



Shenzhen Properties Group

深房集团

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

ANNUAL REPORT 2021

2022-006

March 2022

Part I Important Notes, Table of Contents and Definitions

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

Liu Zhengyu, chairman of the Company’s Board, Wang Jianfei, the Company’s Chief Financial Officer, and Qiao Yanjun, 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.

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

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

Risks facing the Company have been explained in detail in “XI Prospects” in “Part III Management Discussion and Analysis” herein.

The Board has approved a final dividend plan as follows: based on the total share capital of 1,011,660,000 shares, a cash dividend of RMB0.88 (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 both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.

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Documents Available for Reference

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

Definitions

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

Part II Corporate Information and Key Financial Information

I Corporate Information

Stock name	SPG, SPG-B	Stock code	000029, 200029
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	深圳经济特区房地产(集团)股份有限公司		
Abbr.	深房集团		
Company name in English (if any)	ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.		
Abbr. (if any)	SPG		
Legal representative	Liu Zhengyu		
Registered address	45/F-48/F, SPG Plaza, Renmin South Road, Luohu District, Shenzhen, Guangdong, P.R.China		
Zip code	518001		
Changes of the registered address	N/A		
Office address	47/F, SPG Plaza, Renmin South Road, Luohu District, Shenzhen, Guangdong, P.R.China		
Zip code	518001		
Company website	http://www.sfjt.com.cn		
Email address	spg@163.net		

II Contact Information

	Board Secretary	Securities Representative
Name	Luo Yi	Hong Lu
Address	47/F, SPG Plaza, Renmin South Road, Luohu District, Shenzhen, Guangdong, P.R.China	47/F, SPG Plaza, Renmin South Road, Luohu District, Shenzhen, Guangdong, P.R.China
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Fax	(86 755) 82294024	(86 755) 82294024
Email address	spg@163.net	spg@163.net

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

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

IV Change to Company Registered Information

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

V Other Information

The independent audit firm hired by the Company:

Name	Grant Thornton China
Office address	5/F, Sci-Tech Plaza, 22 Jianguomenwai Avenue, Chaoyang District, Beijing
Accountants writing signatures	Zhao Juanjuan and Jiang Xiaoming

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

	2021	2020	2021-over-2020 change (%)	2019
Operating revenue (RMB)	1,320,790,648.45	1,615,009,713.88	-18.22%	2,548,740,319.49
Net profit attributable to the listed company's shareholders (RMB)	220,836,309.93	290,229,772.23	-23.91%	552,452,307.59
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	208,306,710.37	253,595,334.11	-17.86%	524,204,812.66
Net cash generated from/used in	-1,205,952,107.94	285,164,013.17	-522.90%	603,607,724.75

operating activities (RMB)				
Basic earnings per share (RMB/share)	0.2183	0.2869	-23.91%	0.5461
Diluted earnings per share (RMB/share)	0.2183	0.2869	-23.91%	0.5461
Weighted average return on equity (%)	5.72%	7.81%	-2.09%	15.90%
	31 December 2021	31 December 2020	Change of 31 December 2021 over 31 December 2020 (%)	31 December 2019
Total assets (RMB)	6,182,498,050.43	4,936,916,746.74	25.23%	4,909,669,536.09
Equity attributable to the listed company's shareholders (RMB)	3,938,260,291.97	3,797,512,488.22	3.71%	3,666,874,569.99

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

Unit: RMB

	Net profit attributable to the listed company's shareholders		Equity attributable to the listed company's shareholders	
	2021	2020	Ending amount	Beginning amount
Under CAS	220,836,309.93	290,229,772.23	3,938,260,291.97	3,797,512,488.22
Adjusted as per IFRS				
Under IFRS	220,836,309.93	290,229,772.23	3,938,260,291.97	3,797,512,488.22

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

Applicable Not applicable

No difference for the Reporting Period.

3. Reasons for Accounting Data Differences Above

Applicable Not applicable

VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	415,282,352.53	279,315,865.94	272,065,605.11	354,126,824.87
Net profit attributable to the listed company's shareholders	88,040,167.60	44,406,954.54	29,640,906.70	58,748,281.09
Net profit attributable to the listed company's shareholders before exceptional gains and losses	87,395,877.39	44,042,111.19	29,576,289.10	47,292,432.69
Net cash generated from/used in operating activities	303,456,191.73	-588,996,943.19	-978,555,623.09	58,144,266.61

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	2021	2020	2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-13,451.61	11,429.23		
Government subsidies charged to current profit or loss (exclusive of government subsidies consistently given in the Company's ordinary course of business at fixed quotas or amounts as per government policies or standards)	1,669,479.40	3,370,769.21	1,168,127.90	
Gain or loss on assets entrusted to other	13,024,710.91	15,217,058.60	31,425,651.98	Purchase of currency

entities for investment or management				fund
Reversed portions of impairment allowances for receivables which are tested individually for impairment	482,790.04			
Non-operating income and expense other than the above	1,542,604.01	29,009,657.60	1,118,861.69	
Other gains and losses that meet the definition of exceptional gain/loss		1,237,002.86		
Interest income from undue structured deposits			3,950,685.00	
Less: Income tax effects	4,176,533.19	12,211,479.38	9,415,831.64	
Total	12,529,599.56	36,634,438.12	28,247,494.93	--

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

Applicable Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No.

1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

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 Disciplinary and Regulatory Guideline No. 3 of the Shenzhen Stock Exchange for Listed Companies—Industry-specific Information Disclosure.

In order to achieve the central government's target of stabilizing land and housing prices as well as market expectations, real estate regulators have successfully implemented a series of policies, including "three red lines", real estate loan concentration management mechanism in 2020 and "concentrated supply of land" in 2021. These policies resulted in a significant difference between different districts in the same city and an overall stable and slow trend in nationwide real estate market.

II Principal Activity of the Company in the Reporting Period

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

The Company primarily develops residential properties, with its available-for-sale projects mainly located in Shenzhen and Shantou during the Reporting Period. Meanwhile, two new projects have been launched, one in Huizhou, which is close to Shenzhen, and another in Guangming District, Shenzhen. In Shenzhen, the Chuanqi Donghu Mingyuan project and the Cuilinyuan project both completed construction and have started the hand-over and move-in process, with some remnant units still available for sale. In Shantou, the Tianyuewan project completed construction in June 2021, with Phase I around 80% sold cumulatively and Phase II around 20%. In mid May 2021, the Company completed the acquisition of a controlling stake in the Linxinyuan project (located in Huizhou, close to Shenzhen), which resumed construction in late June 2021 and has kicked off pre-sale for Phase I in mid December 2021. Additionally, the Company won the bid for the right to use the state-owned Land Lot No. A511-0039 in Guangming District, Shenzhen in late September 2021, with construction kicking off in mid January 2022.

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)
Linxinyuan (previously the "Linxijun" project)	Changbu Village, Xinxu Town, Huiyang District, Huizhou City,	Commercial and residential	198,676.60	397,353.20	Acquisition	51.00%	60,667	45,000

	Guangdong Province							
SPG Guangmingli	Southeast corner of the junction of Mingzheng Road and Deya Road, Guangming Street, Guangming District, Shenzhen	Commercial and residential, type 2	10,721.07	53,605.00	Bidding at an auction	100.00%	96,500	

Cumulative land bank:

Name of project/area	Site area (0,000 m ²)	Floor area (0,000 m ²)	Floor area available for development (0,000 m ²)
Xinfeng Building in Shantou	0.59	2.66	2.66
Linxinyuan Phase II	2.57	7.72	7.72
Linxinyuan Phase III	4.31	9.57	9.57
Linxinyuan Phase IV	3.23	6.45	6.45
SPG Guangmingli	1.07	5.36	5.36
Total	11.77	31.76	31.76

Development status of major projects:

City/reg ion	Name of project	Location	Status	The Company's interest	Time for commencement of construction	% developed	% constructed	Site area (m ²)	Planned floor area with plot ratio (m ²)	Floor area completed in the Current Period (m ²)	Cumulatively completed floor area (m ²)	Expected total investment (RMB'0,000)	Cumulative investment (RMB'0,000)
Shantou	Tianyuewan Phase II	Chaoyang District	Completed	100.00%	1 October 2018	100%	100.00%	33,362	127,770	127,770	127,770	65,485	64,597
Huizhou	Linxinyuan Phase I	Huiyang	Framework in construction	51.00%	11 June 2021	77%	77.00%	64,278	159,761	0	0	115,750	89,044
Shenzhen	SPG Guangmingli	Guangming District	Foundation pit being	100.00%	19 January 2022	-	-	10,721	53,605	-	-	151,758	99,395

			built										
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Sales status of major projects:

City/region	Name of project	Location	Status	The Company's interest	Floor area with plot ratio (m ²)	Floor area available for sale (m ²)	Cumulatively pre-sold/sold floor area (m ²)	Floor area pre-sold/sold in the Current Period (m ²)	Pre-sale/sales revenue generated in the Current Period (RMB'0,000)	Cumulatively settled floor area (m ²)	Floor area settled in the Current Period (m ²)	Pre-sale/sales revenue settled in the Current Period (RMB'0,000)
Shenzhen	Chuanqi Donghu Mingyuan	Luohu District	Ready for sale	100.00%	55,727	32,857	32,440	7,160	48,361	30,012	14,169	70,662
Shenzhen	Cuilinyuan	Longgan District	Ready for sale	100.00%	60,111	56,137	51,969	35	161	51,969	338	1,148
Shantou	Tianyuewan Phase I	Chaoyang District	Ready for sale	100.00%	153,470	160,372	114,462	14,951	7,967	92,524	15,531	8,008
Shantou	Tianyuewan Phase II	Chaoyang District	On pre-sale	100.00%	127,770	137,059	17,004	15,829	9,174	11,517	11,517	6,159
Huizhou	Linxinyuan Phase I	Huiyang District	On pre-sale	51.00%	159,761	159,761	844	844	1,018			

Rental status of major projects:

Name of project	Location	Use	The Company's interest	Rentable area (m ²)	Cumulative rented area (m ²)	Average occupancy rate
Real Estate Mansion	Shenzhen	Commercial	100.00%	3,413.88	3,413.88	100.00%
North Block of Guoshang Mansion	Shenzhen	Commercial	100.00%	4,819.71	4,752.98	98.62%
Petrel Building	Shenzhen	Commercial	100.00%	22,475.47	22,475.47	100.00%
SPG Plaza	Shenzhen	Office building	100.00%	61,015.82	36,667.96	60.09%
SPG Plaza Podium	Shenzhen	Commercial	100.00%	19,886.3	16,123.49	81.08%
Wenjin Garden	Shenzhen	Commercial	100.00%	3,531.60	3,531.60	100.00%

Primary land development:

Applicable Not applicable

Financing channels:

Financing channel	Ending balance of financings	Financing cost range/average financing cost	Maturity structure			
			Within 1 year	1-2 years	2-3 years	Over 3 years

Development strategy and operating plan for the coming year:

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

Provision of guarantees for homebuyers on bank mortgages:

Applicable Not applicable

Project	Guarantee period	Guarantee amount (RMB'0,000)	Note
Cuilinyuan	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	2,802.31	
Chuanqi Donghu Mingyuan	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	2,924.43	
Tianyuewan	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	33,511.08	
Total		39,237.82	

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

Applicable Not applicable

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

III Core Competitiveness Analysis

As a pioneer of real estate development enterprises in Shenzhen, the Company has created a number of "first places" in the history of real estate development in China. For example, the first to use the paid state-owned land, the first to introduce the foreign investment for the cooperative land development, the first to raise development funds by means of pre-sale of buildings, the first to carry out public bidding for construction projects in

accordance with international practices, the first to set up a property management company to the buildings and residences developed in an all-rounded manner, the first to win the bid in the auction of land use rights held in the Shenzhen Special Economic Zone, etc.

Over the past 40 years, the company has developed more than 100 high-rise buildings, 500 multi-storey residential buildings, and 400 garden villas, with a cumulative building area of more than 4 million square meters. It has paid great efforts to the establishment of a modern enterprise HR management system and works hard in building a professional and high-quality development team. It also keeps improving the management mechanism and processes for project development. As a result, its planning, construction, cost control, sales ability and brand image have been effectively improved. More importantly, its main business operation ability and core competitiveness have been greatly enhanced.

In 2021, the Company were granted the titles of “Socially Responsible Company” and “Honest Company” in the real estate world of Shenzhen.

IV Core Business Analysis

1. Overview

In 2021, in the face of many challenges such as the ever-changing environment, the pandemic, the economic downturn and the intensifying market competition, the Company’s management team conscientiously implemented the decisions and deployment of the controlling shareholder, the CPC Committee of the Group and the Board of Directors, led the working staff to unite as one, stay determined and focus on operation and management, and completed all tasks in an all-round way, achieving a good start for the “14th Five-Year Plan”. The development of the Company became more stable, more high-quality and more resilient. The main achievements in the past year are as follows:

(I) Impressive results in major corporate events by seizing opportunities and preventing risks

1. New breakthroughs in project expansion

The Company actively promoted the expansion of main business projects. In mid-May, it successfully completed the acquisition of Linxinyuan Project in Huizhou. On 28 September, it participated in the second-round auction of Shenzhen’s “concentrated supply of land” for 2021 and successfully won the bid for No. A511-0039 land in Guangming District, Shenzhen at the reserved price. Throughout the year, the new capacity development area totaled 450,000 square meters, injecting new momentum for the Company’s sustainable development.

2. New progress in project construction

First, the Company completed the completion acceptance for Longgang Project and Shantou Tianyuewan Phase II Project in April and June, respectively. Second, in Huizhou, the Company recovered the construction for Linxinyuan Project at the end of June and the project was opened for sale in early December. Third, the land of SPG Guangmingli Project was acquired at the end of September and the construction started smoothly in mid-January 2022.

3. New achievements in real estate sales

In 2021, 307 units of the Company's main business projects were sold in initial subscription, with a sales area of 38,729 square meters and a sales amount of RMB676 million, including 69 units in Shenzhen (with a sales area of 7,923 square meters and a sales amount of RMB504 million) and 238 units in Shantou (with a sales area of 30,806 square meters and a sales amount of RMB172 million).

4. New actions in quality and efficiency improvement

First, the Company successfully completed the tourism transformation of Petrel Hotel. Second, the Company completed the signing of the equity transfer agreement for Shenzhen Property Management. Third, the Company introduced high-end pharmaceutical, medical and medical aesthetic companies such as Shenzhen Luohu Hospital Group, and actively made a plan for creating an SPG Plaza-centric "comprehensive health eco-economic industry complex". Fourth, the equity transfer of Yunnan Kunpeng Air Service Co., LTD. was listed on The Stock Exchange of Hong Kong Limited. Fifth, steady progress was made in clearing out zombie companies and disposing of and reducing losses.

5. New explorations for future development

First, the Company actively conducted research on its future development and formulated the Quality Improvement Action Plan to provide action guidelines for the Company's future development. Second, the Company made studies and demonstrations of new industry markets, and actively sought target projects with strategic synergies in the industry. Third, the Company enhanced communication with capital platforms in the SASAC system to solicit support in aspects such as strategic consulting and project expansion, and explore industry fund cooperation.

6. New guarantees for safety and stability

First, the Company thoroughly implemented safe production accountability, established sound policies of safety management, and intensified efforts on checking and rectifying potential safety hazards, thereby maintaining stable production safety throughout the year. Second, the Company adhered to regular pandemic prevention and control with targeted measures, fulfilled all work requirements of the CPC Shenzhen Municipal Committee, the Shenzhen Municipal People's Government, the Municipal SASAC and the controlling shareholder, and saw responsibilities were fulfilled by all the stakeholders. As a result, a steady situation of pandemic prevention and control was guaranteed. Third, the Company coordinately focused on stability maintenance of petitioning and public opinion monitoring to create a harmonious and stable environment for business operation and development.

(II) Gratifying achievements in business management by strengthening the foundation and making up for deficiencies

1. Continuous improvement of corporate governance

The Company fully revised and improved policies including the Rules of Procedure of the CPC Committee and the List of Major Business Operation and Management Matters for the CPC Committee to Study and Discuss. By making the CPC Committee's studies and discussions a prerequisite for the decision-making of major issues by the Board of Directors and the management team, the Company strictly controlled its major decision-making processes. Additionally, the Company revised/formulated 42 policies related to corporate governance and internal management, and compiled them into a book to build a more scientific and sounder policy system, constantly improving the level of corporate governance. It continued to promote the development of a comprehensive risk management system and organized all units to carry out internal control self-assessment, which consolidated the foundation for the steady development of the Company.

2. Practical effectiveness of financial management

First, the Company successfully completed the distribution of profits for 2020 and paid cash dividends to all shareholders, achieving normal cash dividends for three consecutive fiscal years. Second, the Company attained capital gains of more than RMB40 million through negotiated deposits, monetary funds and other means

throughout the year. Third, the Company thoroughly cleaned up its receivables and recovered nearly RMB20 million of overdue receivables. Fourth, the Company was active in coordination and communication. It completed the land appreciation tax refund process for Longgang Project and received a tax refund of more than RMB70 million. Fifth, the Company overcame difficulties and completed the mortgage bank cooperation negotiations for Linxinyuan Project in Huizhou, obtaining a mortgage of RMB800 million to provide support for project sales.

3. Breakthroughs in addressing issues left over from history

The Company actively took measures to speed up the execution of cases such as those involving Fresh Peak Property, Sandao and Golden Times, with more than RMB1.7 million recovered. It also kept promoting the special work of historical housing payment collection. A total of more than RMB1.5 million in arrears was recovered throughout the year.

4. Good results in cost control

The Company continued to strictly control project development costs. It implemented full cost, whole process, and penetration management, and paid close attention to the budget and final accounting of major projects. Throughout the year, the Company prepared 32 budgets and the reduction rate of budget amount was 2.08%; 27 settlement audits were completed and the reduction rate of settlement amount was 5.34%.

5. Steady growth in lease business

The Company promoted lease property through multiple channels. Throughout the year, a total of 109 lease contracts were newly signed or renewed, covering an area of 33,000 square meters; the Company's cumulative lease revenue reached 107.6% of the annual target, a year-on-year increase of 33%.

6. Orderly development of human resources work

The Company explored the establishment of a sound incentive/constraint mechanism, and organized employee co-investment in Linxinyuan Project in Huizhou, so as to stimulate employees' enthusiasm and creativity. It actively carried out human resources management and enriched the cadre and staff teams. It also completed the work for full coverage of special review of personnel files efficiently with quality and quantity assured in accordance with the requirements of the Organization Department of the CPC Shenzhen Municipal Committee and SIHC.

7. Solid progress in audit supervision

The Company actively carried out internal audit supervision. It completed the audit and assessment filing for the capital verification based on physical inventory of Linxinyuan Project in Huizhou and Yunnan Kunpeng Air Service Co., LTD., conducted special inspections of the capital safety management of subordinated enterprises, and organized and coordinated the investment control audit team to complete the special audit of Tianyuewan Project in Shantou, empowering the stable and healthy development of the Company.

(III) New momentum to the development of subordinated enterprises by stabilizing operation and overcoming difficulties

1. Business performance

Affected by factors such as the economic downturn, industry regulation and the pandemic, the Shantou branch of the Company, Petrel Hotel and Zhentong Engineering operated under pressure. Shenzhen Property Management and Huazhan Construction Supervision overcame many difficulties and adverse factors, paid close attention to operation, and achieved their annual business objectives.

2. Business management

Shenzhen Property Management successfully completed the re-certification for its management system and carried out the special action of garbage sorting in communities. Its management level was improved to a certain extent. Petrel Hotel standardized its operating process and organized special training such as sales and etiquette, promoting its services to a higher level. Zhentong Engineering successfully obtained the Grade B qualification for

curtain wall design, which created good hardware conditions for business expansion. Huazhan Construction Supervision strengthened on-site supervision to effectively guarantee project safety and project quality. The Shantou branch of the Company intensified efforts on project cost control, thereby effectively reducing project costs. Jianbang Group coordinately advanced different tasks including development, construction, marketing, and promotion, with practical results achieved.

3. Market expansion

Zhentong Engineering made great efforts to develop external markets and signed 57 projects. Petrel Hotel introduced the internet-famous shop project and successfully leased out some properties that had been vacant for a long time. Huazhan Construction Supervision successfully won the bid for the supervision project of the Tigo Semiconductor Memory Industry Base.

(IV) A clean and righteous atmosphere that enables entrepreneurs to focus on business development by working on Party building and fostering harmony

1. Solid progress in Party building

The CPC Committee of the Company created new methods to promote the provision and effectiveness of Party history education. Party organizations at all levels in the system integrated the education of the Party history into everyday life. Adhering to the problem-orientated concept, the Company continuously led the practice of “I do practical things for the masses” in depth and donated property management equipment to support happy community building. With a strict and pragmatic approach, it consolidated the development of community-level Party organizations, normalized and institutionalized the study by the Theoretical Center Team of the CPC Committee, and earnestly carried out all tasks of the “Five Ones” project in the education of Party members.

2. Furthering deepening of clean and honest Party conduct development

The Company fully implemented the joint deployment, implementation, inspection, and assessment of clean and honest Party conduct development and business operation. It gave full play to the synergy of the big supervision system, facilitated the integration of different supervision measures, focused on the main business and primary responsibilities, and effectively ensured that all tasks in the annual list of tasks for development of clean and honest Party conduct and anti-corruption work, as well as key points of annual supervision, were implemented. On the occasion of the 100th anniversary of the founding of the Party, the Company enhanced honesty publicity and education, solidly organized the discipline education and learning month, strengthened work style development, promoted the positive energy of honesty, and created a clean and righteous atmosphere that enables entrepreneurs to focus on business development.

3. Great vitality of corporate culture development

Throughout the year, the Company organized more than 150 football, tennis, badminton, table tennis, yoga and other interest group and sports activities, enriching employees’ lifestyle after work. The Company successfully held the “SPG Cup” Table Tennis Invitational Competition, and carried out the “Zouhongqiao”, “Employee Collective Birthday Party”, visits to Linxinyuan Project in Huizhou, and other activities, creating a sound environment where the Company builds platforms and the employees participate, enhancing corporate cohesiveness.

2. Revenue and Cost Analysis

(1) Breakdown of Operating Revenue

Unit: RMB

	2021	2020	Change (%)
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	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	1,320,790,648.45	100%	1,615,009,713.88	100%	-18.22%
By operating division					
Property sales	876,161,088.60	66.34%	1,158,411,393.81	71.73%	-24.37%
Engineering and construction	200,259,571.16	15.16%	251,454,463.43	15.57%	-20.36%
Property management	162,526,580.18	12.31%	151,968,675.51	9.41%	6.95%
Rental service	81,791,161.56	6.19%	63,254,584.48	3.92%	29.30%
Other	15,776,937.12	1.19%	12,215,550.30	0.76%	29.15%
Eliminated internal transactions and accounts	-15,724,690.17	-1.19%	-22,294,953.65	-1.38%	-29.47%
By product category					
Residential units	875,153,000.99	66.26%	1,157,620,917.61	71.68%	-24.40%
Shops and parking lots	1,008,087.61	0.08%	790,476.20	0.05%	27.53%
Other	460,354,250.02	34.85%	478,893,273.72	29.65%	-3.87%
Eliminated internal transactions and accounts	-15,724,690.17	-1.19%	-22,294,953.65	-1.38%	-29.47%
By operating segment					
Guangdong Province	1,308,786,001.07	99.09%	1,613,933,749.67	99.93%	-18.91%
Other regions in China	27,096,812.69	2.05%	22,531,905.61	1.40%	20.26%
Overseas	632,524.86	0.05%	839,012.25	0.05%	-24.61%
Eliminated internal transactions and accounts	-15,724,690.17	-1.19%	-22,294,953.65	-1.38%	-29.47%
By marketing model					
Principal operations	1,320,738,401.50	100.00%	1,625,089,117.23	100.62%	-18.73%
Other	15,776,937.12	1.19%	12,215,550.30	0.76%	29.15%
Eliminated internal transactions and accounts	-15,724,690.17	-1.19%	-22,294,953.65	-1.38%	-29.47%

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

√ Applicable □ Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Property sales	876,161,088.60	292,260,823.05	66.64%	-24.37%	-24.61%	0.11%
Engineering and construction	200,259,571.16	186,409,100.14	6.92%	-20.36%	-23.76%	4.16%
Property management	162,526,580.18	145,898,235.49	10.23%	6.95%	4.26%	2.31%
By product category						
Residential units	875,153,000.99	292,183,630.99	66.61%	-24.40%	-24.57%	0.08%
Shops and parking lots	1,008,087.61	77,192.06	92.34%	27.53%	-73.44%	29.11%
By operating segment						
Guangdong Province	1,308,786,001.07	799,028,972.30	38.95%	-18.91%	0.00%	-24.50%
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	2021	2020	Change (%)
Property sales	Sales volume	RMB'0,000	69,045	38,767	78.10%
	Output	RMB'0,000	204,708	15,616	1,210.89%
	Inventory	RMB'0,000	403,220	121,599	231.60%

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

√ Applicable □ Not applicable

Compared with 2020, the year 2021 saw growth and breakthroughs in property development, sales and investment.

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

Applicable Not applicable

(5) Breakdown of Cost of Sales

By operating division

Unit: RMB

Operating division	Item	2021		2020		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Property sales		292,260,823.05	43.86%	387,659,747.71	48.13%	-24.61%
Engineering and construction		186,409,100.14	27.97%	244,511,214.58	30.35%	-23.76%
Property management		145,898,235.49	21.90%	139,937,487.12	17.37%	4.26%
Rental service		35,545,938.32	5.33%	35,984,852.34	4.47%	-1.22%
Other		22,151,678.03	3.32%	11,611,768.12	1.44%	90.77%
Eliminated internal transactions and accounts		-15,917,413.55	-2.39%	-14,196,621.19	-1.76%	12.12%
Total		666,348,361.48	100.00%	805,508,448.68	100.00%	-17.28%

Note:

Affected by markets and development cycles, property sales and construction both experienced a year-on-year drop.

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

Yes No

See “VI Changes to the scope of consolidation” in “Part X Financial Statements”.

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

Applicable Not applicable

(8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	58,130,053.77
Total sales to top five customers as % of total sales of the Reporting Period (%)	4.45%

Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0.00%
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Information about top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Legal person A	15,319,118.77	1.17%
2	Legal person B	11,483,285.27	0.88%
3	Legal person C	11,167,029.09	0.86%
4	Legal person D	10,532,814.03	0.81%
5	Legal person E	9,627,806.61	0.74%
Total	--	58,130,053.77	4.45%

Other information about major customers:

Applicable Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	89,911,678.31
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	34.81%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	12.00%

Information about top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Legal person A	30,985,550.60	12.00%
2	Legal person B	32,704,335.85	12.66%
3	Legal person C	10,113,649.04	3.92%
4	Legal person D	8,196,092.74	3.17%
5	Legal person E	7,912,050.08	3.06%
Total	--	89,911,678.31	34.81%

Other information about major suppliers:

Applicable Not applicable

3. Expense

Unit: RMB

	2021	2020	Change (%)	Reason for any significant change
Selling expense	42,737,748.22	55,989,397.22	-23.67%	

Administrative expense	98,307,831.60	93,616,226.75	5.01%	
Finance costs	-18,083,491.01	-21,505,685.05	15.91%	

4. R&D Investments

Applicable Not applicable

5. Cash Flows

Unit: RMB

Item	2021	2020	Change (%)
Subtotal of cash generated from operating activities	1,805,846,506.24	1,783,707,997.05	1.24%
Subtotal of cash used in operating activities	3,011,798,614.18	1,498,543,983.88	100.98%
Net cash generated from/used in operating activities	-1,205,952,107.94	285,164,013.17	522.90%
Subtotal of cash generated from investing activities	799,855,541.48	1,019,824,221.85	-21.57%
Subtotal of cash used in investing activities	1,751,621,932.29	749,215.31	233,694.20%
Net cash generated from/used in investing activities	-951,766,390.81	1,019,075,006.54	-193.40%
Subtotal of cash generated from financing activities	266,256,968.76	76,893,995.94	246.26%
Subtotal of cash used in financing activities	164,908,415.94	218,571,160.17	-24.55%
Net cash generated from/used in financing activities	101,348,552.82	-141,677,164.23	155.44%
Net increase in cash and cash equivalents	-2,056,810,291.67	1,161,914,166.47	-277.02%

Explanation of why any of the data above varies significantly:

Applicable Not applicable

Cash used in operating activities increased substantially year-on-year, primarily because property investment and development increased.

Net cash generated from investing activities decreased primarily due to the purchase of financial products for investment purposes.

Net increase in cash and cash equivalents decreased substantially year-on-year, primarily due to investment in property project.

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

Applicable Not applicable

There is a big difference between the net operating cash flow and the net profit for the year, primarily due to the long time span

between property development, sales and revenue recognition.

V Analysis of Non-Core Businesses

Applicable Not applicable

VI Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	31 December 2021		1 January 2021		Change in percentage (%)	Reason for any significant change
	Amount	As a % of total assets	Amount	As a % of total assets		
Monetary assets	564,358,824.63	9.13%	2,687,465,070.01	54.44%	-45.31%	Purchase of project stake and land
Accounts receivable	61,048,785.11	0.99%	59,590,944.06	1.21%	-0.22%	
Inventories	4,034,933,562.62	65.26%	1,220,464,112.56	24.72%	40.54%	New project and new addition to land bank
Investment property	588,865,777.16	9.53%	616,365,621.53	12.48%	-2.95%	
Long-term equity investments	272,168.28	0.00%	377,489.65	0.01%	-0.01%	
Fixed assets	23,920,424.55	0.39%	28,039,978.43	0.57%	-0.18%	
Right-of-use assets	365,351.97	0.01%		0.00%	0.01%	
Short-term borrowings	50,440,116.24	0.82%	76,893,995.94	1.56%	-0.74%	
Contract liabilities	199,965,490.08	3.23%	196,786,977.19	3.99%	-0.76%	
Lease liabilities	125,920.77	0.00%		0.00%	0.00%	
Taxes payable	600,497,936.70	9.71%	459,709,646.95	9.31%	0.40%	Land value-added tax provision
Other payables	581,377,415.64	9.40%	277,105,129.74	5.61%	3.79%	Borrowing to project company from minority shareholder

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

Applicable Not applicable

2. Assets and Liabilities at Fair Value

√ Applicable □ Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance 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	37,510,860.51	-1,188,156.18	4,509,209.49					36,322,704.33
Subtotal of financial assets	37,510,860.51	-1,188,156.18	4,509,209.49					36,322,704.33
Total of the above	37,510,860.51	-1,188,156.18	4,509,209.49					36,322,704.33
Financial liabilities	0.00							0.00

Other change

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

□ Yes √ No

3. Restricted Asset Rights as at the Period-End

Item	Ending carrying value	Reasons for restriction
Accounts receivable	50,440,116.24	Put in pledge for short-term borrowings
Monetary assets	3,500,000.00	Frozen in a lawsuit case
Monetary assets	5,674,439.78	Project of public facilities inside and surrounding the urban renewal project of Longgang District, Shenzhen-construction funds
Total	59,614,556.02	--

VII Investments Made

1. Total Investment Amount

√ Applicable □ Not applicable

Total investment amount in the Reporting Period (RMB)	Total investment amount in last year (RMB)	Change (%)
2,047,080,000.00	205,660,000.00	895.37%

2. Significant Equity Investments Made in the Reporting Period

√ Applicable □ Not applicable

Unit: RMB

Name of investee enterprise	Main businesses	Investment methods	Invested amount	Shareholding percentage	Funding Resources	Partners	Investment Duration	Product type	Status as on the date of the balance sheet	Predicted return	Investment return in the current period	Whether involved in any legal actions	Date of disclosure (if any)	Disclosure index (if any)
Guangdong Jianbang Group (Huiyiang) Industrial Co., Ltd.	Real estate development	acquisition	450,000,000.00	51.00%	Self-owned	Guangzhou Bopi Enterprise Management Consulting Co., Ltd.		Residential units and shops	Ownership transfer formalities were completed in mid May 2021. Jianbang Group has been included in the Company's consolidated financial statements. The Linxinyuan project developed by Jianbang Group has resumed construction in late June 2021, with Phase I kicking off pre-sale in mid December 2021. Currently, the	637,500,000.00	-6,422,929.28	Yes	15 May 2021	Announcement on Progress on Acquisition of 51% of Equity in Guangdong Jianbang Group (Huiyiang) Industrial Co., Ltd. (No.: 2021-020)

									Company is operating as planned.					disclosed on www.cninfo.com.cn
Shenzhen SPG Chuangdi Real Estate Development Co., Ltd.	Real estate development	Incorporated	995,000,000.00	100.00%	Self-owned	-	-	Residential units and shops	Incorporation formalities were completed on 29 October 2021. This project has started construction in mid January 2022.	335,670,000.00	-626,468.85	No	1 November 2021	Announcement on Progress on Incorporation of Wholly-owned Subsidiary (No. 2021-048) disclosed on www.cninfo.com.cn
Total	--	--	1,445,000,000.00	--	--	--	--	--	--	973,170,000.00	-7049398.13	--	--	--

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

Applicable Not applicable

4. Financial Investments

(1) Securities Investments

Applicable Not applicable

No such cases in the Reporting Period.

(2) Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

5. Use of Funds Raised

Applicable Not applicable

No such cases in the Reporting Period.

VIII Sale of Major Assets and Equity Interests

1. Sale of Major Assets

Applicable Not applicable

No such cases in the Reporting Period.

2. Sale of Major Equity Interests

Applicable Not applicable

Count counterparty	Equity interests sold	Date of sale	Selling price (RMB '0,000)	Amount contributed by the equity interests to net income of the Company from period- beginning to date of sale (RMB '0,000)	Effect of the sale on the Company	Amount contributed by the sale to net income of the Company as a percenta ge of the Company 's net income (%)	Pricing principle	Relate d-p arty tran saction or not	Relationship between counterparty and the Company	Own ershi p fully trans ferred or not	Executed as scheduled or not, if not, state reason and actions taken	Disclos ure date	Index to disclose d informat ion

Shenzhen International Trade Center Property Management Co., Ltd.	100% of equity interests of Shenzhen Property Management Co., Ltd.	11 February 2022	19,667.67	3,346,927.48	This transaction is in line with the Company's development strategies and is conducive to the Company's further optimization and adjustment of its industry structure, enrichment of capital reserves, expansion of new profit growth areas, and continuous improvement of its quality. Proceeds from this equity transfer will be carried forward in 2022 and will have a positive impact on the cash flows of the Company. The specific impact is subject to the annual auditing result issued by the audit firm.	0.00%	The transaction price is determined based on the net asset valuation assessed by the evaluation agency on the base date of 30 June 2021.	Yes	Shenzhen International Trade Center Property Management Co., Ltd. (hereinafter referred to as "ITC Property Management") is a wholly-owned subsidiary of ShenZhen Properties & Resources Development (Group) Ltd. "hereinafter referred to as "SZPRD" and the Company are majority-owned subsidiaries of Shenzhen Investment Holdings Co., Ltd. Thus, an association relationship is formed.	Yes	Yes	15 February 2022	Announcement on the Progress of the Related-party Transaction regarding the Transfer of 100% of Equity Interests of Shenzhen Property Management Co., Ltd. (No.: 2022-001) disclosed on www.cninfo.com.cn
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IX Major Subsidiaries

√ Applicable □ Not applicable

Major fully/majority-owned subsidiaries and those minority-owned subsidiaries 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
Guangdong	Subsidiary	Development	2,800,000.00	1,194,312,56	-7,511,961.3		-8,490,635.4	-6,422,929.2

Jianbang Group (Huiyang) Industrial Co., Ltd.		of real estate		2.50	5		4	8
Shenzhen SPG Chuanqi Real Estate Development Co., Ltd.	Subsidiary	Development of real estate	30,000,000.00	994,623,335.62	994,373,531.15		-826,235.27	-626,468.85
Shenzhen SPG Longgang Development Co., Ltd.	Subsidiary	Development of real estate	30,000,000.00	265,395,040.07	124,744,977.43	28,911,854.28	9,645,676.62	10,236,841.31
Shantou SEZ, Wellam FTY, Building Development , Co., Ltd.	Subsidiary	Development of real estate	91,226,120.44	170,626,252.25	122,561,035.98	1,008,087.61	251,183.65	170,289.40
Shantou Huafeng Real Estate Development Co., Ltd.	Subsidiary	Development of real estate	80,000,000.00	978,047,725.92	21,038,772.45	141,667,875.10	542,656.62	397,168.52
Great Wall Estate Co., Inc. (U.S.)	Subsidiary	Development of real estate	2,051,146.00	18,201,422.13	-80,904,534.73	632,524.86	-284,455.30	-284,455.30
Shenzhen Zhentong Engineering Co., Ltd.	Subsidiary	Installation and maintenance	10,000,000.00	122,011,401.31	19,822,359.67	201,876,257.29	-6,226,318.90	-4,786,992.98
Shenzhen Property Management Co., Ltd.	Subsidiary	Property management	7,250,000.00	100,916,928.47	35,164,476.41	163,141,074.63	4,514,075.45	3,346,927.48
Shenzhen Petrel Hotel Co., Ltd.	Subsidiary	Hotel Service	30,000,000.00	49,219,742.72	39,446,188.22	17,378,195.07	-3,539,934.35	-2,703,299.91
Shenzhen Huazhan	Subsidiary	Construction	8,000,000.00	10,639,068.8	10,035,220.9	3,214,530.36	111,097.51	99,035.57

Construction Supervision Co., Ltd.		supervision		6	1			
Xin Feng Enterprise Co., Ltd.	Subsidiary	Investment and management	502,335.00	413,340,621.60	-132,382,885.12		1,285,471.06	1,285,471.06

Subsidiaries obtained or disposed in the Reporting Period:

√ Applicable □ Not applicable

Name	Way of gaining and disposing subsidiaries	Influence on overall production and operation as well as performance
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	Share acquisition	The real estate project company is currently under the development and construction and will be carried forward in 2023.
Shenzhen SPG Chuanqi Real Estate Development Co., Ltd.	Newly established	It is currently in the initial stage of development and construction and will be carried forward in 2024.

Information about major majority- and minority-owned subsidiaries:

- In May 2021, through the payment of consideration of RMB450 million, the Group acquired 51% equity interest in Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. The project company will develop the Linxingyuan Project with a gross site area of 200,000 square meters and a total capacity building area of 0.4 million square meters, which will be developed in four phases and is expected to achieve revenue of RMB6 billion and total profit of approximately RMB1.8 billion from 2023 to 2025. The Group has control over the project company, which will be included in the scope of consolidation in May 2021.
- In October 2021, the Company won the bid for a land plot in Guangming District and established the project company Shenzhen SPG Chuanqi Real Estate Development Co., Ltd. to be responsible for the development and construction of the land.
- The subordinate subsidiaries engaged in real estate development also include: Shenzhen SPG Longgang Development Co., Ltd., Shantou SEZ, Wellam FTY, Building Development, Co., Ltd., Shantou Huafeng Real Estate Development Co., Ltd. The Cuilinyuan project developed by Shenzhen SPG Longgang Development Co., Ltd. brought forward RMB29 million in 2021 (the percentage of accumulative sales carried forward was 95%), accounting for 2.19% of the Company's operating revenue. Jinyedao and YuejingDongfang developed by Shantou SEZ, Wellam FTY, Building Development, Co., Ltd. left a few amount of remaining buildings for sale. And Shantou Huafeng Real Estate Development Co., Ltd. was responsible for the development of Tianyuewan project (divided into Phase I and Phase II). Tianyuewan Phase I was opened for sale in October 2016 and completed in December 2019. The Phase II started construction in November 2018 and was completed at the end of June 2021. The overall sales progress is relatively slow with an accumulated sales rate of about 72% for Phase I and 13% for Phase II.
- Shenzhen Zhentong Engineering Co., Ltd. was engaged in the business of building installation and maintenance with the 2021 operating revenues of RMB202 million and of 15.28% to the operating revenues of the Company.
- Shenzhen Property Management Co., Ltd was engaged in the industry of property management. The 2021 operating revenues was of RMB163 million that was of 12.35% to the operating revenues of the Company.
- The 2021 net profit of Xin Feng Enterprise Co., Ltd. was of RMB1.29 million which mainly due to the changes of exchange rate and it conducts no business.
- The 2021 net profit of Shenzhen Petrel Hotel Co., Ltd. was of RMB-2.7 million which mainly due to the epidemic.

X Structured Bodies Controlled by the Company

Applicable Not applicable

XI Prospects

(I) Industrial Pattern and Trend

The state continues to uphold the principle that “houses are for living in, not for speculating on”, encourages both housing purchase and renting, and implements city-specific policies to promote a virtuous circle and the healthy development of the real estate industry. Under the continuous control of multiple financial regulatory policies, the real estate enterprises have gradually shifted their development goals from “quantity first” to “quality first”. The top enterprises with high qualities, as a result, will be easy to get more resources, and a new industry competition landscape will be presented.

(II) Potential Risks and Countermeasures

1. Macroeconomic risks and countermeasures

The real estate industry has a greater correlation with the macroeconomy and is more influenced by the macroeconomic cycle. At present, along with the accelerated rate of global vaccination and the lifting of lockdown measures in various countries, the global economic recovery has been significantly enhanced, but the world economic situation remains complicated and severe due to the repeated ups and downs of the pandemic and frequent variants of the virus. The Company will continue to pay attention to the international and domestic macroeconomic situation and actively adjust its business strategy.

2. Industry regulation risks and countermeasures

Under the guidance of "housing is for living in, not for speculation", the regulation and control policies are progressive. The market is entering a period of adjustment and the industry is entering a stage of profound changes. The development of the Company is undergoing new tests. The Company will continue to deepen its research on industry policies, follow the national strategies, innovate its operating model and optimize its development method. At the same time, the Company will conduct research on strategic emerging industries in a timely manner to explore new areas and cultivate new business models.

3. Business operating risks and countermeasures

Due to the implementation of a series of policies such as the real estate loan concentration management mechanism and "centralized land supply", it poses new challenges for the Company to expand its development land reserve. The Company will pay close attention to the market and industry policy changes, formulate targeted land expansion plans, and The Company will pay close attention to the quality and efficiency improvement of existing assets, and maintain a good operating revenue scale and performance level.

(III) Development strategy and operating plan

The year 2022 will see the convening of the 20th National Congress of the Communist Party of China. It is also a crucial year for the Company to deepen its reform. The Company will resolutely implement the decisions and deployment of the CPC Shenzhen Municipal Committee, the Shenzhen Municipal People’s Government, the Municipal SASAC, and SIHC. The “Dual Zone” construction in Shenzhen and the policy of deepening the reform of state-owned assets and enterprises have brought strategic opportunities for the Company to plan for projects reserves and stabilize operation and management. Correspondingly, the Company will strive to seek new breakthroughs in its reform and development.

The Company has made an overall operating plan for 2022. Guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company will conscientiously implement the spirit of the 19th

National Congress of the Communist Party of China, all previous plenary sessions of the 19th Central Committee of the Communist Party of China, and the Central Economic Work Conference, and take overall planning of production and operation by Party building and high-quality development. It will stabilize the operation on the basis of safety management, explore future development directions, and focus on project development and sales while strengthening the implementation. At the same time, the Company will make efforts in key tasks such as project financing, quality and efficiency improvement, and risk control. Additionally, the Company will work hard to improve its internal strength and operate meticulously, making every effort to promote its high-quality development to a new level.

1. Focus on the main business and continue to build a solid foundation for development

First, the Company will accelerate project construction to ensure the smooth implementation of project development plans. Second, the Company will fully boost project sales to provide sufficient cash flow and performance support for its future development. Third, the Company will intensify efforts to research real estate policies, work on land development surveys, moderately expand the resource reserves of main business projects, and continually strengthen the foundation for high-quality development.

2. Enhance synergy and actively explore future development directions

First, with the help of intermediary service agencies, the Company will keep strengthening market research on strategic emerging industries. Second, the Company will continue to enhance communication with the Municipal SASAC and the controlling shareholder, and strive to achieve strategic synergy with the systems. Third, the Company will cooperate with system capital platforms to leverage social capital in the form of industry investment funds and jointly explore business opportunities. Fourth, through fund operation, the Company will select target projects that generate stable revenue and profits, show great growth potential and can be integrated in order to steadily increase profits.

3. Improve quality and efficiency, and continuously optimize the industry structure

First, the Company will speed up the collection of equity transfer funds and the transfer of assets and personnel with respect to Shenzhen Property Management. Second, the Company will sell self-owned properties that do not have urban renewal qualifications or appreciation potential. Third, the Company will accelerate the equity transfer of Yunnan Kunpeng Air Service Co., LTD. and recover the investment funds as soon as possible. Fourth, the Company will continue to clear out zombie companies. Fifth, the Company will keep promoting in-depth cooperation with the Luohu District People's Government and Shenzhen Luohu Hospital Group on the theme of comprehensive health.

4. Make sound overall planning to conduct major works in an orderly fashion

First, the Company will enhance communication with financial institutions, strive to expand financing channels, flexibly operate different financing instruments, and rationally optimize its asset-debt structure. Second, the Company will strengthen organizational guarantees, fulfill its responsibilities, and make every effort to solve problems left over from history. Third, benchmarked against model enterprises, the Company will turn to lean management, improve rules and regulations continuously, and standardize decision-making procedures in order to improve the quality of decision-making and fully enhance its comprehensive strength. Fourth, the Company will maintain team stability, optimize the age structure and knowledge structure of the talent team, and ensure that the team's combat effectiveness does not decline and execution power does not lag behind. Fifth, the Company will take multiple measures to consolidate responsibilities, and intensify efforts to collect arrears. Sixth, the Company will deeply advance the development of its policies on supervision, inspection and accountability, comprehensively strengthen the application of supervision results, take accountability and performance management seriously, and focus on improving execution power to ensure the implementation of all tasks.

5. Make unremitting efforts on the implementation of different measures for safe production

The Company will unify its thinking, clarify its directions, carry out safe production and petitioning stability maintenance creatively with high standards closely based on its own reality, and strive to break new grounds in safety and stability. First, the Company will continue to establish sound policies of safe production management, strictly implement the accountability system for safe production, intensify efforts on checking potential safety hazards, and enhance safety governance in major areas. Second, the Company will adhere to regular pandemic prevention and control with targeted measures by taking various steps and stringent precautions for strictly preventing and controlling the pandemic to guarantee a steady situation of pandemic prevention and control.

6. Strengthen leadership and work on Party building

Guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company will organize the study, publicity and implementation of the spirit of the 20th National Congress of the Communist Party of China, consolidate and deepen the achievements of Party history education, and incorporate Party history education into all Party building tasks. On top of that, the Company will strengthen its Party organization theoretically and organizationally and improve the Party organization's conduct. Playing a leadership role, the Party organization will set the right direction, keep in mind the big picture, ensure the implementation of Party policies and principles, and mobilize and give full play to the exemplary and vanguard role of Party members. The Company will take a two-pronged approach on both Party building and business operation, effectively integrating Party leadership into corporate governance to lead to high-quality development of the Company.

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

√ Applicable □ Not applicable

Date of visit	Place of visit	Way of visit	Type of visitor	Visitor	Contents and materials provided	Index to main inquiry information
2021-01-07	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
2021-01-13	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
2021-01-22	The Company	By telephone	Individual	Individual investor	Inquired of the land reserves and projects progress of the Company, and	N/A

					didn't offer written materials	
2021-01-25	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
2021-02-03	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
2021-02-26	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
2021-03-01	The Company	By telephone	Individual	Individual investor	Inquired of business situation, and didn't offer written materials	N/A
2021-03-02	The Company	By telephone	Individual	Individual investor	Inquired of the land reserves and projects progress of the Company, and didn't offer written materials	N/A
2021-03-18	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and	N/A

					didn't offer written materials	
2021-03-25	The Company	By telephone	Individual	Individual investor	Inquired of business situation, and didn't offer written materials	N/A
2021-03-30	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
2021-04-07	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
2021-04-16	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
2021-04-28	The Company	By telephone	Individual	Individual investor	Inquired of the land reserves and projects progress of the Company, and didn't offer written materials	N/A
2021-05-14	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A

2021-05-18	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
2021-05-20	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
2021-06-02	The Company	By telephone	Individual	Individual investor	Inquired of the land reserves and projects progress of the Company, and didn't offer written materials	N/A
2021-06-11	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
2021-06-22	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
2021-06-24	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
2021-06-29	The Company	By telephone	Individual	Individual investor	Inquired of business	N/A

					situations and strategic planning of the Company, and didn't offer written materials	
2021-07-07	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
2021-07-20	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
2021-08-11	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
2021-08-19	The Company	By telephone	Individual	Individual investor	Inquired of project sales and future development plan of the Company and didn't offer written materials	N/A
2021-08-24	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
2021-09-01	The Company	By telephone	Individual	Individual investor	Inquired of the future development	N/A

					plan of the Company, and didn't offer written materials	
2021-09-02	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
2021-09-15	The Company	By telephone	Individual	Individual investor	Inquired of the land reserves and projects progress of the Company, and didn't offer written materials	N/A
2021-09-23	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
2021-10-11	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
2021-10-15	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
2021-10-26	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the	N/A

					Company, and didn't offer written materials	
2021-11-03	The Company	By telephone	Individual	Individual investor	Inquired of the land reserves and projects progress of the Company, and didn't offer written materials	N/A
2021-11-11	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
2021-11-18	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
2021-12-07	The Company	By telephone	Individual	Individual investor	Inquired of the land reserves and projects progress of the Company, and didn't offer written materials	N/A
2021-12-21	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
2021-12-29	The Company	Field research	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A

Part IV Corporate Governance

I Basic Situation of Corporate Governance

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

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

(1) Operation of the general meeting of shareholders

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

(2) Operation of the board of directors

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

(3) Operation of the supervisory committee

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

(4) Operation at manager level

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

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

Yes No

No such cases in the Reporting Period.

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

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

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

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

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

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

III Horizontal Competition

Applicable Not applicable

Type	Relationship with the Company	Company name	Company nature	Course	Countermeasures	Progress and follow-up plan
Horizontal competition	Controlling shareholder	Shenzhen Investment Holdings Co., Ltd.	Other	The Company and ShenZhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as "SZPRD") are majority-owned subsidiaries of Shenzhen Investment Holdings Co., Ltd. The	For the Company's existing business that has horizontal competition with ShenZhen Properties & Resources Development (Group) Ltd., Shenzhen Investment Holdings Co.,	Refer to the Announcement on Receiving the Avoiding Horizontal Competition Commitment Letter from the

				Company and SZPRD are operating real estate development and commercial property sales business, which belong to the same industry. There is horizontal competition.	Ltd. will, within the scope permitted by laws and regulations, timely launch one or several of the following solutions that is practically feasible, and complete the implementation of the relevant solution(s) before 9 November 2024 to solve the existing horizontal competition problem: (1) Solve the horizontal competition between the two through asset sales or asset replacement; (2) Solve the horizontal competition between the two through equity transfer; (3) Take other measures that can effectively solve the problem of horizontal competition.	Controlling Shareholder (No.: 2021-032) disclosed by the Company on 11 September 2021 and the Announcement on Resolutions of the 1 st Extraordinary General Meeting of 2021 (No.: 2021-34) disclosed by ShenZhen Properties & Resources Development (Group) Ltd. on 27 September 2021 for details.
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IV Annual and Extraordinary General Meeting Convened during the Reporting Period

1. General Meetings Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
The 2020 Annual General Meeting	Annual General Meeting	63.55%	28 April 2021	29 April 2021	Resolutions of 2020 Annual General Meeting disclosed on China Securities, Securities Times, Ta Kung Pao and www.cninfo.com.cn (No.: 2021-011)
The 1 st Extraordinary General Meeting of 2021	Extraordinary General Meeting	63.55%	16 July 2021	17 July 2021	Resolutions of the 1 st Extraordinary General Meeting of 2021 disclosed on

						China Securities, Securities Times, Ta Kung Pao and www.cninfo.com.cn (No.: 2021-026)
The 2 nd Extraordinary General Meeting of 2021	Extraordinary General Meeting	63.59%	11 October 2021	12 October 2021		Resolutions of the 2 nd Extraordinary General Meeting of 2021 disclosed on China Securities, Securities Times, Ta Kung Pao and www.cninfo.com.cn (No.: 2021-040)
The 3 rd Extraordinary General Meeting of 2021	Extraordinary General Meeting	1.98%	29 December 2021	30 December 2021		Resolutions of the 3 rd Extraordinary General Meeting of 2021 disclosed on China Securities, Securities Times, Ta Kung Pao and www.cninfo.com.cn (No.: 2021-053)

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

Applicable Not applicable

V Directors, Supervisors and Senior Management

1. Basic Information

Name	Office title	Incumbent/Former	Gender	Age	Start of tenure	End of tenure	Beginning shareholding (share)	Stock options	Number of granted restricted shares (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Ending shareholding (share)	Reason for change
Liu Zhengyu	Chairman of the	Incumbent	Male	52	15 January 2020		0	0	0	0	0	0	0	

Board													
Tang Xiaoping	Director	Incumbent	Male	52	31 December 2020		0	0	0	0	0	0	0
Tang Xiaoping	GM	Incumbent	Male	52	14 December 2020		0	0	0	0	0	0	0
Deng Kangcheng	Director	Incumbent	Male	56	17 April 2012	10,000	0	0	0	0	0	10,000	
Wang Jianfei	Director	Incumbent	Male	49	11 October 2021		0	0	0	0	0	0	0
Wang Jianfei	CFO	Incumbent	Male	49	22 September 2021		0	0	0	0	0	0	0
Wen Li	Director	Incumbent	Female	53	8 September 2006		0	0	0	0	0	0	0
Sun Minghui	Director	Incumbent	Male	41	31 December 2020		0	0	0	0	0	0	0
Kang Xiaoyue	Independent director	Incumbent	Male	58	15 May 2018		0	0	0	0	0	0	0
He Zuowen	Independent director	Incumbent	Male	60	30 June 2020		0	0	0	0	0	0	0
Mi Xuming	Independent director	Incumbent	Male	47	30 June 2020		0	0	0	0	0	0	0
Li Lian	Chairman of the Supervisory	Incumbent	Female	55	31 December 2020		0	0	0	0	0	0	0

	Commi ttee													
Ren Wei	Supervi sor	Incumb ent	Male	42	15 May 2018		2,000	0	0	0	0	0	2,000	
Li Yufei	Supervi sor	Incumb ent	Female	44	17 April 2012		0	0	0	0	0	0	0	
Feng Hongw ei	Supervi sor	Incumb ent	Male	51	2 March 2017		0	0	0	0	0	0	0	
Lin Jun	Supervi sor	Incumb ent	Female	53	27 April 2016		0	0	0	0	0	0	0	
Wei Hanpin g	Vice GM	Incumb ent	Female	56	28 Septem ber 2012		0	0	0	0	0	0	0	
Zhang Hongw ei	Vice GM	Incumb ent	Male	56	15 July 2020		0	0	0	0	0	0	0	
Luo Yi	Secreta ry of the Board	Incumb ent	Male	48	31 Decem ber 2020		0	0	0	0	0	0	0	
Zhao Zhongli ang	Directo r	Former	Male	52	31 Decem ber 2020	11 October 2021	0	0	0	0	0	0	0	
Zhao Zhongli ang	CFO	Former	Male	52	14 Decem ber 2020	22 Septem ber 2021	0	0	0	0	0	0	0	
Total	--	--	--	--	--	--	12,000	0	0	0	0	0	12,000	--

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

√ Yes □ No

Change of Directors, Supervisors and Senior Management

√Applicable □ Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Zhao Zhongliang	Director	Left	11 October 2021	Job change

Zhao Zhongliang	CFO	Left	22 September 2021	Job change
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2. Biographical Information

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

1. Liu zhengyu: he once was the director of Inspection Department in State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal, Chief Accountant, vice GM and member of CPC of Shenzhen Investment Holdings Co., Ltd. Now he acts as the executive director, president and Vice Secretary of CPC of Shenzhen International Holdings Limited, the Chairman of the Board, secretary of CPC of the Company.
2. Tang Xiaoping: he ever act as CFO and finance minister of Shenzhen HRD Assets Management Company, minister of Financial Operations Management Department of Shenzhen Foreign Labor Service Co., Ltd. and executive director of Shenzhen Foreign Affairs Service Center, Manager of Financing Plan Department, deputy GM of the Company and secretary of the Board of the Company. He is currently the director, GM and deputy secretary of the CPC of the Company.
3. Deng Kangcheng: he was once deputy director, director of the Office of Shenzhen Investment Holdings Co., Ltd., and supervisor of the Company. And now he acts as the director, Vice Secretary of CPC and Chairman of the Trade Union Federation of the Company.
4. Wang Jianfei: he was once the minister of the Financial Management Department of Shenzhen Construction Development (Group) Company, vice GM of Hubei SIHC Investment Development Co., Ltd. And now he acts as the director and CFO of the Company.
5. Wen Li: she once worked as the vice chief of the Investment and Development Department, vice director of Management Center for Construction Project and Minister of Enterprise Department I of Shenzhen Investment Holdings Co., Ltd. Now, she serves as the director, GM and vice secretary of CPC in Shenzhen Bay Technology Development Co., Ltd. and the director of the Company.
6. Sun Minghui: Former the senior director of the Finance Department and the Office of the Board of Directors of Shenzhen Investment Holdings Co., Ltd., and the deputy director of the Finance Department (Settlement Center); currently, he is the director of the Finance Department (Settlement Center) of Shenzhen Investment Holdings Co., Ltd. and a director of the Company.
7. Kang Xiaoyue: he was once the staff member of Department of Justice of Jiangxi Province, a reporter, editor and head of Special Issue Department of Shenzhen Legal Newspaper. Chief Lawyer, senior partner of Guangdong New Century Law Firm (later renamed Guangdong Wancheng Law Firm). Now he serves as a senior partner of Beijing Weiheng (Shenzhen) Law Firm and the independent director of the Company.
8. He Zuowen: formerly associate professor of accounting, director of teaching and research section and member of the Disciplinary Committee of Changsha University of Science & Technology, partner and deputy director of Shenzhen Huapeng Certified Public Accountants, director and vice GM of Beijing Zhongtian Huazheng Certified Public Accountants Co., Ltd. (Dahua Certified Public Accountants) as well as head of Shenzhen Branch of it, partner of BDO Certified Public Accountants; advisory expert of Internal Control Standard Committee of the Ministry of Finance, director of Shenzhen Institute of Certified Public Accountants, Vice Secretary of CPC & Secretary of the Disciplinary Committee of Shenzhen CPA Industry Committee, etc., currently partner of Dahua Certified Public Accountants (Special General Partnership), Secretary of CPC General Branch of Shenzhen

Branch, Chairman of Shenzhen Tianye Tax Agent Co., Ltd., and also served as the independent director of Shenzhen JPT Opto-Electronics Co., Ltd., Shenzhen Textile (Group) Co., Ltd., Shenzhen Bioeasy Biotechnology Co., Ltd., Shenzhen Tongyi Industry Co., Ltd. and the Company. The main social positions are: judge of the Guangdong Provincial Senior Accountant Review Committee, external master tutor of Shenzhen University, member of the Shenzhen Municipal Social Organization Disciplinary Inspection Committee of the Communist Party of China, member of Shenzhen CPA Industry Committee, director of Shenzhen Certified Tax Agents Association and Member of the Capital Market Advisory Expert Committee of the Xinjiang Regulatory Bureau of the China Securities Regulatory Commission.

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

10. Li Lian: Former Deputy Director and Deputy Secretary of the Party Branch of Shenzhen Foreign Economic and Trade Service Center, Secretary of the Disciplinary Committee and Chairman of the Supervisory Committee of Shenzhen Shentou Education Co., Ltd.; currently Chairman of the Supervisory Committee, Secretary of the Disciplinary Committee and member of CPC of the Company.

11. Ren Wei: he once was the CFO of Xian Zhenye Real Estate Development Co., Ltd., minister of Budget & Financing Department and director of Fund Centre of Shenfubao Group Co., Ltd. Now he serves as the vice minister of Audit Department of Shenzhen Investment Holdings Co., Ltd. and the supervisor of the Company.

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

13. Feng Hongwei: he once was the Vice Chief of the Board Secretariat, and the Securities Representative. Now he acts as the supervisor, member of the Disciplinary Committee and minister of Audit Department of the Company.

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

15. Wei Hanping: she ever worked as the manager of the Leasing Operation Department in Shenzhen City Construction Development (Group) Co. and the manager of Cost Control Department of the Company. And she now serves as the Vice GM and member of CPC of the Company.

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

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

Offices held concurrently in shareholding entities:

√Applicable □Not applicable

Name	Shareholding entity	Office held in	Start of tenure	End of tenure	Remuneration or
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		the shareholding entity			allowance from the shareholding entity
Liu Zhengyu	Shenzhen Investment Holdings Co., Ltd	Vice GM, member of CPC	9 January 2017	9 August 2021	Yes
Sun Minghui	Shenzhen Investment Holdings Co., Ltd	Chief of Financial Department (Settlement Center)	11 November 2020		Yes
Ren Wei	Shenzhen Investment Holdings Co., Ltd	Vice minister of Audit Department	18 September 2017		Yes
Li Yufei	Shenzhen Investment Holdings Co., Ltd	Deputy Director of Discipline Inspection Office	9 July 2015		Yes

Offices held concurrently in other entities:

√Applicable □Not applicable

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Liu Zhengyu	Shenzhen International Holdings Limited	Executive director, president and Vice Secretary of CPC	19 August 2021		Yes
Liu Zhengyu	China's State Owned Capital Venture Capital Fund	Director	16 August 2016	9 September 2021	No
Liu Zhengyu	Kashi Shenzhen City Co., Ltd.	Director	8 October 2013	18 October 2021	No
Liu Zhengyu	Shenzhen Investment Holdings Bay Area Development Co., Ltd.	Non-executive director, Chairman of the Board	14 March 2018	30 December 2021	No
Liu Zhengyu	Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd.	Director	18 December 2017	18 October 2021	No
Liu Zhengyu	Shenzhen Investment International Capital Holdings Co., Ltd.	Director	9 September 2016	18 October 2021	No

Liu Zhengyu	Tsinghua Tri Shenzhen Co., Ltd.	Director	December 12, 2019	18 October 2021	No
Liu Zhengyu	SIHC Hong Kong Investment Holdings Limited	Director	March 11, 2019	18 October 2021	No
Liu Zhengyu	Research Institute of Tsinghua University in Shenzhen	Member of a council	April 10, 2018	18 October 2021	No
Wen Li	Shenzhen Bay Technology Development Co., Ltd.	Director, GM and Vice Secretary of CPC	December 2, 2016		Yes
Wen Li	Hubei SIHC Investment Development Co., Ltd.	Director	1 February 2018		No
Wen Li	Shenzhen Chuangke Park Investment Co., Ltd.	Director, GM and legal representative	30 December 2021		No
Wen Li	Chengdu Xingjin Bailuwan Construction and Development Co., Ltd.	Chairman of the Board	7 July 2021		No
Sun Minghui	China Nanshan Development (Group) Co., Ltd.	Supervisor	October 17, 2017		No
Sun Minghui	Shenzhen Highway Passenger Transportation Service Centre Co., Ltd.	Supervisor	June 16, 2017		No
Sun Minghui	China Science And Technology Development Co., Ltd.	Supervisor	June 27, 2017		No
Sun Minghui	ULTRARICH INTERNATIONAL LIMITED	Director	November 11, 2020		No
Sun Minghui	China Southern Fund Management Co., Ltd.	Supervisor	November 11, 2020	April 28, 2021	No
Sun Minghui	Hubei SIHC Investment Development Co., Ltd.	Director	November 11, 2020		No
Sun Minghui	Shenzhen Textile (Holdings) Co., Ltd.	Director	February 10, 2021		No
Sun Minghui	Shenzhen Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone Development Co., Ltd.	Director	October 18, 2021		No
Ren Wei	Shenzhen Sungang China Resources Land Development Co., Ltd.	Supervisor	October 17, 2017		No
Li Yufei	Shenzhen Dapengwan Huaqiao Tomb	Director	November 19, 2015		No
Deng	Shenzhen Leaguer Co., Ltd.	Director	15 June 2020		No

Kangcheng					
Wei Hanping	Shenzhen Talents Housing Group Co., Ltd.	Director	4 November 2021		No
Wei Hanping	Shenzhen Special Zone Construction Engineering Group Co., Ltd.	Director	4 November 2021		No
Kang Xiaoyue	Beijing Weiheng (Shenzhen) Law Firm	Senior partner	December 2, 2019		Yes
He Zuowen	Dahua Certified Public Accountants (Special General Partnership)	Partner	December 1, 2002		Yes
He Zuowen	Shenzhen Tianye Tax Agency Co., Ltd.	Chairman of the Board	December 1, 2008		Yes
He Zuowen	Shenzhen JPT Opto-Electronics Co., Ltd.	Independent director	June 1, 2017		Yes
He Zuowen	Shenzhen Textile (Holdings) Co., Ltd.	Independent director	July 19, 2017		Yes
He Zuowen	Shenzhen Bioeasy Biotechnology Co., Ltd.	Independent director	October 1, 2017		Yes
He Zuowen	Shenzhen Tongyi Industry Co., Ltd.	Independent director	October 11, 2018		Yes
Mi Xuming	Shenzhen University	Associate professor and master tutor	December 1, 2009		Yes
Mi Xuming	ChinaLin Securities Co., Ltd.	Independent director	April 10, 2017		Yes
Mi Xuming	Shenzhen Farben Information Technology Co., Ltd.	Independent director	January 29, 2021		Yes

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

Applicable Not applicable

3. Remuneration of Directors, Supervisors and Senior Management

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

1. The remuneration of the Company's directors, supervisors and senior managers shall be determined and implemented in accordance with the regulations of the Company's remuneration management system.
2. After the review and approval at the 2013 Annual General Meeting of Shareholders held on April 23, 2014, the allowance for independent directors has been adjusted to RMB7000 (tax included) per person per month since May 2014, and independent directors will not receive any remuneration other than it from the Company.

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

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/Former	Total before-tax remuneration from the Company	Any remuneration from related party
Liu Zhengyu	Chairman of the Board	Male	52	Incumbent		Yes
Tang Xiaoping	Director and GM	Male	52	Incumbent	122.22	No
Deng Kangcheng	Director	Male	56	Incumbent	109.43	No
Wang Jianfei	Director and CFO	Male	49	Incumbent	9.63	No
Wen Li	Director	Female	53	Incumbent		Yes
Sun Minghui	Director	Male	41	Incumbent		Yes
Kang Xiaoyue	Independent director	Male	58	Incumbent	8.4	No
He Zuowen	Independent director	Male	60	Incumbent	8.4	No
Mi Xuming	Independent director	Male	47	Incumbent	8.4	No
Li Lian	Chairman of the Supervisory Committee	Female	55	Incumbent	101.70	No
Ren Wei	Supervisor	Male	42	Incumbent		Yes
Li Yufei	Supervisor	Female	44	Incumbent		Yes
Feng Hongwei	Supervisor	Male	51	Incumbent	63.15	No
Lin Jun	Supervisor	Female	53	Incumbent	63.15	No
Wei Hanping	Vice GM	Female	56	Incumbent	105.31	No
Zhang Hongwei	Vice GM	Male	56	Incumbent	98.46	No
Luo Yi	Secretary of the Board	Male	48	Incumbent	65.62	No
Zhao Zhongliang	Director and CFO	Male	52	Former	80.77	No
Total	--	--	--	--	844.64	--

VI Performance of Duty by Directors in the Reporting Period**1. Board Meeting Convened during the Reporting Period**

Meeting	Date of the meeting	Disclosure date	Index to disclosed information
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The 60 th Meeting of the 7 th Board of Directors	19 March 2021	20 March 2021	Announcement on Resolutions of the 60 th Meeting of the 7 th Board of Directors (No.: 2021-004) disclosed on China Securities Journal, Securities Times, Ta Kung Pao and www.cninfo.com.cn .
The 61 st Meeting of the 7 th Board of Directors	28 April 2021	29 April 2021	Announcement on Resolutions of the 61 st Meeting of the 7 th Board of Directors (No.: 2021-012) disclosed on China Securities Journal, Securities Times, Ta Kung Pao and www.cninfo.com.cn .
The 62 nd Meeting of the 7 th Board of Directors	30 April 2021	6 May 2021	Announcement on Resolutions of the 62 nd Meeting of the 7 th Board of Directors (No.: 2021-018) disclosed on China Securities Journal, Securities Times, Ta Kung Pao and www.cninfo.com.cn .
The 63 rd Meeting of the 7 th Board of Directors	30 June 2021	1 July 2021	Announcement on Resolutions of the 63 rd Meeting of the 7 th Board of Directors (No.: 2021-023) disclosed on China Securities Journal, Securities Times, Ta Kung Pao and www.cninfo.com.cn .
The 64 th Meeting of the 7 th Board of Directors	20 August 2021	21 August 2021	Announcement on Resolutions of the 64 th Meeting of the 7 th Board of Directors (No.: 2021-027) disclosed on China Securities Journal, Securities Times, Ta Kung Pao and www.cninfo.com.cn .
The 65 th Meeting of the 7 th Board of Directors	27 August 2021	28 August 2021	Announcement on Resolutions of the 65 th Meeting of the 7 th Board of Directors (No.: 2021-028) disclosed on China Securities Journal, Securities Times, Ta Kung Pao and www.cninfo.com.cn .

The 66 th Meeting of the 7 th Board of Directors	22 September 2021	23 September 2021	Announcement on Resolutions of the 66 th Meeting of the 7 th Board of Directors (No.: 2021-033) disclosed on China Securities Journal, Securities Times, Ta Kung Pao and www.cninfo.com.cn .
The 67 th Meeting of the 7 th Board of Directors	19 October 2021	20 October 2021	Announcement on Resolutions of the 67 th Meeting of the 7 th Board of Directors (No.: 2021-042) disclosed on China Securities Journal, Securities Times, Ta Kung Pao and www.cninfo.com.cn .
The 68 th Meeting of the 7 th Board of Directors	25 October 2021	26 October 2021	Announcement on Resolutions of the 68 th Meeting of the 7 th Board of Directors (No.: 2021-044) disclosed on China Securities Journal, Securities Times, Ta Kung Pao and www.cninfo.com.cn .
The 69 th Meeting of the 7 th Board of Directors	13 December 2021	14 December 2021	Announcement on Resolutions of the 69 th Meeting of the 7 th Board of Directors (No.: 2021-049) disclosed on China Securities Journal, Securities Times, Ta Kung Pao and www.cninfo.com.cn .

2. Attendance of Directors at Board Meetings and General Meetings

Attendance of directors at board meetings and general meetings							
Director	Total number of board 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 Zhengyu	10	5	5	0	0	No	4
Tang Xiaoping	10	5	5	0	0	No	4
Deng Kangcheng	10	5	5	0	0	No	4

Wang Jianfei	3	1	2	0	0	No	1
Wen Li	10	3	7	0	0	No	1
Sun Minghui	10	5	5	0	0	No	2
Kang Xiaoyue	10	5	5	0	0	No	4
He Zuowen	10	2	8	0	0	No	4
Mi Xuming	10	5	5	0	0	No	4
Zhao Zhongliang	7	4	3	0	0	No	2

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

Not applicable

3. Objections Raised by Directors on Matters of the Company

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

Yes No

No such cases in the Reporting Period.

4. Other Information about the Performance of Duty by Directors

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

Yes No

Suggestions from directors adopted or not adopted by the Company:

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

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

Committee	Members	Number of meetings convened	Convened date	Content	Important opinions and suggestions raised	Other information about the performance of duty	Details about issues with objections (if any)
Strategic Committee of the Board of Directors	Liu Zhengyu, Tang Xiaoping, Wen Li, Mi Xuming, Kang	1	30 April 2021	Deliberation on the acquisition of 51% equity interest in	It is believed that the Company's acquisition of 51% equity interest in Guangdong Jianbang Group		

	Xiaoyue			Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	(Huiyang) Industrial Co., Ltd. will effectively increase the Company's land reserve resources, which is conducive to the sustainable development of the Company in the future; the project has good economic benefits, is conducive to enhancing the Company's future business performance and profitability, and is in line with the interests of the Company and all shareholders.		
Audit Committee of the Board of Directors	He Zuowen, Sun Minghui, Mi Xuming	4	20 January 2021	Deliberation on the Company's 2020 financial statements	It is believed that the Company has chosen and applied appropriate accounting policies and made reasonable accounting estimates in accordance with the provisions of the new Accounting Standards for Business Enterprises. The Company has always been cautious about changes in accounting policies and accounting estimates. There is no use or abuse of changes in accounting policies or accounting estimates to adjust profits. The financial statements prepared by the Company are true and reliable with complete contents.		
			16 March 2021	Deliberation on the preliminary audit opinions of Grant Thornton China (LLP) on the Company's 2020 financial	It is believed that the Company's 2020 financial statements prepared by Grant Thornton China (LLP) comply with all provisions of the Accounting Standards for Business Enterprises, and		

				statements	truly and completely represent the Company's financial position as of 31 December 2020 and its operating results and cash flows for the year 2020 in all material respects.		
			19 March 2021	Deliberation on the summary of the 2020 audit service provided by Grant Thornton China (LLP) for the Company	It is believed that Grant Thornton China (LLP) has completed the audit of the Company's 2020 financial statements well.		
			25 June 2021	Deliberation on the proposed renewal of the audit firm	It is believed that Grant Thornton China (LLP) (hereinafter referred to as "Grant Thornton") possesses independence, professional competence, the ability to protect investors, and the experience and capability of providing audit services for listed companies. During the audit of the Company's 2020 financial statements and internal control, Grant Thornton was able to earnestly perform its duties in accordance with the requirements of the auditing standards and the <i>Basic Code for Internal Control of Enterprises</i> . It independently, objectively and fairly evaluated the Company's financial position and operating results, demonstrating occupational ethics and professional competence. Therefore, it is proposed to		

					the Company's Board of Directors that Grant Thornton should be renewed as the auditing agency for the Company's 2021 financial statements and internal control.		
Remuneration and Appraisal Committee of the Board of Directors	Mi Xuming, Zhao Zhongliang, He Zuowen		19 March 2021	Deliberation on the annual remuneration of directors, supervisors and senior management as disclosed in the Company's 2020 annual report	It is believed that the remuneration decision-making procedures for the Company's directors, supervisors and senior management are compliant, the remuneration payment standards for the Company's directors, supervisors and senior management are in line with the regulations of the remuneration system, and that the remuneration disclosed in the 2020 annual report is true and accurate.		
Nomination Committee of the Board of Directors	Kang Xiaoyue, Deng Kangcheng, He Zuowen		14 September 2021	Deliberation on the nomination of Mr. Wang Jianfei as the Company's director and CFO	It is believed that Mr. Wang Jianfei is not involved in the circumstances stipulated in Article 146 of the <i>Company Law</i> that prohibit him from serving as a director or a senior management member, has never received punishment by the China Securities Regulatory Commission and other relevant authorities or disciplinary action by the stock exchange, has not been placed on file for investigation by judicial organs for suspected crimes or placed on file for inspection by the China Securities Regulatory Commission for suspected violations of laws and		

					regulations, is not a defaulter, is not a person held liable or punished for dishonesty, and has the qualifications required by relevant laws, administrative regulations, departmental rules, and normative documents. It is agreed that Mr. Wang Jianfei may be recommended as the Company's director and CFO and that the relevant proposal should be submitted to the 66th Meeting of the 7th Board of Directors of the Company for deliberation.		
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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	109
Number of in-service employees of major subsidiaries at the period-end	1,469
Total number of in-service employees at the period-end	1,578
Total number of paid employees in the Reporting Period	1,575
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	0
Functions	
Function	Employees
Production	950

Sales	79
Technical	422
Financial	53
Administrative	74
Total	1,578
Educational backgrounds	
Category	Number
Doctors	1
Masters	15
Bachelors	175
College graduates	214
Technical secondary school graduates	88
High school graduates and below	1,085
Total	1,578

2. Employee Remuneration Policy

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

3. Employee Training Plans

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

4. Labor Outsourcing

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

Final Dividend Plan for the Reporting Period

√ Applicable Not applicable

Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB) (tax inclusive)	0.88
Total shares as the basis for the profit distribution proposal (share)	1,011,660,000
Cash dividends (RMB) (tax inclusive)	89,026,080.00
Cash dividends in other forms (such as share repurchase) (RMB)	0.00
Total cash dividends (including those in other forms) (RMB)	89,026,080.00
Distributable profit (RMB)	220,836,309.93
Total cash dividends (including those in other forms) as % of total profit distribution	100%
Cash dividend policy	
It's not easy to distinguish in the Company's development stage. While, when there is a major capital spending, the percentage of cash dividends to the profit distribution shall be 20% at least when conducting the profit distribution.	
Details about the proposal for profit distribution and converting capital reserve into share capital	
The Profit Distribution Plan of 2021 was reviewed and approved by the 71 st Meeting of the 7 th Board of Directors held on 17 March 2022, and intended to be submitted to The 2021 Annual General Meeting for review. Based on the total 1,011,660,000 shares of the Company as at 31 December 2021, a cash dividend of RMB0.88 (tax included) will be distributed to the A-share and B-share holders for every 10 shares they hold without bonus share (tax included), and no share capital increase from capital reserve would be conducted. The profit distribution plan can be implemented upon review and approval of the Shareholders' General Meeting of the Company.	

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

 Applicable Not applicable

No such cases in the Reporting Period.

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

1. Establishment and Execution of the Internal Control System

The Company has established a relatively complete and continuously effective internal control system, and has carried out internal control evaluation in accordance with the internal control matrix and documents. In accordance with the requirements of the standard system for enterprise internal control and relevant regulations, the Company has maintained effective internal control over financial reporting in all material respects. No major deficiencies in internal control not related to financial reporting have been found, and no factors affecting the evaluation conclusion

of internal control effectiveness have occurred. At the same time, the Company attaches great importance to the regulation and steering role of the big supervision system. By holding joint supervision meetings and carrying out key supervision and inspection, the Company has promoted the standardization level improvement of relevant management work. No major violations of regulations and disciplines have been found. In the future, the Company will continue to develop internal control in a standardized manner and strengthen the supervision and inspection of internal control in order to promote the healthy and sustainable development of the Company.

2. Material Internal Control Weaknesses Identified for the Reporting Period

Yes No

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

Subsidiary	Integration plan	Integration progress	Problem	Countermeasures taken	Settlement progress	Follow-up settlement plan
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	During the Reporting Period, the Company acquired 51% equity interest in Jianbang Group. The equity registration change was completed in mid-May 2021.	Jianbang Group has been included in the scope of the Company's consolidated statements. The construction for Linxinyuan Project developed by the Company was successfully resumed at the end of June 2021, and the Phase I was pre-sold in mid-December. At present, the company's operation and management are being carried out as planned.	N/A	N/A	N/A	N/A

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

1. Internal Control Self-Evaluation Report

Disclosure date of the internal control	18 March 2022
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self-evaluation report		
Index to the disclosed internal control self-evaluation report	2021 Internal Control Self-Evaluation Report on www.cninfo.com.cn	
Evaluated entities' combined assets as % of consolidated total assets	85.58%	
Evaluated entities' combined operating revenue as % of consolidated operating revenue	99.16%	
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>The Company in line with the actual situation, when the follows events or indications happen, which means there probably existing serious or important defects in the financial report; (1) the directors, supervisors and senior executives were fraud. (2) Certified Public Accountant find that there is a significant error in the financial report, however, the internal control did not discover it when conducting internal control; (3) The Audit Committee under the Board and Internal Audit Service's supervision to the internal control is invalid. (4) The accounting personnel were without necessary qualities to complete the preparation of financial statements.</p>	<p>The criterion of quality of the recognition of defects of internal control in the non-financial statements mainly were order of severity of defect involving business nature, the direct or potential negative influence nature and the influence scope and other factors. If the follows events or indicators occur, there may be serious or important defects of internal control in the non-financial statements:(1) Lack democratic decision-making process, if lack significant problem decision-making, important appointment and dismissal of cadres, significant project investment decision-making; usage of large capital (three important, one large); (2) Unscientific decision-making process, such as the major decision-making errors, has caused a serious property loss to the company; (3) Seriously violating state laws and regulations; (4) Loss of key management personnel or important talent; (5) Negative news media appear frequently and widely spread; (6) The results of the internal control evaluation especially large or significant defects have not been corrected. (7) Important business systems lack control rules, or systemic failure.</p>
Quantitative standard	Serious defects: the defects, or defect group	The criterion of quantity of the

	may lead to the financial results misstatement or potential losses >3% of net assets; important defects: 1% of net assets<the defects, or defect group may lead to the financial results misstatement or potential losses ≤ 3% of net assets; General defects: the defects, or defect group may lead to the financial results misstatement or potential losses ≤ 1% of net assets. Note: Net assets in a recent issue of the audited financial report shall prevail	recognition of defects of internal control in the non-financial statements mainly were amount of direct economy losses, in line with the criterion of quantity of the recognition of defects of internal control in financial report of the Company.
Number of material weaknesses in internal control over financial reporting		0
Number of material weaknesses in internal control not related to financial reporting		0
Number of serious weaknesses in internal control over financial reporting		0
Number of serious weaknesses in internal control not related to financial reporting		0

2. Independent Auditor's Report on Internal Control

Applicable Not applicable

Opinion paragraph in the independent auditor's report on internal control	
We believe that Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. maintained effective internal control of financial statements in all significant aspects on 31 December 2021 in accordance with Basic Standards for Internal Control and relevant regulations.	
Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	18 March 2022
Index to such report disclosed	Report on Internal Control disclosed on www.cninfo.com.cn .
Type of the auditor's opinion	Unmodified unqualified opinion
Material weaknesses in internal control not related to financial reporting	No

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

Yes No

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

Yes No

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

1. In accordance with the requirements of relevant laws, regulations and regulatory rules and in light of the reality of the Company, the Company completed the revision of ten governance policies including the Rules of Procedure of the General Meeting of Shareholders, the Rules of Procedure of the Board Meeting, the Rules of Procedure of the Board of Supervisors, the implementation rules of the special committees under the Board of Directors, the Work Policy for Independent Directors, the Registration and Administration Policy for Persons with Insider Information, and the Information Disclosure Affairs Management Policy during the Reporting Period.
2. The transition of the 7th Board of Directors and the 7th Board of Supervisors of the Company has not been completed as scheduled due to the planning of major asset restructuring (already terminated). The 7th Board of Directors of the Company consists of nine members (including three independent directors). So far, seven members have been changed (all the three independent directors have been changed). The Board of Supervisors consists of five members, and four members have been changed. The Company has communicated with the controlling shareholder about initiating the transition of the Board of Directors and the Board of Supervisors and will continue to maintain communication with the controlling shareholder to complete the transition of the Board of Directors and the Board of Supervisors as soon as possible.

Part V Environmental and Social Responsibility

I Major Environmental Issues

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

Yes No

Administrative penalties imposed for environmental problems during the Reporting Period

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

Other environmental information disclosed with reference to the heavily polluting business

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

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

Applicable Not applicable

Reason for failure of disclosing other environmental information

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

II Social Responsibility

The Company has proactively fulfilled its social responsibilities. While pursuing economic benefits and protecting the interests of shareholders, it complied with the overall development of the country and society, protected the legal rights of creditors and employees and treated the suppliers, customers and consumers with integrity. Participating in the public welfare undertakings positively, the Company took efforts in keeping a harmonious development of the Company itself and the whole society. During the Reporting Period, the Company continued to deepen its volunteer services. It organized the "SPG with Love, Supporting People's Livelihood" environmentally friendly clothing donation, and jointly launched the public welfare activity of "Positive Energy from the Youth to the Party" with Shenzhen Good Youth Technology Innovation Development Co., Ltd. Also, the Company collaborated with community workstations to prevent and control the pandemic, assisted in the completion of nucleic acid testing in 27 communities, and provided "Buy and Deliver" door-to-door services. With respect to the actual difficulties brought to Tianyuewan Community by the water supply measure that water supply is made available for three days and then cut off for five days, the increase of water supply channels was adopted to properly solve the drinking water problem for the residents of the community. Besides, in accordance with the idea of "creating a civilized community" in Jiabei Community, the Company actively participated in the voluntary activity of traffic civilization persuasion. 162 people volunteered throughout the year. At the same time, the Company supported the work of family affairs in the region, and donated RMB30,000 in the charity fund-raising activity of "Joining Hands on Fertility Care, Caring for Families in Need" of Jiabei Community. It

also donated property management equipment worth RMB230,000 to Cuizhuyuan Community, Cuizhu Sub-district, Luohu District, to help build Cuizhuyuan into a happy community.

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

During the Reporting Period, the Company actively promoted the special action of poverty alleviation. The purchases for poverty alleviation in the system totaled RMB800,000 throughout the year, helping to consolidate poverty alleviation outcomes.

Part VI Significant Events

I Fulfillment of Commitments

1. Commitments of the Company's De Facto Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and Other Entities Fulfilled in the Reporting Period or Ongoing at the Period-End

√ Applicable □ Not applicable

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfillment
Commitments made in share reform						
Commitments made in acquisition documents or shareholding alteration documents						
Commitments made in time of asset restructuring	The Company	Asset restructuring	The Company's major asset restructuring was terminated, and trading of the stocks was resumed on 9 November 2020. The Company promises that it will not initiate the major asset restructuring after the announcement of termination was disclosed within at least two months.	9 November 2020	Two months	Completed
Commitments made in time of IPO or refinancing						
Equity incentive commitments						
Other commitments made to minority interests	Shenzhen Investment Holdings Co., Ltd.	Avoiding horizontal competition	To avoid horizontal competition, Shenzhen Investment Holdings Co., Ltd. made such a commitment: For the Company's existing business that has horizontal competition with ShenZhen Properties & Resources Development (Group) Ltd.,	10 September 2021	Before 9 November 2024	Ongoing

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

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

Applicable Not applicable

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

Applicable Not applicable

No such cases in the Reporting Period.

III Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

IV Explanations Given by the Board of Directors Regarding the Latest “Modified Opinion” on the Financial Statements

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Please refer to “33. Changes in significant accounting policies and accounting estimates” of “III. Significant accounting policies and accounting estimates” in “Part X Financial Statements” for details.

VII YoY Changes to the Scope of the Consolidated Financial Statements

Applicable Not applicable

See “VI Changes to the scope of consolidation” in “Part X Financial Statements”.

VIII Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	Grant Thornton China (LLP)
The Company's payment to the domestic independent auditor (RMB'0,000)	53
How many consecutive years the domestic independent auditor has provided audit service for the Company	3
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Zhao Juanjuan, Jiang Xiaoming
How many consecutive years the certified public accountants from the domestic independent auditor have provided audit service for the Company	3

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

The Company engaged Grant Thornton China (LLP) for the audit of internal controls with payment of RMB0.23 million in the Reporting 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 information
Xi'an Project Lawsuit	2,100	No	In execution	① Xi'an Business Tourism Company Limited (hereinafter referred to as "Business Company") had to pay for the compensation RMB36.62 million and the relevant interest (from 14 September 1998 to the payment day) to Xi'an Fresh Peak Company within one month after the judgment entering into force. If the Business	Shaanxi High People's Court Sold all assets of Business Company by auction in accordance with laws in 2004. The applicant has received RMB15.20 million. Now Business Company has no executable properties and Xi'an Joint Commission on Commerce has been refusing to execute the ruling. It is difficult to	28 August 2021	Interim Report 2021 (full text) (No.: 2021-031) on www.cninfo.com.cn

				<p>Company failed to pay in time, it had to pay double debt interests to Xi'an Fresh Peak Company for the overdue period;</p> <p>② Xi'an Joint Commission on Commerce had jointly and severally obligation of the interests of the compensation;</p> <p>③ Business Company shall bear RMB227,500 of the acceptance fee and the security fee.</p>	recover the rest.		
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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

No such cases in the Reporting Period.

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

Applicable Not applicable

No such cases in the Reporting Period.

3. Related Transactions Regarding Joint Investments in Third Parties

Applicable Not applicable

No such cases in the Reporting Period.

4. Amounts Due to and from Related Parties

Applicable Not applicable

No such cases in the Reporting Period.

5. Transactions with Related Finance Companies

Applicable Not applicable

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

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

Applicable Not applicable

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

7. Other Major Related-Party Transactions

Applicable Not applicable

The Company transferred 100% equity interests of Shenzhen Property Management Co., Ltd. to Shenzhen International Trade Center Property Management Co., Ltd. which was a related-party transaction and was reviewed and approved on the 69th Meeting of the 7th Board of Directors and the 3rd Extraordinary General Meeting of 2021 of the Company.

Index to announcements on major related-party transactions

Announcement	Disclosure time	Disclosure website
Announcement on Resolutions of the 69 th Meeting of the 7 th Board of Directors (No.: 2021-049)	14 December 2021	www.cninfo.com.cn
Announcement on Progress of the Related-Party Transaction regarding the Transfer of 100% of Equity Interests in Shenzhen Property Management Co., Ltd. (No.: 2021-052)	24 December 2021	www.cninfo.com.cn
Announcement on Resolutions of the 3 rd Extraordinary General Meeting of 2021 (No.:	30 December 2021	www.cninfo.com.cn

2021-053)		
Announcement on Progress of the Related-Party Transaction regarding the Transfer of 100% of Equity Interests in Shenzhen Property Management Co., Ltd. (No.: 2022-001)	15 February 2022	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

No such cases in the Reporting Period.

3. Cash Entrusted to Other Entities for Management

(1) Cash Entrusted for Wealth Management

Applicable Not applicable

Overview of cash entrusted for wealth management in the Reporting Period

Unit: RMB'0,000

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount	Unrecovered overdue amount with provision for impairment
Others	Self-owned funds	1,300,000,000	514,024,710.91	0	0

Total	1,300,000,000	514,024,710.91	0	0
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High-risk entrusted wealth management with significant single amount or low security and poor liquidity:

Applicable Not applicable

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

Applicable Not applicable

(2) Entrusted Loans

Applicable Not applicable

No such cases in the Reporting Period.

4. Other Major Contracts

Applicable Not applicable

No such cases in the Reporting Period.

XVI Other Significant Events

Applicable Not applicable

In order to implement the plan of the State Council for transferring parts of state-owned capital to enrich the social security fund, in January 2021, SIHC, the controlling shareholder of the Company, decided to transfer 64,288,426 tradable ordinary A-shares of the Company (accounting for 6.355% of the total share capital) to Shenzhen State-owned Equity Management Co., Ltd. (hereinafter referred to as "State-owned Equity Company") free of charge to enrich the social security fund. State-owned Equity Company is a wholly-owned subsidiary newly established by SIHC to manage the transferred state-owned equity in a special account. In March 2021, the registration procedure for the above share transfer was completed. Before and after the free transfer of state-owned equity, the controlling shareholder and actual controller of the Company remained unchanged. For more details, see the Suggestive Announcement on the Free Transfer of Parts of State-owned Equity of Controlling Shareholders to Enrich the Social Security Fund (Announcement No. 2021-001) and the Announcement on the Completion of Free Transfer Registration of Parts of State-owned Equity of Controlling Shareholders to Enrich the Social Security Fund (Announcement No. 2021-003) disclosed on 29 January and 18 March 2021.

After deliberation and approval at the 2020 General Meeting of Shareholders, the Company decided to purchase liability insurance for Directors, Supervisors and Senior Managers. For more details, please refer to the Announcement on Purchasing Liability Insurance for Directors, Supervisors and Senior Managers (Announcement No. 2021-008) and the Announcement on the Resolution of the 2020 General Meeting of Shareholders (Announcement No. 2021-011) disclosed on 20 March and 29 April 2021. During the Reporting Period, the issue regarding Liability Insurance for Directors, Supervisors and Senior Managers has been completed.

After deliberation and approval at the 61st Meeting of the 7th Board of Directors, the Company purchased wealth management products of RMB1.3 billion with its own funds in June 2021 which has been partly redeemed in the Reporting Period. For more details, see the Announcement on Resolutions of the 61st Meeting of the 7th Board of Directors (Announcement No. 2021-012), the Announcement on Authorizing the Management Group to Use Own

Funds to Purchase Wealth Management Products (Announcement No. 2021-017), the Announcement on the Progress of Using Own Funds to Purchase Wealth Management Products (Announcement No. 2021-022) and the Announcement on the Progress of Using Own Funds to Purchase Wealth Management Products (Announcement No. 2021-036) disclosed on 29 April, 4 June, and 24 September 2021.

After deliberation and approval at the 62nd Meeting of the 7th Board of Directors, the Company decided to acquire 51% equity of Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. held by Guangzhou Bopi Enterprise Management Consulting Co., Ltd. with its own capital of RMB450 million. Transaction transfer and registration changes were completed in the Reporting Period. For more details, see the Announcement on Resolutions of the 62nd Meeting of the 7th Board of Directors (Announcement No. 2021-018), the Announcement on Acquisition of 51% Equity of Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. (Announcement No. 2021-019) and the Announcement on Progress of Acquisition of 51% Equity of Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. (Announcement No. 2021-020) disclosed on 6 May and 15 May 2021.

The Measures for the Management of Employees' Co-investment and the Measures for the Management of Employees' Co-investment of Linxijun Project were deliberated and approved at the 63rd Meeting of the 7th Board of Directors and the 2021 First Extraordinary General Meeting. For more details, see the Announcement on Resolutions of the 63rd Meeting of the 7th Board of Directors (Announcement No. 2021-023) and the Announcement on Resolutions of the 2021 First Extraordinary General Meeting of Shareholders (Announcement No. 2021-026) disclosed on 1 July and 17 July 2021. During the Reporting Period, co-investing employees made project co-investments through partnership establishment and completed the payment of the subscription funds for the co-investments.

During the Reporting Period, the Company received the Letter of Commitment on Avoiding Horizontal Competition from Shenzhen Investment Holdings Co., Ltd., the controlling shareholder. For more details, see the Announcement on Receiving the Letter of Commitment on Avoiding Horizontal Competition from the Controlling Shareholder (Announcement No. 2021-032) disclosed on 11 September 2021 and the Announcement on Resolutions of the 2021 First Extraordinary General Meeting of Shareholders (Announcement No. 2021-34) disclosed by ShenZhen Properties & Resources Development (Group) Ltd. on 27 September 2021.

On 28 September 2021, the Company participated in the land use right assignment activity through quotation held by the Land and Mining Rights Business Branch of Shenzhen Exchange Group Co., Ltd., and won the use right of No. A511-0039 state-owned land with RMB965 million. After deliberation and approval at the 67th Meeting of the 7th Board of Directors, the Company established a wholly owned subsidiary (Shenzhen SPG Chuanqi Real Estate Development Co., Ltd.) to facilitate the development and construction of the aforesaid land. For more details, see the Announcement on Winning the Bid of State-owned Land Use Right (Announcement No. 2021-039), the Announcement on Resolutions of the 67th Meeting of the 7th Board of Directors (Announcement No. 2021-042), the Announcement on the Investment and Construction of No. A511-0039 Land in Guangming District and the Establishment of Shenzhen SPG Group Guangming Development Co., Ltd. (Announcement No. 2021-043), and the Announcement on the Progress of Wholly Owned Subsidiary Establishment (Announcement No. 2021-048) disclosed on 30 September 2021, 20 October 2021, and 1 November 2021.

XVII Significant Events of Subsidiaries

Applicable Not applicable

Part VII Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
1. Restricted shares	0	0.00%	0	0	0	0	0	0	0.00%
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	0	0.00%	0	0	0	0	0	0	0.00%
1.3 Shares held by other domestic investors	0	0.00%	0	0	0	0	0	0	0.00%
Among which: shares held by domestic legal person	0	0.00%		0	0	0	0	0	0.00%
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		0.00%
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	1,011,660,000	100.00%	0	0	0	0	0	1,011,660,000	100.00%
2.1 RMB ordinary shares	891,660,000	88.14%	0	0	0	0	0	891,660,000	88.14%
2.2 Domestically listed foreign shares	120,000,000	11.86%	0	0	0	0	0	120,000,000	11.86%
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	1,011,660, 000	100.00%	0	0	0	0	0	1,011,660 ,000	100.00%
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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	55,596	Number of ordinary shareholders at the month-end prior to the disclosure of this	53,831	Number of preferred shareholders with resumed voting rights (if any)	0	Number of preferred shareholders with resumed voting rights at the month-end	0
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		Report					prior to the disclosure of this Report (if any)	
Shareholding of ordinary shareholders holding more than 5% shares or the top 10 of ordinary shareholders								
Name of shareholder	Nature of shareholder	Holding percentage (%)	Number of shareholding at the end of the Reporting Period	Increase and decrease of shares during Reporting Period	Number of restricted shares	Number of unrestricted shares	Pledged, marked or frozen shares	
							Status of shares	Amount
Shenzhen Investment Holdings Co., Ltd	State-owned legal person	57.19%	578,595,836	-6428842		578,595,836		
Shenzhen State-owned Equity Management Co., Ltd.	Domestic non-state-owned legal person	6.35%	64,288,426	+6428842		64,288,426		
Yang Jianmin	Domestic natural person	0.45%	4,514,677			4,514,677		
Zhang Xiujuan	Domestic natural person	0.36%	3,597,300			3,597,300		
Pan Jun	Domestic natural person	0.33%	3,288,900			3,288,900		
Lin Weirong	Domestic natural person	0.31%	3,116,400			3,116,400		
Wang Yulan	Domestic natural person	0.23%	2,329,691			2,329,691		
Zhu Fengbo	Domestic natural person	0.21%	2,100,000			2,100,000		
Liu Yuqing	Domestic natural person	0.21%	2,090,201			2,090,201		
Shenzhen Bao'an Songgang Huamei Industry Company	Domestic non-state-owned legal person	0.20%	2,021,200			2,021,200		
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any)		None						
Related or acting-in-concert parties		Among the top 10 shareholders of the Company, Shenzhen State-owned Equity						

among the shareholders above	Management Co., Ltd. is a wholly-owned subsidiary of Shenzhen Investment Holdings Co., Ltd. The Company does not know whether there exists associated relationship among the other shareholders, or whether they are persons acting in concert as prescribed in the Administrative Measures for the Acquisition of Listed Companies.		
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights	None		
Special account for share repurchases (if any) among the top 10 shareholders	None		
Top 10 unrestricted shareholders			
Name of shareholder	Unrestricted shares held at the period-end	Shares by type	
		Type	Shares
Shenzhen Investment Holdings Co., Ltd	578,595,836	RMB ordinary shares	578,595,836
Shenzhen State-owned Equity Management Co., Ltd.	64,288,426	RMB ordinary shares	64,288,426
Yang Jianmin	4,514,677	RMB ordinary shares	4,514,677
Zhang Xiujuan	3,597,300	RMB ordinary shares	3,597,300
Pan Jun	3,288,900	RMB ordinary shares	3,288,900
Lin Weirong	3,116,400	RMB ordinary shares	3,116,400
Wang Yulan	2,329,691	RMB ordinary shares	2,329,691
Zhu Fengbo	2,100,000	RMB ordinary shares	2,100,000
Liu Yuqing	2,090,201	RMB ordinary shares	2,090,201
Shenzhen Bao'an Songgang Huamei Industry Company	2,021,200	RMB ordinary shares	2,021,200
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	Among the top 10 unrestricted public shareholders of the Company, Shenzhen State-owned Equity Management Co., Ltd. is a wholly-owned subsidiary of Shenzhen Investment Holdings Co., Ltd. The Company does not know whether there exists associated relationship among the other shareholders, or whether they are persons acting in concert as prescribed in the <i>Administrative Measures for the Acquisition of Listed Companies</i> .		
Top 10 ordinary shareholders involved	Among the top 10 shareholders of the Company, the third, fourth, sixth, ninth and tenth		

in securities margin trading (if any) (see Note 4)	shareholders respectively held 1,466,400 shares, 3,597,300 shares, 1,957,700 shares, 2,010,201 shares and 2,021,200 shares in their credit securities accounts.
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Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes No

No such cases in the Reporting Period.

2. Controlling Shareholder

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

Type of the controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Shenzhen Investment Holdings Co., Ltd.	He Jianfeng	13 October 2004	767566421	Investment in equities on behalf of the government and management of those investments; development and operation of government-allocated land; and investment in and provision of services for strategic emerging industries
Controlling shareholder's holdings in other listed companies at home or abroad in the Reporting Period	301,410,000 shares in SZPRD A (000011), representing a stake of 50.57%;; 234,070,000 shares in STHC (000045) , representing a stake of 46.21%; 9,590,000 shares in Shenzhen Universe A (000023) , representing a stake of 6.91%; 962,720,000 shares in Ping An (601318) , representing a stake of 5.27%; 3,223,110,000 shares in Guosen Securities (002736) , representing a stake of 33.53%; 609,430,000 of A shares and 103,370,000 of H shares in Guotai Junan (601211) , representing a stake of 8%; 195,030,000 shares in Telling Holding (000829) , representing a stake of 19.03%; 985,640,000 shares in Shenzhen International (00152) , representing a stake of 43.48%; 604,820,000 shares in BEAUTYSTAR (002243), representing a stake of 49.96%; 2,213,450,000 shares in Bay Area Development (00737), representing a stake of 71.83%; 315,830,000 shares in Infinova (002528), representing a stake of 26.35%; 388,450,000 shares in EA (002183), representing a stake of 14.96%; 49,500,000 shares in SWPD (301038), representing a stake of 37.50%; 6,770,000 shares in Shenzhen Energy (000027), representing a stake of 0.14%; 9,520,000 shares in BOCOM (601328), representing a stake of 0.01%; 113,980,000 shares in Techand Ecology (300197), representing a stake of 4.04%;			

	77,270,000 shares in Vanke (02202), representing a stake of 0.66%.
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Change of the controlling shareholder in the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

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

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

Type of the actual controller: legal person

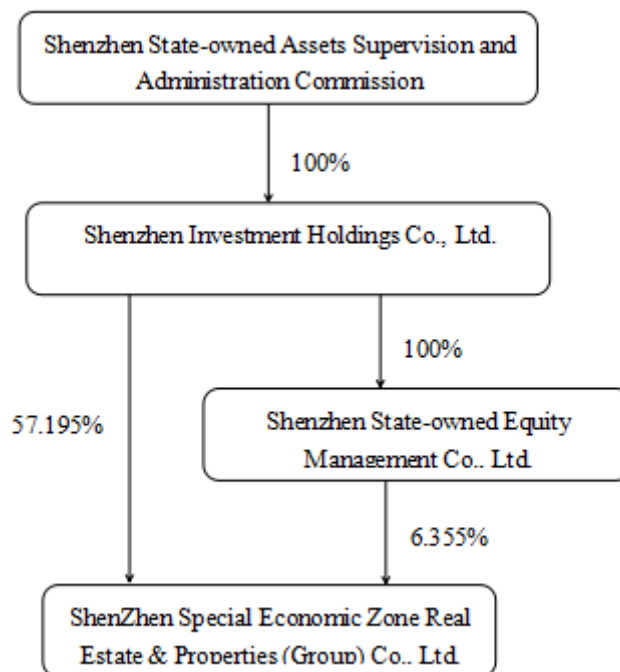
Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Shenzhen State-owned Assets Supervision and Administration Commission	Wang Yongjian	31 July 2004	K3172806-7	Perform the responsibilities of investor on behalf of the state,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

Change of the actual controller during the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

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



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

Applicable Not applicable

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

Applicable Not applicable

5. Other 10% or Greater Corporate Shareholders

Applicable Not applicable

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

Applicable Not applicable

IV Specific Implementation of Share Repurchase during the Reporting Period

Progress on any share repurchase:

Applicable Not applicable

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

Applicable Not applicable

Part VIII Preference Shares

Applicable Not applicable

No preference shares in the Reporting Period.

Part IX Bonds

Applicable Not applicable

Part X Financial Statements

Type of the audit opinion	Unmodified unqualified opinion
Date of signing this report	17 March 2022
Name of the audit institution	Grant Thornton Accounting Firm (LLP)
Number of the audit report	GTCSZ (2022) No. 441A002546
Name of the certified public accountants	Zhao Juanjuan, Jiang Xiaoming

Auditor's Report

GTCSZ (2022) No. 441A002546

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

Opinion

We have audited the financial statement of **Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd** (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statement present fairly, in all material respects, the consolidated financial position of the group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the*

Financial Statement Section of our report. We are independent of the Group in accordance with the Code of Ethics for Chinese Certified Public Accountant (Ethics Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

I. Recognition of revenue from sales of properties

The relevant information disclosure is detailed in Note III. 24 and Note V.35.

1. Description of the matter

In 2021, the revenue from sales of properties is CNY 0.876 billion, which accounts for 66.34% of total revenue of the Group.

The Group recognizes the revenue of sales of properties when all of the following conditions have been met: ① sales contract is signed and filed with housing construction bureau; ② properties were completed and passed acceptance inspection; ③ for lump-sum settlement, payment has been received in full; for mortgage, the first installment payment has been received and approval procedures of bank mortgage have been completed; ④ the procedures of housing delivery have completed in accordance with the requirements of the sales contract.

Due to the importance of revenue from sales of properties, and any misstatements in revenue

recognition will have a significant impact on the profit of the Group. Therefore, the recognition of revenue from sales of properties is identified as a key audit matter.

2. Audit response

Our audit procedures for the recognition of revenue from sales of properties include:

- ① Understanding, assessing and testing the design and implementation of key internal controls about the progress of contract performance and revenue recognition.
- ② Examining the main clauses in sales contracts to evaluate the appropriateness of the Group's revenue recognition policy associated with the relevant accounting standards;
- ③ Performing tests, on a sample basis, to examine contracts of sales of properties, trace to collection of revenue and check letter of admission (elements of revenue recognition) in order to assess the compliance with the Group's revenue recognition policy.
- ④ Evaluating the revenue of sales of properties, on sample basis, before and after the balance sheet date by checking to sales contracts, revenue collection and the letter of admission, for the appropriateness of the period of revenue recognition
- ⑤ Calculating average house price and comparing it with the price from last year to analyze the reasonableness of revenue and gross profit.
- ⑥ Evaluating the appropriateness of accounting treatment, presentation and disclosure of the revenue recognition of sales of properties and other relevant information by the Group in the financial statements.

II. Provision of land appreciation tax

The relevant information disclosure is detailed in Note IV. tax and Note V.36.

1. Description of the matter

Land appreciation tax is one of the major tax of the group.

The sale of developed real estate is subject to land value-added tax at a progressive rate of 30% - 60% on the land appreciation. At the end of each financial reporting period, the management needs to estimate the accrued amount of land appreciation tax. When making estimation judgments, the main factors to be considered include the provisions and interpretations of relevant tax laws and regulations, and the estimated income from the sale of properties minus estimated deductible land costs, real estate development costs, interest expenses, development expenses, etc. When Shenzhen Real Estate Group settles and settles the land appreciation tax, the actual tax payable may be different from the amount estimated by Shenzhen Real Estate Group.

Due to the importance of the LAT accrual to the consolidated financial statements, and management's judgment when making estimates includes consideration of relevant tax laws and regulations and practical practices. Therefore, we identified the accrual of LAT of the Group as a key audit matter.

2. Audit response

For the provision and evaluation of land value-added tax, we mainly performed the following audit procedures:

- ① Evaluating the design and effectiveness of key internal controls related to the measurement of LAT;
- ② Involving our internal tax specialists in the PRC to assess the provision of LAT on 31 December 2021 on basis of our experience, knowledge, understanding of the practical operation of relevant tax laws by local tax authorities, to evaluate the Group's assumptions and judgments;

③ Evaluating the management's expected estimates of the estimated income from the sale of real estate and the amount of deductible items, and assess the Group's assumptions and judgments;

④ Recalculating the amount of provision of LAT and comparing it to management estimate

III. Assessment of Inventory's net realizable value

The relevant information disclosure is detailed in Note III. 12 and Note V.7.

1. Description of the matter

The Group's finished goods, work in progress and products to be developed (hereinafter referred to as "Inventory"), are measured at the lower of cost and net realizable value. The ending balance of inventory was 4.035 billion yuan, accounting for 65.26% of the ending balance of the Group's total assets.

Management determines the net realizable value of each inventory item at the balance sheet date. In determining the net realizable value of inventory, management is required to provide an up-to-date estimate of the construction costs to be incurred for each product to be developed and work in progress until completion, and to estimate the expected future net selling price (with reference to the recent transaction price of the real estate project in the vicinity) and the future selling costs as well as the related sales tax for each inventory.

Due to the importance of inventories to the assets of the Group and the inherent risks of estimating the construction costs and future net selling prices to be incurred when inventory items reach completion status, especially in view of the current economic environment, the assessment of the net realizable value of the group's inventory is identified as a key audit matter.

2. Audit response

For assessing the net realizable value of inventory, we mainly performed the following audit

procedures:

- ① Understanding and evaluating the design and operational effectiveness of key internal controls related to real estate development cost budgeting, dynamic cost management, and estimates of net realizable value;
- ② Organizing filed trips to real estate development projects based on selected samples, and ask the development progress and dynamic cost budget of these projects
- ③ Evaluating the management's calculation method of expected future selling price, future selling cost and related sales taxes, such as by comparing the estimated selling price with market availability data and the project's sales budget plan;
- ④ Reconciling the actual costs of inventory in current real estate development projects with the latest project budget, and comparing the latest budgeted costs as of 31 December 2021 with those as of 31 December 2020, to evaluate the accuracy of management forecasts;
- ⑤ Recalculating the net realizable value of inventory and comparing it to management estimate.

Other Information

Management of Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd (the "Management") is responsible for the other information. The other information comprises the information included in the Annual Report of 2021, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charge with Governance for the Financial Statement

The Management is responsible for the preparation and fair presentation of the financial statement in accordance with Accounting Standards for Business Enterprises, and for such internal control as management determines in 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, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charge with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

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

As part of an audit in accordance with China Standards on Auditing, we exercise professional

judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the Group to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance a statement that we have complied with the ethical requirements relating to our independence and communicate to those charged with governance relationships and other matters that may reasonably be believed to affect our independence, as well as the relevant precautions, if applicable.

From the matters we communicated with those charged with governance, we determined which matters were most material to the audit of the financial statements for the current period and thus constituted the key audit matters. We describe such matters in our audit reports, unless laws and regulations prohibit public disclosure of such matters or, in rare circumstances, we determine that we should not communicate a matter in our audit report if it is reasonably expected that the negative consequences of communicating such matter in our audit report would outweigh the benefits in the public interest.

Grant Thornton

Auditor's signature and stamp: Zhao Juanjuan,

China ·Beijing

Auditor's signature and stamp:

Jiang Xiaoming

17 March 2022

Balance Sheet

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Note	As at 31/12/2021		As at 31/12/2020	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash at bank and on hand	V、 1	564,358,824.63	304,130,181.74	2,687,465,070.01	2,329,517,987.02
Trading financial assets	V、 2	514,024,710.91	514,024,710.91	-	-
Bills receivable	V、 3	3,530,537.37	-	35,438,045.34	-
Accounts receivable	V、 4	61,048,785.11	9,708,285.93	59,590,944.06	5,418,024.74
Accounts receivable financing		-	-	-	-
Prepayments	V、 5	4,899,011.32	200,000.00	3,205,534.51	200,000.00
Other receivables	V、 6	30,614,008.08	1,587,300,891.76	32,745,043.84	1,160,414,195.39
including: interests receivables		-	-	-	-
dividends receivables		1,052,192.76	-	1,052,192.76	-
Inventories	V、 7	4,034,933,562.62	42,348,499.39	1,220,464,112.56	207,606,220.98
Contract assets		-	-	-	-
Assets held for sale	V、 8	78,940,232.10	12,821,791.52	-	-
Non-current assets due within one year		-	-	-	-
Other current assets	V、 9	68,216,887.04	7,144,189.24	102,907,134.79	945,499.13
Total current assets		5,360,566,559.18	2,477,678,550.49	4,141,815,885.11	3,704,101,927.26
Non-current assets:					
Debt investments		-	-	-	-
Other debt investments		-	-	-	-
Long-term receivables		-	-	-	-
Long-term equity investments	V、 10	272,168.28	1,582,657,055.03	377,489.65	150,584,167.95
Investment in other equity instruments	V、 11	36,322,704.33	13,831,938.92	37,510,860.51	13,508,202.32
Other financial non-current assets		-	-	-	-
Investment properties	V、 12	588,865,777.16	476,622,089.39	616,365,621.53	499,145,554.67
Fixed assets	V、 13	23,920,424.55	15,722,627.74	28,039,978.43	17,743,083.73
Construction in progress		-	-	-	-
Productive biological assets		-	-	-	-
Oil and gas assets		-	-	-	-
Right of use assets	V、 14	365,351.97	-	-	-
Intangible assets	V、 15	-	-	-	-
Development costs		-	-	-	-
Goodwill		-	-	-	-
Long-term deferred expenses	V、 16	2,164,963.18	1,167,500.83	61,667.53	61,667.53
Deferred tax assets	V、 17	170,020,101.78	134,299,017.38	112,745,243.98	83,740,299.64
Other non-current assets		-	-	-	-
Total non-current assets		821,931,491.25	2,224,300,229.29	795,100,861.63	764,782,975.84
Total assets		6,182,498,050.43	4,701,978,779.78	4,936,916,746.74	4,468,884,903.10

Balance Sheet(continued)

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Note	As at 31/12/2021		As at 31/12/2020	
		Consolidated	Company	Consolidated	Company
Current liabilities:					
Short-term loans	V、 18	50,440,116.24	-	76,893,995.94	-
Trading financial liabilities		-	-	-	-
Bills payable	V、 19	247,376,403.56	-	-	-
Accounts payable	V、 20	141,447,559.24	29,750,790.44	176,926,614.28	77,187,914.50
Advances from customers	V、 21	6,411,427.04	-	5,940,092.15	-
Contract liabilities	V、 22	199,965,490.08	159,752,627.50	196,786,977.19	172,241,938.46
Employee benefits payable	V、 23	43,926,711.78	33,496,830.45	60,467,834.09	27,255,860.05
Taxes payable	V、 24	600,540,872.48	588,031,923.05	459,709,646.95	450,281,265.17
Other payables	V、 25	581,377,415.64	207,613,656.49	277,105,129.74	194,609,459.87
Including: interests payables		16,535,277.94	16,535,277.94	16,535,277.94	16,535,277.94
dividends payables		-	-	-	-
Liabilities held for sale	V、 8	65,752,452.06	-	-	-
Non-current liabilities due within one year	V、 26	83,023.44	-	-	-
Other current liabilities	V、 27	8,196,849.13	7,987,260.50	8,917,027.07	8,612,096.92
Total current liabilities		1,945,518,320.69	1,026,633,088.43	1,262,747,317.41	930,188,534.97
Non-current liabilities:					
Long-term loans		-	-	-	-
Debentures payable		-	-	-	-
Leased liabilities	V、 28	125,920.77	-	-	-
Long-term payables	V、 29	-	-	7,480,233.43	-
Provisions		-	-	-	-
Deferred income		-	-	-	-
Deferred tax liabilities	V、 16	9,524,639.56	5,027,520.65	9,601,940.74	4,812,392.47
Other non-current liabilities		-	-	-	-
Total non-current liabilities		9,650,560.33	5,027,520.65	17,082,174.17	4,812,392.47
Total liabilities		1,955,168,881.02	1,031,660,609.08	1,279,829,491.58	935,000,927.44
Share capital	V、 30	1,011,660,000.00	1,011,660,000.00	1,011,660,000.00	1,011,660,000.00
Capital reserve	V、 31	978,244,910.11	964,711,931.13	978,244,910.11	964,711,931.13
Less: treasury shares		-	-	-	-
Other comprehensive income	V、 32	36,088,963.95	1,373,954.19	28,163,050.13	1,131,151.74
Specific reserve		-	-	-	-
Surplus reserve	V、 33	241,144,854.93	218,015,241.52	218,724,273.67	195,594,660.26
Retained earnings	V、 34	1,671,121,562.98	1,474,557,043.86	1,560,720,254.31	1,360,786,232.53
Total equity attributable to shareholders of the Company		3,938,260,291.97	3,670,318,170.70	3,797,512,488.22	3,533,883,975.66
Non-controlling interests		289,068,877.44	-	-140,425,233.06	-
Total shareholders' equity		4,227,329,169.41	3,670,318,170.70	3,657,087,255.16	3,533,883,975.66
Total liabilities and shareholders' equity		6,182,498,050.43	4,701,978,779.78	4,936,916,746.74	4,468,884,903.10

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Income Statement

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Note	Year ended 31/12/2021		Year ended 31/12/2020	
		Consolidated	Company	Consolidated	Company
I. Operating income	V、35	1,320,790,648.45	774,065,610.33	1,615,009,713.88	911,839,269.70
Less: operating costs	V、35	666,348,361.48	198,814,980.86	805,508,448.68	241,307,783.52
Taxes and surcharges	V、36	254,360,315.85	239,589,346.99	329,962,066.50	289,600,033.09
Selling and distribution expenses	V、37	42,737,748.22	25,703,001.79	55,989,397.22	42,814,758.60
General and administrative expenses	V、38	98,307,831.60	62,162,730.22	93,616,226.75	56,022,941.66
Research and development expenses		-	-	-	-
Financial expenses	V、39	-18,083,491.01	-35,842,822.63	-21,505,685.05	-39,280,862.44
Including: Interest expenses		-	-	-	-
Interest income		28,863,878.27	41,651,307.37	30,130,066.10	51,099,467.08
Add: Other income	V、40	1,669,479.40	41,188.24	4,607,772.07	150,785.59
Investment income ("-" for losses)	V、41	1,783,839.07	1,783,839.07	15,724,469.63	15,724,469.63
Including: Income from investment in associates and joint ventures ("-" for losses)		-105,321.37	-105,321.37	-92,348.97	-92,348.97
Gain from derecognition of financial assets measured at amortized cost ("-" for losses)					
Net exposure hedging gains ("-" for losses)					
Gains from changes in fair value ("-" for losses)	V、42	11,828,130.44	11,828,130.44	-	-
Credit impairment losses ("-" for losses)	V、43	-7,795,219.71	-153,318.35	-358,999.15	464,438.79
Impairment losses ("-" for losses)	V、44	268,941.60	-	-	-
Gains from assets disposal ("-" for losses)	V、45	-8,852.73	-	11,429.23	-
II. Operating profit ("-" for losses)		284,866,200.38	297,138,212.50	371,423,931.56	337,714,309.28
Add: Non-operating income	V、46	1,746,134.87	1,584,736.54	30,693,761.57	30,679,050.88
Less: Non-operating expenses	V、47	208,129.74	32,989.65	1,684,103.97	106,542.24
III. Profit before income tax ("-" for losses)		286,404,205.51	298,689,959.39	400,433,589.16	368,286,817.92
Less: Income tax expenses	V、48	68,804,535.78	74,484,146.80	110,470,834.78	93,272,470.62
IV. Net profit for the year ("-" for net losses)		217,599,669.73	224,205,812.59	289,962,754.38	275,014,347.30
(1) Classification according to operation continuity					
Including: Net profit from continuing operations ("-" for net loss)		214,252,742.25	224,205,812.59	286,164,165.74	275,014,347.30
Net profit from discontinued operations ("-" for net loss)		3,346,927.48		3,798,588.64	
(2) Classification according to attribute					
Including: Shareholders of the company ("-" for net loss)		220,836,309.93	224,205,812.59	290,229,772.23	275,014,347.30

Income Statement

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Note	Year ended 31/12/2021		Year ended 31/12/2020	
		Consolidated	Company	Consolidated	Company
Non-controlling interests("-" for net loss)		-3,236,640.20	-	-267,017.85	-
V.Other comprehensive income, net of tax		8,837,349.05	242,802.45	9,065,166.63	209,025.97
Other comprehensive income (net of tax) attributable to shareholders of the company		7,925,913.82	242,802.45	7,332,046.00	209,025.97
A.Items that will not be reclassified to profit or loss		-891,117.14	242,802.45	3,288,097.86	209,025.97
a. Changes in fair value of other equity instrument investments		-891,117.14	242,802.45	3,288,097.86	209,025.97
B. Items that may be reclassified to profit or loss		8,817,030.96	-	4,043,948.14	-
a. Translation differences arising from translation of foreign currency financial statements		8,817,030.96	-	4,043,948.14	-
Other comprehensive income (net of tax) attributable to non-controlling interests		911,435.23	-	1,733,120.63	-
VI.Total comprehensive income for the year		226,437,018.78	224,448,615.04	299,027,921.01	275,223,373.27
Attributable to:					
Shareholders of the company		228,762,223.75	224,448,615.04	297,561,818.22	275,223,373.27
Non-controlling interests		-2,325,204.97	-	1,466,102.78	-
VII.Earnings per share					
(1) Basic earnings per share		0.2183	-	0.2869	-
(2)Diluted earnings per share		0.2183	-	0.2869	-

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Cash Flow Statement

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Note	Year ended 31/12/2021		Year ended 31/12/2020	
		Consolidated	Company	Consolidated	Company
I.Cash flows from operating activities					
Proceeds from sales of goods or rendering of services		1,427,249,424.24	800,728,093.14	1,729,680,056.34	1,078,103,371.61
Refund of taxes		-	-	-	-
Proceeds from other operating activities	V、49	378,597,082.00	55,262,411.37	54,027,940.71	64,609,945.07
Sub-total of cash inflows		1,805,846,506.24	855,990,504.51	1,783,707,997.05	1,142,713,316.68
Payment for goods and services		2,301,256,194.02	53,822,715.55	550,912,214.50	32,909,312.44

Cash Flow Statement

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Note	Year ended 31/12/2021		Year ended 31/12/2020	
		Consolidated	Company	Consolidated	Company
Payment to and for employees		191,511,263.39	55,225,745.09	164,940,269.68	41,972,734.54
Payments of various taxes		235,554,836.77	276,459,274.35	708,116,426.50	183,703,076.95
Payment for other operating activities	V、49	283,476,320.00	472,880,097.57	74,575,073.20	388,932,614.43
Sub-total of cash outflows		3,011,798,614.18	858,387,832.56	1,498,543,983.88	647,517,738.36
Net cash flows from operating activities		-1,205,952,107.94	-2,397,328.05	285,164,013.17	495,195,578.32
II.Cash flows from investing activities					
Proceeds from disposal of investments		-	-	-	-
Investment income received		1,889,160.44	1,889,160.44	19,767,503.60	19,767,503.60
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		162,961.51	1,253.56	56,718.25	-
Net proceeds from disposal of subsidiaries and other business units		-	-	-	-
Proceeds from other investing activities		797,803,419.53	797,803,419.53	1,000,000,000.00	1,000,000,000.00
Sub-total of cash inflows		799,855,541.48	799,693,833.53	1,019,824,221.85	1,019,767,503.60
Payment for acquisition of fixed assets, intangible assets and other long-term assets		1,845,495.54	1,283,857.85	749,215.31	-
Payment for acquisition of investments		-	-	-	-
Net payment for acquisition of subsidiaries and other business units		449,776,436.75	1,444,894,678.60	-	-
Payment for other investing activities	V、49	1,300,000,000.00	1,300,000,000.00	-	-
Sub-total of cash outflows		1,751,621,932.29	2,746,178,536.45	749,215.31	-
Net cash flows from investing activities		-951,766,390.81	-1,946,484,702.92	1,019,075,006.54	1,019,767,503.60
III.Cash flows from financing activities					
Proceeds from investors		-	-	-	-
Including: Proceeds from non-controlling shareholders of subsidiaries		-	-	-	-
Proceeds from borrowings		50,440,116.24	-	76,893,995.94	-
Proceeds from other financing activities		215,816,852.52	22,800,000.00	-	-
Sub-total of cash inflows		266,256,968.76	22,800,000.00	76,893,995.94	-
Repayments of borrowings		76,893,995.94	-	51,647,260.17	-
Payment for dividends, profit distributions or interest		88,014,420.00	88,014,420.00	166,923,900.00	166,923,900.00
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		-	-	-	-
Payment for other financing activities		-	-	-	-
Sub-total of cash outflows		164,908,415.94	88,014,420.00	218,571,160.17	166,923,900.00
Net cash flows from financing activities		101,348,552.82	-65,214,420.00	-141,677,164.23	-166,923,900.00
IV.Effect of foreign exchange rate changes on cash and cash equivalents		-440,345.74	-	-647,689.01	-
V.Net increase in cash and cash equivalents		-2,056,810,291.67	-2,014,096,450.97	1,161,914,166.47	1,348,039,181.92

Cash Flow Statement

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Note	Year ended 31/12/2021		Year ended 31/12/2020	
		Consolidated	Company	Consolidated	Company
Add: Cash and cash equivalents at the beginning of the year		2,669,103,926.82	2,311,776,619.47	1,507,189,760.35	963,737,437.55
VI.Cash and cash equivalent at the end of the year		612,293,635.15	297,680,168.50	2,669,103,926.82	2,311,776,619.47

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Year ended 31/12/2021								Total
	Attributable to shareholders' equity of the parent company							Non-controlling interests	
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings		
I. Balance at the end of last year	1,011,660,000.00	978,244,910.11	-	28,163,050.13	-	218,724,273.67	1,560,720,254.31	-140,425,233.06	3,657,087,255.16
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-
business combinations under common control	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	1,011,660,000.00	978,244,910.11	-	28,163,050.13	-	218,724,273.67	1,560,720,254.31	-140,425,233.06	3,657,087,255.16
III. Changes in equity during the year ("-" for decrease)	-	-	-	7,925,913.82	-	22,420,581.26	110,401,308.67	429,494,110.50	570,241,914.25
(I) Total comprehensive income	-	-	-	7,925,913.82	-	-	220,836,309.93	-2,325,204.97	226,437,018.78
(II) Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	-	-
1. Contribution by ordinary shareholders	-	-	-	-	-	-	-	-	-
2. Equity settled share-based payments	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	22,420,581.26	-110,435,001.26	-	-88,014,420.00
1. Appropriation for surplus reserves	-	-	-	-	-	22,420,581.26	-22,420,581.26	-	-
2. Distributions to shareholders	-	-	-	-	-	-	-88,014,420.00	-	-88,014,420.00
3. Others	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserves	-	-	-	-	-	-	-	-	-

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Year ended 31/12/2021								
	Attributable to shareholders' equity of the parent company							Non-controlling interests	Total
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings		
transfer									
2.Share capital increased by surplus reserves transfer	-	-	-	-	-	-	-	-	-
3.Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-
(V)Specific Reserve	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-
2.Utilisation during the year	-	-	-	-	-	-	-	-	-
(VI)Others	-	-	-	-	-	-	-	431,819,315.47	431,819,315.47
IV.Balance at the end of the year	1,011,660,000.00	978,244,910.11	-	36,088,963.95	-	241,144,854.93	1,671,121,562.98	289,068,877.44	4,227,329,169.41

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Year ended 31/12/2020								Total
	Attributable to shareholders' equity of the parent company							Non-controlling interests	
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings		
I. Balance at the end of last year	1,011,660,000.00	978,244,910.11	-	20,831,004.13	-	191,222,838.94	1,464,915,816.81	-141,891,335.84	3,524,983,234.15
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-
business combinations under common control	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	1,011,660,000.00	978,244,910.11	-	20,831,004.13	-	191,222,838.94	1,464,915,816.81	-141,891,335.84	3,524,983,234.15
III. Changes in equity during the year ("-" for decrease)	-	-	-	7,332,046.00	-	27,501,434.73	95,804,437.50	1,466,102.78	132,104,021.01
(I) Total comprehensive income	-	-	-	7,332,046.00	-	-	290,229,772.23	1,466,102.78	299,027,921.01
(II) Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	-	-
1. Contribution by ordinary shareholders	-	-	-	-	-	-	-	-	-
2. Equity settled share-based payments	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	27,501,434.73	-194,425,334.73	-	-166,923,900.00
1. Appropriation for surplus reserves	-	-	-	-	-	27,501,434.73	-27,501,434.73	-	-
2. Distributions to shareholders	-	-	-	-	-	-	-166,923,900.00	-	-166,923,900.00
3. Others	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserves	-	-	-	-	-	-	-	-	-

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Year ended 31/12/2020								Total
	Attributable to shareholders' equity of the parent company							Non-controlling interests	
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings		
transfer									
2.Share capital increased by surplus reserves transfer	-	-	-	-	-	-	-	-	-
3.Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-
(V)Specific Reserve	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-
2.Utilisation during the year	-	-	-	-	-	-	-	-	-
(VI)Others	-	-	-	-	-	-	-	-	-
IV.Balance at the end of the year	1,011,660,000.00	978,244,910.11	-	28,163,050.13	-	218,724,273.67	1,560,720,254.31	-140,425,233.06	3,657,087,255.16

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Year ended 31/12/2021							
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total
I. Balance at the end of last year	1,011,660,000.00	964,711,931.13	-	1,131,151.74	-	195,594,660.26	1,360,786,232.53	3,533,883,975.66
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	1,011,660,000.00	964,711,931.13	-	1,131,151.74	-	195,594,660.26	1,360,786,232.53	3,533,883,975.66
III. Changes in equity during the year("- "for decrease)	-	-	-	242,802.45	-	22,420,581.26	113,770,811.33	136,434,195.04
(I) Total comprehensive income	-	-	-	242,802.45	-	-	224,205,812.59	224,448,615.04
(II) Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	-
1. Contribution by ordinary shareholders	-	-	-	-	-	-	-	-
2. Equity settled share-based payments	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	22,420,581.26	-110,435,001.26	-88,014,420.00
1. Appropriation for surplus reserves	-	-	-	-	-	22,420,581.26	-22,420,581.26	-
2. Distributions to shareholders	-	-	-	-	-	-	-88,014,420.00	-88,014,420.00
3. Others	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserves transfer	-	-	-	-	-	-	-	-

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Year ended 31/12/2021							
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total
2.Share capital increased by surplus reserves transfer	-	-	-	-	-	-	-	-
3.Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-
4.Others	-	-	-	-	-	-	-	-
(V)Specific Reserve	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-
2.Utilisation during the year	-	-	-	-	-	-	-	-
(VI)Others	-	-	-	-	-	-	-	-
IV.Balance at the end of the year	1,011,660,000.00	964,711,931.13	-	1,373,954.19	-	218,015,241.52	1,474,557,043.86	3,670,318,170.70

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Year ended 31/12/2020							
	Share capital	Capital reserve	Less:	Other	Specific	Surplus reserve	Retained earnings	Total

			treasury shares	comprehensive income	reserve			
I.Balance at the end of last year	1,011,660,000.00	964,711,931.13	-	922,125.77	-	168,093,225.53	1,280,197,219.9600	3,425,584,502.39
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
II.Balance at the beginning of the year	1,011,660,000.00	964,711,931.13	-	922,125.77	-	168,093,225.53	1,280,197,219.9600	3,425,584,502.39
III.Changes in equity during the year("- "for decrease)	-	-	-	209,025.97	-	27,501,434.73	80,589,012.5700	108,299,473.27
(I)Total comprehensive income	-	-	-	209,025.97	-	-	275,014,347.3000	275,223,373.27
(II)Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	-
1.Contribution by ordinary shareholders	-	-	-	-	-	-	-	-
2. Equity settled share-based payments	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	27,501,434.73	-194,425,334.7300	-166,923,900.00
1. Appropriation for surplus reserves	-	-	-	-	-	27,501,434.73	-27,501,434.7300	-
2. Distributions to shareholders	-	-	-	-	-	-	-166,923,900.0000	-166,923,900.00
3. Others	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-
1.Share capital increased by capital reserves transfer	-	-	-	-	-	-	-	-
2.Share capital increased by surplus reserves transfer	-	-	-	-	-	-	-	-
3.Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-
4.Others	-	-	-	-	-	-	-	-
(V)Specific Reserve	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2021

Prepared by: Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd

Expressed in CNY

Item	Year ended 31/12/2020							Total
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	
2.Utilisation during the year	-	-	-	-	-	-	-	-
(VI)Others	-	-	-	-	-	-	-	-
IV.Balance at the end of the year	1,011,660,000.00	964,711,931.13	-	1,131,151.74	-	195,594,660.26	1,360,786,232.5300	3,533,883,975.66

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Notes to the Financial Statements

I. Company Information

1. Company's profile

Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd. (the "Group" or "the Company") was established in July 1993, as approved by the Shenzhen Municipal Government with document SFBF (1993) 724. The Company issued A shares on 15 September 1993 and issued B shares on 10 January 1994. On 31 August 1994, the issued B shares were listed in the New York Exchange market as class A recommendation. The total share capital is 1,011,660,000 shares, including 891,660,000 of A shares, and 120,000,000 of B shares. The company business license registration number is 91440300192179585N, and the registered capital is CNY 1,011,660,000.00. The Company's headquarter is located at Floor 45-48, Shen Fang Plaza, Ren Min South Road, Luo Hu District, Shen Zhen, Guangdong province.

On 13 October 2004, according to the document No. (2004) 223 "Decision on establishing Shenzhen investment Holding Co., Ltd." issued by State-Owned Assets Supervision and Administration Commission of Shenzhen Municipal Government, the former major shareholder – Shenzhen Construction Investment Holding Company with two assets management companies merged, and the Shenzhen Investment Holding Co., Ltd formed, which causes the Company's equity to change. By the State-owned Assets Supervision and Administration Commission of the state council, and quasi-exempt obligations tender offer as approved by China Security Regulatory Committee with document No. (2005)116, this issue of consolidated has been authorized and the change in registration had been completed on 15 February 2006. At the end of the reporting period, Shenzhen Investment Holding Limited holds 578,595.836 shares of the Company (57.19% of the total share capital). The shares are all tradable unrestricted shares.

The Company has established the corporate governance structure of the general meeting of shareholders, the board of directors and the board of supervisors. At present, it has human resources, financing plan department, marketing department, engineering management department etc.

The Company and its subsidiaries (hereinafter referred to as "the Group") are principally engaged in real estate development and sales, property leasing and management, retail merchandising and trade, hotel, equipment installation and maintenance, construction, interior decoration, etc.

These financial statements and notes to the financial statements were approved by the Board of Directors of the Group at the 71th Board meeting dated on 17 March 2022.

2. Scope of consolidated financial statements

For details about the scope of consolidated statements, please refer to Note VII "Interests in other entities".

Refer to Note VI and VII for changes in consolidation scope in current period.

II. The Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and corresponding application guidance, interpretations and other related provisions issued by the Ministry of Finance (collectively, "Accounting Standards for Business Enterprises"). In addition, the Group also discloses relevant financial information in accordance with the China Securities Regulatory Commission's "Information Disclosure and Reporting Rules for Companies that Public Issued Securities" No. 15 - General Provisions on Financial Reporting (revised in 2014).

These financial statements are presented on going concern basis.

The Group adopts the accrual basis of accounting. Except for certain financial instruments, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

III. Significant accounting policies and accounting estimates

The company take its own operation and production characteristics into consideration to determine the revenue recognition policy. Please refer to Note III.24.

1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely present the Group's and the Company's financial position as at 31 December 2021 and the Group's and the Company's operating results and cash flows for the year ended 31 December 2021.

2. Accounting period

The accounting period of the Group is from 1 January to 31 December.

3. Operating cycle

The Group's operating cycle is 12 months.

4. Functional currency

The Group and domestic subsidiaries (including Hong Kong) use Chinese Yuan ("CNY") as their functional currency. Offshore subsidiaries, Great Wall Real Estate Co. LTD, determine American dollar as their functional currency according to the primary economic environment where they operate. The financial statements of the Group have been prepared in CNY.

5. Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control

(1) Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, the assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings.

Business combination involving enterprises under common control through step by step multiple transactions.

In individual financial statements, the share of the net assets of the consolidated party in the book value of the consolidated financial statements of the ultimate controlling party of the net assets of the consolidated party on the consolidation date, calculated by the shareholding ratio on the consolidation date, shall be taken as the initial investment cost of the investment; the difference between the initial investment cost and the sum of the book value of the investment held before the merger plus the book value of the newly consideration paid shall be adjusted for the capital reserve. If the capital reserve is insufficient to be written down, the retained earnings shall be adjusted.

In the consolidated financial statement, the assets and liabilities of the consolidated party shall be measured according to the book value of the consolidated financial statement of the ultimate controlling party on the merger date, except for the adjustment due to different accounting policies; the balance between the book value of the investment held before the merger and the book value of the newly consideration paid and the book value of the net assets obtained during the merger shall be adjusted for capital reserves. If the capital reserves are insufficient to be written down, the retained earnings shall be adjusted. For long-term equity investment held by the merging party prior to acquiring control of the merged party, the relevant profit and loss, other comprehensive income and other changes in owners' equity which have been recognized by the merging party from later of the date on which the original equity was acquired and the date on which the merging party and the merged party are ultimately under the control of the same party to the merging date, shall offset the beginning retained earnings or profits and losses of the current period.

(2) Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair value of assets transferred, liabilities incurred or assumed and equity securities issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value. The acquiree's identifiable asset, liabilities and contingent liabilities, are recognised at their acquisition-date fair value.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, and subsequently measured on the basis of its cost less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period after reassessment.

Business combination involving enterprises not under common control through step by step multiple transactions.

In individual financial statements, the sum of the book value of the equity investment held by the purchaser before the purchase date and the cost of the newly added investment on the purchase date is taken as the initial investment cost of the investment. If other comprehensive income of equity investment held before the purchase date is recognized by using the equity method, such other comprehensive income will not be treated on the purchase date, and the investment will be treated on the same basis as the direct disposal of relevant assets or liabilities by the invested entity. The owners' equity recognized as a result of changes in owners' equity other than net profit and loss, other comprehensive income and profit distribution of the investee shall be transferred to the current profit and loss during the disposal period at the time of disposal of the investment. If the equity investment held before the purchase date is measured at fair value, the accumulated change in fair value originally recorded in other comprehensive income is transferred to the profit and loss of the current period when it is calculated by the cost method.

In the consolidated financial statement, the consolidated cost is the sum of the consideration paid on the purchase date and the fair value on the purchase date of the equity held by the Purchaser prior to the purchase date. For the equity held by the Purchaser before the purchase date, it shall be re-measured according to the fair value of the equity on the purchase date, and the difference between the fair value and the book value shall be recorded into the current income; The equity held by the Purchaser before the purchase date involves other comprehensive income, and other changes in owners' equity turn into current income on the purchase date, except for other comprehensive income generated by changes in net liabilities or net assets of the remeasured income plan of the investee.

(3) Transaction costs for business combination

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt securities issued as the considerations of business combination are included in the initial recognition amount of the equity or debt securities.

6. Consolidated financial statements

(1) Scope of consolidated financial statements

The scope of consolidated financial statements is based on control. Control exists when the Group has power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. A subsidiary is an entity that is controlled by the Group (including enterprise, a portion of an investee as a deemed separate component, and structured entity controlled by the enterprise).

(2) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Group based on the financial statements of the Group and its subsidiaries and other relevant information. When preparing consolidated financial

statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Group, and all significant intra-group balances and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary or business are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries or business are included in the scope of consolidation from the date that control commences.

The portion of a subsidiary's equity that is not attributable to the parent is treated as non-controlling interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to non-controlling interests is presented separately in the consolidated income statement below the "net profit" line item. When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

(3) Changes in non-controlling interests

Where the Group acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the transaction is treated as equity transaction, and the book value of shareholder's equity attributed to the Group and to the non-controlling interest is adjusted to reflect the change in the Group's interest in the subsidiaries. The difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

(4) Disposal of subsidiaries

When the Group loses control over a subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when the control is lost. A gain or loss is recognised in the current period and is calculated by the aggregate of consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of net assets in proportion to previous shareholding percentage in the former subsidiary since acquisition date and the goodwill.

Other comprehensive income related to the former subsidiary is transferred to profit or loss when the control is lost, except for the comprehensive income arising from the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

7. Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Group classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognizes the following items relating to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- A. its solely-held assets, and its share of any assets held jointly;
- B. its solely-assumed liabilities, and its share of any liabilities assumed jointly;
- C. its revenue from the sale of its share of the output arising from the joint operation;
- D. its share of the revenue from the sale of the output by the joint operation; and
- E. its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

The Group adopts equity method under long-term equity investment in accounting for its investment in joint venture.

8. Cash and cash equivalents

Cash comprises cash in hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

9. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Group at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognised in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary

items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss.

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding “retained earnings”, are translated to Renminbi at the spot exchange rates at the transaction dates.

Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates at the transaction dates.

Cash flow statement of foreign operation is translated to Renminbi at the spot exchange rates at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as “Effect of foreign exchange rate changes on cash and cash equivalents” in the cash flow statement.

The resulting translation differences are recognised in other comprehensive income in shareholders’ equity of balance sheet.

The translation differences accumulated in shareholders’ equity with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed.

10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or an equity instrument of another enterprise.

(1) Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognized when the Group becomes a party to the contractual provisions of a financial instrument.

If one of the following criteria is met, a financial asset is derecognised:

- ① the contractual rights to the cash flows from the financial asset expire; or
- ② The financial asset was transferred, and the transfer qualifies for derecognition in accordance with criteria set out below in “Transfer of Financial Assets”.

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If the Group (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized.

If the financial assets are traded regularly, the financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

The Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss at initial recognition on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

The Group classifies the financial assets that meet the following conditions and are not designated as measured at fair value through profit or loss as financial assets measured at amortized cost:

- The Group's business model of managing the financial assets is to collect contractual cash flows as the target;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, the effective interest rate method is adopted to measure the amortized cost of such financial assets. Gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship shall be recorded in the current profit or loss when the recognition is terminated, amortized according to the effective interest method or the impairment is recognized.

Financial assets measured at fair value through other comprehensive income

The Group classifies the financial assets that simultaneously meet the following conditions and are not specified as measured at fair value through profit or loss as financial assets measured at fair value through other comprehensive income:

- The Group's business model of managing the financial asset aims at both collecting the contract cash flow and selling the financial asset.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, this type of financial assets are subsequently measured at fair value. The interest, impairment loss or gain and exchange loss or gain calculated using the effective interest rate method are included in the current profit or loss, while other gains or losses are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred out from other comprehensive income and recorded in the current profit or loss.

Financial assets measured at fair value through profit or loss

In addition to the above financial assets measured at amortized cost and measured at fair value through other comprehensive income, the Group classifies all other financial assets as financial assets measured at fair value through profit or loss. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group irrevocably designates some financial assets that should have been measured at amortized cost or measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

After the initial recognition, this kind of financial asset is subsequently measured at its fair value, and the gains or losses (including interest and dividend income) generated are recorded into the current profit or loss, unless the financial asset is part of the hedging relationship.

However, for non-trading equity instrument investment, the Group irrevocably designates it as a financial asset measured at fair value through other comprehensive income at the time of initial recognition. The designation is made on a single investment basis and the relevant investments meet the definition of an equity instrument from issuer's perspective.

After the initial recognition, this kind of financial assets are subsequently measured at fair value. Satisfied dividend income is included in the profit or loss, other gains or losses and changes in fair value are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income are transferred out and recorded in retained earnings.

The business model of managing financial assets refers to how the group manages financial assets to generate cash flows. The business model determines whether the cash flow from the financial assets under management of the Group is derived from the receipt of contractual cash flows, the sale of financial assets or a combination of both. The Group determines its business model for managing financial assets on the basis of objective facts and the specific business objectives for the management of financial assets determined by key management personnel.

The Group assesses the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on specified dates are solely payments of principal and interest on the principal amount outstanding. Principal refers to the fair value of financial assets at initial recognition. Interest includes consideration for the time value of money, the credit risk associated with the amount of principal outstanding over a given period, and other basic lending risks and costs, as well as a profit margin. In addition, the Group assesses contractual terms that may cause a change in the time distribution or amount of the contractual cash flows of financial assets to determine whether they meet the requirements of the above contractual cash flow characteristics.

Only when the Group changes the business model of managing financial assets, all affected related financial assets shall be reclassified on the first day of the first reporting period after the change of the business model, otherwise the financial assets shall not be reclassified after the initial recognition.

Financial assets are measured at fair value at the time of initial recognition. For financial assets measured at fair value through profit or loss, relevant transaction costs are directly recorded into current profit or loss; for other classes of financial assets, the relevant transaction costs are included in the initial recognition amount. For accounts receivable arising from the sale of products or provision of services, which do not contain or do not take into account the material financing component, the Group is entitled to collect the consideration amount as expected as the initial recognition amount.

(3) Classification and measurement of financial liabilities

At the time of initial recognition, the financial liabilities of the Group are classified as: financial liabilities measured at fair value through current profit or loss, and financial liabilities measured at amortized cost. For financial liabilities that are not classified as measured at fair value through profit or loss, relevant transaction costs are included in their initial recognized amounts.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include trading financial liabilities and financial liabilities designated at the time of initial recognition as measured at fair value through profit or loss. For such financial liabilities, the subsequent measurement shall be made according to the fair value, and the gains or losses caused by changes in the fair value as well as the dividends and interest expenses related to such financial liabilities shall be recorded into current profit or loss.

Financial liabilities measured at amortized cost

For other financial liabilities, the effective interest rate method shall be adopted, and the subsequent measurement shall be made at the amortized cost, and the gains or losses arising from derecognition or amortization shall be recorded into current profit or loss.

The distinction between financial liabilities and equity instruments

Financial liabilities refer to liabilities that meet one of the following conditions:

- ① A contractual obligation to deliver cash or other financial assets to other parties.
- ② a contractual obligation to exchange financial assets or financial liabilities with another party under potentially adverse conditions.
- ③ Non-derivative instrument contracts that will be settled with or available to the firm's own equity instruments in the future, under which the firm will deliver a variable number of its own equity instruments.
- ④ a derivative contract in which the firm's own equity instruments are to be settled or used in the future, except for a derivative contract in which a fixed number of its own equity instruments are to be exchanged for a fixed amount of cash or other financial assets.

An equity instrument is a contract that certifies ownership of the remaining interest in an enterprise's assets after all liabilities have been deducted.

If the Group cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, such contractual obligation meets the definition of a financial liability.

If a financial instrument is to be settled with or available to the Group's own equity instrument, consideration needs to be given to whether the Group's own equity instrument used to settle the instrument is to be used as a substitute for cash or other financial assets or to give the holder of the instrument the remaining interest in the Issuer's assets after deduction of all liabilities. If the former, the

instrument is a financial liability of the group; If it is the latter, the instrument is an equity instrument of the Group.

(4) Fair value of financial instruments

For the determination of fair value of financial assets and financial liabilities, see Note III. 11.

(5) Impairment of financial assets

On the basis of expected credit losses, the Group conducts impairment accounting treatment for the following items and confirms the loss provision:

- Financial assets measured at amortized cost;
- Receivables and creditor's rights investments measured at fair value and accounted for in other comprehensive income;
- Contract assets as defined in the Accounting Standards for Business Enterprises No. 14 - Revenue;
- Lease receivables;

Financial guarantee contract (measured at fair value and its changes included in the current profit and loss, except the financial asset transfer does not meet the conditions for termination of recognition or continues to involve the transferred financial asset).

Measurement of expected credit losses

The term "expected credit loss" refers to the weighted average of the credit loss of a financial instrument weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable under the contract and all cash flows expected to be collected by the Group discounted at the original effective interest rate, that is, the present value of all cash shortages.

The Group calculates the probabilistic weighted amount of the present value of the difference between the cash flows receivable under the Contract and the cash flows expected to be received and recognizes the expected credit loss, taking into account reasonable and evidential information concerning past events, current conditions and Itemions of future economic conditions, and weighting the risk of default.

he Group measures the expected credit losses of financial instruments at different stages. If the credit risk of the financial instrument has not increased significantly since the initial recognition, the Group shall measure the loss provision in accordance with the expected credit loss in the next 12 months in the first stage; If the credit risk of a financial instrument has increased significantly since the initial recognition but no credit impairment has occurred, it is in the second stage, and the Group measures the loss provision according to the expected credit loss of the entire life period of the instrument; If credit impairment has occurred to a financial instrument since its initial recognition, it is in the third stage, and the Group shall measure the loss provision according to the expected credit loss of the entire life period of the instrument.

For financial instruments with low credit risk at the balance sheet date, the Group assumes that the credit risk has not increased significantly since the initial recognition, and measures the loss provision in accordance with the expected credit loss for the next 12 months.

The term "expected credit loss over the entire expected life of a financial instrument" refers to the expected credit loss resulting from all possible events of default during the entire expected life of a financial instrument. The expected credit loss within the next 12 months refers to the expected credit loss caused by the default event of the financial instrument that may occur within 12 months after the date of the balance sheet (or the expected duration of the financial instrument if the expected duration of the financial instrument is less than 12 months) and is part of the expected credit loss over the entire maturity period.

When measuring expected credit losses, the Group shall take into account the longest contract period (including the option to renew the contract) for which the enterprise is exposed to credit risk.

The Group calculates interest income on the basis of the book balance before impairment provisions and the effective interest rate for financial instruments in stage I and stage II and with lower credit risk. For financial instruments in the third stage, the interest income is calculated on the basis of the amortized cost of the book balance less the impairment provision and the effective interest rate.

For notes receivable, accounts receivable and contract assets, regardless of whether there is a material financing component, the Group always measures its loss provision in accordance with the amount equivalent to the expected credit loss within the whole duration period.

When a single financial asset cannot assess the information of expected credit loss at a reasonable cost, the Group divides the notes receivable and accounts receivable into portfolios according to the credit risk characteristics, calculates the expected credit loss on the basis of the portfolios, and determines the portfolios based on the following:

A. Notes receivable

- Notes receivable portfolio 1: banker acceptance notes
- Notes receivable portfolio 2: commercial acceptance notes

B. Receivables

- Accounts receivable portfolio 1: related parties receivable
- Accounts Receivable Portfolio 2: Receivable from property sales
- Accounts receivable portfolio 3: receivable from other customers

C. Contract assets

- Contract Portfolio 1: Product Sales
- Contract Portfolio 2: Works Construction

For the notes receivable and contract assets divided into portfolios, the Group calculates the expected credit loss through default risk exposure and the expected credit loss rate over the entire duration by referring to the historical credit loss experience, combining the current situation and the forecast of the future economic situation.

For the receivables divided into portfolios, the Group refers to the historical credit loss experience and combines the current situation with the forecast of the future economic situation to compile a comparison table between the age of receivables/overdue days and the expected credit loss rate of the entire duration period to calculate the expected credit loss.

Other receivables

The Group divides other receivables into several portfolios according to the credit risk characteristics, and calculates the expected credit loss on the basis of the portfolio. The basis for determining the portfolio is as follows:

- Other Receivables Portfolio 1: Receivables from government agencies
- Other Receivables Portfolio 2: Other receivables from employee's petty cash
- Other receivables portfolio 3: Other receivables from the collecting and paying on behalf
- Other receivables portfolio 4: Other receivables from other customers
- Other receivables portfolio 5: Receivables from related parties

For other receivables divided into portfolios, the Group calculates the expected credit loss by default risk exposure and the expected credit loss rate over the next 12 months or the entire duration.

Debt investment and Other debt investment

For debt investment and other debt investment, the Group calculates the expected credit loss based on the default risk exposure and the expected credit loss rate within the next 12 months or the entire duration according to the nature of the investment and the various types of counterparties and risk exposures.

An assessment of a significant increase in credit risk

By comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Group determines the relative change of default risk within the expected duration of financial instruments, so as to evaluate whether the credit risk of financial instruments has significantly increased since the initial recognition.

In determining whether credit risk has increased significantly since the initial recognition, the Group considers reasonable and informed information, including forward-looking information that can be obtained without unnecessary additional cost or effort. Information considered by the Group includes:

- The debtor fails to pay the principal and interest as due under the contract;

- A material deterioration, if any, of the external or internal credit rating of the financial instrument that has occurred or is expected;
- A serious deterioration of the debtor's business results occurred or is expected;
- A change in the existing or anticipated technological, market, economic or legal environment which will have a material adverse effect on the debtor's ability to repay the Group.
- According to the nature of financial instruments, the Group evaluates whether credit risk increases significantly on the basis of individual financial instruments or a combination of financial instruments. When assessing on the basis of a portfolio of financial instruments, the Group may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

If overdue for more than 30 days, the Group determines that the credit risk of the financial instrument has increased significantly.

The Group believes that the financial assets are in default under the following circumstances:

- The Borrower is unlikely to pay its arrears to the Group in full and this assessment does not take into account any recourse actions taken by the Group, such as liquidating the collateral (if held); or
- Financial assets are more than 90 days overdue.

A financial asset whose credit has been impaired

On the balance sheet date, the Group evaluates whether credit impairment has occurred in financial assets measured at amortized cost and debt investments measured at fair value and whose changes are included in other comprehensive income. When one or more events which have an adverse effect on the expected future cash flow of a financial asset occur, the financial asset becomes a financial asset with credit impairment. Evidence of credit impairment of financial assets includes the following observable information:

- Major financial difficulties occur to the issuer or the debtor;
- A breach of contract by the debtor, such as a default or late payment of interest or principal;
- The Group, for economic or contractual considerations relating to the debtor's financial difficulties, gives concessions that the debtor would not have made under any other circumstances;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset.

Presentation of expected credit loss provisions

In order to reflect the change of the credit risk of financial instruments since the initial recognition, the Group re-measures the expected credit loss on each balance sheet date, and the increase or rollback

amount of the loss provision thus formed shall be recorded into the current profit and loss as an impairment loss or profit. For a financial asset measured at amortized cost, the loss provision shall offset the carrying value of the financial asset as stated in the balance sheet; For the debt investment measured at fair value and its changes included in other comprehensive income, the Group recognizes its loss provision in other comprehensive income and does not deduct the book value of the financial asset.

Written-off

If the Group no longer reasonably expects that the contractual cash flow of a financial asset can be recovered in whole or in part, the carrying balance of the financial asset shall be directly written down. Such writedowns constitute termination recognition of the relevant financial assets. This usually occurs when the Group determines that the debtor does not have assets or sources of income that generate sufficient cash flow to repay the amount to be written down. However, in accordance with the Group's procedures for recovering amounts due, the financial assets that have been written down may still be affected by the execution activities.

If a financial asset that has been written down is recovered later, it shall be carried back as an impairment loss and recorded in the profit and loss of the current period.

(6) Transfer of financial assets

Transfer of financial assets is the transfer or delivery of financial assets to another party (the transferee) other than the issuer of financial assets.

A financial asset is derecognised if the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee. A financial asset is not derecognised if the Group retains substantially all the risks and rewards of ownership of the financial asset to the transferee.

The Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and the accounting treatment is shown as following: if the Group has forgone control over the financial asset, the financial assets is derecognized, and new assets and liabilities are recognized. If the Group retains control over the financial asset, the financial asset is recognised to the extent of its continuing involvement in the transferred financial asset, and an associated liability is recognised.

(7) Offset of financial assets and financial liabilities

Where the Group has the legal right to set off the recognized financial asset and financial liability, and is currently able to enforce such legal right, and the Group plans to settle the financial asset on a net basis or simultaneously realize the financial asset and pay off the financial liability, the financial asset and financial liability shall be shown in the balance sheet with the offset amount. In addition, financial assets and financial liabilities shall be separately presented in the balance sheet and shall not be set off against each other.

11. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group measures related assets or liabilities at fair value assuming the assets or liabilities are exchanged in an orderly transaction in the principal market; in the absence of a principal market, assuming the assets or liabilities are exchanged in an orderly transaction in the most advantageous market. Principal market (or the most advantageous market) is the market that the Group can normally enter into a transaction on measurement date. The Group adopts the presumptions that would be used by market participants in achieving the maximized economic value of the assets or liabilities.

For financial assets or financial liabilities with active markets, the Group uses the quoted prices in active markets as their fair value. Otherwise, the Group uses valuation technique to determine their fair value.

Fair value measurement of a non-financial asset takes into account market participants' ability to generate economic benefits using the asset in its best way or by selling it to another market participant that would best use the asset.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs, and using unobservable inputs only if the observable inputs aren't available or impractical.

Fair value level for assets and liabilities measured or disclosed at fair value in the financial statements are determined according to the significant lowest level input to the entire measurement: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; Level 3 inputs are unobservable inputs for the assets or liabilities.

At the balance sheet date, the Group revalues assets and liabilities being measured at fair value continuously in the financial statements to determine whether to change the levels of fair value measurement.

12. Inventories

(1) Classification

The Group's inventory is classified by real estate development and non-real estate development. Inventory is mainly real estate development projects, including development costs and development products. Development cost include the development costs of development products to be developed and development products under construction. Development products include completed development products and development products intended for sell but temporarily leased. Non-real estate development projects include raw materials, finished goods and engineering construction.

(2) Measurement method of cost of inventories

The group's inventories are measured at actual cost when acquired. The actual cost of developing a product includes land transfer fee, infrastructure expenditure, construction and installation project expenditure, borrowing expenses incurred before the completion of the development project and other related expenses in the development process. When a product is developed and shipped, the actual cost is determined by specific identification method.

Raw materials and finished goods are calculated using weighted average method.

(3) Basis for determining the net realisable value and method for provision for obsolete inventories

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The net realisable value is measured based on the verified evidences and considerations for the purpose of holding inventories and the effect of post balance sheet events.

Any excess of the cost over the net realisable value of inventories is recognised as a provision for obsolete inventories, and is recognised in profit or loss. The Group usually recognises provision for decline in value of inventories by a single inventory item. If the factors caused the value of inventory previously written-down have disappeared, the provision for decline in value of inventories previously made is reversed.

(4) Inventory count system

The Group maintains a perpetual inventory system

(5) Amortization methods of low-value consumables and packaging materials

Low-value consumables are charged to profit or loss when they are used.

13. Assets held for sale and discontinued operations

(1) Classification and measurement of non-current assets or disposal groups held for sale

The Group classifies a non-current asset or disposal group as held for sale when the carrying amount of the non-current asset or disposal group will be recovered through a sale transaction (including an exchange transaction of non-monetary assets with commercial substance) rather than through continuing use.

Above mentioned non-current assets do not include investment properties subsequently measured with the fair value model, biological assets measured at fair value less costs to sell, assets arising from employee benefits, financial assets, deferred tax assets and contractual rights under insurance contracts.

The disposal group is a group of assets to be disposed of, by sale or otherwise, together as a whole in a single transaction, and liabilities directly associated with those assets that will be transferred in the

transaction. In certain circumstances, disposal groups include goodwill acquired in a business combination.

A non-current asset or disposal group is classified as held for sale when all the following criteria are met: According to the customary practices of selling such asset or disposal group in similar transactions, the non-current asset or disposal group is available for immediate sale in its present condition; The sale is highly probable to occur, that is, the Group has made a resolution on a sale plan and entered into a legally binding purchase agreement with other parties. The sale is expected to be completed within one year. The Group that is committed to a sale plan involving loss of control of a subsidiary classifies all the investment in that subsidiary as held for sale in its separate financial statements, and classifies all the assets and liabilities of that subsidiary as held for sale in its consolidated financial statements, when the classification criteria for held for sale are met, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets or disposal groups held for sale are initially and subsequently measured at the lower of carrying amount and fair value less costs to sell. Any excess of the carrying amount over the fair value less costs to sell is recognised as an impairment loss in profit or loss. The impairment loss recognised for a disposal group firstly reduces the carrying amount of goodwill allocated to the disposal group, and then reduces the carrying amount of other non-current assets pro rata on the basis of the carrying amount of each non-current asset in the disposal group.

The Group recognises a gain for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognised after classified as held for sale. The reduced carrying amount of goodwill is not recovered.

The Group does not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. If an investment or a part of investment in an associate or a joint venture is classified as held for sale, equity method is not used for the part classified as held for sale, while equity method is used for the rest part (the part not classified as held for sale) continually. When the Group does not have material impact on an associate or a joint venture due to the sale transaction, it stops using equity method.

The Group measures a non-current asset that ceases to be classified as held for sale at the lower of:

- ① its carrying amount before the asset or disposal group was classified as held for sale, adjusted for any depreciation, amortisation or impairment that would have been recognised had the asset or disposal group not been classified as held for sale, and
- ② its recoverable amount.

(2) Discontinued operations

The Group classifies a component as a discontinued operation either upon disposal of the operation or when the operation meets the criteria to be classified as held for sale if it is separately identifiable and satisfies one of the following conditions:

- ① It represents a separate major line of business or a separate geographical area of operations;
- ② It is part of a single co-ordinated plan to dispose of a separate major line of business or a separate geographical area of operations;
- ③ It is a subsidiary acquired exclusively with a view to resale.

(3) Presentation

The Group presents a non-current asset classified as held for sale and the assets of a disposal group classified as held for sale as “Assets held for sale” in balance sheet. The liabilities of a disposal group classified as held for sale is presented as “Liabilities held for sale” in balance sheet.

The Group presents profit or loss from discontinued operations separately from profit or loss from continuing operations in income statement. Impairment loss and reversal amount and any disposal gain or loss of a non-current asset or disposal group classified as held for sale that does not meet the definition of a discontinued operation is included in profit or loss from continuing operations. Any gain or loss from continuing operation of discontinued operations, including impairment loss and reversal amount, and disposal gain or loss is included in profit or loss from discontinued operations.

A disposal group which is planned to cease operation rather than for sale, and meets the criteria of a part of discontinued operation, the Group presents it as discontinued operation from the date of cessation.

Where an operation is classified as discontinued in the current period, profit or loss from continuing operations and profit or loss from discontinued operations are separately presented in the income statement for the current period. If the Group ceases to classify a discontinued operation as held for sale, the information previously presented in discontinued operations is reclassified and included in income from continuing operations for all periods presented.

14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Group has significant influence.

(1) Determination of initial investment cost

The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Group’s share of the carrying amount of the subsidiary’s equity in the consolidated financial statements of the ultimate controlling party at the combination date. For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost is the combination cost.

A long-term equity investment acquired other than through a business combination: A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for using the cost method. An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

For a long-term equity investment which is accounted for using the cost method, Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Group recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

For a long-term equity investment which is accounted for using the equity method, where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.

Under the equity method, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly. In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition.

When the Group becomes capable of exercising joint control or significant influence (but not control) over an investee due to additional investment or other reasons, the Group uses the fair value of the previously-held equity investment, together with additional investment cost, as the initial investment cost under the equity method. The difference between the fair value and carrying amount of the previously-held equity investment, and the accumulated changes in fair value included in other comprehensive income, shall be transferred to profit or loss for the current period upon commencement of the equity method.

When the Group can no longer exercise control over an investee due to partial disposal of the equity investment or other reasons, and the remaining equity after disposal can exercise joint control of or significant influence over an investee, the remaining equity is adjusted as using equity method from acquisition. When the remaining equity can no longer exercise joint control of or significant influence over an investee, the remaining equity investment shall be accounted for using Accounting Standard for

Business Enterprises No. 22-Recognition and Measurement of Financial Instruments, and the difference between the fair value and the carrying amount of the remaining equity investment shall be charged to profit or loss for the current period at the date of loss of control.

When the Group can no longer exercise control over an investee due to new capital injection by other investors, and the Group can exercise joint control of or significant influence over an investee, the Group recognizes its share of the investee's new added net assets using new shareholding percentage. The difference between its new share of the investee's new added net assets and its decreased shareholding percentage of the original investment is recognized in profit or loss. And the Group adjusts to the equity method using the new shareholding percentage as if it uses the equity method since it obtains the investment.

Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

(3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. When assessing whether the Group can exercise joint control over an investee, the Group first considers whether no single participant party is in a position to control the investee's related activities unilaterally, and then considers whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control. All the parties, or a group of the parties, control the arrangement collectively when they must act together to direct the relevant activities. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. A party that holds only protective rights does not have joint control of the arrangement.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies. When determining whether the Group can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the Group or other parties that are currently exercisable or convertible shall be considered.

When the Group, directly or indirectly through subsidiaries, owns 20% of the investee (including 20%) or more but less than 50% of the voting shares, it has significant influence over the investee unless there is clear evidence to show that in this case the Group cannot participate in the production and business decisions of the investee, and cannot form a significant influence. When the Group owns less than 20% of the voting shares, generally it does not have significant influence over the investee, unless there is clear evidence to show that in this case the Group can participate in the production and business decisions of the investee so as to form a significant influence.

(4) Method of impairment testing and impairment provision

For investments in subsidiaries, associates and joint ventures, refer to Note III. 20 for the Group's method of asset impairment.

15. Investment property

Investment properties are properties held either to earn rental income or for capital appreciation or for both. The Group's investment properties include leased houses, leased buildings, leased land use rights. In addition, for a vacant building held by the company for operating lease, if the board of directors (or a similar institution) makes a written resolution expressly indicating that it is used for operating lease and the intention of holding does not change in the short term, it is also considered as Investment property.

Investment properties are initially measured at acquisition cost, and depreciated or amortized using the same policy as that for fixed assets or intangible assets.

For the impairment of the investment properties accounted for using the cost model, refer to Note III.20.

The balance of the disposal income from the sale, transfer, scrapping or damage of the investment real estate after deducting its book value and relevant taxes and fees shall be recorded into the current profit and loss.

16. Fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Group for use in production of goods, use in supply of services, rental or for administrative purposes with useful lives over one accounting year.

Fixed assets are only recognised when its related economic benefits are likely to flow to the Group and its cost can be reliably measured.

Fixed asset are initially measured at cost.

Subsequent expenses related to fixed assets shall be recorded into cost of fixed assets when its related economic benefits are likely to flow to the Group and its cost can be reliably measured; the cost of daily repairs to fixed assets that do not meet the conditions for subsequent expenditures for capitalization of fixed assets, at the time of occurrence, shall be recorded into the profit or loss of the current period or the cost of the related assets. For the part that is replaced, its carrying amount is derecognized

(2) Depreciation of fixed assets

The cost of a fixed asset is depreciated using the straight-line method since the state of intended use, unless the fixed asset is classified as held for sale. Not considering impairment provision, the estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Class	Estimated useful life (years)	Residual value rate %	Depreciation rate %
Plant and buildings	30	5	3.17
Motor vehicles	6	5	15.83
Electronic equipment and others	5	5	19.00

For impaired fixed assets, cumulative amount of impairment provision is deducted in determining the depreciation rate.

(3) For the impairment of the fixed assets, please refer to Note III.20.

(4) Useful lives, estimated residual values and depreciation methods are reviewed at least at each year-end.

The Group adjusts the useful lives of fixed assets if their expected useful lives are different with the original estimates and adjusts the estimated net residual values if they are different from the original estimates.

(5) Disposal of fixed asset

When a fixed asset is disposed of, or when it is expected that no economic benefit will be generated through the use or disposal, the fixed asset shall be derecognised. Proceeds from the disposal of fixed assets sold, transferred, scrapped or damaged, net of their carrying amount and associated taxes, shall be recorded in the profit or loss for the current period.

17. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction items, capitalised borrowing costs and any other costs directly attributable to bringing the asset to working condition for its intended use.

Construction in progress is transferred to fixed asset when it is ready for its intended use.

For the impairment of construction in progress, please refer to Note III.20.

18. Borrowing costs

(1) Capitalisation criteria

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset. Other borrowing costs are expensed in profit or loss as incurred. The capitalisation of borrowing costs shall commence only when the following criteria are met:

① capital expenditures have been incurred, including expenditures that have resulted in payment of cash, transfer of other assets or the assumption of interest-bearing liabilities;

② borrowing costs have been incurred;

③ the activities that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Capitalisation period

The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use, the borrowing costs incurred thereafter are recognised in profit or loss for the current period.

Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

(3) Capitalisation rate of borrowing costs and calculation basis of capitalised amount

For interest expense actually incurred on specific borrowings, the eligible capitalised amount is the net amount of the borrowing costs after deducting any investment income earned before some or all of the funds are used for expenditures on the qualifying asset. To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset, the capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings specifically for the purpose of obtaining a qualifying asset.

In the capitalisation period, exchange differences of specific borrowings in foreign currency shall be capitalised; exchange differences of general borrowings in foreign currency is recognised in profit or loss for the current period.

19. Intangible assets

(1) Valuation, Useful life and Impairment

Intangible assets include software, land use right, and patent rights etc.

Intangible assets are stated at actual cost upon acquisition and the useful economic lives are determined at the point of acquisition. When the useful life is finite, amortisation method shall reflect the pattern in which the asset's economic benefits are expected to be realised. If the pattern cannot be determined reliably, the straight-line method shall be used. An intangible asset with an indefinite useful life shall not be amortised.

The Group shall review the useful life and amortisation method of an intangible asset with a finite useful life at least at each year end. Changes of useful life and amortisation method shall be accounted for as a change in accounting estimate.

An intangible asset shall be derecognised in profit or loss when it is not expected to generate future economic benefits.

For the impairment of intangible assets, please refer to Note III.20.

20. Impairment of assets

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured using a cost model, fixed assets, construction in progress, productive biological assets measured using a cost model, intangible assets, goodwill, proven oil and gas mining rights and wells and related facilities, etc. (Excluding inventories, investment property measured using a fair value model, deferred tax assets and financial assets) is determined as follows:

At each balance sheet date, the Group determines whether there is any indication of impairment. If any indication exists, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of goodwill, intangible assets with indefinite useful lives and intangible assets not ready for use at each year-end, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its present value of expected future cash flows. The recoverable amount is estimated for each individual asset. If it is not possible to estimate the recoverable amount of each individual asset, the Group determines the recoverable amount for the asset group to which the asset belongs. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly.

For goodwill impairment test, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying amount of goodwill is unable to be allocated to asset group, the carrying amount of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of the Group.

In impairment testing, if impairment indication exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted for asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then impairment test is conducted for asset group or portfolio of asset group containing goodwill by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

21. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost, and amortized using a straight-line method within the benefit period. For long-term deferred expense that cannot bring benefit in future period, the Group recognized its amortised cost in profit or loss for the current period.

22. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the Group's spouse, children, dependents, family members of deceased employees or other beneficiaries are also part of the employee benefits.

According to liquidity, employee benefits are presented as "employee benefits payable" and "long-term employee benefits payable" on the balance sheet.

(2) Short-term employee benefits

In the current period, the Group has accrued for the actual wages, bonuses, medical insurance for employees based on standard rate, work injury insurance and maternity insurance and other social insurance and housing fund incurred and these are recognised as liabilities and corresponding costs in the profit or loss. If these liabilities are not expected to be fully paid 12 months after the end of the reporting period in which employee renders the service to the Group, and if the financial impact is significant, these liabilities shall be discounted using the net present value method.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which an enterprise pays fixed contributions into a separate fund and will have no future obligations to pay the contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include primary endowment insurance, unemployment insurance and corporate pension plan, etc.

Besides basic pension insurance, the Group establishes corporate pension plans in accordance with the related policies of corporate pension regulations. Employees can join the pension plan voluntarily. The Group has no other significant commitment of employees' social security.

The Group shall recognise, in the accounting period in which an employee provides service, the contribution payable to a defined contribution plan as a liability, with a corresponding charge to the profit or loss for the current period or the cost of a relevant asset.

Defined benefit plans

For a defined benefit plan, an actuarial valuation is performed by an independent actuary at the annual balance sheet date to determine the cost of providing benefits using the expected accrued benefit unit

method. The employee compensation cost caused by the benefit plan of the Group includes the following components:

- ① Service cost, including current service cost, past service cost and settlement profit or loss. Including, the current service cost refers to the increase in the present value of the defined benefit plan obligation caused by the current provision of services by employees; The past service cost refers to the increase or decrease in the present value of the defined benefit plan obligations related to the employee services of the previous period as a result of the modification of the defined benefit plan.
- ② Set the net interest on the net liabilities or net assets of the benefit plan, including the interest income on the plan assets, the interest expense on the defined benefit plan obligations and the interest on the impact of the asset cap.
- ③ The changes caused by the remeasurement of the net liabilities or net assets of the benefit plan.

Unless other accounting standards require or allow the cost of employee benefits to be included in the cost of assets, the Group will include items ① and ② above in the current profit and loss; Item ③ is included in other comprehensive income and will not be turned back to profit and loss in subsequent accounting periods. When the originally defined benefit plan is terminated, the part originally included in other comprehensive income within the scope of equity is carried forward to undistributed profit.

(4) Termination benefits

The Group provides for termination benefits to the employees and shall recognise an employee benefits liability for termination benefits, with a corresponding charge to the profit or loss for the current period, at the earlier of the following dates: When the Group cannot unilaterally withdraw the offer of the termination benefits because of an employment termination plan or a redundancy proposal; or when the Group recognises the costs or expenses relating to a restructuring that involves the payment of the termination benefits.

For employees who implement the internal retirement plan, the economic compensation before the official retirement date belongs to dismiss welfare. During the normal retirement date when the employees stop providing services, the salary and social insurance premium to be paid by the employees who retire within the Group shall be included in the profit and loss of the current period in a lump sum. Economic compensation after the official retirement date (such as the normal pension) shall be treated as after-service benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by the Group to the employees satisfied the conditions for classifying as a defined contribution plan; those benefits shall be accounted for in accordance with the above requirements relating to defined contribution plan. When the benefits satisfied a defined benefit plan, it shall be accounted for in accordance with the above requirements relating to defined benefit plan, but the movement of net liabilities or assets in re-measurement of defined defined benefit plan shall be recorded in profit or loss for the current period or cost of relevant assets.

23. Provisions

A provision is recognised for an obligation related to a contingency if all the following conditions are satisfied:

- (1) the Group has a present obligation;
- (2) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (3) the amount of the obligation can be estimated reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

If all or part of the expenditure necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying amount of the provision.

24. Revenue

(1) General principles

The Group has fulfilled its contractual obligation to recognize revenue when the customer acquires control of the relevant goods or services.

If the contract contains two or more performance obligations, the Group shall, on the commencement date of the contract, allocate the transaction price to each single performance obligation according to the relative proportion of the individual selling price of the commodity or service committed by each single performance obligation, and measure the income according to the transaction price allocated to each single performance obligation.

If one of the following conditions is satisfied, the Group shall perform its obligations within a certain period of time; otherwise, it belongs to the performance obligation at a certain point:

- ① The Client obtains and consumes the economic benefits brought by the Group's performance at the same time of the Group's performance.
- ② The customer can control the goods under construction during the performance of the Group.
- ③ The commodities produced by the Group during the performance of the Contract have irreplaceable purposes, and the Group has the right to collect payment for the accumulated part of the performance completed so far during the whole period of the Contract.

For the performance obligations performed within a certain period of time, the Group shall recognize the income in accordance with the performance progress within that period. If the performance progress cannot be reasonably determined and the Group is expected to be compensated for the costs already incurred, the revenue shall be recognized according to the amount of the costs already incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain point, the Group recognizes revenue at the point when the customer acquires control of the relevant goods or services. In determining whether a customer has acquired control of goods or services, the Group will take into account the following indications:

- ① The Group has a current right to receive payment for the goods or services, that is, the Customer has a current obligation to pay for the goods.
- ② The Group has transferred the legal ownership of the commodity to the customer, that is, the customer has the legal ownership of the commodity.
- ③ The Group has transferred the goods in kind to the customer, that is, the customer has physical possession of the goods.
- (4) The Group has transferred the main risks and rewards on the ownership of the commodity to the customer, that is, the customer has acquired the main risks and rewards on the ownership of the commodity.
- ⑤ The customer has accepted the goods or services.
- ⑥ Other indications that the customer has acquired control of the product.

The Group's right to receive consideration for goods or services transferred to a customer (and this right depends on other factors other than the passage of time) is a contract asset which is subject to impairment on the basis of expected credit losses (see Note III, 10 (5)). The Group's right, unconditional (depending only on the passage of time) to collect consideration from customers is shown as a receivable. The Group's obligation to transfer goods or services to customers for which it has received or receivable consideration is a contractual liability.

The contract assets and contract liabilities under the same contract shall be presented on a net basis. If the net amount is the debit balance, it shall be presented under the item of "Contract Assets" or "Other Non-current Assets" according to its liquidity; If the net amount is a credit balance, it shall be shown under the item "Contract Liabilities" or "Other Non-current Liabilities" according to its liquidity.

(2) Specific methods

The specific methods of the Group's revenue recognition are as follows:

- ① The method for recognizing revenue from property sales

(1) the sale contract has been signed and filed with housing construction bureau; (2) the property development is completed and pass the acceptance; (3) For Lump-sum payment, revenue is recognized

by the group when the consideration is fully received. For instalment payment, revenue is recognized when the first installment has been received and the bank mortgage approval procedures have been completed. (4) completed the procedures for entering the partnership in accordance with the requirements stipulated in sale contract.

② The method for recognizing revenue from property services provided

According to property service contract, agreed service period, area served and unit price, revenue is recognized evenly within agreed service period.

③ The method for recognizing revenue from construction activities

As the customer can control the goods under construction during the performance of the Group, the group shall recognize the income in accordance with the performance progress within a certain period of time (except for performance progress cannot be reasonably determined). The group shall determine the performance progress based on cost incurred. If the performance progress cannot be reasonably determined and the Group is expected to be compensated for the costs already incurred, the revenue shall be recognized according to the amount of the costs already incurred until the performance progress can be reasonably determined. If the contract costs cannot be recovered, the cost should be recognized immediately in current period when incurred. When the estimated total cost of the contract is likely to exceed the total revenue of the contract, the cost of the main business and the estimated liabilities shall be recognized in accordance with the unexecuted loss contract. The loss shall be recognized as current cost and put into provisions.

④ The method for recognizing revenue from other income

Revenue from other income include income from hotel operations, etc. Rooms revenue from hotel operations shall be recognized in accordance with the performance progress within agreed period, as the client obtains and consumes the economic benefits brought by the Group's performance and the group's performance obligations has performed at a certain period of time. For other income, the group recognizes revenue at the point when the customer acquires control of the relevant goods or services, which indicate the group has a right to receive payment for services or goods provided in accordance with the relevant contract.

25. Contract costs

Contract costs include incremental costs incurred to obtain the contract and contract performance costs.

Incremental costs incurred to obtain a contract are costs (such as sales commissions, etc.) that the Group would not have incurred without the contract. If the cost is expected to be recovered, the Group will recognize it as an asset as the contract acquisition cost. Other expenses incurred by the Group for the acquisition of contracts, other than the incremental costs expected to be recovered, are recorded into the profit and loss of the current period when incurred.

If the cost incurred for the performance of the contract does not fall within the scope of accounting standards for inventories and other enterprises and meets the following conditions at the same time, the Group will recognize it as an asset as the contract performance cost:

- ① The costs are directly related to a current or prospective contract and include direct labor, direct materials, overhead (or similar), costs that are expressly borne by the customer and other costs incurred solely in connection with the contract;
- ② This cost increases the Group's future resources for fulfilling its performance obligations;
- ③ The cost is expected to be recovered.

Assets with contract acquisition cost recognition and assets with contract performance cost recognition (hereinafter referred to as "assets related to contract cost") shall be amortized on the same basis as income recognition of goods or services related to such assets and shall be recorded into current profit and loss. If the amortization period does not exceed one year, it will be recorded in the current profit and loss at the time of occurrence.

When the book value of the assets related to the contract cost is higher than the difference between the following two items, the Group shall make provision for impairment of the excess part and recognize it as impairment loss of the assets:

- ① the remaining consideration that the Group is expected to obtain as a result of the transfer of the goods or services related to the asset;
- ② Estimate the costs to be incurred for the transfer of the relevant goods or services.

The contract performance cost recognized as an asset shall be shown in the "Inventory" item with an amortization period of no more than one year or one normal operating cycle at the time of initial recognition, while the amortization period exceeding one year or one normal operating cycle at the time of initial recognition shall be shown in the item of "Other Non-current Assets".

The contract acquisition cost recognized as an asset shall be shown in the item of "Other Current Assets" with an amortization period of less than one year or one normal operating cycle at the time of initial recognition, and shall be shown in the item of "Other Non-current Assets" with an amortization period of more than one year or one normal operating cycle at the time of initial recognition.

26. Government grants

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of CNY 1.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets.

For government grants with unspecified purpose, the amount of grants used to form a long-term asset is regarded as government grants related to an asset, the remaining amount of grants is regarded as government grants related to income. If it is not possible to distinguish, the amount of grants is treated as government grants related to income.

A government grant related to an asset is offset against the carrying amount of the related asset, or recognised as deferred income and amortised to profit or loss over the useful life of the related asset on a reasonable and systematic manner. A grant that compensates the Group for expenses or losses already incurred is recognised in profit or loss or offset against related expenses directly. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in profit or loss or offset against related expenses in the periods in which the expenses or losses are recognised. The Group applies a consistent approach to same or similar government grant transactions.

A grant related to ordinary activities is recognised as other income or offset against related expenses based on the economic substance. A grant not related to ordinary activities is recognised as non-operating income.

When a recognised government grant is reversed, carrying amount of the related asset is adjusted if the grant was initially recognized as offset against the carrying amount of the related asset. If there is balance of relevant deferred income, it is offset against the carrying amount of relevant deferred income. Any excess of the reversal to the carrying amount of deferred income is recognised in profit or loss for the current period. For other circumstances, reversal is directly recognized in profit or loss for the current period.

27. Deferred tax assets and Deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to transactions or items recognised directly in equity and goodwill arising from a business combination.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- (1) initial recognition of goodwill, or assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss);
- (2) taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognises a deferred tax asset for deductible temporary differences, deductible losses and tax credits carried forward to subsequent periods, to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, deductible losses and tax credits can be utilised, except for those incurred in the following transactions:

- (1) a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss);
- (2) deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future; and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

28. Leases

(1) Identification of leases

On the commencement date of the contract, the Group, as lessee or lessor, assesses whether the customer under the contract is entitled to receive almost all the economic benefits arising from the use of the identified assets during the use period and to direct the use of the identified assets during the use period. The Group considers the contract to be a lease or an inclusive lease if one of the parties to the contract relinquishes control over the use of one or more identified assets for a certain period of time in exchange for consideration.

(2) The Group acts as the lessee

On the commencement date of the lease, the Group recognizes the right-of-use assets and lease liabilities for all leases, except for simplified short-term leases and leases of low value assets.

For the accounting policy of the Right-of-use assets, see Note III.29.

Lease liabilities are initially measured at the present value of the outstanding lease payments at the commencement date of the lease at the embedded interest rate on the lease. The rental payment amount includes: fixed payment amount and substantial fixed payment amount. If there is lease incentive amount, the relevant amount of lease incentive amount will be deducted. Variable lease payments depending on an index or ratio; The exercise price of the Option provided that the Lessee is reasonably certain that the Option will be exercised; The amount to be paid to exercise the option to

terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease; And the amount expected to be payable based on the residual value of the security provided by the Lessee. The interest expense of the lease liability in each period of the lease term shall be calculated in accordance with the fixed periodic interest rate and recorded into the profit and loss of the current period. The variable lease payment not included in the measurement of lease liabilities shall be recorded into the current profit and loss when actually incurred.

Short term lease

Short-term tenancy is a tenancy for a period of not more than 12 months at the commencement date of the tenancy, except for tenancies that include a purchase option.

The Group will record the lease payment amount of short-term lease into the cost of relevant assets or current profit and loss in each period of the lease term according to the straight-line method [or other systemically reasonable method].

For short-term lease, the Group chooses to adopt the above simplified treatment method for the items that meet the short-term lease conditions in the following asset types according to the categories of leased assets.

Low value asset leasing

Leasing of low-value assets refers to the leasing of a single leased asset whose value is less than CNY 100,000.00 when it is a brand-new asset.

The Group will include the lease payment of the low-value asset lease into the cost of the relevant asset or current profit and loss in each period of the lease term according to the straight-line method.

For low-value asset leases, the Group chooses to adopt the above simplified treatment method according to the specific situation of each lease.

(3) The Group acts as the lessor

When the Group acts as the lessor, the leases that substantially transfer all the risks and rewards related to the ownership of the assets are recognized as financial leases, and other leases other than financial leases are recognized as operating leases.

Finance lease

In the case of financial leasing, the Group takes the net lease investment as the book value of the receivable finance lease funds at the beginning of the lease period, and the net lease investment is the sum of the unguaranteed residual value and the present value of the unreceived lease income at the beginning of the lease period discounted at the embodied interest rate. The Group, as the lessor, calculates and recognizes interest income for each period of the lease term at a fixed periodic rate. The variable lease payment obtained by the Group as the lessor and not included in the measurement of the net lease investment shall be recorded into the current profit and loss when actually incurred.

The termination recognition and impairment of financial lease receivable shall be accounted for in accordance with the provisions of the Accounting Standards for Business Enterprises No. 22 -

Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets.

Operating lease

For the rent in the operating lease, the Group shall recognize the profits and losses of the current period in accordance with the straight-line method during each period of the lease term. The initial direct expenses incurred in connection with the operating lease shall be capitalized, allocated on the same basis as the recognition of rental income during the lease term and recorded into the current profit and loss in installments. The variable lease payments obtained in connection with the operating lease and not included in the lease receipts shall be recorded into the current profit and loss when actually incurred.

Change of Lease

In addition to the simplified method for contract changes directly caused by COVID-19 epidemic, if there is a change in the operating lease, the group shall, as of the effective date of the change, treat it as a new lease, the amount received in advance or in respect of the lease receivable relating to the lease prior to the change shall be deemed to be the amount received for the new lease.

In addition to the simplified method of contract changes directly caused by COVID-19 epidemic, if the financial lease is changed and the following conditions are met at the same time, the group accounts for the change as a separate lease: 1 the change extends the scope of the lease by adding the right to use one or more leased assets; 2 the increased consideration is equivalent to the amount of the individual price of the extended portion of the lease, adjusted in accordance with the circumstances of the contract.

Where a change in a financial lease is not accounted for as a separate lease, the group shall treat the changed lease as follows: 1 if the change becomes effective on the lease commencement date, if the lease will be classified as an operating lease, the group will treat it as a new lease from the effective date of the lease change, the book value of the leased asset shall be the net investment in the lease prior to the effective date of the lease change. 2 if the change takes effect on the effective date of the lease, the lease will be classified as a financial lease, the accounting treatment of the group is in accordance with the provisions of the "Accounting Standards for enterprises No. 22-recognition and measurement of financial instruments" concerning modification or renegotiation of contracts.

(4) Rental concession caused by COVID-19 epidemic

For rent concessions such as rent remission or deferred payment reached between the Group and the lessee or lessor on existing lease contracts directly caused by the COVID-19 epidemic, and meeting the following conditions, the Group adopts a simplified method for [houses and buildings] and other categories of leases:

(1) The lease consideration after the concession is reduced or basically unchanged compared with that before the concession, in which, the lease consideration is not discounted or discounted at the discount rate before the concession;

② The concession is only for the lease payment payable before June 30, 2021;

③ There are no significant changes in other terms and conditions of the lease after comprehensive consideration of qualitative and quantitative factors.

The Group does not evaluate whether a lease change has occurred.

When the Group is the lessee, the Group will continue to calculate the interest expense of the lease liability at the same discount rate as before the concession and record it into the current profit and loss, and continue to carry out depreciation and other subsequent measurements on the Right-of-use assets in the same way as before the concession. In case of rent remission, the Group will take the remitted rent as the variable lease payment amount. When the original rent payment obligation is terminated by reaching a concession agreement, the Group will deduct the relevant asset cost or expense by the amount discounted at the undiscounted or pre-concession discount rate, and adjust the lease liability accordingly. In case of deferred rent payment, the Group shall write off the lease liabilities confirmed earlier when actually paying the rent. For short-term leases with simplified treatment and leases of low-value assets, the Group continues to record the rental under the original contract as the cost or expense of the relevant assets in the same manner as before the concession. In case of rent remission or reduction, the Group shall treat the remission or reduction of rent as variable lease payment and write off the cost or expense of relevant assets during the remission or reduction period. If the rent is delayed in payment, the Group shall recognize the rent payable during the original payment period as the payable amount, and deduct the payable amount confirmed earlier when the actual payment is made.

When the Group acts as the lessor, for the operating lease, the Group continues to recognize the original contract rent as lease income in the same way as before the concession. In case of rent remission or reduction, the Group shall treat the remission or reduction as variable lease payment and deduct the lease income during the remission or reduction period. If the rent collection is delayed, the Group will recognize the rent collected as receivable during the original collection period, and deduct the receivable confirmed in the earlier period when the rent is actually received. For finance leases, the Group continues to calculate interest and recognize it as lease income at the same discount rate as before the concession. In case of rent reduction or reduction, the Group will take the rent reduced or reduced as the variable lease payment amount. When the right to charge the original rent is waived by reaching a concession agreement, the Group will deduct the original confirmed lease income by the amount of discount before the concession or at the discount rate before the concession, and record the insufficient write-off into investment income, and adjust the receivable finance lease funds accordingly. In case of delayed payment of rent, the Group shall write off the finance lease receivable confirmed in the earlier period when it actually receives the rent.

29. Right-of-use assets

(1) Conditions for the confirmation of the right-of-use assets

The Group's right-of-use assets refer to the Group's right to use the leased assets during the lease term as the lessee.

On the beginning date of the lease period, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement amount of the lease liability; For the amount of lease payment paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; Initial direct expenses incurred by the

Group as the lessee; The costs which the Group, as the Lessee, expects to incur in dismantling and removing the Leased Assets, restoring the premises on which the Leased Assets are located or restoring the Leased Assets to the state agreed in the Lease Terms. The Group, as the lessee, shall confirm and measure the costs of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No. 13 - Contingencies. Subsequent adjustments are made for any remeasurement of lease liabilities.

(2) Depreciation method of the right-of-use assets

The Group uses the straight line method of depreciation. Where the Group, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation shall be accrued over the remaining service life of the leased assets. Where it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued in the shorter period between the lease term and the remaining useful life of the leased asset.

(3) See Note III.20 for the impairment test method of the right-of-use assets and the provision for impairment.

30. Maintenance Fund

When the Group collects the maintenance fund from the owners according to a certain proportion of the sales amount of commercial houses, it shall be included in other payables for accounting; When the collected maintenance funds are handed over to the land and housing administrative departments in accordance with the regulations, the maintenance funds collected on behalf of them shall be reduced.

31. Quality Deposit

The Group shall keep the quality deposit in proportion to the payment period stipulated in the contract of civil engineering and installation engineering, and deduct it from the civil engineering and installation Item payment, which shall be classified as other payables. The maintenance expenses incurred due to quality during the warranty period shall be directly charged under this item and liquidated after the warranty period.

32. Accounting judgments and estimates

The Group conducts an ongoing evaluation of the significant accounting estimates and key assumptions used in the light of historical experience and other factors, including reasonable expectations of future events. Important accounting estimates and key assumptions that are likely to result in the risk of a material adjustment in the carrying value of assets and liabilities during the next fiscal year are set out below:

Classification of financial assets

The Group's major judgments in determining the classification of financial assets include the analysis of business models and contractual cash flow characteristics.

The Group determines the business model for the management of financial assets at the level of its financial portfolio, taking into account factors such as the way in which the performance of financial assets is evaluated and reported to key managers, the risks affecting the performance of financial assets and their management methods, and the way in which managers of related businesses are remunerated.

When evaluating whether the contractual cash flow of financial assets is consistent with the basic lending arrangement, the Group has the following main judgments: whether the time distribution or amount of the principal in the duration period may change due to reasons such as prepayment; Does interest include only the time value of money, credit risk, other fundamental borrowing risks, and consideration for costs and profits? For example, does the prepayment amount only reflect the outstanding principal and interest based on the outstanding principal and reasonable compensation for early termination of the contract.

Measurement of expected credit losses in accounts receivable

The Group calculates the expected credit loss of accounts receivable through the default risk exposure of accounts receivable and the expected credit loss rate, and determines the expected credit loss rate based on the default probability and the default loss rate. In determining the expected credit loss rate, the Group uses data such as internal historical credit loss experience, and adjusts the historical data in combination with the current situation and forward-looking information. When considering forward-looking information, the indicators used by the Group include the risk of an economic downturn, changes in the external market environment, the technological environment and customer conditions. The Group regularly monitors and reviews assumptions relating to the calculation of expected credit losses.

Deferred tax assets

Deferred tax assets should be recognized for all unutilized tax losses to the extent that there is likely to be sufficient taxable profit to offset the loss. This requires management to use a great deal of judgment to estimate when and how much future taxable profits will occur, in combination with tax planning strategies, to determine the amount of deferred tax assets that should be recognized.

The provision of land appreciation tax

The Group is subject to land appreciation tax ("LAT"). The accrual of LAT is subject to management's estimation which is made based on its understanding of the requirements of relevant tax laws and regulations. However, the actual LAT is levied by tax authorities according to the interpretation of the tax rules. The group is not stepping on formulating the final tax plan with relevant tax authorities, hence the final tax outcome could be different from the amount that was initially recorded, and these differences will have an impact on tax provision in current period.

Determination of fair value of unlisted equity investments

The fair value of an unlisted equity investment is the estimated future cash flows discounted at the current discount rate for Items with similar terms and risk characteristics. This valuation requires the Group to estimate expected future cash flows and the discount rate and is therefore subject to uncertainty. In limited circumstances, if the information used to determine the fair value is insufficient, or if the possible estimates of the fair value are spread over a wide range and the cost represents the best estimate of the fair value within that range, the cost may represent the appropriate estimate of the fair value within that range.

33. Changes in significant accounting policies and accounting estimates

(1) Significant changes in accounting policies

① New leasing standard

The Ministry of Finance issued the Accounting Standards for Business Enterprises No. 21 - Leasing (revised) in 2018, which requires companies listed both domestically and abroad and those listed overseas to prepare their financial statements using IFRS or Accounting Standards for Business Enterprises, effective from January 1, 2019. Other entities can adopt it from January 1, 2021. The Group decided to implement the new leasing standard from January 1, 2021, and the relevant contents of accounting policies were adjusted. Please refer to Note III.28 and 29 for the accounting policy after the change.

For the existing contracts prior to the first implementation date, the Group chooses not to re-evaluate whether they are leases or include leases on the first execution date.

The definition of lease in the new leasing standard does not have a significant impact on the scope of lease contracts.

As lessee

The new leasing standard requires lessees to recognize right-of-use assets and lease liabilities for all leases, with the exception of simplified short-term leases and leases of low-value assets, and to recognize depreciation and interest expenses respectively.

The new leasing standard allows lessees to choose one of the following methods of connection accounting:

- In accordance with the provisions of the Accounting Standards for Business Enterprises No. 28 - Changes in Accounting Policies, Accounting Estimates and Errors Correction, retrospective adjustment method is adopted.
- According to the cumulative impact of the first implementation of the standard, the amount of retained earnings and other relevant items in the financial statements at the beginning of the year of the first implementation of this standard will be adjusted, without adjusting the information for comparable periods.

As lessor

According to the new lease criterion, the group without on the cohesion as the lessor's lease in accordance with the provisions of adjustment, but the need to implement new leasing criterion for the first time since carried out in accordance with the new lease standard accounting treatment.

(2) Changes in significant accounting estimates

During reporting period, there is no changes in significant accounting estimate.

IV. Taxation

1. Main types of taxes and corresponding tax rates

Tax Type	Tax Basis	Tax Rate%
VAT	Taxable income	9/6/5/3
Land appreciation tax	It shall be levied on the basis of the added value of the real estate transferred	Four progressive rates of excess rate: 30,40,50, 60
Property tax	70% of the original value of properties	1.2
City maintenance and construction tax	Turnover tax payable	7
Education surcharge	Turnover tax payable	3
Local education surcharge	Turnover tax payable	2
Corporate income tax	Taxable profits	25/ 16.5

Explanation for the VAT rate of different business activities:

With regards to revenue from property development, property management and construction activities, from May 1st, 2016, the group's taxable items and tax rates are shown in the following table, which in accordance with the relevant regulations of 《Notice on Comprehensively Promoting the Trial of Replacing Business Tax with Value-Added Tax》 (No. 36 of CaiKuai [2016]):

Taxable income	Means to calculate Tax	Tax Rate%
Revenue from property sales	Simplified Tax Method	5
Revenue from construction	Simplified Tax Method	9/ 3
Rental income	Simplified Tax Method	5
Revenue from property management	General Tax Method	6

Explanation of corporate income tax rates for different taxpayers:

The corporate income tax rate for companies registered in mainland China is 25%, while the corporate profits tax rate for companies registered in Hong Kong is 16.5%.

2. Tax preferential treatments and approval documents

Subsidiaries of the Group, Shenzhen Huazhan Construction Supervision Co., Ltd. and Shantou Special Economic Zone Xiangshan Real Estate Development Co., Ltd. are applicable to the preferential tax rate of 20% for small and low-profit enterprises.

V. Notes to the consolidated financial statements

1. Cash at bank and Cash Equivalent

Item	2021.12.31	2020.12.31
Cash in hand	12,082.00	61,121.83
Deposits with banks	316,834,778.45	1,026,042,804.99
Other monetary funds	247,511,964.18	1,661,361,143.19
Total	564,358,824.63	2,687,465,070.01
Including: Total overseas deposits	5,970,125.18	6,699,719.34

At the end of year 2021, there were CNY9,174,439.78 of restricted funds in the bank deposits, of which CNY3,500,000.00 were the funds frozen by the lawsuit and CNY5,674,439.78 were the funds for the construction of public facilities in and around the city of Longgang district.

At the end of year 2021, the balance of other monetary funds is seven-day notice deposit, including principal of CNY 240,100,000.00 and interest of CNY 7,411,964.18.

2. Trading financial assets

Item	2021.12.31	2020.12.31
Financial Fund	514,024,710.91	--

3. Notes receivable

Types of notes	2021.12.31			2020.12.31		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Banker acceptance notes	--	--	--	--	--	--
Commercial acceptance notes	6,394,766.22	2,864,228.85	3,530,537.37	37,303,205.62	1,865,160.28	35,438,045.34
Total	6,394,766.22	2,864,228.85	3,530,537.37	37,303,205.62	1,865,160.28	35,438,045.34

Note:

(1) There is no notes receivable pledged by the Group at the end of the period

(2) Outstanding endorsed or discounted notes that have not matured at the end of the year

Types	Derecognized Amount at the end of the period	Amount that is not derecognized at the end of the period
Commercial acceptance notes	--	754,600.00

- (3) Notes receivable transferred to accounts receivable by the Group due to the drawer's non-performance at the end of the period

Types	Amount transferred to accounts receivable at the end of the period
Commercial acceptance notes	7,163,029.79

- (4) Classified by bad debt provision method

Types	Book balance		Bad debt provision		Book balance
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Bad debt provisions made on an individual basis	4,626,346.44	72.35	2,775,807.86	60.00	1,850,538.58
Bad debt provisions made on a combination basis	1,768,419.78	27.65	88,420.99	5.00	1,679,998.79
Including:					
Banker acceptance notes	--	--	--	--	--
Commercial acceptance notes	1,768,419.78	27.65	88,420.99	5.00	1,679,998.79
Total	6,394,766.22	100.00	2,864,228.85	44.79	3,530,537.37
Types	Book balance		Bad debt provision		Book balance
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Bad debt provisions made on an individual basis	--	--	--	--	--
Bad debt provisions made on a combination basis	--	--	--	--	--
Including:					
Banker acceptance notes	--	--	--	--	--
Commercial acceptance notes	37,303,205.62	100.00	1,865,160.28	5.00	35,438,045.34
Total	37,303,205.62	100.00	1,865,160.28	5.00	35,438,045.34

Note:

Bad debt provision made on an individual basis:

Item	Book balance		Bad debt provision		Reason
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Shenzhen Hongteng Investment Management Co., Ltd.	4,626,346.44	72.35	2,775,807.86	60.00	Low recoverability is expected

Bad debt provision made on a combination basis:

Combined withdrawal item: commercial acceptance notes

Item	2021.12.31			2020.12.31		
	Notes receivable	Bad debt provision	Expected credit loss rate (%)	Notes receivable	Bad debt provision	Expected credit loss rate (%)
Within one year	1,768,419.78	88,420.99	5.00	37,303,205.62	1,865,160.28	5.00

(5) Additions, recoveries or reversals of provision for the current period

	Bad debt provision
2020.12.31	1,865,160.28
Additions	999,068.57
Recoveries or reversals	--
Written-off	--
2021.12.31	2,864,228.85

4. Accounts receivable

(1) Disclosure by Aging

Aging	2021.12.31	2020.12.31
Within 1 year	67,970,511.50	61,614,768.47
1 to 2 year	290,567.01	--
2 to 3 years	--	66,518.00
More than 3 years	23,975,620.75	24,688,143.06
Subtotal	92,236,699.26	86,369,429.53
Less: Bad Debt Provision	31,187,914.15	26,778,485.47
Total	61,048,785.11	59,590,944.06

(2) Classified by bad debt provision method

Types	Book balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Bad debt provisions made on an individual basis	32,550,436.93	35.29	29,212,403.37	89.75	3,338,033.56
Bad debt provisions made on a combination basis	59,686,262.33	64.71	1,975,510.78	3.31	57,710,751.55
Including:	--	--	--	--	--

Types	2021.12.31				
	Book balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Receivable from property sales	1,064,220.18	1.15	53,211.01	5.00	1,011,009.17
Receivable from other corporate customers	58,622,042.15	63.56	1,922,299.77	3.28	56,699,742.38
Total	92,236,699.26	100.00	31,187,914.15	33.81	61,048,785.11

Continued:

Types	2020.12.31				
	Book balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Bad debt provisions made on an individual basis	24,688,143.06	28.58	24,688,143.06	100.00	--
Bad debt provisions made on a combination basis	61,681,286.47	71.42	2,090,342.41	3.39	59,590,944.06
Including:	--	--	--	--	--
Receivable from property sales	11,114,285.60	12.87	555,714.28	5.00	10,558,571.32
Receivable from other corporate customers	50,567,000.87	58.55	1,534,628.13	3.03	49,032,372.74
Total	86,369,429.53	100.00	26,778,485.47	31.00	59,590,944.06

Bad debt provision made on an individual basis:

Item	2021.12.31			
	Book balance	Bad debt provision	Expected credit loss rate (%)	Reason
Agent for import and export business payment	11,574,556.00	11,574,556.00	100.00	Could be uncollectible
Long-term receivable of property sale	9,649,415.20	9,649,415.20	100.00	Could be uncollectible
Shenzhen Hongteng Investment Management Co., Ltd.	8,345,083.91	5,007,050.35	60.00	recoverability is relatively small
Receivable from revoked subsidiaries	2,328,158.40	2,328,158.40	100.00	Could be uncollectible
Receivable from other customers	653,223.42	653,223.42	100.00	Could be uncollectible
Total	32,550,436.93	29,212,403.37	89.75	

Continued:

Item	2020.12.31			
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	Book balance	Bad debt provision	Expected credit loss rate (%)	Reason
Agent for import and export business payment	11,574,556.00	11,574,556.00	100.00	Could be uncollectible
Long-term receivable of property sale	10,132,205.24	10,132,205.24	100.00	Could be uncollectible
Shenzhen Hongteng Investment Management Co., Ltd.	2,328,158.40	2,328,158.40	100.00	Could be uncollectible
Receivable from revoked subsidiaries	653,223.42	653,223.42	100.00	Could be uncollectible
Total	24,688,143.06	24,688,143.06	100.00	

Bad debt provision made on a combination basis:

Combined withdrawal item: property sales receivable

	2021.12.31			2020.12.31		
	Accounts receivable	Bad debt provision	Expected credit loss rate (%)	Accounts receivable	Bad debt provision	Expected credit loss rate (%)
Within 1 year	1,064,220.18	53,211.01	5.00	11,114,285.60	555,714.28	5.00
1 to 2 years	--	--	--	--	--	--
Total	1,064,220.18	53,211.01	5.00	11,114,285.60	555,714.28	5.00

Bad debt provision made on a combination basis:

Combined withdrawal item: other customers receivables

	2021.12.31			2020.12.31		
	Accounts receivable	Bad debt provision	Expected credit loss rate (%)	Accounts receivable	Bad debt provision	Expected credit loss rate (%)
Within 1 year	58,622,042.15	1,922,299.77	3.28	50,500,482.87	1,531,302.23	3.03
1 to 2 years	--	--	--	66,518.00	3,325.90	5.00
Total	58,622,042.15	1,922,299.77	3.28	50,567,000.87	1,534,628.13	3.03

(3) Additions, recoveries or reversals of provision for the current period

	Bad debt provision
2020.12.31	26,778,485.47
Additions	4,433,371.85
Recoveries or reversals	--

	Bad debt provision
Written-off	--
Adjustment to asset held for sale	23,943.17
2021.12.31	31,187,914.15

(4) The top five units with the ending balance of accounts receivable collected by the debtor

Name of the entity	Accounts receivable The ending balance	% of the total closing balance of accounts receivable	Bad debt provision The ending balance
Wuhan 249 Poly Real Estate Development Co., Ltd.	19,355,805.11	20.98	580,674.15
Wuhan Yutian Xingye Land Co., LTD	12,736,852.59	13.81	382,105.58
Shenzhen Hongteng Investment Management Co., Ltd.	8,345,083.91	9.05	5,007,050.35
Wuhan Linyun Real Estate Development Co., Ltd.	8,314,761.62	9.01	249,442.85
Wuhan Liantou Vanke Real Estate Co., Ltd.	3,698,300.50	4.01	110,949.02
Total	52,450,803.73	56.86	6,330,221.95

At the end of the period, due to the factoring of accounts receivable, the factoring amount is CNY 50,440,116.24. At the same time, the book value of accounts receivable is CNY 50,440,116.24 was not derecognized. For pledge of accounts receivable, please refer to Note V.51.

5. Prepayments

(1) The aging analysis of prepayments is as follows:

Aging	2021.12.31		2020.12.31	
	Amount	%	Amount	%
Within 1 year	4,698,254.37	95.90	3,004,771.47	93.74
1 to 2 years	206.95	0.00	213.04	0.01
2 to 3 years	--	--	200,000.00	6.23
More than 3 years	200,550.00	4.09	550.00	0.02
Total	4,899,011.32	100.00	3,205,534.51	100.00

(2) The top five units of the ending balance of prepayments

The sum of the top five prepayments collected by prepaid objects at the end of the period is CNY 4,279,208.74, which accounts for 87.35 % of the total ending balance of prepayments.

6. Other receivables

Item	2021.12.31	2020.12.31
Interest receivable	--	--
Dividends receivable	1,052,192.76	1,052,192.76

Item	2021.12.31	2020.12.31
Other receivables	29,561,815.32	31,692,851.08
Total	30,614,008.08	32,745,043.84

(1) Dividends receivable

Items	2021.12.31	2020.12.31
Yunnan Kunpeng Air Service Co., LTD	1,052,192.76	1,052,192.76
Less: Bad Debt Provision	--	--
Total	1,052,192.76	1,052,192.76

Significant dividends receivable overdue more than one year are as follows:

Items	The ending balance	aging	Reasons for not retrieving	Whether impairment occurs and the basis for judgment
Yunnan Kunpeng Air Service Co., LTD	1,052,192.76	5 years	Delay to issue	No

(2) Other receivable

① Disclosure by aging

Aging	2021.12.31	2020.12.31
Within 1 year	29,436,729.02	29,101,943.94
1 to 2 years	905,350.96	724,840.46
2 to 3 years	106,096.34	266,855.66
More than 3 years	188,306,797.86	196,836,127.29
Subtotal	218,754,974.18	226,929,767.35
Less: Bad Debt Provision	189,193,158.86	195,236,916.27
Total	29,561,815.32	31,692,851.08

② Disclosure by nature

Item	2021.12.31			2020.12.31		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Other receivables from government	--	--	--	553,009.68	--	553,009.68
Other receivables from employee's petty cash	580,911.83	--	580,911.83	364,674.25	--	364,674.25
Other receivables from the collecting and paying on behalf	627,681.27	--	627,681.27	665,251.08	--	665,251.08

Other receivables from other customers	48,840,482.91	20,487,260.69	28,353,222.22	63,398,344.58	33,288,428.51	30,109,916.07
Other receivables from related parties	168,705,898.17	168,705,898.17	--	161,948,487.76	161,948,487.76	--
Total	218,754,974.18	189,193,158.86	29,561,815.32	226,929,767.35	195,236,916.27	31,692,851.08

③ Bad Debt Provision

At the end of the period, bad debt provision at the first stage:

Types	Book balance	Expected credit loss rate over the next 12 months (%)	Bad debt provision	Book value	Reason
Other receivables from employee's petty cash	580,911.83	--	--	580,911.83	
Other receivables from the collecting and paying on behalf	627,681.27	--	--	627,681.27	
Other receivables from other customers	29,844,939.16	5.00	1,491,716.94	28,353,222.22	
Total	31,053,532.26	4.80	1,491,716.94	29,561,815.32	

At the end of the period, the Company does not have interest receivable, dividends receivable and other receivables at the second stage

At the end of the period, bad debt provisions at the third stage:

Types	Book balance	Expected credit loss rate over the entire duration (%)	Bad debt provision	Book value	Reason
Bad debt provisions shall be made on an individual basis	--	--	--	--	
Other receivable from other revoked subsidiary	3,838,281.67	100.00	3,838,281.67	--	Could be uncollectible
Other receivable from other surviving subsidiary	183,863,160.25	100.00	183,863,160.25	--	Could be uncollectible
Including :Other receivables from related parties	168,705,898.17	100.00	168,705,898.17	--	Could be uncollectible
Total	187,701,441.92	100.00	187,701,441.92		

Bad Debt Provision as at December 31, 2020:

As at December 31, 2020, bad debt provision at the first stage:

Types	Book balance	Expected credit loss rate over the next 12 months (%)	Bad debt provision	Book value	Reason
Bad debt provisions is drawn on a combination basis					
Other receivables from government	553,009.68	--	--	553,009.68	
Other receivables from employee's petty cash	364,674.25	--	--	364,674.25	
Other receivables from the collecting and paying on behalf	665,251.08	--	--	665,251.08	
Other receivables from other customers	31,694,648.48	5.00	1,584,732.41	30,109,916.07	
Other receivables from related parties	--	--	--	--	
Total	33,277,583.49	4.76	1,584,732.41	31,692,851.08	

As of December 31, 2020, the Company does not have interest receivable, dividends receivable and other receivables at the second stage.

As of December 31, 2020, bad debt provisions at the third stage:

Types	Book balance	Expected credit loss rate over the next 12 months (%)	Bad debt provision	Book value	Reason
Bad debt provisions shall be made on an individual basis					
Other receivable from other revoked subsidiary	3,275,882.44	100.00	3,275,882.44	--	Could be uncollectible
Other receivable from other surviving subsidiary	190,376,301.42	100.00	190,376,301.42	--	Could be uncollectible
Including :Other receivables from related parties	161,948,487.76	100.00	161,948,487.76	--	Could be uncollectible
Total	193,652,183.86	100.00	193,652,183.86	--	

④ Bad debt provisions in the current period

Bad debt provision	The first stage	The second stage	The third stage	Total
--------------------	-----------------	------------------	-----------------	-------

	Expected credit losses over the next 12 months	Expected credit losses over the entire duration (no credit impairment occurred)	Expected credit loss over the entire duration (credit impairment has occurred)	
Balance as at December 31, 2020	1,584,732.41	--	193,652,183.86	195,236,916.27
The balance as at December 31, 2020 is in the current period	--	--	--	--
-- Turn to the second stage	--	--	--	--
-- Transfer to the third stage	--	--	--	--
-- Go back to the second stage	--	--	--	--
-- Go back to the first stage	--	--	--	--
Current period	65,525.13	--	2,297,254.16	2,362,779.29
Return the current	--	--	--	--
The current reseller,	--	--	--	--
This verification	--	--	--	--
Other changes	-158,540.60	--	-8,247,996.10	-8,406,536.70
Balance as of December 31, 2021	1,491,716.94	--	187,701,441.92	189,193,158.86

Note: Other changes were mainly due to the transfer of bad debts of Shenzhen Property Management Co., Ltd. to assets for sale at CNY 8,213,958.86, and the impact of foreign exchange gains and losses on bad debt provisions of CNY 192,577.84.

⑤ The top five units of ending balance of other receivables

Name of the entity	Nature of other receivables	Ending balance of other receivables	Aging	Proportion of total ending balance of other receivables (%)	Ending balance of bad debt provision
Canada Great Wall (Vancouver) Co., Ltd	Other receivables from related parties	89,035,748.07	More than 5 years	40.70	89,035,748.07
Paklid Limited	Other receivables from related parties	18,870,785.54	More than 5 years	8.63	18,870,785.54
Australia Bekaton property Limited	Other receivables from related parties	12,559,290.58	More than 5 years	5.74	12,559,290.58
Guangdong province Huizhou Luofu Hill Mineral Water Co.,Ltd	Other receivables from related parties	10,465,168.81	More than 5 years	4.78	10,465,168.81

Xi'an Fresh Peak Property Trading Co., Ltd	Other receivables from related parties	8,419,205.19	More than 5 years	3.85	8,419,205.19
Total	--	139,350,198.19	--	63.70	139,350,198.19

7. Inventories

(1) Inventory classification

Item	2021.12.31			2020.12.31		
	Book balance	Provision for price decline/provision for impairment of contract performance cost	The book value	Book balance	Provision for price decline/provision for impairment of contract performance cost	The book value
Real estate development:						
Development cost	3,037,991,969.96	--	3,037,991,969.96	556,589,091.25	--	556,589,091.25
Product development	994,212,857.29	--	994,212,857.29	659,403,711.71	268,941.60	659,134,770.11
Subtotals	4,032,204,827.25	--	4,032,204,827.25	1,215,992,802.96	268,941.60	1,215,723,861.36
Non-real estate development items:						
Raw materials	8,458.34	--	8,458.34	873,107.59	240,000.00	633,107.59
Inventory goods	334,040.04	38,891.91	295,148.13	631,926.30	38,891.91	593,034.39
Constructions	2,425,128.90	--	2,425,128.90	3,514,109.22	--	3,514,109.22
Subtotals	2,767,627.28	38,891.91	2,728,735.37	5,019,143.11	278,891.91	4,740,251.20
Total	4,034,972,454.53	38,891.91	4,034,933,562.62	1,221,011,946.07	547,833.51	1,220,464,112.56

(2) Provision for inventories

Item	2021.01.01	Increase in current		The reduced		2021.12.31
		provision	Others	To turn back or resell	other	
Real estate development:						
Product development	268,941.60	--	--	268,941.60	--	--
Non-real estate development items:						
Raw materials	240,000.00	--	--	--	240,000.00	--
Inventory goods	38,891.91	--	--	--	--	38,891.91
Total	547,833.51	--	--	268,941.60	240,000.00	38,891.91

Provision for Decline in Inventory (continued)

Item	Specific basis for determining net realizable/residual consideration and costs to be incurred	Current roll-back or roll-off Reasons for inventory depreciation provision
Development cost	The amount of estimated selling price minus the estimated costs to be incurred at completion, estimated selling expenses, and related taxes	--
Product development	The amount of estimated selling price minus estimated selling expenses and related taxes	--
Raw materials	The amount of estimated selling price minus the estimated costs to be incurred at completion, estimated selling expenses, and related taxes	--
Inventory goods	The amount of estimated selling price minus estimated selling expenses and related taxes	--
Construction	The amount of estimated selling price minus the estimated costs to be incurred at completion, estimated selling expenses, and related taxes	--

(3) The ending balance of inventory contains the explanation of the capitalized amount of borrowing expenses:

As at 31st December 2021, the Group's inventory balance contains capitalized borrowing costs at CNY 12,237,466.31 (The amount is CNY 3,497,172.46 as at 31st December 2020).

(4) Development cost

Project name	Starting time	Estimated completion time	Expected total investment	2021.12.31	2020.12.31	Ending provision
ShanTou Fresh Peak Building	--	--	--	28,291,908.11	25,291,908.11	--
Tianyue Bay No.2	In 2018	In 2021	65,485.00		531,297,183.14	--
Lin Xin Garden	In 2021	In 2023	300,000.00	2,015,750,061.85	--	--
Shenfang GuangmingLi	In 2022	In 2024	152,060.00	993,950,000.00	--	--
Total			65,485.00	3,037,991,969.96	556,589,091.25	--

(5) Product development

The item name	Time for completion	2021.01.01	Increase in current	The reduced	2021.12.31	End of the fall
Jinye Island Multi-tier villa	1997	39,127,219.14	367,543.46	--	39,494,762.60	--
Jinye Island villa No.10	2010	5,387,376.71	308,630.54	--	5,696,007.25	--
Jinye Island villa No.11	2008	2,333,281.42	--	--	2,333,281.42	--
YueJing dongfang Project	2014	7,727,546.84	--	421,927.47	7,305,619.37	--

The item name	Time for completion	2021.01.01	Increase in current	The reduced	2021.12.31	End of the fall
Wenjin Garden	--	23,198.37	--	23,198.37	--	--
HuangPu XinCun	--	140,000.00	--	--	140,000.00	--
Shenfang Shanglin Garden	2014	10,206,656.46	--	10,206,656.46	--	--
Beijing Fresh Peak Buliding	-	304,557.05	--	--	304,557.05	--
TianYue Bay No.1	2017	335,020,709.01	--	64,478,654.34	270,542,054.67	--
Shengfang CuiLin Building	2018	55,783,765.78	2,885,290.38	--	58,669,056.16	--
Chuanqi Donghu	2019	203,349,400.93	--	161,515,343.69	41,834,057.24	--
TianYue Bay No.2	2021	--	617,484,635.86	49,591,174.33	567,893,461.53	--
Total		659,403,711.71	621,046,100.24	286,236,954.66	994,212,857.29	--

8. Assets and liabilities held for sale

Item	Book value	2021.12.31		2020.12.31		
		Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
1) Non-current assets held for sale	--	--	--	--	--	--
(2) Assets included in disposal groups held for sale	--	--	--	--	--	--
Including:						
Shenzhen Property Management Co., Ltd.	78,940,232.10	--	78,940,232.10	--	--	--
Total	78,940,232.10	--	78,940,232.10	--	--	--

Item	2021.12.31	2020.12.31
Liabilities held for sale:	--	--
Liabilities included in disposal groups held for sale	--	--
Including:		
Shenzhen Property Management Co., Ltd.	65,752,452.06	--
Total	65,752,452.06	--

In order to optimize and adjust the industrial structure, on 30 December, 2021, the Company and its subsidiary Shenzhen Shenfang Investment Co., Ltd. and Shenzhen Guomao Property Management Co., Ltd. signed the Equity Acquisition Agreement to transfer a total of 100% of the equity of Shenzhen Property Management Co., Ltd. to Shenzhen Guomao Property Management Co., Ltd., with a transfer price of CNY 196.6767 million

Disposal groups held for sale

Shenzhen Property Management Co., Ltd.

Item	Carrying amount as at 2021.12.31	Fair value as at 2021.12.31	Costs to sell	Timetable
Assets included in disposal groups held for sale	--	--	--	--
Cash and bank	64,521,214.48	64,521,214.48	--	2022 年
Accounts receivable	454,920.23	454,920.23	--	2022 年
Other accounts receivable	4,239,993.91	4,239,993.91	--	2022 年
Inventory	834,370.65	834,370.65	--	2022 年
Other current asset	4,832,730.35	4,832,730.35	--	2022 年
Investment Property	1,434,434.11	1,434,434.11	--	2022 年
Fixed asset	2,516,947.44	2,516,947.44	--	2022 年
Deferred tax asset	105,620.93	105,620.93	--	2022 年
Liabilities included in disposal groups held for sale	--	--	--	--
Wage payable	17,949,449.66	17,949,449.66	--	2022 年
Tax payable	1,906,577.65	1,906,577.65	--	2022 年
Other accounts payable	38,059,508.29	38,059,508.29	--	2022 年
Long-term payable	7,836,916.46	7,836,916.46	--	2022 年

9. Other current assets

Item	2021.12.31	2020.12.31
Income tax overpaid or prepaid	3,205,104.33	68,880,760.27
VAT prepaid	7,643,969.22	25,577,294.63
Input tax to be deducted	53,061,826.30	4,741,378.98
Land appreciation tax	2,481,541.71	2,083,793.61
Business Tax	259,308.30	312,287.17
Other	1,565,137.18	1,311,620.13
Total	68,216,887.04	102,907,134.79

10. Long-term equity investments

Investee	2020.12.31	Movements during the year							2021.12.31	Balance of provision for impairment as at 2021.12.31	
		Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits	Provision for impairment			Other
① Joint ventures											
Guangdong province											
Huizhou Luofu Hill Mineral Water Co., Ltd	9,969,206.09	--	--	--	--	--	--	--	--	9,969,206.09	9,969,206.09
Fengkai Xinhua Hotel	9,455,465.38	--	--	--	--	--	--	--	--	9,455,465.38	9,455,465.38
Subtotal	19,424,671.47	--	--	--	--	--	--	--	--	19,424,671.47	19,424,671.47
② Associates											
Shenzhen Ronghua JiDian Co., Ltd	1,454,444.29	--	--	-105,321.37	--	--	--	--	--	1,349,122.92	1,076,954.64
Shenzhen Runhua Automobile trading Co., Ltd	1,445,425.56	--	--	--	--	--	--	--	--	1,445,425.56	1,445,425.56
Dongyi Real Estate Co., Ltd	30,376,084.89	--	--	--	--	--	--	--	--	30,376,084.89	30,376,084.89
Subtotal	33,275,954.74	--	--	-105,321.37	--	--	--	--	--	33,170,633.37	32,898,465.09

Investee	Movements during the year									2021.12.31	Balance of provision for impairment as at 2021.12.31
	2020.12.31	Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits	Provision for impairment	Other		
③ Other equity investment										-	
Paklid Limited Australia	201,100.00	--	--	--	--	--	--	--	--	201,100.00	201,100.00
Bekaton Property Limited	906,630.00	--	--	--	--	--	--	--	--	906,630.00	906,630.00
Shenzhen Shenfeng Department Store Co. Ltd.	10,000,000.00	--	--	--	--	--	--	--	--	10,000,000.00	10,000,000.00
Shantou Fresh Peak Building Guangdong Province	58,547,652.25	--	--	--	--	--	--	--	--	58,547,652.25	58,547,652.25
kaiFeng Lian Feng Cement Manufacturing Co., Ltd	56,228,381.64	--	--	--	--	--	--	--	--	56,228,381.64	56,228,381.64
Jiangmen XinJiang real estate compnay	9,037,070.89	--	--	--	--	--	--	--	--	9,037,070.89	9,037,070.89
Xian Xinfeng property trading ltd.	32,840,729.61	--	--	--	--	--	--	--	--	32,840,729.61	32,840,729.61

Investee	Movements during the year									2021.12.31	Balance of provision for impairment as at 2021.12.31
	2020.12.31	Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits	Provision for impairment	Other		
Subtotal	167,761,564.39	--	--	--	--	--	--	--	--	167,761,564.39	167,761,564.39
Total	220,462,190.60	--	--	-105,321.37	--	--	--	--	--	220,356,869.23	220,084,700.95

Note: Other equity investment items are the equity of the Company's subsidiaries which are not included in the scope of the merger. Some of these subsidiaries were wound up, but the Group hasn't write off its long-term equity investment. Some of these subsidiaries have ceased operating for many years and no longer exist, the group could not implement effective management control over them. Refer to Note VII for more details.

11. Investment in other equity instruments

Item	2021.12.31	2020.12.31
Shantou SME Financing Guarantee Co., Ltd.	13,831,938.92	13,508,202.32
Yunnan Kun Peng Aviation Service Limited Corporation	22,490,765.41	24,002,658.19
Total	36,322,704.33	37,510,860.51

Note: Since the Group plans to hold the above equity investment for a long term for strategic purposes, the Group designates them as financial assets measured at fair value and the change in it is included in other comprehensive income.

Item	Dividend income recognized during the current period	The cumulative gains	The cumulative loss	The amount of other comprehensive income transferred into retained earnings	To reason
Shantou SME Financing Guarantee Co., Ltd.	692,580.00	4,736,640.00	--	--	--
Yunnan Kun Peng Aviation Service Limited Corporation		1,653,305.67	--	--	--

12. Investment Properties

(1) Investment properties measured using the cost model

Item	Buildings	Land use rights	Total
I .Cost			
1.2020.12.31	1,054,731,893.62	100,572,661.91	1,155,304,555.53
2.Additions during the year	--	--	--
(1) Transfers from inventories	--	--	--
(2) Other transfers(exchange rate movement)	--	--	--
(3) Additions due to business combinations	--	--	--
3. Decrease during the year	11,819,871.23	2,299,719.72	14,119,590.95
(1) Other transfers	11,819,871.23	--	11,819,871.23
(2) Other decrease (exchange rate movement)	--	2,299,719.72	2,299,719.72
4.2021.12.31	1,042,912,022.39	98,272,942.19	1,141,184,964.58
II .Accumulated depreciation or amortization			
1.2020.12.31	442,265,712.97	--	442,265,712.97
2.Charge for the year	25,653,177.83	--	25,653,177.83
(1) Depreciated or amortised	25,653,177.83	--	25,653,177.83

Item	Buildings	Land use rights	Total
(2) Additions due to business combinations	--	--	--
(3) Others(exchange rate movement)	--	--	--
3. Reductions during the year	10,385,437.12	--	10,385,437.12
(1) Disposals	--	--	--
(2) Other transfers out	10,385,437.12	--	10,385,437.12
(3) Others(exchange rate movement)	--	--	--
4.2021.12.31	457,533,453.68	--	457,533,453.68
III.Provision for impairment			
1.2020.12.31	14,128,544.62	82,544,676.41	96,673,221.03
2.Charge for the year	--	--	--
(1) Other additions (exchange rate movement)	--	--	--
3. Reductions on disposals	--	1,887,487.29	1,887,487.29
(2) Other transfers (exchange rate movement)	--	1,887,487.29	1,887,487.29
4.2021.12.31	14,128,544.62	80,657,189.12	94,785,733.74
IV.Carrying amounts			
1. Carrying amount as at 2021.12.31	571,250,024.09	17,615,753.07	588,865,777.16
2. Carrying amount as at 2020.12.31	598,337,636.03	18,027,985.50	616,365,621.53

Note: The reduction in the original value of land use rights and impairment provisions is caused by exchange rate movement at the time of translation of foreign currency statements. The other reduction in original value of building and other depreciation is due to the reclassification of investment property to assets held for sale, which caused by the intention of selling Shenzhen Property Management Co., Ltd.

13. Fixed assets

Item	2021.12.31	2020.12.31
Fixed assets	23,920,424.55	28,039,978.43

① Fixed assets

Item	Plant & buildings	Machinery & equipment	Electronic device and others	Total
I.Cost				
1.2020.12.31	107,700,181.42	10,441,558.92	13,645,811.86	131,787,552.20
2.Additions during the year	--	742,347.12	1,290,327.93	2,032,675.05
(1) Purchases	--	742,347.12	960,533.10	1,702,880.22
(2) Other transfers	--	--	--	--
(3) Additions due to business combinations	--	--	329,794.83	329,794.83

Item	Plant & buildings	Machinery & equipment	Electronic device and others	Total
3. Decrease during the year	7,582,373.32	2,876,450.63	7,662,559.96	18,121,383.91
(1) Disposals or written-offs	--	477,402.00	2,584,295.09	3,061,697.09
(2) Others	7,582,373.32	2,399,048.63	5,078,264.87	15,059,686.82
4.2021.12.31	100,117,808.10	8,307,455.41	7,273,579.83	115,698,843.34
II. Accumulated depreciation:				-
1.2020.12.31	83,519,658.69	9,059,003.88	11,168,911.20	103,747,573.77
2. Charge for the year	2,493,103.50	302,686.87	646,638.80	3,442,429.17
(1) Provision	2,493,103.50	302,686.87	627,083.93	3,422,874.30
(2) business combination	--	--	19,554.87	19,554.87
3. Reductions for the year	6,821,632.35	2,497,009.59	6,092,942.21	15,411,584.15
(1) Disposal or written-offs	--	474,852.00	2,393,992.77	2,868,844.77
(2) Others	6,821,632.35	2,022,157.59	3,698,949.44	12,542,739.38
4.2021.12.31	79,191,129.84	6,864,681.16	5,722,607.79	91,778,418.79
III. Provision for impairment	--	--	--	--
IV. Carrying amount				
1. As at 2021.12.31	20,926,678.26	1,442,774.25	1,550,972.04	23,920,424.55
2. As at 2020.12.31	24,180,522.73	1,382,555.04	2,476,900.66	28,039,978.43

Note: other decrease is due to the reclassification of fixed assets to assets held for sale which caused by the sale of Shenzhen Property Management Co., Ltd.

14. Right-of-use assets

Item	Houses and Buildings
I. Original book value:	
2020.12.31	--
Add: changes in accounting policy	--
1.2021.01.01	--
2. Amount increased during the current period	431,779.61
Addition due to business combination	431,779.61
3. Decrease amount in current period	--
4. 2021.12.31	431,779.61
II. Accumulative depreciation	
2020.12.31	--
Add: changes in accounting policy	--
1.2021.01.01	--
2. Amount increased during the current period	66,427.64
Addition due to business combination	66,427.64

Item	Houses and Buildings
3. Decrease amount in current period	--
4. 2021.12.31	66,427.64
III. Impairment Provisions	
2020.12.31	--
Add: changes in accounting policy	--
1.2021.01.01	--
2. Amount increased during the current period	--
3. Decrease amount in current period	--
4. 2021.12.31	--
IV. Book value	
1. as at 2021.12.31	365,351.97
2. as at 2020.01.01	--

15. Intangible assets

(1) Intangible assets

Item	Software
I. Cost	
1. 2020.12.31	2,241,800.00
2. Additions during the year	--
3. Decrease during the year	--
4. 2021.12.31	2,241,800.00
II. Accumulative amortization	
1. 2020.12.31	2,241,800.00
2. Charge for the year	--
3. Reduction for the year	--
4. 2021.12.31	2,241,800.00
III. Provision for impairment	--
IV. Carrying amount	
1. As at 2021.12.31	--
2. As at 2020.12.31	--

16. Long-term deferred expenses

Item	2020.12.31	Additions during the year	Decreases during the year		2021.12.31
			Amortisation for the year	Others decreases	
Renovation costs	61,667.53	1,880,290.16	237,990.14	--	1,703,967.55
Other	--	463,232.73	2,237.10	--	460,995.63

Item	2020.12.31	Additions during the year	Decreases during the year		2021.12.31
			Amortisation for the year	Others decreases	
Total	61,667.53	2,343,522.89	240,227.24	--	2,164,963.18

17. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities that are not offset

Item	2021.12.31		2020.12.31	
	Deductible/Taxable Temporary Differences	Deferred tax assets/liabilities	Deductible/Taxable Temporary Differences	Deferred tax assets/liabilities
Deferred tax assets:				
Provision for impairment	11,676,505.43	2,919,126.36	6,549,009.33	1,637,252.34
Pre-tax recoverable operating losses	60,853,662.72	15,213,415.68	48,676,321.03	12,169,080.25
Provision for land appreciation tax	537,081,594.36	134,270,398.59	334,846,723.41	83,711,680.85
Unrealised profits of intra-group transactions	48,439,321.68	12,109,830.42	40,305,039.22	10,076,259.81
Accrued Contractual cost	22,029,322.92	5,507,330.73	20,603,882.91	5,150,970.73
Subtotal	680,080,407.11	170,020,101.78	450,980,975.90	112,745,243.98
Deferred tax liabilities:				
Unmatured interest	7,411,964.20	1,852,991.05	18,361,143.19	4,590,285.80
Changes in the fair value of other equity investments	18,858,463.59	4,714,615.90	20,046,619.77	5,011,654.94
Changes in the fair value of trading financial assets	11,828,130.44	2,957,032.61	--	--
Subtotal	38,098,558.23	9,524,639.56	38,407,762.96	9,601,940.74

(2) Details of unrecognized deferred tax assets

Item	2021.12.31	2020.12.31
Deductible losses	10,875,646.42	21,878,078.42
Bad debt provision	211,607,688.34	217,879,386.20
Impairment provision for long-term equity investments	220,084,700.95	220,084,700.95
Impairment provision for Investment property	94,785,733.74	96,673,221.03
Total	537,353,769.45	556,515,386.60

Note: Due to the uncertainty of future taxable income, the Group did not recognize deferred tax assets for the temporary deductible differences and deductible losses.

(3) Expiration of deductible tax losses for unrecognised deferred tax assets

Year	2021.12.31	2020.12.31	Note
2021	—	11,349,323.06	
2022	5,753,184.38	5,753,184.38	
2023	4,085,485.24	4,085,485.24	
2024	688,456.49	688,456.49	
2025	1,629.25	1,629.25	
2026	346,891.06	—	
Total	10,875,646.42	21,878,078.42	

18. Short-term loans

(1) Classification of short-term loans

Item	2021.12.31	2020.12.31
Pledge loans	50,440,116.24	76,893,995.94

Note: The ending balance of loan includes the factoring loan applied by the group for accounts receivable and discounted commercial acceptance notes receivable which is not derecognized.

19. Notes payable

Item	2021.12.31	2020.12.31
Commercial acceptance notes	247,376,403.56	--
Banker acceptance notes	--	--
Total	247,376,403.56	--

Note: The notes payable due but unpaid at the year end is CNY 23,790,000.00.

20. Accounts Payable

Item	2021.12.31	2020.12.31
Construction	139,000,203.58	174,552,420.54
Other	2,447,355.66	2,374,193.74
Total	141,447,559.24	176,926,614.28

21. Advances from customers

Item	2021.12.31	2020.12.31
Payment for goods-import and export	4,218,370.69	4,218,370.69
Others	2,193,056.35	1,721,721.46

Item	2021.12.31	2020.12.31
Total	6,411,427.04	5,940,092.15

22. Contractual liabilities

Item	2021.12.31	2020.12.31
Advance collection of house sales	199,909,796.88	196,619,100.77
Room charges in advance	55,693.20	167,876.42
Total	199,965,490.08	196,786,977.19

23. Employee benefits payable

Item	2020.12.31	Accrued during the year	Decreased during the year	2021.12.31
Short-term employee benefits	60,375,684.92	178,996,492.79	195,580,189.34	43,791,988.37
Post-employment benefits - defined contribution plans	92,149.17	14,546,364.79	14,503,790.55	134,723.41
Total	60,467,834.09	193,542,857.58	210,083,979.89	43,926,711.78

(1) Short-term employee benefits

Item	2020.12.31	Accrued during the year	Decreased during the year	2021.12.31
Salaries, bonus, allowances	59,181,979.88	157,159,991.84	172,705,010.07	43,636,961.65
Staff welfare	37,800.00	6,180,350.16	6,182,350.16	35,800.00
Social insurances	1,850.44	5,397,620.93	5,399,471.37	--
Including: 1. Medical insurance	1,259.40	4,944,592.21	4,945,851.61	--
2. Work-related injury insurance	591.04	76,805.95	77,396.99	--
3. Maternity insurance	--	376,222.77	376,222.77	--
Housing Fund	583,666.83	6,368,585.34	6,921,211.85	31,040.32
Labor union fees, staff and workers' education fee	570,387.77	3,889,944.52	4,372,145.89	88,186.40
Total	60,375,684.92	178,996,492.79	195,580,189.34	43,791,988.37

Note: there is CNY 17,949,449.66 in decreased during the year and reclassified to liabilities held for sale.

(2) Defined contribution plans

Item	2020.12.31	Accrued during the year	Decreased during the year	2021.12.31
Post-employment benefits	92,149.17	14,546,364.79	14,503,790.55	134,723.41
Including: 1. Basic pension insurance	75,318.93	10,345,263.18	10,348,582.11	72,000.00
2. Unemployment insurance	914.12	246,238.03	247,152.15	--

Item	2020.12.31	Accrued during the year	Decreased during the year	2021.12.31
3. Annuity	15,916.12	3,954,863.58	3,908,056.29	62,723.41
Total	92,149.17	14,546,364.79	14,503,790.55	134,723.41

24. Taxes payable

Item	2021.12.31	2020.12.31
Corporate income tax	55,260,539.21	116,073,629.88
Land appreciation tax	541,127,363.69	339,492,860.89
Value-added tax	2,364,703.76	2,225,243.79
Individual income tax	741,740.25	1,067,279.80
City maintenance and construction tax	243,387.84	240,165.30
Property tax	262,015.56	272,984.08
Education surcharge	105,021.26	180,666.76
Local Education surcharge	56,806.29	11,963.23
Other	379,294.62	144,853.22
Total	600,540,872.48	459,709,646.95

25. Other payables

Item	2021.12.31	2020.12.31
Interest payables	16,535,277.94	16,535,277.94
Dividend payables	--	--
Other payables	564,842,137.70	260,569,851.80
Total	581,377,415.64	277,105,129.74

(1) Interest payable

Item	2021.12.31	2020.12.31
Non-financial institution borrowing interest (interest payable to parent company)	16,535,277.94	16,535,277.94

Significant overdue interest outstanding:

Debtor	Overdue amount	Overdue reason
Shenzhen Investment Holdings Co., Ltd.	16,535,277.94	Defer payment

(2) Other payable

Item	2021.12.31	2020.12.31
Non-related party transactions	161,537,615.36	--
Accrued land appreciation tax	36,447,111.94	59,789,921.48
Related party transactions	215,460,862.07	18,119,380.19

Item	2021.12.31	2020.12.31
Deposits	48,106,373.19	100,280,051.56
Others	103,290,175.14	82,380,498.57
Total	564,842,137.70	260,569,851.80

(3) significant other payables aging over 1 year

Item	amount	Reason for no repayment
Accrued land appreciation tax	36,447,111.94	Not yet to clear

26. Non-current liabilities due within one year

Item	2021.12.31	2020.12.31
Lease liabilities due within one year	83,023.44	--

27. Other current liabilities

Item	2021.12.31	2020.12.31
Other	8,196,849.13	8,917,027.07

28. Lease liabilities

Item	2021.12.31	2021.01.01
Buildings	208,944.21	--
Subtotal	208,944.21	--
Minus: lease liabilities due within one year	83,023.44	--
Total	125,920.77	--

Note: The interest expense of leasing liabilities accrued in 2021 is CNY 9,920.46, which is included in the financial expense - interest expense.

29. Long-term payables

Item	2021.12.31	2020.12.31
Long-term payables	--	7,480,233.43

(1) Long-term payables

Item	2021.12.31	2020.12.31
Maintenance fund	--	7,480,233.43

Note: at the end of the period, CNY 7,480,233.43 in long-term payables is reclassified to liabilities held for sale.

30. Capital stock (unit: 10,000 shares)

Item	2020.12.31	Increase or decrease of current period (+, -)					2021.12.31
		New shares	Stock dividend	Conversion from reserve to shares	Others	Subtotal	
The total number of shares	101,166.00	--	--	--	--	--	101,166.00

31. Capital reserve

Item	2020.12.31	Additions during the year	Reductions during the year	2021.12.31
Share premium	557,433,036.93	--	--	557,433,036.93
Other capital reserves	420,811,873.18	--	--	420,811,873.18
Total	978,244,910.11	--	--	978,244,910.11

32. Other comprehensive income

Item	2020.12.31 (1)	Current amount					2021.12.31 (3) = (1) + (2)
		The current income tax before the amount	Minus: early entry into other comprehensive income into the current period of profit and loss	Minus: income tax expense	After-tax attributable to parent company (2)	After tax, it belongs to minority shareholders	
Other comprehensive income that cannot be reclassified into profits and losses	15,034,964.83	-1,188,156.18	--	-297,039.04	-891,117.14	--	14,143,847.69
1. Changes in the fair value of other equity instrument investments	15,034,964.83	-1,188,156.18	--	-297,039.04	-891,117.14	--	14,143,847.69
Other comprehensive income which is reclassified into profit and loss	13,128,085.30	8,817,030.96	--	--	8,817,030.96	911,435.23	21,945,116.26
1. Difference in translation of foreign currency financial statements	13,128,085.30	8,817,030.96	--	--	8,817,030.96	911,435.23	21,945,116.26
Total other comprehensive income	28,163,050.13	7,628,874.78	-	-297,039.04	7,925,913.82	911,435.23	36,088,963.95

33. Surplus reserve

Item	2020.12.31	Additions during the year	Reductions during the year	2021.12.31
Statutory surplus reserve	218,724,273.67	22,420,581.26	--	241,144,854.93
Arbitrary surplus reserve	--	--	--	--
Total	218,724,273.67	22,420,581.26	--	241,144,854.93

34. Retained earnings

Item	Year ended 2021.12.31	Year ended 2020.12.31	Appropriation or distribution percentage
Retained earnings as at 31/12/2020 (before adjustment)	1,560,720,254.31	1,464,915,816.81	--
Total adjustments for opening retained earnings (“+” for increase; “-” for decrease)	--	--	--
Retained earnings as at 01/01/2021 (after adjustment)	1,560,720,254.31	1,464,915,816.81	--
Add: Net profits for the year attributable to shareholders of the Group	220,836,309.93	290,229,772.23	--
Less: Appropriation for statutory surplus reserve	22,420,581.26	27,501,434.73	10%
Appropriation for ordinary share dividend	88,014,420.00	166,923,900.00	--
Retained earnings as at 2021.12.31	1,671,121,562.98	1,560,720,254.31	--

35. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	Year ended 2021.12.31		Year ended 2020.12.31	
	Income	Cost	Income	Cost
Main business	1,305,013,711.33	644,196,683.45	1,602,794,163.58	793,896,680.56
Other business	15,776,937.12	22,151,678.03	12,215,550.30	11,611,768.12
Total	1,320,790,648.45	666,348,361.48	1,615,009,713.88	805,508,448.68

(2) Operating revenue and operating costs are divided by industry (or product type)

Main Industry name	Current amount		Amount of previous period	
	income	The cost of	income	The cost of
Real estate	876,161,088.60	280,828,284.77	1,158,411,393.81	387,659,747.71
Construction	200,259,571.16	194,607,475.30	251,454,463.43	244,511,214.58
Property Management	162,526,580.18	145,898,235.49	151,968,675.51	139,937,487.12
Lease	81,791,161.56	38,780,101.44	63,254,584.48	35,984,852.34
subtotal	1,320,738,401.50	660,114,097.00	1,625,089,117.23	808,093,301.75
Less: Internal offset	15,724,690.17	15,917,413.55	22,294,953.65	14,196,621.19
Total	1,305,013,711.33	644,196,683.45	1,602,794,163.58	793,896,680.56

(3) The revenue and cost of main business shall be divided by region (if not applicable, it shall be deleted)

Main business area	Current amount		Amount of previous period	
	Main business revenue	Main business cost	Main business revenue	Main business cost
Domestic:	1,320,105,876.64	660,114,097.00	1,624,250,104.98	807,403,891.75
Guangdong Province	1,308,786,001.07	652,104,794.06	1,613,933,749.67	799,028,972.30
Other	11,319,875.57	8,009,302.94	10,316,355.31	8,374,919.45
Overseas:	632,524.86	--	839,012.25	689,410.00
America	632,524.86	--	839,012.25	689,410.00
Subtotal	1,320,738,401.50	660,114,097.00	1,625,089,117.23	808,093,301.75
Less: Internal offset	15,724,690.17	15,917,413.55	22,294,953.65	14,196,621.19
Total	1,305,013,711.33	644,196,683.45	1,602,794,163.58	793,896,680.56

(4) Business revenue decomposition information

Item	Current amount					Total
	Real estate	Construction	Property Management	Leases	Other	
Main business revenue	876,161,088.60	192,993,579.90	159,487,885.27	76,371,157.56	--	1,305,013,711.33
Including: Confirm at a certain point	876,161,088.60	--	--	--	--	876,161,088.60
Confirm at a certain time	--	192,993,579.90	159,487,885.27	76,371,157.56	--	428,852,622.73
Other business income	--	--	--	--	15,776,937.12	15,776,937.12
Total	876,161,088.60	192,993,579.90	159,487,885.27	76,371,157.56	15,776,937.12	1,320,790,648.45

36. Taxes and surcharges

Item	Current amount	Amount of previous period
Land appreciation tax	234,706,353.29	311,880,157.14
Property tax	9,928,730.40	7,554,272.86
Urban maintenance and construction tax	4,235,765.07	5,098,758.97
education surcharge	1,910,215.37	2,261,494.65
Local education surcharge	1,081,322.37	1,372,146.74
Embankment protection fees	2,497,929.35	1,795,236.14
Total	254,360,315.85	329,962,066.50

Note: the tax and additional payment standards are detailed in Note IV. Tax.

37. Selling expense

Item	Current amount	Amount of previous period
Sales agency fee and commission	26,587,685.99	44,260,043.83

Item	Current amount	Amount of previous period
Employee benefits	9,474,880.74	6,493,766.61
Entertainment expenses	3,261,755.78	2,131,882.24
Advertising expenses	2,932,966.45	2,646,392.11
Other	480,459.26	457,312.43
Total	42,737,748.22	55,989,397.22

38. Administrative expenses

Item	Current amount	Amount of previous period
Employee benefits	79,343,163.63	64,704,357.03
Agency fee	4,027,178.08	12,450,245.35
Entertainment expenses	2,857,097.54	2,167,046.29
Depreciation expense	2,567,845.33	3,850,384.39
Office expenses	2,364,940.64	1,831,836.07
Maintenance expenses	985,033.96	717,959.58
Office expenses	496,794.63	297,270.72
Other Amortization	421,749.41	436,258.47
water and electricity	273,581.21	431,830.71
Other	4,970,447.17	6,729,038.14
Total	98,307,831.60	93,616,226.75

39. Financial expenses

Item	Current amount	Amount of previous period
The interest payments	12,247,386.77	--
Minus: Capitalization of interest	12,237,466.31	--
Interest income	28,863,878.27	30,130,066.10
Exchange gains and losses	9,320,742.60	7,808,608.84
Minus: Capitalization of exchange gains and losses	--	--
Commission charges and others	1,449,724.20	815,772.21
Total	-18,083,491.01	-21,505,685.05

40. Other income

Subsidies (other sources of revenue)	Current amount	Amount of previous period	With respect to assets / Related to revenue
VAT deduction	1,483,095.28	1,062,301.22	Related to revenue
Subsidies for job-for-training	165,000.00	--	Related to revenue
Additional deductions for input tax	11,384.12	174,534.77	Related to revenue
Renovation of back streets and alleys around farmers' markets (public health fund)	10,000.00	--	Related to revenue
Subsidies for epidemic prevention	--	3,245,019.09	Related to revenue
Subsidies for keeping people in their jobs	--	125,750.12	Related to revenue
VAT deduction in simplified method	--	166.87	Related to revenue

Subsidies (other sources of revenue)	Current amount	Amount of previous period	With respect to assets / Related to revenue
Total	1,669,479.40	4,607,772.07	

41. Investment Income

Item	Current amount	Amount of previous period
Long-term equity investment income calculated by the equity method	-105,321.37	-92,348.97
Dividend income from investments in other equity instruments	692,580.00	599,760.00
Yield on maturity of structured deposits	1,196,580.44	15,217,058.60
Total	1,783,839.07	15,724,469.63

42. Income from changes in fair value

The source of the fair value change income	Current amount	Amount of previous period
Trading financial assets	11,828,130.44	--

43. Credit impairment loss (loss marked with "-")

Item	Current amount	Amount of previous period
Accounts receivable bad debt loss	-4,433,371.85	-1,865,160.28
Other losses on receivable bad debts	-2,362,779.29	1,380,875.47
Bad debt losses on notes receivable	-999,068.57	125,285.66
Total	-7,795,219.71	-358,999.15

44. Impairment loss of assets (loss is marked with "-")

Item	Current amount	Amount of previous period
Losses from falling inventory prices	268,941.60	--

45. Income from asset disposal

Item	Current amount	Amount of previous period
Gain on disposal of fixed assets (loss is marked with "-")	-8,852.73	11,429.23

46. Non-operating income

Item	Current amount	Amount of previous period	Amount booked into current non-recurring profits and losses
Compensation	-	30,000,000.00	-
Penalty income	1,506,996.67	670,000.10	1,506,996.67
Other	210,438.20	2,600.16	210,438.20
Income from sale of waste	28,700.00	21,161.31	28,700.00
Total	1,746,134.87	30,693,761.57	1,746,134.87

47. Non-operating expenses

Item	Current amount	Amount of previous period	Amount booked into current non-recurring profits and losses
Public welfare donation expenditure	31,464.96	89,121.31	31,464.96
Loss of non-current assets damaged and scrapped	16,439.20	69,581.08	16,439.20
Penalty	85,686.90	--	85,686.90
Other	74,538.68	1,525,401.58	74,538.68
Total	208,129.74	1,684,103.97	208,129.74

48. Income tax expenses

(1) Income tax expense details

Item	Current amount	Amount of previous period
Current income tax calculated according to the tax law and relevant provisions	125,965,276.65	173,172,138.96
Deferred tax expense	-57,160,740.87	-62,701,304.18
Total	68,804,535.78	110,470,834.78

(2) The relationship between income tax expense and total profit is listed as follows :(inapplicable items can be deleted, and "other" amounts should not be too large)

Item	Current amount	Amount of previous period
Profit total	286,404,205.51	400,433,589.16
Income tax expense at statutory (or applicable) rate (gross profit *25%)	71,601,051.38	100,108,397.29
Impact of different tax rates applied to certain subsidiaries	-810,905.02	-523,491.63
Adjustment of income tax for the current period of the previous period	-378,391.66	--
The profits and losses of joint ventures and associated enterprises calculated by equity method	26,330.35	-126,852.76
Tax-free income (marked with "-")	-173,145.00	
Non-deductible costs, expenses and losses	563,064.63	15,046,324.88
Take advantage of the tax impact of unrecognized deductible losses and deductible temporary differences in previous years (fill in with "-")	-2,008,151.87	-4,257,625.20
Tax effects of deductible losses and deductible temporary differences are not recognized	-15,317.03	692,907.43
Reduction of Corporate income tax	--	-468,825.23
Income tax expense	68,804,535.78	110,470,834.78

49. Notes for items in the statement of cash flows

(1) Receipt of other cash related to operating activities

Item	Current amount	Amount of previous period
Interest Income	39,813,057.28	11,768,922.91
Receivables and others	338,784,024.72	42,259,017.80
Total	378,597,082.00	54,027,940.71

(2) Other cash payments related to operating activities

Item	Current amount	Amount of previous period
Charges	1,449,724.20	815,772.21
Out-of-pockets expenses	50,267,187.02	72,468,127.90
Payables and others	231,759,408.78	1,291,173.09
Total	283,476,320.00	74,575,073.20

(3) Receipt of other cash related to investment activities

Item	Current amount	Amount of previous period
Financing products and etc.	797,803,419.53	1,000,000,000.00

(4) Other cash payments related to investment activities

Item	Current amount	Amount of previous period
Financing products and etc.	1,300,000,000.00	--

(5) Receipt of other cash in connection with financing activities

Item	Current amount	Amount of previous period
Borrowings from subsidiary shareholders	193,016,852.52	--
fund from Linxijun employees	22,800,000.00	--
Total	215,816,852.52	--

50. Supplementary information to the statement of cash flows

(1) Supplementary information of the cash flow statement

Additional information	Current amount	Amount of previous period
1. Adjust net profit to cash flow from operating activities		
Net profit	217,599,669.73	289,962,754.38
Plus: impairment loss on assets	-268,941.60	--
Credit impairment loss	7,795,219.71	358,999.15
Depreciation of Fixed Assets, Depreciation of Usability Assets, Depreciation of Investment Real Estate, Depreciation of Oil and Gas Assets, Depreciation of Productive Biological Assets (Items not applicable can be deleted)	29,162,034.64	29,954,172.05

Additional information	Current amount	Amount of previous period
Amortization of intangible assets	--	--
Amortization of long-term prepaid expenses	240,227.24	100,458.19
Loss on disposal of fixed assets, intangible assets and other long-term assets (marked with "-" for gains)	13,451.61	-11,429.23
Loss on the scrapping of fixed assets (marked with "-" for income)	16,439.20	69,581.08
Loss from changes in fair value (marked with "-" for earnings)	-11,828,130.44	--
Financial expenses (revenue marked with "-")	450,266.20	647,689.01
Loss on investment (marked with "-" for income)	-1,783,839.07	-15,724,469.63
Deferred tax assets decreased (marked with "-" for increase)	-57,380,478.73	-66,303,918.73
Deferred tax liability increased (marked with "-" for decrease)	85,543.83	3,602,614.55
Decrease in stock (marked with "-" for increase)	-1,600,400,189.74	231,291,659.65
Decrease of operating receivable items (marked with "-" for increase)	79,815,735.11	-54,000,863.50
Increase in operational payable items (marked with "-" for decrease)	130,530,884.37	-134,783,233.80
other	--	--
Net cash flow from operating activities	-1,205,952,107.94	285,164,013.17
2. Major investment and financing activities that do not involve cash receipts and expenditures:	--	--
Debt to capital	--	--
A convertible corporate bond maturing within one year	--	--
Leasing of fixed assets through financing	--	--
3. Net changes in cash and cash equivalents:	--	--
Ending balance of cash	612,293,635.15	2,669,103,926.82
Minus: Opening balance of cash	2,669,103,926.82	1,507,189,760.35
Plus: ending balance of cash equivalents	--	--
Minus: Beginning balance of cash equivalents	--	--
Net increase in cash and cash equivalents	-2,056,810,291.67	1,161,914,166.47

(2) Composition of cash and cash equivalents

Item	Ending balance	Opening balance
1. Cash	612,293,635.15	2,669,103,926.82
Including: cash on hand	12,082.00	61,121.83
Bank deposits available for payment at any time	372,181,553.15	1,026,042,804.99
Other monetary fund readily available for payment	240,100,000.00	1,643,000,000.00
2. Cash equivalents	--	--
Including: bond investments maturing within three months	--	--
3. Closing cash and cash equivalents balance	612,293,635.15	2,669,103,926.82
Where: the parent company or a subsidiary of the group uses restricted cash and cash equivalents	--	--

Note: CNY 64,521,214.48 in bank deposits available for payment at any time is reclassified to asset held for sales.

51. Assets whose ownership or use rights are restricted

Item	Ending book value	Reason for limitation
Accounts receivables	50,440,116.24	Pledge of short-term loans
Cash at bank and Cash Equivalent	3,500,000.00	Frozen by litigation
Cash at bank and Cash Equivalent	5,674,439.78	funds for the construction of public facilities in and around the city of Longgang District

52. Foreign currency monetary items

(1) Foreign currency monetary items

Item	Ending Foreign Currency Balance	Exchange rate	Balance converted into CNY at the end
Monetary fund			
Including: US dollar	153,319.14	6.3757	977,516.84
Hong Kong dollars	6,667,176.97	0.8176	5,451,083.89
Accounts receivable			
Including: US dollar	16,000.00	6.3757	102,011.20
Hong Kong dollars	4,905,150.10	0.8176	4,010,450.72
Other payables			
Including: US dollar	733,761.87	6.3757	4,678,245.55

53. Government subsidies

The government subsidies accounted into the current profits and losses by the total amount method

Subsidy Item	species	Amount booked into profit and loss in the previous period	Amount booked into profit and loss for the current period	Reporting items included in profit and loss	Relating to assets/earnings
Tax subsidy	Fiscal allotment	1,237,002.86	1,494,479.40	Other Income	Related to earnings
Epidemic prevention subsidy	Fiscal allotment	3,245,019.09	-	Other Income	Related to earnings
Employment subsidies	Fiscal allotment	125,750.12	165,000.00	Other Income	Related to earnings
Total		4,607,772.07	1,659,479.40		

VI. Changes to the scope of consolidation

1. Business combination involving enterprises not under common control

1) On 30 April 2021, the company and Guangzhou Bopi Business Management Consulting Co., Ltd. signed a cooperative development agreement, the 51.00% stake in Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. (hereinafter referred to as "Guangdong Jianbang") was sold to the

company for CNY 0.45 billion. At the time of the acquisition, Guangdong Jianbang owned all the interests in Linxi County (later renamed "Shenfang Lin Xinyuan"), which accounted for 95.48% of the total assets, so the transaction does not constitute a business merger. On 11 May 2021, the company took control of Guangdong Jianbang and incorporated it into its consolidated statements from that day.

2) Shenzhen real estate group entrusted Evergrande real estate group Pearl River Delta Real Estate Development Co., Ltd. to develop real estate, the specific contents include, but are not limited to, the management of Project Investigation, planning, design, bidding, project progress, quality, safety, marketing, cost, etc., however, the financial and fund management is the responsibility of Guangdong Jianbang Group (Huiyang) Industrial Company Limited. In the course of project management, contracts for procurement, design, engineering, supervision, publicity, sales, property, etc. need to be signed with foreign parties, Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. entrusted Evergrande real estate group Pearl River Delta Real Estate Development Co., Ltd. to sign in the name of Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd., all expenses incurred in the operation are borne by Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.

3) Guangzhou Bopi Enterprise Management Consulting Co., Ltd. is committed to achieving a cumulative net profit of no less than CNY 1.25 billion from 2021 to 2025 for Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd., the total net profit is not affected by the land use condition and economic and technical index of the Government Adjustment Project. The accumulated realized net profit from 2021 to 2023 is no less than CNY 0.3 billion; that of 2021-2024 is no less than CNY0.75 billion; and that of 2021-2025 is no less than CNY 1.25 billion. In order to fulfill the net profit commitment of Guangzhou Bopi Business Management Consulting Co., Ltd., the parties, before 31 December 2026, shall complete the accounting of project's net profit as of December 31, 2025, and shall comply with the following agreement:

If Guangzhou Bopi Management Consulting Co., Ltd. fails to meet its performance commitments, then when distributing the profits of the project in 2025, Guangzhou Bopi Enterprise Management Consulting Co., Ltd. will pay part or all of its distributed profits to the Shenzhen real estate group until the cumulative distribution of profits from 2021 to 2025 reached the target of CNY 0.6375 billion in the profit commitment; if Guangzhou Bopi Enterprise Management Consulting Co., Ltd. has paid all the profits distributed in 2025 to the Shenzhen real estate group, and the cumulative distributed profit of Shenzhen real estate group still cannot reach CNY0.6375 billion committed in profit distribution, the shortfall will be made up by Guangzhou Bopi Business Management Consulting Co., Ltd. by 31 May 2026; and after Guangzhou Bopi Business Management Consulting Co., Ltd. has made up the shortfall to Shenfang Group, the profits generated by Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. after 31 December 2025, shall be allocated to Guangzhou Bopi Enterprise Management Consulting Co., Ltd., until the cumulative distribution profit of Guangzhou Bopi Enterprise Management Consulting Co., Ltd. reached CNY 0.6125 billion in accordance with the profit commitment, the portion of the total net profit of Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. exceeding CNY1.25 billion is distributed between Guangzhou Bopi Enterprise Management Consulting Co., Ltd. and Shenzhen Real Estate Group Co., Ltd. in proportion to their equity.

Evergrande real estate group Pearl River Delta Real Estate Development Co., Ltd. provides joint and several liability for profit commitment and difference compensation of Guangzhou Bopi Enterprise Management Consulting Co., Ltd.

2. Other

On 27 October 2021, the group set up a wholly-owned subsidiary in Shenzhen, Shenzhen Shenfang Chuanqi Real Estate Development Co., Ltd., with registered capital 30 million yuan.

VII. Interest in other entities

1. Interests in subsidiaries

(1) Composition of the Group

Name	Principal place of business	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Shenzhen City SPG Long Gang Development Ltd.	Shenzhen	Shenzhen	Real estate development	95.00	5.00	Acquiring through establishment or investment
American Great Wall Co., Ltd	U.S.	U.S.	Real estate development	70.00	--	Acquiring through establishment or investment
Shenzhen City Property Management Ltd.	Shenzhen	Shenzhen	Property management	95.00	5.00	Acquiring through establishment or investment
Shenzhen Petrel Hotel Co. Ltd.	Shenzhen	Shenzhen	Hotel Services	68.10	31.90	Acquiring through establishment or investment
Shenzhen Zhen Tung Engineering Ltd.	Shenzhen	Shenzhen	Installation and maintenance	73.00	27.00	Acquiring through establishment or investment
Shenzhen City We Gen Construction Management Ltd.	Shenzhen	Shenzhen	Supervision	75.00	25.00	Acquiring through establishment or investment
Shenzhen Lain Hua Industry and Trading Co., Ltd.	Shenzhen	Shenzhen	Mechanical & Electrical device installation	95.00	5.00	Acquiring through establishment or investment
Fresh Peak Zhiye Co., Ltd.	Hong Kong	Hong Kong	Investment and management	100.00	--	Acquiring through establishment or investment
Xin Feng Enterprise Co., Ltd.	Hong Kong	Hong Kong	Investment and management	100.00	--	Acquiring through establishment or investment
Shenzhen City Shenfang Free Trade Trading Ltd.	Shenzhen	Shenzhen	Commercial trade	95.00	5.00	Acquiring through establishment or investment

Name	Principal place of business	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Shenzhen City Shenfang Investment Ltd.	Shenzhen	Shenzhen	Investment	90.00	10.00	Acquiring through establishment or investment
Shenzhen Special Economic Zone Real Estate (Group) Guangzhou Property and Estate Co., Ltd.	Shenzhen	Shenzhen	Real estate development	95.00	5.00	Acquiring through establishment or investment
Beijing fresh peak property development management limited company	Beijing	Beijing	Real estate operation	75.00	25.00	Acquiring through establishment or investment
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	Huizhou	Huizhou	Real estate operation	51.00		Acquiring through business acquisition
Shenzhen Shenfang Chuanqi Real Estate Development Co., Ltd.	Shenzhen	Shenzhen	Real estate operation	100.00		Acquired through establishment or investment

Note:

① In consolidation scope, there are five subsidiaries in “revoked but not cancelled” condition: Beijing

SPG Property Management Limited, Guangzhou Huangpu Xizun real estate limited company, Shenzhen Special Economic Zone Real Estate (Group) Guangzhou Property and Estate Co., Ltd., Fresh Peak Real Estate Dev. Construction (Wuhan) Co. Ltd. and Beijing Shenfang Property Management Co., Ltd. They are presented on the basis of discontinued operations; these five subsidiaries have made full provision for impairment of debt for the companies outside the consolidation scope.

② The cancelled, revoked and closed subsidiaries of the Company that are not included in the scope of consolidation are as follows:

Name	Principal place of business	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Shenzhen Shenfang Department Store Co. Ltd	Shenzhen	Shenzhen	Commercial trade	95.00	5.00	Acquiring through establishment or investment
Paklid Limited	Hong Kong	Hong Kong	Commercial trade	60.00	40.00	Acquiring through establishment or investment
Bekaton Property Limited	Australia	Australia	Real estate	60.00	--	Acquiring through establishment or investment
Canada Great Wall (Vancouver)	Canada	Canada	Real estate	--	60.00	Acquiring through establishment or investment
Guangdong Fengkai County Lianfeng Cement Manufacturing Co., Ltd.	Fengkai Guangdong	Fengkai Guangdong	Manufacturing	--	90.00	Acquiring through establishment or investment

Name	Principal place of business	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Jiangmen Xinjiang Real Estate Co., Ltd	Jiangmen Guangdong	Jiangmen Guangdong	Real estate	--	90.91	investment Acquiring through establishment or investment
Xi'an Fresh Peak Property Trading Co., Ltd	Xi'an Shanxi	Xi'an Shanxi	Real estate	--	67.00	Acquiring through establishment or investment
Shenxi Limited	Shenzhen	Shenzhen	Building Decoration	70.00	--	Acquiring through establishment or investment
Shenzhen Zhentong New Electromechanical Industry Development Co., Ltd.	Shenzhen	Shenzhen	Mechanical and electrical engineering	95.00	5.00	Acquiring through establishment or investment
Shenzhen Real Estate Electromechanical Management Company	Shenzhen	Shenzhen	Mechanical and electrical Management	100.00	--	Acquiring through establishment or investment
Shenzhen Nanyang Hotel Co., Ltd.	Shenzhen	Shenzhen	Hotel Management	95.00	5.00	Acquiring through establishment or investment
Shenzhen Kangtailong Industrial Electric Cooker Co., Ltd.	Shenzhen	Shenzhen	Industrial manufacturing	--	100.00	Acquiring through establishment or investment
Shenzhen Longgang Henggang Huagang Industrial Co., Ltd.	Shenzhen	Shenzhen	Industrial Investment	--	79.92	Acquiring through establishment or investment

Note:

1. Shenzhen Shenfang Department Store Co. Ltd called a shareholder meeting on 29 October 2007, decided to terminate the business and establish a liquidation team to conduct the liquidation. The liquidation team issued a liquidation report on 7 December, 2007.
2. Paklid Limited, Bekaton Property Limited and Canada Great Wall (Vancouver) were established by the group abroad in the early years. On 13 December 2000, the group held a board meeting and decided to liquidate these three companies. Bekaton Property Limited and Canada Great Wall (Vancouver) have been winded up.
3. All assets from Guangdong Fengkai County Lianfeng Cement Manufacturing Co., Ltd. (including tangible and intangible asset) were auctioned by the court on 22 January 2019, becoming a shell company.
4. Shenxi Limited was a holding subsidiary of Shenzhen Tefa Real Estate Consolidated Services Co., Ltd. which is a deregistered subsidiary of the group. By the Group's announcement, "The notice on the merger of Shenzhen Zhen Tung Engineering Ltd and Shenxi Limited" (Shenfang [1997] No.19), all businesses form Shenxi Limited were undertaken by Shenzhen Zhen Tung Engineering Ltd and Shenxi Limited and were revoked on 8 February 2002.

The group could no longer effectively control these invested companies which have not been included in the consolidation scope were either been cancelled or ceased operation many years ago, and were no

longer exist. According to “Accounting Standard for Business Enterprises No. 33-Consolidated Financial Statements”, the group already accrued full amount of impairment for the book value of the net investment in above companies which are not included in the consolidated scope.

(2) Material non-wholly owned subsidiaries

Name	Proportion of ownership interest held by non-controlling interests %	Profit or loss allocated to non-controlling interests during the year	Dividend declared to non-controlling shareholders during the year	Balance of non-controlling interests as at 2021.12.31
American Great Wall Co., Ltd	30.00	-85,336.59	--	-19,533,105.73
Xinfeng Investment Co., Ltd.	45.00	-1,375.31	--	-116,180,387.59
Baiwei Real Estate Co., Ltd.	20.00	-2,692.95	--	-3,889,709.36
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	49.00	-3,120,424.87	--	428,698,890.60

(3) Key financial information about material non-wholly owned subsidiaries

Name	2021.12.31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
American Great Wall Co., Ltd	585,669.06	17,615,753.07	18,201,422.13	99,105,956.86	--	99,105,956.86
Xinfeng Investment Co., Ltd.	4,748.07	36,016.90	40,764.97	258,219,487.07	--	258,219,487.07
Baiwei Real Estate Co., Ltd.	957.41	--	957.41	32,908,874.92	--	32,908,874.92
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	1,190,571,804.12	3,795,473.63	1,194,367,277.75	1,201,698,603.08	125,920.77	1,201,824,523.85

Continued(1):

Name	2020.12.31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
American Great Wall Co., Ltd	135,920.52	18,027,985.50	18,163,906.02	101,822,102.87	--	101,822,102.87
Xinfeng Investment Co., Ltd.	4,769.05	36,016.90	40,785.95	258,216,451.81	--	258,216,451.81
Baiwei Real Estate Co., Ltd.	985.56	--	985.56	32,895,438.31	--	32,895,438.31

Continued(2):

Name	Year ended 2021.12.31	Year ended 2020.12.31
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	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
American Great Wall Co., Ltd	632,524.86	-284,455.30	-284,455.30	352,837.90	839,012.25	-774,074.99	-774,074.99	-774,075.02
Xinfeng Investment Co., Ltd.	-	-3,056.24	-3,056.24	-20.98	--	-53,650.12	-53,650.12	--
Baiwei Real Estate Co., Ltd.	-	-13,464.76	-13,464.76	-28.15	-	-53,264.03	-53,264.03	--
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	-	-6,368,214.03	-6,368,214.03	-748,387,911.00	--	--	--	--

2. Interests in joint ventures or associates

(1) Summarised financial information of immaterial joint ventures and associates:

Item	As at/Year ended 2021.12.31	As at/Year ended 2020.12.31
Joint ventures:		
Aggregate carrying amount of investments	--	--
Aggregate amount of share of	--	--
Net profit	--	--
Other comprehensive income	--	--
Total comprehensive income	--	--
Associates:		
Aggregate carrying amount of investments	272,168.28	377,489.65
Aggregate amount of share of		
Net profit	-105,321.37	-92,348.97
Other comprehensive income	--	--
Total comprehensive income	--	--

(2) Excess loss from joint ventures or associates

Investee	Accumulated unrecognized loss in prior periods	Unrecognized loss (or share of net profit) for the year	Accumulated unrecognized loss as at 2021.12.31
Shenzhen Fresh Peak property consultant Co., Ltd	2,217,955.89	--	2,217,955.89

Note:

Shenzhen Fresh Peak property consultant Co., Ltd was established on 15 March 1993 with registered capital of CNY 3,000,000. The group subscribed CNY 600,000 (20% in total capital). As at 31

December 2021, the actual investment is CNY 600,000 the Company has recognized long-term equity invent lose for CNY 600,000.

VIII. Risk Management of Financial Instruments

The Group's main financial instruments include the monetary funds, notes receivable, other receivables, trading financial assets, other current assets, accounts receivable, other equity instrument investments, accounts payable, other payables, short-term borrowing, long-term payables. Details of the various financial instruments are disclosed in the relevant notes. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. The management of the Group manages and monitors these exposures to ensure that these risks are contained within the limits specified.

1. Risk management objectives and policies

The Group's goal in risk management is to strike an appropriate balance between risks and benefits, and strive to reduce the adverse impact of financial risks on the Group's financial performance. Based on this risk management objective, the Group has developed a risk management policy to identify and analyze the risks faced by the Group, set an appropriate acceptable risk level and design the corresponding internal control procedures to monitor the risk level of the Group. The Group regularly reviews these risk management policies and the relevant internal control systems to adapt to market conditions or changes in the Group's business activities. The Group's internal audit department also regularly or randomly checks whether the implementation of the internal control system complies with the risk management policy.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, market risk (including exchange rate risk, interest rate risk and commodity price risk).

The Board of Directors is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and relevant guidelines and overseeing the implementation of risk management measures. The Group has developed risk management policies to identify and analyze the risks faced by the Group. These risk management policies clearly stipulate specific risks, covering market risk, credit risk, liquidity risk management and many other aspects. The Group regularly evaluates changes in the market environment and the Group's business activities to determine whether to update its risk management policies and systems.

The Group diversifies the risks of financial instruments through appropriate diversification of its portfolio of investments and businesses, and reduces the risk of concentration in a single industry, a specific region or a specific counterparty through the development of appropriate risk management policies.

(1) Credit risk

Credit risk refers to the risk of financial loss to the Group resulting from the failure of the counterparty to fulfill its contractual obligations.

The Group manages credit risks according to portfolio classification. Credit risks mainly arise from bank deposits, notes receivable, accounts receivable, other receivables.

The Group's bank deposits are mainly held in state-owned banks and other large and medium-sized listed banks (or mainly in financial institutions with good reputations and high credit ratings), and the Group does not expect that the bank deposits will pose a significant credit risk.

For notes receivable, accounts receivable, other receivables and long-term receivables, the Group sets policies to control credit risk exposure. The Group evaluates customers' credit qualifications and sets credit periods based on their financial status, credit history and other factors such as current market conditions. The Group will regularly monitor the credit records of customers. For customers with poor credit records, the Group will use written methods to urge payment, shorten the credit period or cancel the credit period to ensure that the overall credit risk of the Group is within a controllable range.

The debtors of the Group's accounts receivable are customers distributed in different industries and regions. The Group continuously conducts credit assessments on the financial position of accounts receivable and, where appropriate, takes out credit guarantee insurance.

The maximum credit risk exposure of the Group is the carrying amount of each financial asset on the balance sheet. The Group does not provide any other security which may expose the Group to a credit risk.

Of the Group's accounts receivable, the accounts receivable of the top five customers account for 56.87% of the Group's total accounts receivable (in 2020: 53.97%); Among other receivables of the Group, other receivables from the top five companies in arrears amount to 63.70% (2020: 61.40%) of the total amount of other receivables of the Group.

(2) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter a shortage of funds when fulfilling its obligations to settle by delivering cash or other financial assets.

In managing liquidity risks, the Group maintains and monitors cash and cash equivalents deemed sufficient by the management to meet the operational needs of the Group and to reduce the impact of cash flow fluctuations. The Group's management monitors the use of bank borrowings and ensures compliance with borrowing agreements. It also secured a commitment from major financial institutions to provide adequate standby funds to meet short - and long-term funding needs.

The Group finances its working capital through funds generated from its operations and bank and other borrowings. As at 31 December 2021, the Group's unutilized bank loan amount is CNY 0 million (31 December 2020: CNY 0 million).

At the end of the period, the maturity analysis of the financial assets, financial liabilities and off-balance sheet guarantee items held by the Group according to the undiscounted remaining contract cash flow is as follows (unit: CNY 10,000) :

Item	Within one year	2021.12.31		Total
		One to Five years	More than five years	
Financial liabilities:				
Short-term loans	5,044.01	--	--	5,044.01
Notes payable	24,737.64	--	--	24,737.64
Accounts payable	14,144.76	--	--	14,144.76

Interest payables	1,653.53	--	--	1,653.53
Other payables	56,484.21	--	--	56,484.21
Liabilities held for sale	5,791.56	783.69	--	6,575.25
Guarantees for client	39,237.82	--	--	39,237.82
Total financial liabilities and contingent liabilities	141,301.97	6,575.25	-	147,877.22

At the beginning of the period, the maturity analysis of the financial assets, financial liabilities and off-balance sheet guarantee items held by the Group according to the undiscounted remaining contract cash flow is as follows (unit: CNY 10,000) :

Item	2020.12.31			Total
	Within one year	One to Five years	More than five years	
Financial liabilities:				
Short-term loans	7,689.40	--	--	7,689.40
Accounts payable	17,692.66	--	--	17,692.66
Interest payables	1,653.53	--	--	1,653.53
Other payables	26,056.99	--	--	26,056.99
Long-term payables	--	748.02	--	748.02
Guarantees for client	37,135.79	--	--	37,135.79
Total financial liabilities and contingent liabilities	90,228.36	748.02	--	90,976.38

The amount of financial liabilities disclosed in the above table is undiscounted contractual cash flows and may be different from the carrying amount on the balance sheet.

The maximum amount of a guarantee contract that has been signed does not represent the amount to be paid.

(3) Market risks

The market risk of financial instruments refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to market price changes, including interest rate risk, exchange rate risk and other price risks.

Interest rate risk

Interest rate risk refers to the risk that the fair value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates. Interest rate risk can arise from recognized interest-bearing financial instruments and from unrecognized financial instruments (such as certain loan commitments).

The interest rate risk of the Group mainly arises from long-term bank borrowings. Floating interest rate financial liabilities expose the Group to cash flow interest rate risk, while fixed interest rate financial liabilities expose the Group to fair value interest rate risk. The Group determines the relative proportion of fixed and floating rate contracts based on prevailing market conditions and maintains an appropriate mix of fixed and floating rate instruments through regular review and monitoring.

During the reporting period, the Group operates by its own working capital. As at 30 June 2021, the Group has no financial liabilities with fixed or floating interest rate, such as bank loan. Therefore, the Group believes that the interest rate risk is insignificant

Currency risk

The term "exchange rate risk" refers to the risk that the fair value of a financial instrument or future cash flow will fluctuate due to changes in foreign exchange rates. Exchange rate risk can arise from financial instruments denominated in a foreign currency other than the standard currency.

Exchange rate risk is mainly the Group's financial position and cash flows are affected by foreign exchange rate fluctuations. In addition to the subsidiary established in Hong Kong holding assets in Hong Kong dollar as the settlement currency, only a small amount of Hong Kong market investment business, the group's foreign currency assets and liabilities accounted for the overall assets and liabilities of the proportion is not significant. Therefore, the Group believes that the exchange rate risk is not significant.

2. Capital management

The objective of the Group's capital management policy is to ensure that the Group can continue as a going concern, thereby providing a return to shareholders and benefiting other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Group may adjust its financing method, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments or sell assets to reduce its debt.

The Group monitors the capital structure on the basis of the debt-to-asset ratio (i.e., total liabilities divided by total assets). As at 31 December 2021, the Group's liability to asset ratio was 31.62% (31 December 2020: 25.92%).

IX. Fair value

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities.

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities.

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

(1) Items and amounts measured at fair value

As at December 31, 2021, the assets and liabilities measured at fair value are listed as follows according to the above three levels :

Item	The first level of fair value measurement	The second level of fair value measurement	The third level of fair value measurement	Total
I.Recurring fair value measurement				
(1) Trading financial assets	514,024,710.91	--	--	514,024,710.91
(2) Investment in other equity instruments	--	--	36,322,704.33	36,322,704.33
Total assets measured at fair value on a recurring basis	514,024,710.91	--	36,322,704.33	550,347,415.24

(2) Quantification information of important unobservable input values used in the third level of fair value measurement

Within the capacity	Ending fair value	Valuation techniques	The input value cannot be observed	Range (weighted mean)
Equity instrument investment:				
Non-listed equity investments:	36,322,704.33	Net asset method	Book value of net assets with discount of liquidity	N/A

(3) Items and amounts that are not measured at fair value but disclose their fair value

The financial assets and financial liabilities of the Group measured at amortized cost mainly include monetary funds, accounts receivable, other receivables, short-term borrowings, accounts payable, other payables, long-term borrowings, etc.

Except for the following financial assets and financial liabilities, the carrying value of other financial assets and financial liabilities which are not measured at fair value varies very little from fair value.

X. Related parties and related party transactions

1. Information about the parent of the Group

Name	Registration place	Business nature	Registered capital (CNY0,000)	Shareholding percentage %	Percentage of voting rights %
Shenzhen Investment Holdings Co., Ltd.	Shenzhen, Guangdong province	Investment, real estate development, guarantee	2,800,900.00	57.19	57.19

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

In the reporting period, the registered capital of the parent company is not changed.

2. Information about the subsidiaries of the Group

For information about the subsidiaries of the Group, refer to Note 02.

3. Information on other related parties

Name	Related party relationship
Shenzhen Jian 'an Group Co., Ltd.	Both controlled by the parent company
Shenzhen Dongfang New world store Co., Ltd	Participating stock companies
Shenxi Limited	Not included in Consolidated Financial Statements' Subsidiary that had been terminated its licenses by law but not cancellation
Shenzhen Zhentong New Electromechanical Industry Development Co., Ltd.	Not included in Consolidated Financial Statements' Subsidiary (Long-term without operation)
Shenzhen Nanyang Hotel Co., Ltd.	Not included in Consolidated Financial Statements' Subsidiary that had been terminated its licenses by law but not cancellation
Shenzhen Real Estate Electromechanical Management Company	Not included in Consolidated Financial Statements' Subsidiary that had been terminated its licenses by law but not cancellation
Shenzhen Longgang Henggang Huagang Industrial Co., Ltd.	Not included in Consolidated Financial Statements' Subsidiary that had been terminated its licenses by law but not cancellation
Guangzhou Bobi Enterprise Management Consulting Co., Ltd.	Shareholder of Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.
Directors, Supervisors, CFO and Board secretary	Key management personnel

4. Transactions with related parties

(1) Purchases/sales

① Purchase of goods/receiving of services

Related party	Nature of transaction	Year ended 2021.12.31	Year ended 2020.12.31
Shenzhen RongHua JiDian Co., Ltd	Elevator maintenance	1,329,886.76	1,293,962.28

② Sales of goods/rendering of services

Related party	Nature of transaction	Year ended 2021.12.31	Year ended 2020.12.31
Shenzhen Jian'an Group Co., Ltd.	Decoration services	7,614,678.90	7,258,154.64
Shenzhen RongHua JiDian Co., Ltd	Property Services	68,772.00	68,772.00

(2) Trust/contracting arrangement

① contracting undertaken by related parties on behalf of the Group

main contractor	Name of related party	Type of contracted	Inception date of contracting	Maturity date of contracting	contracting revenue	contracting revenue recognized in 2020
Shantou City Huafeng Real Estate Devepment Co., Ltd	Shenzhen Jian'an Group Co., Ltd.	Construction	19 Oct. 2018	1 May 2021	Negotiations	30,985,550.60

② Funding from related party

Related party	Amount of funding	Inception date	Maturity date	Note
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Related party	Amount of funding	Inception date	Maturity date	Note
Funds received				
Shenzhen Investment Shareholding Co. Ltd	16,535,277.94	9 November 2006	22 December 2016	The principal of the loan was repaid on 22 December 2016, and the remaining amount is interest payable.

Note: at the end of the reporting period, the balance of interest on loan to Shenzhen Investment Holding Co., Ltd. is CNY 16,535,277.94.

(3) Remuneration of key management personnel

The Group has 10 key management personnel in 2021, and 13 key management personnel in 2020. Information about remuneration is as follows:

Item	Year ended 2021.12.31	Year ended 2020.12.31
Remuneration of key management personnel	844.64	884.86

(4) In order to encourage the core employees of the group to share the operating results of the market-oriented projects with the company, share the operating risks, stimulate the endogenous motivation of improving efficiency and increasing benefits, enhance the efficiency of asset management, and realize the preservation and appreciation of the value of state-owned assets, the company has formulated the "Management Measures for Investment From the Staff of Shenfang Group Linxi Jun Project". According to the above-mentioned management measures, the related party transactions will form a joint investment with some directors, supervisors and senior executives of the company. As of 31 December 2021, the company's directors, supervisors and senior executives had invested a total of CNY 8.95 million.

6. Receivables from and payables to related parties

(1) Receivables from related parties

Item	Related party	2021.12.31		2020.12.31	
		Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Accounts receivable	Shenzhen Fresh Peak property consultant Co., Ltd	1,118,383.88	1,118,383.88	1,144,740.49	1,144,740.49
Other receivables	Guangdong Province Huizhou Luofu Hill Mineral Water Co., Ltd	10,465,168.81	10,465,168.81	10,465,168.81	10,465,168.81
Other receivables	Shenzhen Runhua Automobile Trading Co., Ltd	3,072,764.42	3,072,764.42	3,072,764.42	3,072,764.42
Other receivables	Canada GreatWall (Vancouver) Co., Ltd	89,035,748.07	89,035,748.07	89,035,748.07	89,035,748.07
Other receivables	Australia Bekaton Property Limited	12,559,290.58	12,559,290.58	12,559,290.58	12,559,290.58

Item	Related party	2021.12.31		2020.12.31	
		Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Other receivables	Bekaton Property Limited	18,689,545.58	18,870,785.54	18,870,785.54	18,870,785.54
Other receivables	Shenzhen Shenfang Department Store Co. Ltd.	237,648.82	237,648.82	237,648.82	237,648.82
Other receivables	Shenzhen RongHua JiDian Co., Ltd	475,223.46	475,223.46	475,223.46	23,761.17
Other receivables	Xi'an Fresh Peak property management& Trading Co., Ltd	8,419,205.19	8,419,205.19	8,419,205.19	8,419,205.19
Other receivables	Shenzhen Shenxi Architectural Decoration Company	7,660,529.37	7,660,529.37	7,660,529.37	7,660,529.37
Other receivables	Shenzhen Jian'an Group Co., Ltd.	3,168,721.00	3,168,721.00	3,168,721.00	3,168,721.00

(2) Payables to related parties

Item	Related party	2021.12.31	2020.12.31
Interest payables	Shenzhen Investment Shareholding Co. Ltd	16,535,277.94	16,535,277.94
Accounts payable	Shenzhen Jian'an Group Co., Ltd.	25,576,607.95	54,193,856.16
Other payables	Shenzhen Dongfang New world store Co., Ltd	902,974.64	902,974.64
Other payables	Guangdong Province Fengkai Lain Feng Cement Manufacturing Co., Ltd.	1,867,348.00	1,867,348.00
Other payables	Shenzhen Real Estate Electromechanical Management Company	14,981,420.99	14,981,420.99
Other payables	Shenzhen Zhentong New Electromechanical Industry Development Co., Ltd.	8,827,940.07	8,827,940.07
Other payables	Shenzhen Shenfang Department Store Co. Ltd.	639,360.38	639,360.38
Other payables	Shenzhen Longgang Henggang Huagang Industrial Co., Ltd.	165,481.09	165,481.09
Interest payables	Shenzhen Investment Shareholding Co. Ltd	193,016,852.52	--

XI. Commitments and contingencies

1. Significant commitments

(1) Capital commitments

Capital commitments entered into but not recognized in the financial statements	2021.12.31	2020.12.31
Material sales or purchases contracts	475,137,087.80	153,945,220.09

(2) Information on implementation of commitments in previous years

Refer to Note X.5 (2) for detailed of contracting of related parties.

As at 31 December 2021, there is no other commitment to be disclosed.

2. Contingencies

(1) Contingent liabilities arising from pending arbitration and pending litigation and related financial impact

Plaintiff	Defendant	Case	Appellate court	Amount of the object of action	Progress of cases
Xi'an Fresh Peak Holding limited company	Xi'an Commercial and Trade Commission Xi'an Commerce and Tourism Co., Ltd.	Investment compensation disputes	Shaanxi Higher People's Court	CNY 36.62 million and interest	Pending

Xi'an Fresh Peak Holding limited company (hereinafter referred to as "Fresh Peak Company") was Sino-foreign joint venture set up in Xi'an. Among them, Fresh Peak Enterprise Co., Ltd made 67% of the shares in cash. Xi'an Trade Building, a company directly under the Xi'an Commercial and Trade Commission (hereinafter referred to as "Xi'an C&T Commission"), invested 16% of the shares in land use rights. Hong Kong Dadiwang Industrial Investment Company holds 17% of the shares. The core business was property development. And the project was Xi'an Trade Building. The project was started on 28 November 1995. But the project had been stopped in 1996 because of the two parties' differences on the operating policy of the project. In 1997, the Xi'an government withdrew the Xi'an Fresh Peak investment project compulsively and assigned the project to Xi'an Business Tourism Co., Ltd (hereinafter referred to as "Business Tourism Company"). But two parties had insulted a lawsuit on compensation. The ShanXi Province High Peoples Court made a judgement "(2000) SJ-CZ No.25". The judgement was as follows: 1. Business Tourism Company had to pay for the compensation CNY 36,620 thousand to Xi'an Fresh Peak Company after the judgment entering into force. If the Business Tourism Company failed to pay in time, it had to pay double debt interests to Xi'an Fresh Peak Company. 2. Xi'an Joint Commission on Commerce had jointly and severally obligation of the interests of the compensation.

By auctioning assets of Business Tourism Company, the amount of CNY 15,201,000.00 had been called back. The company has obtained new property clues, submitted an application for resumption of execution, this case is still pending until 31 December 2021.

As at 31 December 2021, the book value of the long-term equity investment of Xi'an Fresh Peak Company is CNY 32,840,729.61. The book balance of assets was CNY 8,419,205.19. Both have been taken full provision for impairment loss

(2) Contingent liabilities arising from guarantee provided to other entities and related financial effects.

As at 31 December 2021, the Group provides commercial housing purchaser with guarantees at CNY 392,378,200.00 for the following loans:

Item	Duration	Amount (In ten thousand)	Note
Shengfang CuiLin Building	Until the Premises Permit mortgage registration is finished and in bank custody	2,802.31	
ChuanQi DongHu Building (Former DongHuDiJing Building)	Until the Premises Permit mortgage registration is finished and in bank custody	2,924.43	
TianYue Bay	Until the Premises Permit mortgage	33,511.08	

Item	Duration	Amount (In ten thousand)	Note
	registration is finished and in bank custody		
Total		39,237.82	

(3) Other contingencies (Not including contingent liabilities that are highly unlikely to result in an outflow of economic benefits from the business)

For information about contingency of joint venture or joint venture investment, refer to Note VII 2. (2).

As at 31 December 2021, there is no other contingency to be disclosed.

XII. Post balance sheet date events

1. Profit appropriations plans after the balance sheet date

The company intends to pay a cash dividend of CNY 0.88 (including tax), totaling CNY 89,026,080.00, to all shareholders on 1,011,660,000 shares as at 31 December 2021.

2. The sale of Shenzhen Shenfang Investment Co., Ltd.

In order to optimize and adjust the industrial structure, on 30 December 2021, the group and its subsidiary Shenzhen Shenfang Investment Co., Ltd. signed an Equity Purchase Agreement with Shenzhen Guomao Property Management Co., Ltd., the total holding of Shenzhen Property Management Co., Ltd. 100% equity transfer to Shenzhen International Trade Property Management Co., Ltd., the transfer price is CNY 196,676.7 million. On 11 February 2022, the company has completed the above equity transfer.

As at 17 March 2022, there is no other post balance sheet date events in the group to be disclosed.

XIII. Other significant items

1. Termination of operation

Item	Current amount	Amount of previous period
Income from Termination of Operations (A)	163,141,074.63	151,546,323.15
Less: termination expenses (B)	160,034,977.84	149,890,088.34
Gross profit from terminated operations (C)	4,470,327.62	5,171,663.63
Minus: Income tax expense for termination of operations (D)	1,123,400.14	1,373,074.99
Net profit from operating activities (E=C-D)	3,346,927.48	3,798,588.64
Impairment loss on assets/(reverse) (F)	--	--
Gross disposal proceeds (G)	--	--
Disposal of related income tax expense (H)	--	--
Net profit on disposal (I= g-h)	--	--
Net profit from terminated operations (J=E+F+I)	3,346,927.48	3,798,588.64
Including: profit from terminated operations attributable to shareholders of the parent company	3,346,927.48	3,798,588.64

Item	Current amount	Amount of previous period
Termination profit attributable to minority shareholders	--	--
Net cash flow from operating activities	-3,487,467.47	-2,615,700.26
Net cash flow from investment activities	-528,491.28	-615,198.54
Net cash flow from financing activities	-	--

Note: The above items are the financial data of Shenzhen Property Management Co., Ltd. which has signed an agreement for sale.

XIV. Notes for main items in the parent company's financial statements

1. Accounts Receivable

(1) Disclosed by aging

Aging	2021.12.31	2020.12.31
Within one year	9,893,622.09	5,281,165.00
One to two years	--	--
Two to three years	--	66,518.00
More than three years	9,710,249.94	10,221,420.93
Subtotal	19,603,872.03	15,569,103.93
Less: bad debt provision	9,895,586.10	10,151,079.19
Total	9,708,285.93	5,418,024.74

(2) Disclosed by categories

Item	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision proportion	
Bad debt provisions made on an individual basis	9,649,415.20	49.22	9,649,415.20	100.00	--
Bad debt provisions made on an combination basis	9,954,456.83	50.78	246,170.90	2.47	9,708,285.93
Including:	--	--	--	--	--
Receivables from related parties within consolidated scope	5,031,038.74	25.67	-	-	5,031,038.74
Receivables from other customers	4,923,418.09	25.11	246,170.90	5.00	4,677,247.19
Total	19,603,872.03	100.00	9,895,586.10	50.48	9,708,285.93

Continued:

Item	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision proportion	

Item	2020.12.31				
	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision proportion	
Bad debt provisions made on an individual basis	10,132,205.24	65.08	10,132,205.24	100.00	--
Bad debt provisions made on an combination basis	5,436,898.69	34.92	18,873.95	0.35	5,418,024.74
Including:	--	--	--	--	--
Receivables from related parties within consolidated scope	5,059,419.69	32.50	--	--	5,059,419.69
Receivables from other customers	377,479.00	2.42	18,873.95	5.00	358,605.05
Total	15,569,103.93	100.00	10,151,079.19	65.20	5,418,024.74

Bad debt provision made on an individual basis:

Item	2021.12.31			Reason	2020.12.31		
	Book balance	Bad debt provision	Expected credit loss rate (%)		Book balance	Bad debt provision	Expected credit loss rate (%)
long-term accounts receivable from property sales	9,649,415.20	9,649,415.20	100.00	10,132,205.24	10,132,205.24	100.00	Uncollected is expected

Bad debt provision made on a combination basis:

Combined withdrawal item: related parties in consolidation scope

Aging	2021.12.31			Accounts receivable	2020.12.31		
	Accounts receivable	Bad debt provision	Expected credit loss rate (%)		Accounts receivable	Bad debt provision	Expected credit loss rate (%)
Within 1 year	5,031,038.74	--	--	5,059,419.69	--	--	

Combined withdrawal item: receivables from other customers

	2021.12.31			Accounts receivable	2020.12.31		
	Accounts receivable	Bad debt provision	Expected credit loss rate (%)		Accounts receivable	Bad debt provision	Expected credit loss rate (%)
Within 1 year	4,923,418.09	246,170.90	5.00	310,961.00	15,548.05	5.00	
1 to 2 years	--	--	--	--	--	--	
2 to 3 years	--	--	--	66,518.00	3,325.90	5.00	
Total	4,923,418.09	246,170.90	5.00	377,479.00	18,873.95	5.00	

(3) Additions, recoveries or reversals of provision for the current period

	Bad debt provision
2020.12.31	10,151,079.19
Additions	--
Recoveries or reversals	255,493.09
Written-off	--
2021.12.31	9,895,586.10

(4) The top five units with the ending balance of accounts receivable collected by the debtor

Name of the entity	Accounts receivable The ending balance	% of the total closing balance of accounts receivable	Bad debt provision The ending balance
Shenzhen Haiyan Hotel Co., Ltd.	5,031,038.74	25.66	--
Shenzhen Xinfeng Real Estate Consulting Co., Ltd.	1,118,383.88	5.70	1,118,383.88
Daxing Automotive parts Co., Ltd.	1,857,730.28	9.48	1,857,730.28
Weidong Wang	1,200,000.00	6.12	1,200,000.00
Guangyao Cai	876,864.11	4.47	876,864.11
Total	10,084,017.01	51.43	5,052,978.27

2. Other receivables

(1) Disclosure by aging

Aging	2021.12.31	2020.12.31
Within 1 year	568,919,874.78	342,045,464.68
1 to 2 years	209,903,464.26	79,875,511.65
2 to 3 years	78,698,092.26	140,372,735.75
More than 3 years	1,522,297,306.33	1,399,130,297.43
Subtotal	2,379,818,737.63	1,961,424,009.51
Less: bad debt provision	792,517,845.87	801,009,814.12
Total	1,587,300,891.76	1,160,414,195.39

(2) Disclosure by nature

Item	2021.12.31			2020.12.31		
	Book balance	Bad debt provision	Book Value	Book balance	Bad debt provision	Book Value
Other receivables from government	--	--	--	165,460.00	--	165,460.00
Other receivables from the collecting and paying on behalf	203,659.15	--	203,659.15	307.17	--	307.17
Other receivables from other customers	4,801,159.55	4,056,565.36	744,594.19	5,464,176.55	3,647,753.92	1,816,422.63
Other receivables from related	137,211,313.52	137,211,313.52	--	137,211,313.52	137,211,313.52	--

Item	2021.12.31			2020.12.31		
	Book balance	Bad debt provision	Book Value	Book balance	Bad debt provision	Book Value
parties						
Other receivables in consolidation scope	2,237,602,605.41	651,249,966.99	1,586,352,638.42	1,818,582,752.27	660,150,746.68	1,158,432,005.59
Total	2,379,818,737.63	792,517,845.87	1,587,300,891.76	1,961,424,009.51	801,009,814.12	1,160,414,195.39

(3) Bad Debt Provision

At the end of the period, bad debt provision at the first stage:

Types	Book balance	Expected credit loss rate over the next 12 months (%)	Bad debt provision	Book value	Reason
Other receivables from government	--	--	--	--	--
Other receivables from the collecting and paying on behalf	203,659.15	--	--	203,659.15	203,659.15
Other receivables from other customers	783,783.36	5.00	39,189.17	744,594.19	783,783.36
Other receivables from related parties	--	--	--	--	--
Total	987,442.51	3.97	39,189.17	948,253.34	987,442.51

At the end of the period, bad debt provision at the second stage:

Types	Book balance	Expected credit loss rate over the next 12 months (%)	Bad debt provision	Book value	Reason
Bad debt provisions shall be made on an individual basis					
Other receivables in consolidation scope	2,237,602,605.41	29.10	651,249,966.99	1,586,352,638.42	Could be uncollectible

At the end of the period, bad debt provisions at the third stage:

Types	Book balance	Expected credit loss rate over the next 12 months (%)	Bad debt provision	Book value	Reason
Bad debt provisions shall be made on an individual basis	--	--	--	--	Could be uncollectible
Other receivables from other customers	4,017,376.19	100.00	4,017,376.19	--	Could be uncollectible
Other receivables from related parties	137,211,313.52	100.00	137,211,313.52	--	Could be uncollectible
Total	141,228,689.71	100.00	141,228,689.71	--	

Bad Debt Provision as at December 31, 2020:

As at December 31, 2020, bad debt provision at the first stage:

Types	Book balance	Expected credit loss rate over the next 12 months (%)	Bad debt provision	Book value	Reason
Bad debt provisions is drawn on a combination basis					
Other receivables from government	165,460.00	--	--	165,460.00	
Other receivables from employee's petty cash	--	--	--	--	
Other receivables from the collecting and paying on behalf	307.17	--	--	307.17	
Other receivables from other customers	1,912,023.82	5.00	95,601.19	1,816,422.63	
Other receivables from related parties	--	--	--	--	
Total	2,077,790.99	4.60	95,601.19	1,982,189.80	

As of December 31, 2020, bad debt provisions at the second stage:

Types	Book balance	Expected credit loss rate over the next 12 months (%)	Bad debt provision	Book value	Reason
Bad debt provisions shall be made on an individual basis					
Other receivables in consolidation scope	1,818,582,752.27	36.30	660,150,746.68	1,158,432,005.59	Could be uncollectible

As of December 31, 2020, bad debt provisions at the third stage:

Types	Book balance	Expected credit loss rate over entire duration (%)	Bad debt provision	Book value	Reason
Bad debt provisions shall be made on an individual basis					
receivables from other customers	3,552,152.73	100.00	3,552,152.73	--	Could be uncollectible
receivables from related parties	137,211,313.52	100.00	137,211,313.52	--	Could be uncollectible
Total	140,763,466.25	100.00	140,763,466.25	--	

(4) Bad debt provisions in the current period

Bad debt provision	The first stage	The second stage	The third stage	Total
--------------------	-----------------	------------------	-----------------	-------

	Expected credit losses over the next 12 months	Expected credit losses over the entire duration (no credit impairment occurred)	Expected credit loss over the entire duration (credit impairment has occurred)	
Balance as at December 31, 2020	948,253.34	660,150,746.68	139,910,814.10	801,009,814.12
Current period	-909,064.17	--	1,317,875.61	408,811.44
Current roll-back	--	--	--	--
Current Resale	--	--	--	--
This verification	--	--	--	--
Other changes	--	-8,900,779.69	--	-8,900,779.69
Balance as of December 31, 2021	39,189.17	651,249,966.99	141,228,689.71	792,517,845.87

Note: Other changes were mainly due to the exchange rate movements.

(5) The top five units of ending balance of other receivables

Name of the entity	Nature of other receivables	Ending balance of other receivables	Aging	Proportion of total ending balance of other receivables (%)	Ending balance of bad debt provision
Huafeng Real Estate Development Co., Ltd	Receivables from subsidiary	786,160,642.90	Within 1 year, 1 to 3 years, more than 3 years	33.03	--
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	Receivables from subsidiary	564,501,364.30	Within 1 year	23.72	--
Xinfeng enterprise Limited.	Receivables from subsidiary	530,624,324.60	Within 1 year, more than 5 years	22.30	508,377,320.74
Shenzhen Longgang Industrial Co., Ltd.	Receivables from subsidiary	108,417,692.30	Within 1 year	4.56	--
American Great Wall Co., Ltd	Receivables from subsidiary	94,502,416.46	More than 5 years	3.97	94,502,416.46
Total		2,084,206,440.56		87.58	602,879,737.20

3. Long-term equity investment

Item	2021.12.31			2020.12.31		
	Book balance	Impairment loss	The book value	Book balance	Impairment loss	The book value
Invest in subsidiaries	1,735,224,157.90	152,839,271.15	1,582,384,886.75	303,045,949.42	152,839,271.15	150,206,678.27
Investment in joint ventures	9,455,465.38	9,455,465.38	-	9,455,465.38	9,455,465.38	--
Invest in associated enterprises	2,794,548.48	2,522,380.20	272,168.28	2,899,869.88	2,522,380.20	377,489.68
Total	1,747,474,171.76	164,817,116.73	1,582,657,055.03	315,401,284.68	164,817,116.73	150,584,167.95

(1) Invest in subsidiaries

Investee unit	2020.12.31	Increase in current	The reduced	2021.12.31	Provision for impairment in the current period	Impairment loss The ending balance
Shenzhen Property Management Co., Ltd.	12,821,791.52	--	12,821,791.52	-	--	--
Shenzhen Haiyan Hotel Co., Ltd.	20,605,047.50	--	--	20,605,047.50	--	--
Shenzhen City Shenfang Investment Ltd.	9,000,000.00	--	--	9,000,000.00	--	--
Xinfeng enterprise Limited.	556,500.00	--	--	556,500.00	--	--
Xinfeng Real Estate Co., Ltd.	22,717,697.73	--	--	22,717,697.73	--	--
Shenzhen Special Economic Zone Real Estate (Group) Guangzhou Property and Estate Co., Ltd.	19,000,000.00	--	--	19,000,000.00	--	19,000,000.00
Shenzhen Zhentong New Electromechanical Industry Development Co., Ltd.	11,332,321.45	--	--	11,332,321.45	--	--
American Great Wall Co., Ltd.	1,435,802.00	--	--	1,435,802.00	--	--
Shenzhen Shenfang Free Trade Co., Ltd.	4,750,000.00	--	--	4,750,000.00	--	--
Shenzhen Huazhan Construction Supervision Co., Ltd.	6,000,000.00	--	--	6,000,000.00	--	--
Kai Luk Company Limited	212,280.00	--	--	212,280.00	--	--
Beijing Shenfang Property Management Co., Ltd.	500,000.00	--	--	500,000.00	--	500,000.00
Shenzhen Lianhua Enterprise Co., Ltd.	13,458,217.05	--	--	13,458,217.05	--	--
Shenzhen Longgang Industrial Co., Ltd.	30,850,000.00	--	--	30,850,000.00	--	--

Investee unit	2020.12.31	Increase in current	The reduced	2021.12.31	Provision for impairment in the current period	Impairment loss The ending balance
Beijing fresh peak property development management limited company	64,183,888.90	--	--	64,183,888.90	--	64,183,888.90
Shantou City Huafeng Real Estate Devepment Co., Ltd	16,467,021.02	--	--	16,467,021.02	--	--
Bekaton Property Limited	201,100.00	--	--	201,100.00	--	201,100.00
Australia Bekaton Property Limited	906,630.00	--	--	906,630.00	--	906,630.00
Shenzhen Shenfang Department Store Co., Ltd.	9,500,000.00	--	--	9,500,000.00	--	9,500,000.00
ShanTou Fresh Peak Building	58,547,652.25	--	--	58,547,652.25	--	58,547,652.25
Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd.	--	450,000,000.00	--	450,000,000.00	--	--
Shenzhen Shenfang Chuanqi Real Estate Development Co., Ltd.	--	995,000,000.00	--	995,000,000.00	--	--
Total	303,045,949.42	1,445,000,000.00	12,821,791.52	1,735,224,157.90	--	152,839,271.15

Note: At December 2021, the Group decided to transfer its 100% equity in Shenzhen Property Management Co. , Ltd. to Shenzhen International Trade Property Management Co. , Ltd. for business development ; The Company has reclassified the investment in Shenzhen Property Management Co. , Ltd. to assets held for sale.

(2) Investment in joint ventures and joint ventures

Investee unit	2020.12.31	Change of increase or decrease in current period							2021.12.31	Ending balance of impairment provision	
		Additional /new investment	Reduce investment	Under the equity method To confirm the Investment profit and loss	Other comprehensive Income adjustment	Changes in other interests	Declare payment of cash dividends or profits	Provision for impairment To prepare			other
① joint ventures Fengkai Xinhua Hotel	9,455,465.38	--	--	--	--	--	--	--	--	9,455,465.38	9,455,465.38

Investee unit	2020.12.31	Additional /new investment	Reduce investment	Change of increase or decrease in current period						2021.12.31	Ending balance of impairment provision
				Under the equity method To confirm the Investment profit and loss	Other comprehensive Income adjustment	Changes in other interests	Declare payment of cash dividends or profits	Provision for impairment To prepare	other		
subtotal	9,455,465.38	--	--	--	--	--	--	--	--	9,455,465.38	9,455,465.38
② Joint venture											
Shenzhen Ronghua JiDian Co., ltd	1,454,444.32	--	--	-105,321.37	--	--	--	--	--	1,349,122.95	1,076,954.64
Shenzhen Runhua Automobile trading Co., Ltd	1,445,425.56	--	--	--	--	--	--	--	--	1,445,425.56	1,445,425.56
subtotal	2,899,869.88	--	--	-105,321.37	--	--	--	--	--	2,794,548.51	2,522,380.20
Total	12,355,335.26	--	--	-105,321.37	--	--	--	--	--	12,250,013.89	11,977,845.58

4. Operating Income and Operating Costs

Item	Year ended 2021.12.31		Year ended 2020.12.31	
	Income	Cost	Income	Cost
Main business	774,049,479.78	198,814,980.86	911,815,174.45	241,307,783.52
Other business	16,130.55	--	24,095.25	--
Total	774,065,610.33	198,814,980.86	911,839,269.70	241,307,783.52

(1) Operating revenue and operating costs are divided by industry

Industry type	Current amount		Amount of previous period	
	income	The cost of	income	The cost of
Real estate	706,622,743.82	166,178,270.82	860,010,047.62	211,257,440.88
Lease	67,426,735.96	32,636,710.04	51,805,126.83	30,050,342.64
Total	774,049,479.78	198,814,980.86	911,815,174.45	241,307,783.52

(2) The revenue and cost of main business shall be divided by region

Main business area	Current amount		Amount of previous period	
	Main business revenue	Main business cost	Main business revenue	Main business cost
Guangdong Province	774,049,479.78	198,814,980.86	911,815,174.45	241,307,783.52

5. Investment Income

Item	Current amount	Amount of previous period
Long-term equity investment income calculated by the equity method	-105,321.37	-92,348.97
Dividend income from investments in other equity instruments	692,580.00	599,760.00
Investment gains from structured deposit	1,196,580.44	15,217,058.60
Total	1,783,839.07	15,724,469.63

XV. Supplementary Information

1. Statement of non-recurring gains and losses for the current period

Item	Current amount	instructions
Gains and losses on disposal of illiquid assets	-13,451.61	
Government subsidies included in current profits and losses (except government subsidies that are closely related to the normal business of the Group and are continuously enjoyed in accordance with national policies and certain standard quota or quantitative amount)	1,669,479.40	
Profit or loss on entrusted investments or assets management	13,024,710.91	
Unmatured interest on structured deposit		

Item	Current amount	instructions
The receivables for which the impairment test is conducted separately will be turned back	482,790.04	
Other non-operating income and expenses other than those mentioned above	1,542,604.01	
Other items of profit and loss that meet the definition of non-recurring profit and loss		
Total non-recurring gains and losses	16,706,132.75	
Minus: income tax impact of non-recurring gains and losses	4,176,533.19	
Net non-recurring gains and losses	12,529,599.56	
Minus: impact of non-recurring net gains and losses attributable to minority shareholders (after tax)		
Non-recurring gains and losses attributable to common shareholders of the Group	12,529,599.56	

2. Return on equity and earnings per share

Profit in reporting period	Weighted Average Net Assets Yield %	Earnings per share Basic earnings per share
Net income attributable to the common shareholders of the Group	5.72%	0.2183
Net profit attributable to common shareholders of a company after deducting non-recurring gains and losses	5.40%	0.2059