business	70,578.79	
Gain/loss from change of fair value of trading financial assets and liabilities, and investment gains from disposal of trading financial assets and liabilities as well as financial assets available for sale, other than valid hedging related to the Company's common businesses	1,300.91	
Other non-operating income and expense other than the above	2,448,235.99	
Other profit and loss items in line with the definition of non-recurring gains and losses	277,896.27	
Less: Income tax effects	51,525,180.31	

Non-controlling interests effects	54,953.47	
Total	147,224,086.05	--

Details of other profit and loss items in line with the definition of non-recurring gains and losses:

Applicable Not applicable

There are no other profit and loss items in line with the definition of non-recurring gains and losses in the Company.

Note to defining the non-recurring profit and loss items listed in the *Explanatory Notice of Information Disclosure by Companies Offering Securities to the Public No. 1 - Non-recurring Profit and Loss Items* as recurring profit and loss items

Applicable Not applicable

2. Return on Equity and Earnings Per Share

Profit as of reporting period	Weighted average ROE (%)	EPS	
		EPS-basic	EPS-diluted
Net profit attributable to ordinary shareholders of the Company	12.37%	0.9022	0.9022
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	9.01%	0.6551	0.6551

3. Accounting Data Differences under PRC GAAP and Those under IFRSs

(1) Differences between Disclosed Net Profits and Net Assets in Financial Report in accordance with International Accounting Standards and Chinese Accounting Standards

Applicable Not applicable

(2) Differences between Disclosed Net Profits and Net Assets in Financial Report in accordance with Domestic Accounting Standards 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. Others