



Shenzhen Properties Group

深房集团

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

INTERIM REPORT 2022

2022-030

August 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 has no interim dividend plan, either in the form of cash or stock.

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

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Documents Available for Reference

1. The financial statements with the personal signatures and stamps of the Company's legal representative, Chief Financial Officer and head of the financial department; and
2. 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. (if any) | 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 | | |

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 |
| Tel. | (86 755) 25108897 | (86 755) 25108837 |
| Fax | (86 755) 82294024 | (86 755) 82294024 |
| Email address | spg@163.net | spg@163.net |

III Other Information

1. Contact Information of the Company

Indicate by tick mark whether any change occurred to the registered address, office address and their zip codes, website address and email address of the Company in the Reporting Period.

Applicable Not applicable

No change occurred to the said information in the Reporting Period, which can be found in the 2021 Annual Report.

2. Media for Information Disclosure and Place where this Report is Kept

Indicate by tick mark whether any change occurred to the information disclosure media and the place for keeping the Company's periodic reports in the Reporting Period.

Applicable Not applicable

The newspapers designated by the Company for information disclosure, the website designated by the CSRC for disclosing the Company's periodic reports and the place for keeping such reports did not change in the Reporting Period. The said information can be found in the 2021 Annual Report.

3. Other Information

Indicate by tick mark whether any change occurred to other information in the Reporting Period.

Applicable Not applicable

IV Key Financial Information

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

Yes No

| | H1 2022 | H1 2021 | Change (%) |
|--|------------------|------------------|------------|
| Operating revenue (RMB) | 366,184,498.90 | 694,598,218.47 | -47.28% |
| Net profit attributable to the listed company's shareholders (RMB) | 145,128,330.14 | 132,447,122.14 | 9.57% |
| Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB) | 17,139,162.56 | 131,437,988.58 | -86.96% |
| Net cash generated from/used in operating activities (RMB) | -548,115,143.34 | -285,540,751.46 | -91.96% |
| Basic earnings per share (RMB/share) | 0.1435 | 0.1309 | 9.63% |
| Diluted earnings per share (RMB/share) | 0.1435 | 0.1309 | 9.63% |
| Weighted average return on equity (%) | 3.66% | 3.47% | 0.19% |
| | 30 June 2022 | 31 December 2021 | Change (%) |
| Total assets (RMB) | 5,753,479,367.61 | 6,182,498,050.43 | -6.94% |
| Equity attributable to the listed company's shareholders (RMB) | 3,996,719,159.82 | 3,938,260,291.97 | 1.48% |

V Accounting Data Differences under Chinese Accounting Standards (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Profit and Equity Differences 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 | |
|----------------------|--|----------------|--|------------------|
| | H1 2022 | H1 2021 | Ending amount | Beginning amount |
| Under CAS | 145,128,330.14 | 132,447,122.14 | 3,996,719,159.82 | 3,938,260,291.97 |
| Adjusted as per IFRS | | | | |
| Under IFRS | 145,128,330.14 | 132,447,122.14 | 3,996,719,159.82 | 3,938,260,291.97 |

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

Applicable Not applicable

No such differences for the Reporting Period.

3. Reasons for Accounting Data Differences Above

Applicable Not applicable

XI Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

| Item | Amount | Note |
|--|----------------|--|
| Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs) | 163,352,077.77 | Income from disposal of interest in subsidiary |
| 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) | 400,232.43 | Government grants received |
| Gain or loss on debt restructuring | 2,489,520.46 | Debt restructuring income |
| Gain or loss on fair-value changes on held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business) | 5,123,349.63 | Change in fair value of monetary fund investments and return on investment |
| Non-operating income and expense other than the above | 506,908.18 | |
| Less: Income tax effects | 42,968,022.12 | |
| Non-controlling interests effects (net of tax) | 914,898.77 | |
| Total | 127,989,167.58 | |

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 Principal Activity of the Company in the Reporting Period

(I) Industry review for the Reporting Period

In the first half of 2022, the international environment tended to be more complex and severe. The spread of Covid-19 was frequent and sporadic in China. Various sudden unexpected factors caused a decline in both supply and demand, leading to a slowdown in economic growth. Under the effective implementation of a package of policy measures to stabilize the economy, China's economy withstood the pressure and achieved positive growth in the second quarter. In terms of the industry, under the premise of insisting on the position that houses are for living in, not for speculating on, localities implemented differentiated housing policies based on city-specific policies, but market expectations failed to make a directional change. Customers with a rigid demand were still in a strong wait-and-see mood. No significant recovery was seen in the activity of real estate transactions.

(II) Review of the Company's operations in the Reporting Period

1. Focusing on the leadership of Party building, the Company newly strengthened the Party building

The Party Committee of the Company insisted on arming mind, guiding practice and promoting work with Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. The Party Committee enriched and expanded the forms and carriers of learning and education, and orderly promoted the normalization and institutionalization of the "First Topics" learning of the Party organizations and the study of the theoretical study center group. Also, it further established the "Four Consciousnesses", enhanced the "Four-sphere confidence", and ensured the "Two Upholds". During the Reporting Period, the Company held 11 (enlarged) meetings of the Party Committee. All levels of Party organizations in the system carried out four (enlarged) meetings of theoretical study of the theoretical study center group, 126 sessions of "Three Sessions and One Class", and 126 sessions of "First Topics" learning.

The implementation of the responsibilities for Party building was strengthened. The Party building brand creation activity of "One Brand for One Enterprise" was continuously promoted. A debriefing review meeting on the Party building of the grass-roots Party organization secretary was held, and a letter of responsibility for Party building goals was signed with the grass-roots Party organizations. The centralized election of seven Party branches affiliated to the system was completed to allocate leadership team members of the Party branches and optimize the construction of the grass-roots Party organizations. The regular development of the practical activity of "I do practical things for the masses" was promoted, and the annual plan for people's livelihood was formulated and implemented.

The constraint of strict governance of the Party was enhanced. A list of key tasks for development of clean and honest Party conduct and anti-corruption work of SPG in 2022 was formulated to ensure the joint

arrangement, implementation, inspection and assessment. The key points of supervision in 2022 were prepared to decompose tasks layer by layer. The responsibilities of the person responsible for the secondary-level Party organization as the "first responsible person" for development of clean and honest Party conduct were defined. Other members were promoted to fully perform "one position and two responsibilities". Honesty learning and education was carried out from multiple perspectives and levels to further consolidate the ideological line of defense for honesty and self-discipline.

2. Focusing on development projects, the Company achieved new progress in the core business

Project construction. First, the construction of SPG Guangmingli project was promoted in an orderly manner. As at the end of June, 196 supporting piles were completed for the project, accounting for approximately 45% of the total number of supporting piles. Earthworks were transported by 27,400 cubic meters, accounting for approximately 15% of the total volume of earthworks. Second, Linxinyuan project: The framework of buildings 1, 2, 5 and 8 has been completed by nearly 70%. Buildings 3, 4, 6, and 7 have been completed by 50%. As at the end of July, the structural capping has been completed for Linxinyuan Phase I.

Real estate sales. The Company strengthened project promotion and customer development through multiple channels, and accelerated the pace of destocking. In the first half of the year, a total of 176 units were sold in initial subscription, and the sales area increased by 12,000 square meters.

3. Focusing on improving quality and efficiency, the Company enhanced new impetus for corporate development

In the Reporting Period, the Company completed the change of business registration of equity transfer of Shenzhen Property Management, and basically completed the transfer of assets, business and personnel. It completed the transfer of Yunnan Kunpeng Air Service Co., Ltd. and collected equity transfer funds. In terms of the cleanup of zombie companies, the Company completed the cancellation of Shenzhen Special Economic Zone Real Estate (Group) Guangzhou Property and Estate Co., Ltd. and the revocation of registration of Hong Kong Qiyi Co., Ltd. QiLu Co., Ltd. successfully completed the first gazette of the revocation of registration. For the liquidation of Guangdong Fengkai County Lianfeng Cement Manufacturing Co., Ltd., in-depth communication has been carried out with relevant parties on the signing of the liquidation resolution. Great Wall Estate Co., Inc. (U.S.) has completed the selection and engagement of legal services and land sales intermediaries and initiated the land listing for sale. Petrel Hotel completed a series of tasks such as signing the lease contract with Topchain Link, handing over the venue, and entering the venue for decoration, and successfully realized the tourism transformation.

4. Focusing on emerging industries, the Company made new explorations for future development

Guided by the action plan for improving the quality of listed companies, the Company relied on the platforms in the SASAC system to build a collaborative working mechanism with multi-subject participation. The Company made studies and demonstrations of new industry markets, and actively expanded new profit growth points. It

intended to cooperate with the capital platforms in the SIHC system to actively explore industrial fund cooperation plans and leverage social capital to gradually set foot in strategic emerging industries.

5. Focusing on safe production, the Company newly consolidated the safety barrier

First, the work requirements of "co-responsibility of the Party and government, one position and two responsibilities, and accountability for negligence of duty" were implemented. The Company continued to inspect and rectify potential safety production hazards, revised the documents for the safety production management system, and improved the emergency mechanism. It solidly carried out safety production inspection, "safety production month", emergency drills and other safety production activities to comprehensively consolidate the safety foundation. Second, while performing the tasks for the regular epidemic prevention and control, the Company actively responded to the call of the superiors by assigning 23 employees to come to the frontline of the epidemic prevention and control, and donating RMB54,000 worth of anti-epidemic materials to Nanhu Street in Shenzhen. The government's rent reduction and exemption policy was strictly implemented. The Company reduced and exempted rent of more than RMB20 million, contributing the "SPG strength" to the epidemic prevention and control and the resumption of work and production in Shenzhen.

6. Focusing on guarantee services, the Company newly maintained the corporate stability

The Company renewed the liability insurance for directors, supervisors and senior managers in 2022 to provide necessary guarantee for the performance of duties by directors, supervisors and senior managers of the Company. It purchased critical illness insurance and group accident supplementary medical insurance for employees to enhance employees' ability to resist risks. According to the needs of business development, 11 urgently needed positions were recruited. The Company actively carried out project financing, completed the development loan of RMB500 million for Chuanqi Real Estate Development, and effectively guaranteed the project development and operation. It successfully launched the new OA system, which effectively improved the office efficiency of employees. It also properly responded to all kinds of complaint petitions as well as events affecting social stability, which created a good atmosphere for the stable corporate operation.

7. Focusing on internal control and internal audit, the Company newly strengthened the operations management

According to the annual letter of responsibility for operations management and work points, the Company carried out unified arrangement and implementation supervision of the completion of business indicators and key tasks, and meeting arrangements every month. The supervision of internal audit was intensified. The Company carried out audit of assessment of total remuneration of affiliated companies, special audit of cooperation projects and contract review, with the contract review rate reaching 100%. 20 procurement tenders were completed in a standardized manner. The pre-settlement reduction rate of major projects was 11%. Jianbang Group streamlined the project management system, which effectively improved the management efficiency.

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.

New additions to the land bank:

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

Cumulative land bank:

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

Development status of major projects:

| City/region | Name of project | Location | Status | The Company's interest | Time for commencement of construction | % developed | % constructed | Site area (m ²) | Planned floor area with plot ratio (m ²) | Floor area completed in the Current Period (m ²) | Cumulatively completed floor area (m ²) | Expected total investment (RMB'0,000) | Cumulative investment (RMB'0,000) |
|-------------|--------------------|--------------------|----------------------------|------------------------|---------------------------------------|-------------|---------------|-----------------------------|--|--|---|---------------------------------------|-----------------------------------|
| Huizhou | Linxinyuan Phase I | Huiyang | Framework in construction | 51.00% | 11 June 2021 | 85% | 85.00% | 64,278 | 159,761 | | | 115,750 | 101,891 |
| Shenzhen | SPG Guangmingli | Guangming District | Foundation pit being built | 100.00% | 19 January 2022 | 4% | 4.00% | 10,721 | 53,605 | | | 151,758 | 100,422 |

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 | Luohu District | Ready for sale | 100.00% | 55,727 | 32,857 | 32,511 | 71 | 506 | 32,303 | 2,291 | 14,636 |

| | | | | | | | | | | | | |
|----------|--------------------|-------------------|----------------|---------|---------|---------|---------|-------|-------|--------|-------|-------|
| | Mingyuan | | | | | | | | | | | |
| Shenzhen | Cuilinyuan | Longgang District | Ready for sale | 100.00% | 60,111 | 56,137 | 52,683 | 714 | 1,940 | 51,969 | | |
| Shantou | Tianyuwan Phase I | Chaoyang District | Ready for sale | 100.00% | 153,470 | 160,372 | 117,343 | 2,881 | 1,603 | 99,974 | 7,450 | 3,822 |
| Shantou | Tianyuwan Phase II | Chaoyang District | Ready for sale | 100.00% | 127,770 | 137,059 | 23,935 | 6,931 | 3,914 | 19,756 | 8,239 | 4,297 |
| Huizhou | Linxiyuan Phase I | Huiyang District | On pre-sale | 51.00% | 159,761 | 159,761 | 1,904 | 1,060 | 1,185 | | | |

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 | 4752.98 | 98.62% |
| Petrel Building | Shenzhen | Commercial | 100.00% | 22,475.47 | 22,475.47 | 100.00% |
| SPG Plaza | Shenzhen | Office building | 100.00% | 61015.82 | 34505.47 | 56.55% |
| SPG Plaza Podium | Shenzhen | Commercial | 100.00% | 19886.3 | 16123.49 | 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:

The year 2022 sees 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.

(I) Focus on improving the quality of Party building

In the second half of the year, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Party Committee of the Company will continue to organize the study, publicity and implementation of the spirit of the 20th National Congress of the Communist Party of China and the spirit of the 13th Guangdong Provincial Congress of the Communist Party of China, focus on the "First Topics" learning and the study of the theoretical study center group, and strengthen the building of the corporate leadership team. Based on the corporate reality, it will deepen the Party building innovation activity of "One Brand for One

Enterprise", continue to promote the standardization construction of grass-roots Party organizations and the team building of Party members, and strive to push the Party building to a new level.

(II) Focus on promoting the prudent operation of development as the core business

First, project construction will be focused: The Company will ensure that the development of Guangmingli project and Linxinyuan project are implemented as planned. Second, project marketing will be focused: The Company will make breakthrough innovation in the marketing model and strengthen sales promotion, striving to complete the annual sales task.

(III) Focus on promoting future development and improving quality and efficiency

First, future development: The Company will strengthen the communication and coordination with the capital platforms in the system, focus on promoting the research and implementation of the industrial investment fund plan, and continue to explore the future direction and path for corporate development. Second, improvement of quality and efficiency: The Company will continue to promote the land sale of Great Wall Estate Co., Inc. (U.S.), the revocation of registration of QiLu Co., Ltd., the liquidation of Guangdong Fengkai County Lianfeng Cement Manufacturing Co., Ltd., and the cleanup of zombie companies such as Fresh Peak Investment Ltd. and Barenie Co. Ltd. It will implement follow-up tasks such as the audit of the profit of Shenzhen Property Management during the transition period and the collection of the final payment of equity transfer. Close attention will be paid to the special check of receivables to earnestly safeguard the interests of the Company.

(IV) Focus on promote security protection in a standardized and orderly manner

First, the Company will define the entity responsibility for safety production, carry out closed-loop rectification of problems and potential hazards found in the third-party safety inspection organized by the superiors, and prepare for the third-party inspection. It will carry out in-depth inspection and rectification of potential safety production hazards and review of problems, and focus on the safety of engineering construction and self-built house structure to eliminate potential safety hazards. Second, by adhering to the regular epidemic prevention and control, the Company will refine measures and strengthen implementation to ensure that the situation of epidemic prevention and control is stable. Third, the Company will coordinately focus on stability maintenance of petitioning and public opinion monitoring of the Group to create a harmonious and stable environment for corporate development.

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 | 2,697.86 | |
| Chuanqi Donghu Mingyuan | Until the property ownership certificate is registered as collateral and handed over to bank for keeping | 2,228.92 | |
| Tianyuewan | Until the property ownership certificate is registered as collateral and handed over to bank for keeping | 30,898.12 | |
| Linxinyuan | Until the property ownership certificate is registered as collateral and handed over to bank for keeping | 377.00 | |
| Total | | 36,201.90 | |

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 | Director, supervisor or senior management of the Company | 8,950,000.00 | 39.25% | 0.90% | 0.00 | N/A | N/A |

II 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 2022, the Company was granted the titles of "Socially Responsible Company" and "Honest Company" in the real estate world of Shenzhen.

III Core Business Analysis

Overview:

See contents under the heading "I Principal Activity of the Company in the Reporting Period" above.

Year-on-year changes in key financial data:

Unit: RMB

| | H1 2022 | H1 2021 | Change (%) | Main reason for change |
|-------------------|----------------|----------------|------------|---|
| Operating revenue | 366,184,498.90 | 694,598,218.47 | -47.28% | Decreased revenue from property sales and offering of rent reductions and exemptions during the COVID-19 pandemic |

| | | | | |
|--|-----------------|-------------------|----------|--|
| | | | | according to the relevant policies |
| Cost of sales | 239,885,272.72 | 331,975,678.55 | -27.74% | |
| Selling expense | 10,726,031.33 | 16,815,600.06 | -36.21% | Decline in property sales |
| Administrative expense | 33,013,300.52 | 40,299,584.22 | -18.08% | |
| Finance costs | -3,601,554.32 | -16,414,487.59 | 78.06% | Decreased bank balances and interest income from bank deposits |
| Income tax expense | 59,036,968.69 | 47,841,099.11 | 23.40% | |
| Net cash generated from/used in operating activities | -548,115,143.34 | -285,540,751.46 | -91.96% | Payment of land value-added tax for the Chuanqi Donghu Mingyuan project |
| Net cash generated from/used in investing activities | 255,526,904.00 | -1,750,516,694.28 | -114.60% | Substantial payment for equity acquisition and purchase of monetary fund in the same period of last year |
| Net cash generated from/used in financing activities | | 243,164,282.22 | -100.00% | Receipt of borrowing from non-controlling shareholder by project company in the same period of last year |
| Net increase in cash and cash equivalents | -292,337,340.43 | -1,792,911,046.07 | -83.69% | Substantial payment for equity acquisition and purchase of monetary fund in the same period of last year |

Major changes in the profit structure or sources of the Company in the Reporting Period:

Net profit largely came from recurrent business operations in the same period of last year, while in the current period, exceptional gains such as income from the disposal of subsidiary were the primary sources of net profit.

Breakdown of operating revenue:

Unit: RMB

| | H1 2022 | | H1 2021 | | Change (%) |
|-----------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|------------|
| | Operating revenue | As % of total operating revenue (%) | Operating revenue | As % of total operating revenue (%) | |
| Total | 366,184,498.90 | 100% | 694,598,218.47 | 100% | -47.28% |
| By business segment | | | | | |
| Real estate | 228,409,271.55 | 62.38% | 479,956,940.17 | 69.10% | -52.41% |
| Construction service | 103,248,547.59 | 28.20% | 107,167,710.21 | 15.43% | -3.66% |
| Rental service | 16,729,533.24 | 4.57% | 30,225,726.14 | 4.35% | -44.65% |
| Property management service | 11,075,828.00 | 3.02% | 70,348,672.05 | 10.13% | -84.26% |
| Other | 6,721,318.52 | 1.84% | 6,899,169.90 | 0.99% | -2.58% |
| By product | | | | | |
| Housing units | 223,833,107.28 | 61.13% | 479,562,902.07 | 69.04% | -53.33% |
| Shops and parking place | 4,576,164.27 | 1.25% | 394,038.10 | 0.06% | 1,061.35% |
| Other | 137,775,227.35 | 37.62% | 214,641,278.30 | 30.90% | -35.81% |
| By geographic segment | | | | | |
| Guangdong Province | 318,380,165.32 | 86.95% | 635,008,108.14 | 91.42% | -49.86% |
| Other regions in | 47,804,333.58 | 13.05% | 59,300,114.59 | 8.54% | -19.39% |

| | | | | | |
|----------|------|-------|------------|-------|----------|
| China | | | | | |
| Overseas | 0.00 | 0.00% | 289,995.74 | 0.04% | -100.00% |

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 business segment | | | | | | |
| Real estate | 228,409,271.55 | 104,297,609.19 | 54.34% | -52.41% | -24.24% | -16.98% |
| Construction service | 103,248,547.59 | 101,006,700.90 | 2.17% | -3.66% | -3.39% | -0.27% |
| Rental service | 16,729,533.24 | 18,895,147.63 | -12.94% | -44.65% | 8.05% | -55.09% |
| Property management service | 11,075,828.00 | 10,769,205.28 | 2.77% | -84.26% | -84.19% | -0.41% |
| Other | 6,721,318.52 | 4,916,609.72 | 26.85% | -2.58% | 18.15% | -12.83% |
| By product | | | | | | |
| Housing units | 223,833,107.28 | 100,408,666.61 | 55.14% | -53.33% | -26.94% | -16.20% |
| Shops and parking place | 4,576,164.27 | 3,888,942.58 | 15.02% | 1,061.35% | 1,541.47% | -24.86% |
| Other | 137,775,227.35 | 135,587,663.53 | 1.59% | -35.81% | -30.22% | -7.89% |
| By geographic segment | | | | | | |
| Guangdong Province | 318,380,165.32 | 193,072,432.97 | 39.36% | -49.86% | -29.22% | -17.69% |
| Other regions in China | 47,804,333.58 | 46,812,839.75 | 2.07% | -19.39% | -20.92% | 1.90% |
| Overseas | | | | -100.00% | | -100.00% |

Main business data of the most recent period restated according to changed statistical caliber for the Reporting period

Applicable Not applicable

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

Applicable Not applicable

IV Non-Core Business Analysis

Applicable Not applicable

V Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

| | End of Reporting Period | | End of the same period of last year | | Increase/decrease in proportion | Notes to significant changes |
|-----------------|-------------------------|----------------------------|-------------------------------------|----------------------------|---------------------------------|--|
| | Amount | Proportion to total assets | Amount | Proportion to total assets | | |
| Monetary assets | 326,915,586.65 | 5.68% | 564,358,824.63 | 9.13% | -3.45% | Payment of land VAT of Donghu Mingyuan in the current period |

| | | | | | | |
|------------------------------|------------------|--------|------------------|--------|--------|--|
| Accounts receivable | 71,948,944.71 | 1.25% | 61,048,785.11 | 0.99% | 0.26% | |
| Inventories | 4,070,379,390.87 | 70.75% | 4,034,933,562.62 | 65.26% | 5.49% | Development of projects |
| Investment property | 578,827,312.45 | 10.06% | 588,865,777.16 | 9.52% | 0.54% | |
| Long-term equity investments | 272,168.28 | 0.00% | 272,168.28 | 0.00% | 0.00% | |
| Fixed assets | 22,677,228.99 | 0.39% | 23,920,424.55 | 0.39% | 0.00% | |
| Right-of-use assets | 298,924.34 | 0.01% | 365,351.97 | 0.01% | 0.00% | |
| Short-term borrowings | 56,831,235.17 | 0.99% | 50,440,116.24 | 0.82% | 0.17% | |
| Contract liabilities | 45,104,910.10 | 0.78% | 199,965,490.08 | 3.23% | -2.45% | |
| Lease liabilities | 90,440.36 | 0.00% | 125,920.77 | 0.00% | 0.00% | |
| Accounts payable | 116,304,350.46 | 2.02% | 141,447,559.24 | 2.29% | -0.27% | |
| Taxes payable | 306,596,230.20 | 5.33% | 600,540,872.48 | 9.71% | -4.38% | Payment of land VAT of Donghu Mingyuan in the current period |
| Other payables | 647,772,178.12 | 11.26% | 581,377,415.64 | 9.40% | 1.86% | |

2. Major Assets Overseas

Applicable Not applicable

3. 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 | | | | | | | | |
| 1. Held-for-trading financial assets (excluding derivative financial assets) | 514,024,710.91 | 4,963,730.62 | | | | 114,840,380.99 | | 404,148,060.54 |
| 4. Investments in other equity instruments | 36,322,704.33 | | 5,945,521.73 | | | 22,490,765.41 | | 19,777,460.65 |

| | | | | | | | | |
|------------------------------|----------------|--------------|--------------|--|--|----------------|--|----------------|
| Subtotal of financial assets | 550,347,415.24 | 4,963,730.62 | 5,945,521.73 | | | 137,331,146.40 | | 423,925,521.19 |
| Total of the above | 550,347,415.24 | 4,963,730.62 | 5,945,521.73 | | | 137,331,146.40 | | 423,925,521.19 |
| Financial liabilities | 0.00 | | | | | | | 0.00 |

Other change

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

Yes No

4. Restricted Asset Rights as at the Period-End

| Item | Ending carrying value | Reasons |
|---------------------------------|-----------------------|---|
| Discount of accounts receivable | 56,831,235.17 | Pledged for short-term borrowings |
| Inventories | 965,000,000.00 | Lands mortgaged for project development loans |
| Total | 1,021,831,235.17 | -- |

VI Investment Analysis

1. Total Investments Made

Applicable Not applicable

2. Significant Equity Investments Made in the Reporting Period

Applicable Not applicable

3. Significant Non-equity Investments Ongoing in the Reporting Period

Applicable Not applicable

4. Financial Investments

(1) Securities Investments

Applicable Not applicable

No such cases in this Reporting Period

(2) Investment in Derivative Financial Instruments

Applicable Not applicable

No such cases in this Reporting Period

5. Use of Funds Raised

Applicable Not applicable

No such cases in this Reporting Period

VII Sale of Major Assets and Equity Interests

1. Sale of Major Assets

Applicable Not applicable

No such cases in this Reporting Period

2. Sale of Major Equity Interests

Applicable Not applicable

| 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 percentage of the Company's net income (%) | Pricing principle | Related-party transaction or not | Relationship between counterparty and the Company | Ownership fully transferred or not | Executed as scheduled or not, if not, state reason and actions taken | Disclosure date | Index to disclosed information |
|---|--|------------------|---------------------------|---|---|---|---|----------------------------------|---|------------------------------------|--|------------------|--|
| Shenzhen International Trade Center Property Management Co., Ltd. | 100% of equity interests of Shenzhen Property Management Co., Ltd. | 11 February 2022 | 19,667.67 | -170.85 | 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 | 84.42% | The transaction price is determined based on the net asset valuation assessed by the evaluation agency on the | Yes | Shenzhen International Trade Center Property Management Co., Ltd. (hereinafter referred to as "ITC Property Management") is a wholly- | Yes | Yes | 15 February 2022 | Announcement on the Progress of the Related-party Transaction regarding the Transfer of 100% of Equity |

| | | | | | | | | | | | | |
|--|--|--|--|--|--|----------------------------|--|--|--|--|--|--|
| | | | | | improvement of its quality. In 2022, the counterparty has paid 90% (RMB177,009,000) of the equity transfer payment to the Group in accordance with the equity transfer agreement. After the equity transfer, the Company derecognized the said equity and confirmed the investment income of RMB163,352,100 in consolidated financial statements. The matter has a positive impact on the Company cash flow and operating results in 2022. | base date of 30 June 2021. | | owned subsidiary of ShenZhen Properties & Resources Development (Group) Ltd. "hereinafter referred to as "SZPRD" and both SZPRD and the Company are majority-owned subsidiaries of Shenzhen Investment Holdings Co., Ltd. Thus, an association relationship is formed. | | | | Interests of Shenzhen Property Management Co., Ltd. (No.: 2022-001) disclosed on www.cninfo.com.cn |
|--|--|--|--|--|--|----------------------------|--|--|--|--|--|--|

VIII Principal Subsidiaries and Joint Stock Companies

Applicable Not applicable

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

Unit: RMB

| Company name | Relationship with the Company | Main business scope | Registered capital | Total assets | Net assets | Operating revenue | Operating profit | Net profit |
|---|-------------------------------|----------------------------|--------------------|------------------|----------------|-------------------|------------------|---------------|
| Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. | Subsidiary | Development of real estate | 2,800,000.00 | 1,280,229,814.39 | -11,627,303.66 | | -4,071,985.31 | -4,115,342.31 |
| Shenzhen SPG Chuanqi Real Estate Development Co., Ltd. | Subsidiary | Development of real estate | 30,000,000.00 | 1,005,698,613.00 | 994,342,512.39 | | -31,018.76 | -31,018.76 |
| Shenzhen | Subsidiary | Development | 30,000,000.00 | 175,115,540.00 | 120,937,150.00 | 984,161.91 | - | - |

| | | | | | | | | |
|--|------------|-------------------------------|---------------|----------------|-----------------|----------------|---------------|---------------|
| SPG Longgang Development Co., Ltd. | | nt of real estate | 00 | 3.31 | 8.53 | | 3,807,820.28 | 3,807,818.90 |
| Shantou SEZ, Wellam FTY, Building Development, Co., Ltd. | Subsidiary | Development of real estate | 91,226,120.44 | 158,268,017.90 | 122,473,682.79 | 858,036.19 | -116,470.93 | -87,353.19 |
| Shantou Huafeng Real Estate Development Co., Ltd. | Subsidiary | Development of real estate | 80,000,000.00 | 881,155,781.21 | 21,097,941.37 | 81,186,381.08 | 78,891.89 | 59,168.92 |
| Great Wall Estate Co., Inc. (U.S.) | Subsidiary | Lease | 2,051,146.00 | 18,477,637.42 | -85,436,179.35 | | -505,165.93 | -505,165.93 |
| Shenzhen Zhentong Engineering Co., Ltd. | Subsidiary | Installation and construction | 10,000,000.00 | 433,122,890.69 | 19,873,575.22 | 104,462,965.25 | 51,215.55 | 51,215.55 |
| Shenzhen Property Management Co., Ltd. | Subsidiary | Property management | 7,250,000.00 | 91,865,021.54 | 33,324,622.23 | 9,750,410.15 | -1,632,117.50 | -1,708,521.80 |
| Shenzhen Petrel Hotel Co., Ltd. | Subsidiary | Lease and property management | 30,000,000.00 | 43,096,625.81 | 36,214,131.59 | 4,903,667.16 | -3,230,165.64 | -3,232,056.63 |
| Shenzhen Huazhan Construction Supervision Co., Ltd. | Subsidiary | Construction supervision | 8,000,000.00 | 10,784,124.99 | 10,464,036.33 | 1,898,997.93 | 424,971.25 | 428,815.42 |
| Xin Feng Enterprise Co., Ltd. | Subsidiary | Investment and management | 502,335.00 | 390,732,063.68 | -139,428,615.69 | | -5,725,610.33 | -5,725,610.33 |

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 |
|--|---|--|
| Shenzhen Property Management Co., Ltd. | Negotiating transfer | Refer to Note VII Sale of Major Assets and Equity Interests |

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 has been included in the scope of consolidation since May 2021. The Linxingyuan Project Phase I was opened to presale in December 2021 with the presale contract amount of RMB11.85 million for H1 2022.
- The subordinate subsidiaries engaged in real estate development also include: Shenzhen SPG Chuanqi Real Estate Development Co., Ltd., Shenzhen SPG Longgang Development Co., Ltd., Shantou SEZ, Wellam FTY, Building Development, Co., Ltd. and Shantou Huafeng Real Estate Development Co., Ltd. The Guangmingli project developed by Shenzhen SPG Chuanqi Real Estate

Development Co., Ltd. started in January 2022 and is still in the development and construction stage. The Cuilinyuan project developed by Shenzhen SPG Longgang Development Co., Ltd. realized the sales amount of RMB19.4 million but not meeting the condition of income recognition yet. 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 77% for Phase I and 18% for Phase II.

3. Shenzhen Property Management Co., Ltd was engaged in the industry of property management. The Group signed the equity transfer agreement with Shenzhen International Trade Center Property Management Co., Ltd. in 2021 and the equity transfer has been completed in 2022. Since then, Shenzhen Property Management Co., Ltd. will no longer be included in the scope of the Group's consolidated financial statements. For details, please refer to Note VII Sale of Major Assets and Equity Interests.

4. Shenzhen Zhentong Engineering Co., Ltd. was engaged in the business of building installation and maintenance with the operating revenues of RMB104 million and of 28.53% to the operating revenues of the Company for H1 2022.

5. The net profit of Xin Feng Enterprise Co., Ltd. for H1 2022 was RMB-5.73 million, mainly due to the changes of exchange rate and because it conducts no business.

6. The net profit of Shenzhen Petrel Hotel Co., Ltd. for H1 2022 was RMB-3.23 million, mainly due to the reduction of lease income affected by the pandemic.

IX Structured Bodies Controlled by the Company

Applicable Not applicable

X Risks Facing the Company 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. Since this year, the international environment has become more complex and severe, and the world economic growth is obviously slowing down. Against the background of the rising risk of stagflation in the global economy, there are still many unstable and uncertain factors in the recovery of the domestic economy. 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 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.

3. Business operating risks and countermeasures

During the Reporting Period, based on the guidance of "housing is for living in, not for speculation", all over the country has introduced policies to boost the property market, but relevant policies in first-tier cities have not been significantly relaxed. The Company will pay close attention to changes in markets and industry policies,

focus on project construction and real estate sales to strengthen the foundation of the main business. At the same time, the Company will actively explore new areas and cultivate new business models.

Part IV Corporate Governance

I 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 | Resolution of meeting |
|---------------------------------|------------------------|------------------------------|---------------|-----------------|---|
| The 2021 Annual General Meeting | Annual General Meeting | 63.56% | 17 May 2022 | 18 May 2022 | Resolutions of 2021 Annual General Meeting disclosed on China Securities, Securities Times, Ta Kung Pao and www.cninfo.com.cn (No.: 2022-018) |

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

Applicable Not applicable

II Change of Directors, Supervisors and Senior Management

Applicable Not applicable

| Name | Office title | Type | Date | Reason |
|---------------|---|---------|-------------|------------|
| Wang Jiangtao | Supervisor, Chairman of the Supervisory Committee | Elected | 17 May 2022 | |
| Li Lian | Supervisor, Chairman of the Supervisory Committee | Left | 17 May 2022 | Retirement |
| Wei Hanping | Vice GM | Left | 7 June 2022 | Retirement |

III Interim Dividend Plan

Applicable Not applicable

The Company has no interim dividend plan, either in the form of cash or stock.

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

Applicable Not applicable

No such cases in the Reporting Period.

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

While pursuing economic benefits and protecting the interests of shareholders, the Company proactively fulfilled its social responsibilities demonstrating the Company's social value and responsibilities. During the Reporting Period, the Company actively participated in and supported the charity fund-raising activity of "Joining Hands on Fertility Care, Caring for Families in Need" of Jiabei Community, providing assistance and financial aids to "families losing the only child or with the only child disabled" and difficult families observing the family planning in the region, totaling RMB30,000. It timely set up the anti-epidemic teams to join the front line of epidemic prevention and control with 10 full-time anti-epidemic volunteers and 13 volunteers who voluntarily enrolled in the community anti-epidemic in the Group. It aided the anti-epidemic work of Nanhu Street and donated anti-epidemic materials with a total value of more than RMB50,000. At the same time, its affiliated Petrel Hotel assisted Nanhu Street in providing services for the nucleic acid testing sampling point in Petrel Plaza and carrying out nucleic acid testing. It undertook the reconstruction of Xiabei Village Primary School in Longdu Town, Chenghai District, Shantou City and the assistance project caring the study and living conditions of primary school students in this town (installing air-conditioners for Longdu Central Primary School). The Company did its best to help market entities tide over difficulties with rent reduction and exemption of more than RMB20 million for micro, small and medium-sized enterprises. It actively participated in the special action of consumption poverty alleviation and purchased RMB469,000 of poverty alleviation products within the Group, making due contributions to promoting rural revitalization.

Part VI Significant Events

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

Applicable Not applicable

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

II Occupation of the Company's Capital by the Controlling Shareholder or any of 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 Engagement and Disengagement of Independent Auditor

Are the interim financial statements audited?

Yes No

The interim financial statements have not been audited.

V Explanations Given by the Board of Directors and the Supervisory Committee Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Reporting Period

Applicable Not applicable

VI Explanations Given by the Board of Directors Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of Last Year

Applicable Not applicable

VII Insolvency and Reorganization

Applicable Not applicable

No such cases in the Reporting Period.

VIII Legal Matters

Significant lawsuits and arbitrations:

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 Company failed to pay in time, it had to pay double debt interests to Xi'an Fresh Peak Company for the overdue period; ② Xi'an Joint Commission on Commerce had jointly | 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 | 18 March 2022 | Annual Report 2021 (full text) (No.: 2022-006) on www.cninfo.com.cn |

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | and severally obligation of the interests of the compensation; .③ Business Company shall bear RMB227,500 of the acceptance fee and the security fee. | refusing to execute the ruling. It is difficult to recover the rest. | | |
|--|--|--|--|--|--|--|--|

Other legal matters:

Applicable Not applicable

IX Punishments and Rectifications

Applicable Not applicable

X Credit Quality of the Company as well as its Controlling Shareholder and De Facto Controller

Applicable Not applicable

XI 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

Approved on the 69th Meeting of the 7th Board of Directors and the 3rd Extraordinary General Meeting of 2021, the Company decided to transfer 100% equity interests of Shenzhen Property Management Co., Ltd., the wholly-owned subsidiary of it, to Shenzhen International Trade Center Property Management Co., Ltd. For details, please refer to Note VII Sale of Major Assets and Equity Interests in Part III.

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), Announcement on the Related-Party Transaction regarding the Transfer of 100% of Equity Interests in Shenzhen Property Management Co., Ltd. (No.: 2021-050) | 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.: 2021-053) | 30 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.: 2022-001) | 15 February 2022 | www.cninfo.com.cn |

XII Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

Applicable Not applicable

No such cases in the Reporting Period.

(2) Contracting

Applicable Not applicable

No such cases in the Reporting Period.

(3) Leases

Applicable Not applicable

No such cases in the Reporting Period.

2. Major Guarantees

Applicable Not applicable

Unit: RMB'0,000

| Guarantees provided by the Company as the parent and its subsidiaries for external parties (exclusive of those for subsidiaries) | | | | | | | | | | |
|--|--|-------------------|------------------------|---|-------------------|---|----------------------------|---|-----------------------|--------------------------------------|
| Obligor | Disclose date of the guarantee line announcement | Line of guarantee | Actual occurrence date | Actual guarantee amount | Type of guarantee | Collateral (if any) | Counter guarantee (if any) | Term of guarantee | Having expired or not | Guarantee for a related party or not |
| Guarantees provided by the Company as the parent for its subsidiaries | | | | | | | | | | |
| Obligor | Disclose date of the guarantee line announcement | Line of guarantee | Actual occurrence date | Actual guarantee amount | Type of guarantee | Collateral (if any) | Counter guarantee (if any) | Term of guarantee | Having expired or not | Guarantee for a related party or not |
| Shenzhen SPG Chuanqi Real Estate Development Co., Ltd. | 18 March 2022 | 50,000 | 17 June 2022 | 50,000 | Pledge | 100% equity interests of Shenzhen SPG Chuanqi Real Estate Development Co., Ltd. held by the Company | | From the date of signing the guarantee contract to the date when all guaranteed debts are unconditionally and irrevocably paid off in full. | Not | Not |
| Total approved line for such guarantees in the Reporting Period (B1) | | 50,000 | | Total actual amount of such guarantees in the Reporting Period (B2) | | 50,000 | | | | |
| Total approved line for such guarantees at the end of the Reporting Period (B3) | | 50,000 | | Total actual balance of such guarantees at the end of the Reporting Period (B4) | | 50,000 | | | | |
| Guarantees provided between subsidiaries | | | | | | | | | | |
| Obligor | Disclose date of the guarantee line announcement | Line of guarantee | Actual occurrence date | Actual guarantee amount | Type of guarantee | Collateral (if any) | Counter guarantee (if any) | Term of guarantee | Having expired or not | Guarantee for a related party or not |

| Total guarantee amount (total of the three kinds of guarantees above) | | | |
|---|--------|--|--------|
| Total guarantee line approved in the Reporting Period (A1+B1+C1) | 50,000 | Total actual guarantee amount in the Reporting Period (A2+B2+C2) | 50,000 |
| Total approved guarantee line at the end of the Reporting Period (A3+B3+C3) | 50,000 | Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4) | 50,000 |
| Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets | | 12.51% | |
| Of which: | | | |

Compound guarantees

3. Cash Entrusted for Wealth Management

Applicable Not applicable

Unit: RMB'0,000

| Type | Funding source | Amount | Undue amount | Unrecovered overdue amount | Unrecovered overdue amount with provision for impairment |
|-------|----------------|---------|--------------|----------------------------|--|
| Other | Self-funded | 130,000 | 40,414.81 | 0 | 0 |
| Total | | 130,000 | 40,414.81 | 0 | 0 |

Particulars of cash entrusted for wealth management with single significant amount or low security, bad liquidity, and no capital preservation

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

4. Other Significant Contracts

Applicable Not applicable

No such cases in the Reporting Period.

XIII Other Significant Events

Applicable Not applicable

No such cases in the Reporting Period.

XIV 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 | 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 | 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% |

Reasons for share changes:

 Applicable Not applicable

Approval of share changes:

 Applicable Not applicable

Transfer of share ownership:

 Applicable Not applicable

Progress on any share repurchase:

Applicable Not applicable

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

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

Applicable Not applicable

III. Total Number of Shareholders and Their Shareholdings

Unit: share

| Total number of ordinary shareholders at the period-end | 61,286 | Total number of preference shareholders with resumed voting rights at the period-end (if any) (see Note 8) | 0 | | | | | |
|--|---------------------------------------|--|--|---|---------------------------------|-------------------------------------|------------------------------------|--------|
| Shareholding of ordinary shareholders holding more than 5% shares or the top 10 of ordinary shareholders | | | | | | | | |
| Name of shareholder | Nature of shareholder | Shareholding percentage | Total ordinary shares held at the period-end | Increase/decrease in the Reporting Period | Restricted ordinary shares held | Non-restricted ordinary shares held | Shares in pledge, marked or frozen | |
| | | | | | | | Status of shares | Amount |
| Shenzhen Investment Holdings Co., Ltd | State-owned legal person | 57.19% | 578,595,836 | | | 578,595,836 | | |
| Shenzhen State-owned Equity Management Co., Ltd. | Domestic non-state-owned legal person | 6.35% | 64,288,426 | | | 64,288,426 | | |
| Yang Jianmin | Domestic natural person | 0.84% | 8,516,277 | | | 8,516,277 | | |
| Zhou Zhijian | Domestic natural person | 0.57% | 5,798,816 | | | 5,798,816 | | |
| Zhang Xiujuan | Domestic natural person | 0.36% | 3,597,300 | | | 3,597,300 | | |
| Wang Yulan | Domestic natural person | 0.33% | 3,378,691 | | | 3,378,691 | | |
| Pan Jun | Domestic natural person | 0.23% | 2,360,000 | | | 2,360,000 | | |
| Lin Hanteng | Domestic natural person | 0.21% | 2,100,400 | | | 2,100,400 | | |
| Liu Yuqing | Domestic natural person | 0.21% | 2,080,201 | | | 2,080,201 | | |
| He Qiao | Domestic natural person | 0.20% | 2,043,700 | | | 2,043,700 | | |
| Strategic investor or | None | | | | | | | |

| general legal person becoming a top-10 ordinary shareholder due to rights issue (if any) | | | |
|--|--|---------------------|-------------|
| Related or acting-in-concert parties among the shareholders above | Among the top 10 shareholders of the Company, Shenzhen State-owned Equity Management Co., Ltd. is a wholly-owned subsidiary of Shenzhen Investment Holdings Co., Ltd. The Company does not know whether there exists associated relationship among the other shareholders, or whether they are persons acting in concert as prescribed in the Administrative Measures for the Acquisition of Listed Companies. | | |
| Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights | None | | |
| Special account for share repurchases (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 | 8,516,277 | RMB ordinary shares | 8,516,277 |
| Zhou Zhijian | 5,798,816 | RMB ordinary shares | 5,798,816 |
| Zhang Xiujuan | 3,597,300 | RMB ordinary shares | 3,597,300 |
| Wang Yulan | 3,378,691 | RMB ordinary shares | 3,378,691 |
| Pan Jun | 2,360,000 | RMB ordinary shares | 2,360,000 |
| Lin Hanteng | 2,100,400 | RMB ordinary shares | 2,100,400 |
| Liu Yuqing | 2,080,201 | RMB ordinary shares | 2,080,201 |
| He Qiao | 2,043,700 | RMB ordinary shares | 2,043,700 |
| Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders | Among the top 10 unrestricted public shareholders of the Company, Shenzhen State-owned Equity Management Co., Ltd. is a wholly-owned subsidiary of Shenzhen Investment Holdings Co., Ltd. The Company does not know whether there exists associated relationship among the other shareholders, or whether they are persons acting in concert as prescribed in the Administrative Measures for the Acquisition of Listed Companies. | | |
| Top 10 ordinary shareholders involved in securities margin trading (if any) | Among the top 10 shareholders of the Company, the third, fifth, eighth, ninth and tenth shareholders respectively held 5,368,800 shares, 3,597,300 shares, 860,000 shares, 2,010,201 shares, and 1,942,400 shares in their credit securities accounts. | | |

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.

IV Change in Shareholdings of Directors, Supervisors and Senior Management

Applicable Not applicable

| Name | Office title | Incumbent/Former | Beginning shareholding (share) | Increase in the Reporting Period (share) | Decrease in the Reporting Period (share) | Ending shareholding (share) | Restricted shares granted at the period-beginning (share) | Restricted shares granted in the Reporting Period (share) | Restricted shares granted at the period-end (share) |
|---------------|--------------|------------------|--------------------------------|--|--|-----------------------------|---|---|---|
| Deng Kangchen | Director | Incumbent | 10,000 | 0 | 2,500 | 7,500 | 0 | 0 | 0 |

| | | | | | | | | | |
|-------|----|----|--------|---|-------|-------|---|---|---|
| g | | | | | | | | | |
| Total | -- | -- | 10,000 | 0 | 2,500 | 7,500 | 0 | 0 | 0 |

V Change of the Controlling Shareholder or the De Facto Controller

Change of the controlling shareholder in the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

Change of the de facto controller in the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

Part VIII Preference Shares

Applicable Not applicable

No preference shares in the Reporting Period.

Part IX Bonds

Applicable Not applicable

Part X. Financial Statements

I. Auditor's Report

Whether the semi-annual report has been audited?

Yes No

The semi-annual report of the Company has not been audited.

II. Financial Statements

The financial statements of the company have been prepared in China Yuan.

1. Consolidated Statement of Financial Position

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

As at 30 June 2022

Presented in RMB

| Item | 30 June 2022 | 1 January 2022 |
|--|------------------|------------------|
| Current assets: | | |
| Cash at bank and on hand | 326,915,586.65 | 564,358,824.63 |
| Provision of Settlement fund | | |
| Funds lent | | |
| Financial assets held for trading | 404,148,060.54 | 514,024,710.91 |
| Derivative financial assets | | |
| Notes receivable | 200,000.00 | 3,530,537.37 |
| Accounts receivable | 71,948,944.71 | 61,048,785.11 |
| Accounts receivable financing | | |
| Prepayments | 12,926,401.55 | 4,899,011.32 |
| Insurance premiums receivables | | |
| Cession premiums receivables | | |
| Provision of cession premiums | | |
| Other receivables | 49,014,731.62 | 30,614,008.08 |
| Including: Interest receivable | | |
| Dividends receivable | 1,052,192.76 | 1,052,192.76 |
| Recoursable Financial assets acquired | | |
| Inventories | 4,070,379,390.87 | 4,034,933,562.62 |
| Contractual assets | | |
| Assets held for sale | | 78,940,232.10 |
| Non-current assets due within one year | | |
| Other current assets | 36,050,680.73 | 68,216,887.04 |
| Total current assets | 4,971,583,796.67 | 5,360,566,559.18 |

| | | |
|--|------------------|------------------|
| Non-current assets: | | |
| Loans and payments | | |
| Debt investment | | |
| Investments in other debt obligations | | |
| Long-term receivables | | |
| Long-term equity investments | 272,168.28 | 272,168.28 |
| Investments in other equity instrument | 19,777,460.65 | 36,322,704.33 |
| Other non-current financial assets | | |
| Investment property | 578,827,312.45 | 588,865,777.16 |
| Fixed assets | 22,677,228.99 | 23,920,424.55 |
| Construction in progress | | |
| Productive living assets | | |
| Oil and gas assets | | |
| Right-of-use assets | 298,924.34 | 365,351.97 |
| Intangible assets | | |
| Development costs | | |
| Goodwill | | |
| Long-term deferred expense | 2,047,111.97 | 2,164,963.18 |
| Deferred tax assets | 157,995,364.26 | 170,020,101.78 |
| Other non-current assets | | |
| Total non-current assets | 781,895,570.94 | 821,931,491.25 |
| Total assets | 5,753,479,367.61 | 6,182,498,050.43 |
| Current liabilities: | | |
| Short-term loans | 56,831,235.17 | 50,440,116.24 |
| Borrowings from central bank | | |
| Deposit funds | | |
| Financial liabilities held for trading | | |
| Derivative financial liabilities | | |
| Notes payable | 235,818,710.20 | 247,376,403.56 |
| Accounts payable | 116,304,350.46 | 141,447,559.24 |
| Advances from customers | 6,478,938.55 | 6,411,427.04 |
| Contractual liabilities | 45,104,910.10 | 199,965,490.08 |
| Funds from sale of financial assets with repurchase agreements | | |
| Deposits from customer and interbank | | |
| Funds received as an agent of stock exchange | | |
| Funds received as stock underwrite | | |
| Payroll payable | 47,074,012.25 | 43,926,711.78 |
| Tax payable | 306,596,230.20 | 600,540,872.48 |
| Other payables | 647,772,178.12 | 581,377,415.64 |
| Including: Interest payable | 16,535,277.94 | 16,535,277.94 |
| Dividends payable | 89,026,080.00 | |

| | | |
|--|------------------|------------------|
| Handling charges and commissions payable | | |
| Cession premiums payables | | |
| Liabilities held for sale | | 65,752,452.06 |
| Non-current liabilities due within one year | 103,779.30 | 83,023.44 |
| Other current liabilities | 2,352,351.37 | 8,196,849.13 |
| Total current liabilities | 1,464,436,695.72 | 1,945,518,320.69 |
| Non-current liabilities: | | |
| Provision for insurance contracts | | |
| Long-term loans | | |
| Debentures payable | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | 90,440.36 | 125,920.77 |
| Long-term payables | | |
| Long-term employee benefits payable | | |
| Provisions | | |
| Deferred income | | |
| Deferred tax liabilities | 6,540,205.39 | 9,524,639.56 |
| Other non-current liabilities | | |
| Total non-current liabilities | 6,630,645.75 | 9,650,560.33 |
| Total liabilities | 1,471,067,341.47 | 1,955,168,881.02 |
| Equity: | | |
| Share capital | 1,011,660,000.00 | 1,011,660,000.00 |
| Other equity instruments | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserves | 978,244,910.11 | 978,244,910.11 |
| Less: treasury shares | | |
| Other comprehensive income | 26,995,808.40 | 36,088,963.95 |
| Specific reserve | | |
| Surplus reserve | 241,144,854.93 | 241,144,854.93 |
| Generic Risk Reserve | | |
| Retained earnings | 1,738,673,586.38 | 1,671,121,562.98 |
| Total equity attributable to shareholders of the company | 3,996,719,159.82 | 3,938,260,291.97 |
| Non-controlling interests | 285,692,866.32 | 289,068,877.44 |
| Total equity | 4,282,412,026.14 | 4,227,329,169.41 |
| Total liabilities and equity | 5,753,479,367.61 | 6,182,498,050.43 |

Legal representative: Zhengyu Liu General Accountant: JianFei Wang The head of the accounting department: Yanjun Qiao

2. Financial Position Statement of the Parent Entity

Presented in RMB

| Item | 30 June 2022 | 1 January 2022 |
|---|------------------|------------------|
| Current assets: | | |
| Cash at bank and on hand | 208,547,834.21 | 304,130,181.74 |
| Financial assets held for trading | 404,148,060.54 | 514,024,710.91 |
| Derivative financial assets | | |
| Notes receivable | | |
| Accounts receivable | 78,189.53 | 9,708,285.93 |
| Accounts receivable financing | | |
| Prepayments | 200,000.00 | 200,000.00 |
| Other receivables | 1,606,595,768.89 | 1,587,300,891.76 |
| Including: Interest receivable | | |
| Dividends receivable | | |
| Inventories | 8,487,135.31 | 42,348,499.39 |
| Contractual assets | | |
| Assets held for sale | | 12,821,791.52 |
| Non-current assets due within one year | | |
| Other current assets | 1,767,077.36 | 7,144,189.24 |
| Total current assets | 2,229,824,065.84 | 2,477,678,550.49 |
| Non-current assets: | | |
| Debt investment | | |
| Investments in other debt obligations | | |
| Long-term receivables | | |
| Long-term equity investments | 1,582,657,055.03 | 1,582,657,055.03 |
| Investments in other equity instruments | 19,777,460.65 | 13,831,938.92 |
| Other non-current financial assets | | |
| Investment property | 467,185,993.27 | 476,622,089.39 |
| Fixed assets | 14,871,741.25 | 15,722,627.74 |
| Construction in progress | | |
| Productive living assets | | |
| Oil and gas assets | | |
| Right-of-use assets | | |
| Intangible assets | | |
| Development costs | | |
| Goodwill | | |
| Long-term deferred expense | 1,068,887.61 | 1,167,500.83 |
| Deferred tax assets | 134,299,017.38 | 134,299,017.38 |
| Other non-current assets | | |
| Total non-current assets | 2,219,860,155.19 | 2,224,300,229.29 |
| Total assets | 4,449,684,221.03 | 4,701,978,779.78 |
| Current liabilities: | | |
| Short-term loans | | |
| Financial liabilities held for trading | | |
| Derivative financial liabilities | | |
| Notes payable | | |
| Accounts payable | 18,580,208.85 | 29,750,790.44 |

| | | |
|---|------------------|------------------|
| Advances from customers | | |
| Contractual liabilities | 7,173,369.08 | 159,752,627.50 |
| Payroll payable | 35,540,386.85 | 33,496,830.45 |
| Tax payable | 286,660,372.57 | 588,031,923.05 |
| Other payables | 334,293,250.83 | 207,613,656.49 |
| Including: Interest payable | 16,535,277.94 | 16,535,277.94 |
| Dividends payable | 89,026,080.00 | |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | | |
| Other current liabilities | 358,652.92 | 7,987,260.50 |
| Total current liabilities | 682,606,241.10 | 1,026,633,088.43 |
| Non-current liabilities: | | |
| Long-term loans | | |
| Debentures payable | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | | |
| Long-term payables | | |
| Long-term employee benefits payable | | |
| Provisions | | |
| Deferred income | | |
| Deferred tax liabilities | 5,027,520.65 | 5,027,520.65 |
| Other non-current liabilities | | |
| Total non-current liabilities | 5,027,520.65 | 5,027,520.65 |
| Total liabilities | 687,633,761.75 | 1,031,660,609.08 |
| Equity: | | |
| Share capital | 1,011,660,000.00 | 1,011,660,000.00 |
| Other equity instruments | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserves | 964,711,931.13 | 964,711,931.13 |
| Less: treasury shares | | |
| Other comprehensive income | 7,319,475.92 | 1,373,954.19 |
| Specific reserve | | |
| Surplus reserve | 218,015,241.52 | 218,015,241.52 |
| Retained earnings | 1,560,343,810.71 | 1,474,557,043.86 |
| Total equity | 3,762,050,459.28 | 3,670,318,170.70 |
| Total liabilities and equity | 4,449,684,221.03 | 4,701,978,779.78 |

3. Consolidated Statement of Profit or Loss and Other Comprehensive Income

Presented in RMB

| Item | 6 months ended 30 June 2022 | 6 months ended 30 June 2021 |
|------------------------------|-----------------------------|-----------------------------|
| 1. Revenue | 366,184,498.90 | 694,598,218.47 |
| Including: Operating revenue | 366,184,498.90 | 694,598,218.47 |
| Interest income | | |
| Insurance premium income | | |

| | | |
|---|----------------|----------------|
| Handling charge and commission income | | |
| 2. Expenses | 337,004,632.25 | 520,035,493.63 |
| Including: operating expenses | 239,885,272.72 | 331,975,678.55 |
| Interest expense | | |
| Handling charge and commission expense | | |
| Refund of Insurance premium | | |
| Net payment for insurance claims | | |
| Net provision for insurance contracts | | |
| Commissions on insurance policies | | |
| Cession charges | | |
| Taxes and surcharges | 56,981,582.00 | 147,359,118.39 |
| Selling and distribution expense | 10,726,031.33 | 16,815,600.06 |
| General and administrative expenses | 33,013,300.52 | 40,299,584.22 |
| Research and development expense | | |
| Financial expense | -3,601,554.32 | -16,414,487.59 |
| Including: Interest expense | | |
| Interest income | 2,903,815.84 | 16,398,025.57 |
| Add: Other income | 400,232.43 | 643,733.52 |
| Investment income ("-" for losses) | 166,815,177.24 | |
| Including: Income from investment in associates and joint ventures ("-" for losses) | | |
| Income from derecognition of financial assets at amortized cost ("-" for loss) | | |
| Foreign exchange gain ("-" for loss) | | |
| Net gain on exposure hedges ("-" for loss) | | |
| Gains from changes in fair value ("-" for losses) | 4,963,730.62 | 2,329,484.00 |
| Credit impairment loss ("-" for loss) | 131,316.20 | 1,142,580.28 |
| Impairment losses ("-" for losses) | | |
| Gains from assets disposal ("-" for losses) | | |
| 3. Operating profit ("-" for loss) | 201,490,323.14 | 178,678,522.64 |
| Add: Non-operating income | 552,207.24 | 1,370,757.88 |
| Less: Non-operating expense | 45,299.06 | 25,246.47 |
| 4. Profit before income tax ("-" for | 201,997,231.32 | 180,024,034.05 |

| | | |
|---|----------------|----------------|
| losses) | | |
| Less: Income tax expense | 59,036,968.69 | 47,841,099.11 |
| 5. Net profit for the year (“-” for net losses) | 142,960,262.63 | 132,182,934.94 |
| 5.1 Classification according to operation continuity | | |
| 5.1.1 Net profit from continuing operations (“-” for net loss) | 144,668,784.43 | 132,182,934.94 |
| 5.1.2 Net profit from discontinued operations (“-” for net loss) | -1,708,521.80 | |
| 5.2 Classification according to attribute | | |
| 5.2.1 Members of the parent entity (“-” for net loss) | 145,128,330.14 | 132,447,122.14 |
| 5.2.2 Non-controlling interests (“-” for net loss) | -2,168,067.51 | -264,187.20 |
| 6. Other comprehensive income (net of tax) | 1,148,674.10 | 459,551.69 |
| Other comprehensive income (net of tax) attributable to members of the parent entity | 2,356,617.71 | 1,153,397.28 |
| 6.1 Other comprehensive income items that will not be reclassified subsequently to profit or loss | 5,175,152.79 | 570,414.67 |
| 6.1.1 Remeasurement of defined benefit plan liability or asset | | |
| 6.1.2 Other comprehensive income that cannot be transferred to profit or loss under the equity method | 5,175,152.79 | 570,414.67 |
| 6.1.3 Changes in the fair value of investments in other equity instruments | | |
| 6.1.4 Changes in the fair value of the company’s credit risks | | |
| 6.1.5 Other | | |
| 6.2 Other comprehensive income items that may be reclassified subsequently to profit or loss | -2,818,535.08 | 582,982.61 |
| 6.2.1 Other comprehensive income that can be transferred to profit or loss under equity method | | |

| | | |
|---|----------------|----------------|
| 6.2.2 Changes in the fair value of investments in other debt obligations | | |
| 6.2.3 Other comprehensive income arising from the reclassification of financial assets | | |
| 6.2.4 Provision for credit impairments in other debt investment | | |
| 6.2.5 Effective portion of gains or losses arising from cash flow hedging instruments | | |
| 6.2.6 Translation differences arising from translation of foreign currency financial statements | -2,818,535.08 | 582,982.61 |
| 6.2.7 Other | | |
| Other comprehensive income (net of tax) attributable to non-controlling interests | -1,207,943.61 | -693,845.59 |
| 7. Total comprehensive income for the period | 144,108,936.73 | 132,642,486.63 |
| Attributable to members of parent entity | 147,484,947.85 | 133,600,519.42 |
| Attributable to non-controlling interests | -3,376,011.12 | -958,032.79 |
| 8. Earnings per share | | |
| 8.1 Basic earnings per share | 0.1435 | 0.1309 |
| 8.2 Diluted earnings per share | 0.1435 | 0.1309 |

In a business combination involving enterprises under common control, (net losses)/net profit of combined parties before the combination date is RMB 0.00, and (net losses)/net profit of combined parties in prior period is RMB 0.00.

Legal representative: Zhengyu Liu General Accountant: JianFei Wang The head of the accounting department: Yanjun Qiao

4. Statement of Profit or Loss and Other Comprehensive Income For the Parent Entity

Presented in RMB

| Item | 6 months ended 30 June 2022 | 6 months ended 30 June 2021 |
|-------------------------------------|-----------------------------|-----------------------------|
| 1. Revenue | 160,994,487.38 | 455,740,814.41 |
| Less: Cost of sales | 48,054,643.10 | 115,125,525.93 |
| Taxes and surcharges | 50,213,639.31 | 142,361,068.95 |
| Selling and distribution expense | 1,136,952.69 | 11,176,992.53 |
| General and administrative expenses | 19,684,166.38 | 24,102,955.71 |
| Research and development | | |

| | | |
|---|----------------|----------------|
| expense | | |
| Financial expense | -8,916,021.09 | -25,571,620.46 |
| Including: Interest expense | | |
| Interest income | 2,004,015.51 | 27,256,987.84 |
| Add: Other income | 234,931.53 | 8,516.31 |
| Investment income (“-” for losses) | 174,994,652.49 | |
| Including: Income from investment in associates and joint ventures (“-” for losses) | | |
| Income from the derecognition of financial assets at amortized cost (“-” for loss) | | |
| Net gain on exposure hedges (“-” for loss) | | |
| Gains from changes in fair value (“-” for losses) | 4,963,730.62 | 2,329,484.00 |
| Credit impairment loss (“-” for loss) | 78,105.19 | 586,866.00 |
| Impairment losses (“-” for losses) | | |
| Gains from assets disposal (“-” for losses) | | |
| 2. Operating profit (“-” for loss) | 231,092,526.82 | 191,470,758.06 |
| Add: Non-operating income | 550,000.10 | 1,334,736.50 |
| Less: Non-operating expense | | 1,550.00 |
| 3. Profit before income tax (“-” for losses) | 231,642,526.92 | 192,803,944.56 |
| Less: Income tax expense | 56,829,680.07 | 48,074,842.78 |
| 4. Net profit for the year (“-” for net losses) | 174,812,846.85 | 144,729,101.78 |
| 4.1 Net profit from continuing operations (“-” for net loss) | 174,812,846.85 | 144,729,101.78 |
| 4.2 Net profit from discontinued operations (“-” for net losses) | | |
| 5. Other comprehensive income, net of tax | 5,945,521.73 | 568,376.57 |
| 5.1 Other comprehensive income items that will not be reclassified subsequently to profit or loss | 5,945,521.73 | 568,376.57 |
| 5.1.1 Remeasurement of defined benefit plan liability or asset | | |
| 5.1.2 Other comprehensive income that cannot be transferred to profit or loss under the equity method | | |

| | | |
|---|----------------|----------------|
| 5.1.3 Changes in the fair value of investments in other equity instruments | 5,945,521.73 | 568,376.57 |
| 5.1.4 Changes in the fair value of the company's credit risks | | |
| 5.1.5 Other | | |
| 5.2 Other comprehensive income items that may be reclassified subsequently to profit or loss | | |
| 5.2.1 Other comprehensive income can be transferred to profit or loss under equity method | | |
| 5.2.2 Changes in the fair value of investments in other debt obligations | | |
| 5.2.3 Other comprehensive income arising from the reclassification of financial assets | | |
| 5.2.4 Provision for credit impairments in other debt investment | | |
| 5.2.5 Effective portion of gains or losses arising from cash flow hedging instruments | | |
| 5.2.6 Translation differences arising from translation of foreign currency financial statements | | |
| 5.2.7 Other | | |
| 6. Total comprehensive income for the period | 180,758,368.58 | 145,297,478.35 |
| 7. Earnings per share | | |
| 7.1 Basic earnings per share | 0.1787 | 0.1436 |
| 7.2 Diluted earnings per share | 0.1787 | 0.1436 |

5. Consolidated Statement Of Cash Flows

Presented in RMB

| Item | 6 months ended 30 June 2022 | 6 months ended 30 June 2021 |
|--|-----------------------------|-----------------------------|
| 1. Cash flows from operating activities: | | |
| Proceeds from sales of goods | 229,484,917.15 | 958,228,940.19 |
| Net increase deposits from customers and placements from corporations in the same industry | | |
| Net increase in loans from central bank | | |
| Net increase in loans from other financial institution | | |

| | | |
|--|-----------------|------------------|
| Cash premiums received on original insurance contracts | | |
| Net proceeds from reinsurance | | |
| Net increase in deposits and investment from insures | | |
| Interest, handling charges and commissions received | | |
| Net increase in fund deposits | | |
| Net increase in proceeds from repurchase transactions | | |
| Net proceeds from acting trading of securities | | |
| Refund of taxes | 126,578,042.71 | |
| Proceeds from other operating activities | 74,351,558.97 | 248,150,629.39 |
| Sub-total of cash inflows | 430,414,518.83 | 1,206,379,569.58 |
| Payment for goods and services | 195,347,145.81 | 843,952,869.40 |
| Net increase in loans and payments on behalf | | |
| Net increase in deposits in central bank and interbank | | |
| Payments of claims for original insurance contracts | | |
| Net increase in fund paid | | |
| Interest, handling charges and Interest | | |
| Commissions on issuance policies paid | | |
| Payment to and for employees | 51,050,768.33 | 76,069,285.98 |
| Payments of various taxes | 543,263,187.50 | 224,980,813.32 |
| Payment for other operating activities | 188,868,560.53 | 346,917,352.34 |
| Sub-total of cash outflows | 978,529,662.17 | 1,491,920,321.04 |
| Net cash flows from operating activities | -548,115,143.34 | -285,540,751.46 |
| 2. Cash flows from investing activities: | | |
| Proceeds from disposal of investments | | |
| Investment returns received | 813,960.00 | |
| Net proceeds from disposal of fixed assets, intangible assets and other long-term assets | 2,907.50 | 1,700.00 |
| Net proceeds from disposal of subsidiaries and other business units | 139,836,766.74 | |
| Proceeds from other investing activities | 115,000,000.00 | |
| Sub-total of cash inflows | 255,653,634.24 | 1,700.00 |
| Payment for acquisition of fixed assets, intangible assets and other long-term assets | 126,730.24 | 636,636.13 |
| Payment for acquisition of investments | | |

| | | |
|---|-----------------|-------------------|
| Net increase in pledged loans | | |
| Net payment for acquisition of subsidiaries and other business units | | 449,881,758.15 |
| Payment for other investing activities | | 1,300,000,000.00 |
| Sub-total of cash outflows | 126,730.24 | 1,750,518,394.28 |
| Net cash flows from investing activities | 255,526,904.00 | -1,750,516,694.28 |
| 3. Cash flows from financing activities: | | |
| Proceeds from investors | | |
| Including: Proceeds from non-controlling shareholders of subsidiaries | | |
| Proceeds from borrowings | | |
| Proceeds from other financing activities | | 331,178,702.21 |
| Sub-total of cash inflows | | 331,178,702.21 |
| Repayments of borrowings | | |
| Payment for dividends, profit distributions or interest | | 88,014,419.99 |
| Including: Dividends and profits paid to non-controlling profits paid to non-controlling shareholders of subsidiaries | | |
| Payment for other financing activities | | |
| Sub-total of cash outflows | | 88,014,419.99 |
| Net cash flows from financing activities | | 243,164,282.22 |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents | 250,898.91 | -17,882.55 |
| 5. Net increase in cash and cash equivalents | -292,337,340.43 | -1,792,911,046.07 |
| Add: Cash and cash equivalents as at the year beginning | 612,293,635.15 | 2,669,103,926.82 |
| 6. Cash and cash equivalent as at the year end | 319,956,294.72 | 876,192,880.75 |

6. Cash Flow Statement of the Company as the Parent

Presented in RMB

| Item | 6 months ended 30 June 2022 | 6 months ended 30 June 2021 |
|--|-----------------------------|-----------------------------|
| 1. Cash flows from operating activities: | | |
| Proceeds from sales of goods | 29,085,968.85 | 646,885,255.16 |
| Refund of taxes | 76,602,710.88 | |
| Proceeds from other operating activities | 187,691,251.29 | 332,351,724.25 |
| Sub-total of cash inflows | 293,379,931.02 | 979,236,979.41 |
| Payment for goods and services | 11,570,231.88 | 43,601,422.20 |

| | | |
|--|-----------------|-------------------|
| Payment to and for employees | 25,700,808.60 | 20,102,672.44 |
| Payments of various taxes | 490,780,774.26 | 184,272,398.39 |
| Payment for other operating activities | 32,392,663.29 | 222,180,710.27 |
| Sub-total of cash outflows | 560,444,478.03 | 470,157,203.30 |
| Net cash flows from operating activities | -267,064,547.01 | 509,079,776.11 |
| 2. Cash flows from investing activities: | | |
| Proceeds from disposal of investments | | |
| Investment returns received | 813,960.00 | |
| Net proceeds from disposal of fixed assets, intangible assets and other long-term assets | 2,907.50 | 1,000.00 |
| Net proceeds from disposal of subsidiaries and other business units | 177,009,030.00 | |
| Proceeds from other investing activities | 206,413,737.42 | |
| Sub-total of cash inflows | 384,239,634.92 | 1,000.00 |
| Payment for acquisition of fixed assets, intangible assets and other long-term assets | 78,576.00 | 91,626.00 |
| Payment for acquisition of investments | | |
| Net payment for acquisition of subsidiaries and other business units | | 450,000,000.00 |
| Payment for other investing activities | 207,513,737.42 | 1,644,696,200.26 |
| Sub-total of cash outflows | 207,592,313.42 | 2,094,787,826.26 |
| Net cash flows from investing activities | 176,647,321.50 | -2,094,786,826.26 |
| 3. Cash flows from financing activities: | | |
| Proceeds from investors | | |
| Proceeds from borrowings | | |
| Proceeds from other financing activities | | |
| Sub-total of cash inflows | | |
| Repayments of borrowings | | |
| Payment for dividends, profit distributions or interest | | 88,014,419.99 |
| Payment for other financing activities | | |
| Sub-total of cash outflows | | 88,014,419.99 |
| Net cash flows from financing activities | | -88,014,419.99 |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents | | 102,684.42 |

| | | |
|---|----------------|-------------------|
| 5. Net increase in cash and cash equivalents | -90,417,225.51 | -1,673,618,785.72 |
| Add: Cash and cash equivalents as at the year beginning | 297,680,168.50 | 2,311,776,619.47 |
| 6. Cash and cash equivalent as at the year end | 207,262,942.99 | 638,157,833.75 |

7. Consolidated Statement Of Changes in Equity

Presented in RMB

| Item | 6 months ended 30 June 2022 | | | | | | | | | | | | | | |
|---|--|--------------------------|----------------|-------|------------------|-----------------------|----------------------------|------------------|-----------------|----------------------|-------------------|-------|---------------------------|----------------|------------------|
| | Attributable to shareholders' equity of the parent company | | | | | | | | | | | | Non-controlling interests | Total equity | |
| | Share capital | Other equity instruments | | | Capital reserves | Less: treasury shares | Other comprehensive income | Specific reserve | Surplus reserve | Generic Risk Reserve | Retained earnings | Other | | | Sub total |
| | | Preference shares | Perpetual bond | Other | | | | | | | | | | | |
| I. Balance at the end of last year | 1,011,660,000.00 | | | | 978,244,910.11 | | 36,088,963.95 | | 241,144,854.93 | | 1,671,121,562.98 | | 3,938,260,291.97 | 289,068,877.44 | 4,227,329,169.41 |
| Add: Changes of accounting policies | | | | | | | | | | | | | | | |
| Correction of prior period errors | | | | | | | | | | | | | | | |
| Business combination involving enterprises under common control | | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | | |
| II. Balance at the Beginning 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 | | 3,938,260,291.97 | 289,068,877.44 | 4,227,329,169.41 |
| III. Changes | | | | | | | - | | | | 67, | | 58, | - | 55, |

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--------------|--|--|--|--|----------------|--|--|--|--|----------------|---------------|----------------|
| in equity during the year (“-“for decrease) | | | | | | | 9,093,155.55 | | | | | 552,023.40 | | | | | 458,867.85 | 3,376,011.12 | 082,856.73 |
| (I) Total comprehensive income | | | | | | | 2,356,617.71 | | | | | 145,128,330.14 | | | | | 147,484,947.85 | -3,376,011.12 | 144,108,936.73 |
| (II) Shareholder's contributions and decrease of capital | | | | | | | | | | | | | | | | | | | |
| 1. Contribution by ordinary shareholders | | | | | | | | | | | | | | | | | | | |
| 2. Holders of other equity instruments invested capital | | | | | | | | | | | | | | | | | | | |
| 3. Equity settled share-based payments | | | | | | | | | | | | | | | | | | | |
| 4. Other | | | | | | | | | | | | | | | | | | | |
| (III) Appropriation of profits | | | | | | | | | | | | -89,026,080.00 | | | | | -89,026,080.00 | | -89,026,080.00 |
| 1. Appropriation for surplus reserves | | | | | | | | | | | | | | | | | | | |
| 2. Appropriation for general reserves | | | | | | | | | | | | | | | | | | | |
| 3. Distribution to shareholders | | | | | | | | | | | | -89,026,080.00 | | | | | -89,026,080.00 | | -89,026,080.00 |
| 4. Other | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|-----|--|--|--|--|-----|------------------------------------|--|-----|--|-----|--|-----|-----|--|-------------------------------|--|--|--|--|--|--|--|
| (IV)Transfer within equity | | | | | | | - 11, 449 ,77 3.2 6 | | | | | | | | | 11, 449 ,77 3.2 6 | | | | | | | |
| 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. Remeasurement of defined benefit plan liability or asset transfer to retained earnings | | | | | | | | | | | | | | | | | | | | | | | |
| 5. Other comprehensive income carried forward to retained earnings | | | | | | | - 11, 449 ,77 3.2 6 | | | | | | | | | | | | | | | | |
| 6. Other | | | | | | | | | | | | | | | | | | | | | | | |
| (V) Special Reserve | | | | | | | | | | | | | | | | | | | | | | | |
| 1.Appropriation during the year | | | | | | | | | | | | | | | | | | | | | | | |
| 2.Utilization during the year | | | | | | | | | | | | | | | | | | | | | | | |
| (VI) Others | | | | | | | | | | | | | | | | | | | | | | | |
| IV. Balance | 1,0 | | | | | 978 | 26, | | 241 | | 1,7 | | 3,9 | 285 | | 4,2 | | | | | | | |

| | | | | | | | | | | | | | | | |
|--------------------------|---------------|--|--|--|-------------|--|------------|--|-------------|--|---------------|--|---------------|-------------|---------------|
| at the end of the period | 11,660,000.00 | | | | ,244,910.11 | | 995,808.40 | | ,144,854.93 | | 38,673,586.38 | | 96,719,159.82 | ,692,866.32 | 82,412,026.14 |
|--------------------------|---------------|--|--|--|-------------|--|------------|--|-------------|--|---------------|--|---------------|-------------|---------------|

Presented in RMB

| Item | 6 months ended 30 June 2021 | | | | | | | | | | | | | | |
|---|--|--------------------------|-------|--|------------------|-----------------------|----------------------------|------------------|-----------------|----------------------|-------------------|-------|---------------------------|-----------------|------------------|
| | Attributable to shareholders' equity of the parent company | | | | | | | | | | | | Non-controlling interests | Total equity | |
| | Share capital | Other equity instruments | | | Capital reserves | Less: treasury shares | Other comprehensive income | Specific reserve | Surplus reserve | Generic Risk Reserve | Retained earnings | Other | | | Subtotal |
| | Preference shares | Perpetual bond | Other | | | | | | | | | | | | |
| 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 | | 3,797,512,488.22 | -140,425,233.06 | 3,657,087,255.16 |
| Add: Changes of accounting policies | | | | | | | | | | | | | | | |
| Correction of prior period errors | | | | | | | | | | | | | | | |
| Business combination involving enterprises 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 | | 3,797,512,488.22 | -140,425,233.06 | 3,657,087,255.16 |
| III. Changes in equity | 0.00 | | | | | | 7,925, | | 22,420 | | 110,40 | | 140,74 | 429,49 | 570,24 |

| | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--------------|---------------|---------------|----------------|-----------------|--|----------------|---------------|----------------|
| during the year (“-“for decrease) | | | | | | | 913.82 | | ,581.26 | | 1,308.67 | | 7,803.75 | 4,110.50 | 1,914.25 |
| (I) Total comprehensive income | | | | | | | 7,925,913.82 | | | | 220,836,309.93 | | 228,762,237.75 | -2,325,204.97 | 226,437,018.78 |
| (II) Shareholder's contributions and decrease of capital | | | | | | | | | | | | | | | |
| 1.Contribution by ordinary shareholders | | | | | | | | | | | | | | | |
| 2. Holders of other equity instruments invested capital | | | | | | | | | | | | | | | |
| 3. Equity settled share-based payments | | | | | | | | | | | | | | | |
| 4. Other | | | | | | | | | | | | | | | |
| (III) Appropriation of profits | | | | | | | | | 22,420,581.26 | | -110,435,001.26 | | -88,014,420.00 | | -88,014,420.00 |
| 1.Appropriation for surplus | | | | | | | | 22,420,581.26 | | -22,420,581.26 | | | | | |
| 1.Appropriation for general reserves | | | | | | | | | | | | | | | |
| 3.Distribution to shareholders | | | | | | | | | | | -88,014,420.00 | | -88,014,420.00 | | -88,014,420.00 |

| | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--------------|--------------|
| 4. Other | | | | | | | | | | | | | | | | | | | |
| (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. Remeasurement of defined benefit plan liability or asset transfer to retained earnings | | | | | | | | | | | | | | | | | | | |
| 5. Other comprehensive income carried forward to retained earnings | | | | | | | | | | | | | | | | | | | |
| 6. Other | | | | | | | | | | | | | | | | | | | |
| (V) Special Reserve | | | | | | | | | | | | | | | | | | | |
| 1. Appropriation during the year | | | | | | | | | | | | | | | | | | | |
| 2. Utilization during the year | | | | | | | | | | | | | | | | | | | |
| (VI) Others | | | | | | | | | | | | | | | | | | 431,819.315. | 431,819.315. |

| | | | | | | | | | | | | | | | |
|--------------------------------------|------------------|--|--|--|------------|--|---------------|--|------------|--|--------------|--|--------------|------------|--------------|
| | | | | | | | | | | | | | | 47 | 47 |
| IV. Balance at the end of the period | 1,011,660,000.00 | | | | 978,244.90 | | 36,088,963.95 | | 241,144.85 | | 1,671,121.56 | | 3,938,260.29 | 289,068.87 | 4,227,329.16 |

8. Consolidated Statement Of Changes in Equity Of The Parent Entity

Presented in RMB

| Item | 6 months ended 30 June 2022 | | | | | | | | | | | Total equity |
|--|-----------------------------|--------------------------|-----------------|-------|------------------|-----------------------|----------------------------|------------------|-----------------|-------------------|-------|------------------|
| | Share capital | Other equity instruments | | | Capital reserves | Less: treasury shares | Other comprehensive income | Specific reserve | Surplus reserve | Retained earnings | Other | |
| | | Preference shares | Perpetual bonds | Other | | | | | | | | |
| I. Balance at the end of last year | 1,011,660,000.00 | | | | 964,711,931.13 | | 1,373,954.19 | | 218,015,241.52 | 1,474,557,043.86 | | 3,670,318,170.70 |
| Add: Changes of accounting policies | | | | | | | | | | | | |
| Correction of prior period errors | | | | | | | | | | | | |
| Other | | | | | | | | | | | | |
| II. Balance at the Beginning 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 |
| III. Changes in equity during the year (“-“ for decrease) | | | | | | | 5,945,521.73 | | | 85,786,766.85 | | 91,732,288.58 |
| (I) Total comprehensive income | | | | | | | 5,945,521.73 | | | 174,812,846.85 | | 180,758,368.58 |
| (II) Shareholder's contributions and | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|---------------|--|--|---------------|
| decrease of capital | | | | | | | | | | | | |
| 1.Contribution by ordinary shareholders | | | | | | | | | | | | |
| 2. Holders of other equity instruments invested capital | | | | | | | | | | | | |
| 3. Equity settled share-based payments | | | | | | | | | | | | |
| 4. Other | | | | | | | | | | | | |
| (III) Appropriation of profits | | | | | | | | | - | | | - |
| | | | | | | | | | 89,026,080.00 | | | 89,026,080.00 |
| 1.Appropriation for surplus | | | | | | | | | | | | |
| 2.Distribution to shareholders | | | | | | | | | - | | | - |
| | | | | | | | | | 89,026,080.00 | | | 89,026,080.00 |
| 3. Other | | | | | | | | | | | | |
| (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. Remeasurement of | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|------------------|--|--|--|----------------|--|--------------|--|----------------|------------------|--|------------------|
| defined benefit plan liability or asset transfer to retained earnings | | | | | | | | | | | | |
| 5. Other comprehensive income carried forward to retained earnings | | | | | | | | | | | | |
| 6. Other | | | | | | | | | | | | |
| (V) Special Reserve | | | | | | | | | | | | |
| 1. Appropriation during the year | | | | | | | | | | | | |
| 2. Utilization during the year | | | | | | | | | | | | |
| (VI) Others | | | | | | | | | | | | |
| IV. Balance at the end of the period | 1,011,660,000.00 | | | | 964,711,931.13 | | 7,319,475.92 | | 218,015,241.52 | 1,560,343,810.71 | | 3,762,050,459.28 |

Presented in RMB

| Item | 6 months ended 30 June 2021 | | | | | | | | | | | |
|-------------------------------------|-----------------------------|--------------------------|-----------------|-------|------------------|-----------------------|----------------------------|------------------|-----------------|-------------------|-------|------------------|
| | Share capital | Other equity instruments | | | Capital reserves | Less: treasury shares | Other comprehensive income | Specific reserve | Surplus reserve | Retained earnings | Other | Total equity |
| | | Preference shares | Perpetual bonds | Other | | | | | | | | |
| 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 of accounting policies | | | | | | | | | | | | |
| Correction of prior period | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|------------------|--|--|--|----------------|--|--------------|--|----------------|------------------|--|------------------|
| errors | | | | | | | | | | | | |
| Other | | | | | | | | | | | | |
| 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) | | | | | | | 568,376.57 | | | 56,714,681.78 | | 57,283,058.35 |
| (I) Total comprehensive income | | | | | | | 568,376.57 | | | 144,729,101.78 | | 145,297,478.35 |
| (II) Shareholder's contributions and decrease of capital | | | | | | | | | | | | |
| 1. Contribution by ordinary shareholders | | | | | | | | | | | | |
| 2. Holders of other equity instruments invested capital | | | | | | | | | | | | |
| 3. Equity settled share-based payments | | | | | | | | | | | | |
| 4. Other | | | | | | | | | | | | |
| (III) Appropriation of profits | | | | | | | | | | -88,014,420.00 | | -88,014,420.00 |
| 1. Appropriation for surplus | | | | | | | | | | | | |
| 2. Distribution to shareholders | | | | | | | | | | -88,014,420.00 | | -88,014,420.00 |
| 3. Other | | | | | | | | | | | | |

| | | | | | | | | | | | |
|---|------------------|--|--|--|----------------|--|--------------|--|----------------|------------------|------------------|
| (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. Remeasurement of defined benefit plan liability or asset transfer to retained earnings | | | | | | | | | | | |
| 5. Other comprehensive income carried forward to retained earnings | | | | | | | | | | | |
| 6. Other | | | | | | | | | | | |
| (V) Special Reserve | | | | | | | | | | | |
| 1. Appropriation during the year | | | | | | | | | | | |
| 2. Utilization during the year | | | | | | | | | | | |
| (VI) Others | | | | | | | | | | | |
| IV. Balance at the end of the period | 1,011,660,000.00 | | | | 964,711,931.13 | | 1,699,528.31 | | 195,594,660.26 | 1,417,500,914.31 | 3,591,167,034.01 |

III. Company information

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 74th Board meeting dated on 25 August 2022.

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

Refer to Note VIII and IX for changes in consolidation scope in current period.

IV. The Basis of Preparation of Financial Statements

1. Basis of preparation

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.

2. Going concern

These financial statements are presented on going concern basis.

V. Significant accounting policies and accounting estimates

Reminders on specific 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 V.39 "Revenue" for specific accounting policy.

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 30 June 2022 and the Group's and the Company's operating results and cash flows for the half-year ended 30 June 2022.

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 V. 43.

(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 Items 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 rolleback 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. Notes Receivable

Please refer to Notes V.10 Financial Instrument (5) Impairment of Financial Asset.

12. Accounts Receivable

Please refer to Notes V.10 Financial Instrument (5) Impairment of Financial Asset.

13. Accounts receivable financing

14. Other receivables

Determination method and accounting treatment method of expected credit loss of other receivables

Please refer to Note V 10. financial instruments (5) Impairment of financial assets.

15. 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 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.

16. Contract assets

17. 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.

18. Assets 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.

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.

19. Debt investment

20. Other debt investments

21. Long-term receivables

22. 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 V. 31 for the Group's method of asset impairment.

23. 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 V.31.

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.

24. 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 | Depreciation Method | Estimated useful life (years) | Residual value rate % | Depreciation rate % |
|---------------------------------|----------------------------|------------------------------------|-----------------------|---------------------|
| Plant and buildings | straight-line depreciation | 30 | 5 | 3.17% |
| Motor vehicles | straight-line depreciation | 6 | 5 | 15.83% |
| Electronic equipment and others | straight-line depreciation | 5 | 5 | 19.00% |

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 table above.

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

(3) Recognition, measurement and depreciation of fixed assets acquired under finance leases

Fixed assets under finance leases are recognised if they meet one or more of the following criteria: ①The ownership of leased assets is transferred to the Company by the end of the lease term. ②The Company has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date of the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised. ③Even if the ownership of assets is not transferred, the lease term covers the major part of the useful life of the asset. ④At the inception of lease, the present value of minimum lease payments amount to substantially all of the fair value of leased asset. ⑤Leased assets are of a specialized nature that only the Company can use them without major modifications.

An asset acquired under a finance lease is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. Long-term payable is recorded at an amount equal to the sum of all future minimum lease payments. The difference between the carrying amount of the leased assets and the minimum lease payments is accounted for as unrecognised finance charges. Initial direct costs attributable to a finance lease incurred during the process of lease negotiation and the signing of the lease agreement, including service charges, attorney's fees, travelling expenses and stamp duty, that are incurred by the Company are added to the carrying amount of the leased asset. Unrecognised finance charges are recognised as finance charge for the period using the effective interest method over the lease term.

Depreciation is accounted for in accordance with the accounting policies of fixed assets. If there is reasonable certainty that the Company will obtain ownership of a leased asset at the end of the lease term, the leased asset is depreciated over its estimated useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and its estimated useful life.

25. 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 V.31

26. 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.

27. Biological assets

28. Oil and gas assets

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 V.31 for the impairment test method of the right-of-use assets and the provision for impairment.

30. 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 V.31 Impairment of Assets.

(2) Accounting policy for internal research and development expenditure

31. 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.

32. 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.

33. Contract liabilities

Contract liabilities refer to the obligations of the company and its subsidiaries to transfer goods or services to customers for consideration received or receivable from customers. Contract assets and contract liabilities under the same contract are presented on a net basis.

34. 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.

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.

(2) 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.

(3) 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.

(4) 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.

35. Lease liabilities

Except for short-term leases and leases of low-value assets, the Group initially measures lease liabilities at the inception date of the lease term at the present value of unpaid lease payments on that date. The Group uses the interest rate implicit in the lease as the discount rate to calculate the present value of the lease payments. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate will be used as the discount rate.

Lease payments refer to the payments made by the Group to the lessor in relation to the right to use the leased asset during the lease term, including: fixed payments and substantive fixed payments, and if there is a lease incentive, deduct the amount related to the lease incentive; Variable lease payments that depend on an index or rate; The exercise price of a call option that the Group is reasonably certain to exercise; If the lease term reflects that the Group will exercise the option to terminate the lease, the amount to be paid for exercising the option to terminate the lease; The estimated payables based on the residual value of guarantees provided by the Group.

Variable lease payments that depend on an index or rate are initially measured based on the index or rate at the commencement date of the lease term. Variable lease payments that are not included in the measurement of lease liabilities will be included in the current profit and loss when they are actually incurred. After the commencement date of the lease term, the Group calculates the interest expense of the lease liability in each period of the lease term at a fixed periodic interest rate, and includes it in the current profit and loss or the cost of related assets.

After the commencement date of the lease term, the Group will re-measure the lease liabilities and adjust the corresponding right-of-use assets under the following circumstances. If the book value of the right-of-use assets has been reduced to zero and the lease liabilities still need to be further reduced, the difference will be included in the current profit and loss. If the lease term changes or the evaluation result of the purchase option changes, the Group will remeasure the lease liability at the present value calculated by changed lease payments and the revised discount rate; If the payable amount of the guaranteed residual value or the index or ratio used to determine lease payments changes, the Group will remeasure the lease liability based on the the present value calculated by revised lease payments and original discount rate. If changes in floating interest rates result in changes in lease payments, the Group will recalculate the lease liability using the revised discount rate.

36. 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.

37. Share-based payment

38. Preferred shares, perpetual bonds and other financial instruments

39. 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 V, 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.

40. 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.

41. 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.

42. 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 V.29. For the accounting policy of lease liabilities, please refer to Note V. 35

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, 2022;

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.

43. 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.

44. Other significant accounting judgments and estimates

45. Changes in significant accounting policies and accounting estimates

- (1) Significant changes in accounting policies

Applicable Not Applicable

(2) Significant changes in accounting estimates

Applicable Not Applicable

46. Other

VI. Taxation

1. Main types of taxes and corresponding tax rates

| Tax type | Tax basis | Tax rate% |
|---------------------------------------|--|---|
| VAT | Taxable income | 9%. 6%. 5%. 3% |
| City maintenance and construction tax | Turnover tax payable | 7% |
| Corporate income tax | Taxable profits | 25%. 16.5% |
| Land appreciation tax | It shall be levied on the basis of the value-added value of the real estate transferred and the prescribed tax rate and paid in advance according to the type of real estate product | Four progressive rates of excess rate: 30,40,50, 60 |
| Property tax | 70% of the original value of properties/ rental income | 1.2% . 12% |
| Education surcharge | Turnover tax payable | 3% |
| Local education surcharge | Turnover tax payable | 2% |

The disclosure of taxpayers in different corporate income tax rates:

| Name of taxpayer | Income tax rate |
|------------------|-----------------|
|------------------|-----------------|

2. Tax preferential treatments

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.

3. Other

VII. Notes to the consolidated financial statements

1. Cash at bank and Cash Equivalent

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|----------------------|--------------------|----------------------|
| Cash in hand | 9,262.03 | 12,082.00 |
| Deposits with banks | 265,621,433.40 | 316,834,778.45 |
| Other monetary funds | 61,284,891.22 | 247,511,964.18 |
| Total | 326,915,586.65 | 564,358,824.63 |

| | | |
|------------------------------------|--------------|--------------|
| Including: Total overseas deposits | 6,668,448.15 | 5,970,125.18 |
|------------------------------------|--------------|--------------|

Other notes:

At the end of 30 June 2022, there were CNY5,674,439.78 of restricted funds in the bank deposits, which were the funds for the construction of public facilities in and around the city of Longgang district.

At the end of 30 June 2022, the balance of other monetary funds is CNY61,284,891.22, including seven-day notice deposit of CNY58,284,891.22 and fixed deposits of CNY 3,000,000.00.

2. Trading financial assets

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|---|--------------------|----------------------|
| As at fair value through profit or loss | 404,148,060.54 | 514,024,710.91 |
| Including:: | | |
| wealth management fund | 404,148,060.54 | 514,024,710.91 |
| Including:: | | |
| Total | 404,148,060.54 | 514,024,710.91 |

Other notes:

3. Derivative financial assets

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|------|--------------------|----------------------|
| | | |

Other Note:

4. Notes receivable

(1) Types of notes

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|----------------------------|--------------------|----------------------|
| Commercial acceptance bill | 200,000.00 | 3,530,537.37 |
| Total | 200,000.00 | 3,530,537.37 |

Presented in RMB

| Types | As at 30 June 2022 | | | | | As at 1 January 2022 | | | | |
|--------------------------------|--------------------|------------|--------------------|----------------------|------------|----------------------|------------|--------------------|----------------------|--------------|
| | Book balance | | Bad debt provision | | Book value | Book balance | | Bad debt provision | | Book value |
| | Amount | Percentage | Amount | Provision proportion | | Amount | Percentage | Amount | Provision proportion | |
| Bad debt provisions made on an | 500,000.00 | 100.00% | 300,000.00 | 60.00% | 200,000.00 | 4,626,346.44 | 72.35% | 2,775,807.86 | 60.00% | 1,850,538.58 |

| | | | | | | | | | | |
|---|------------|---------|------------|--------|------------|--------------|---------|--------------|--------|--------------|
| individual basis | | | | | | | | | | |
| Including: | | | | | | | | | | |
| Commercial acceptance bill | 500,000.00 | 100.00% | 300,000.00 | 60.00% | 200,000.00 | 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: | | | | | | | | | | |
| Commercial acceptance bill | | | | | | 1,768,419.78 | 27.65% | 88,420.99 | 5.00% | 1,679,998.79 |
| Total | 500,000.00 | 100.00% | 300,000.00 | 60.00% | 200,000.00 | 6,394,766.22 | 100.00% | 2,864,228.85 | 44.79% | 3,530,537.37 |

Bad debt provision made on an individual basis:

Presented in RMB

| Item | As at 30 June 2022 | | | |
|---|--------------------|--------------------|----------------------|------------------------------------|
| | Book balance | Bad debt provision | Provision proportion | Reason |
| Shenzhen Hongteng Investment Management Co., Ltd. | 500,000.00 | 200,000.00 | 60.00% | recoverability is relatively small |

Please refer to the way of disclosing other receivables' bad debt provision to disclose relevant information, if the group choose to use general model of expected credit losses to accrue bad debts of notes receivable.

Applicable Not Applicable

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

Additions in current period:

Presented in RMB

| Item | As at 1 January 2022 | The amount of change in current period | | | | As at 30 June 2022 |
|-----------------------|----------------------|--|-------------------------|-------------|--------------|--------------------|
| | | Provision | Recoveries or reversals | Written-off | Others | |
| commercial acceptance | 2,864,228.85 | | | | 2,564,228.85 | 200,000.00 |

| | | | | | | |
|--------------|--------------|--|--|--|--------------|------------|
| bill | | | | | | |
| Total | 2,864,228.85 | | | | 2,564,228.85 | 200,000.00 |

Including: significant recoveries or reversals of bad debt provisions in the current period:

Applicable Not Applicable

(3) Notes receivable pledged by the Group at the end of the period

Presented in RMB

| Types | Amount pledged at the end of the period |
|-------|---|
|-------|---|

(4) At the end of the period, the Group's endorsed or discounted notes receivable which have not yet matured

Presented in RMB

| Types | Derecognized Amount at the end of the period | Amount that is not derecognized at the end of the period |
|-------|--|--|
|-------|--|--|

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

Presented in RMB

| Types | Amount transferred to accounts receivable at the end of the period |
|----------------------------|--|
| commercial acceptance bill | 4,126,346.44 |
| Total | 4,126,346.44 |

Other Note:

(6) Actual write-off of notes receivable in the current period

Presented in RMB

| Item | Written-off amount |
|------|--------------------|
|------|--------------------|

Including, the significant write-offs of notes receivable are as follows

Presented in RMB

| Name of the entity | Nature of accounts | Written-off amount | Reason for written-off | Approval procedures performed | Accounts receivable arising from related party transactions(Y/N) |
|--------------------|--------------------|--------------------|------------------------|-------------------------------|--|
|--------------------|--------------------|--------------------|------------------------|-------------------------------|--|

Note:

5. Accounts receivable

(1) Classified by bad debt provision method

Presented in RMB

| Types | As at 30 June 2022 | | | | | As at 1 January 2022 | | | | |
|---|--------------------|----------------|--------------------|-------------------------|---------------|----------------------|----------------|--------------------|-------------------------|---------------|
| | Book balance | | Bad debt provision | | Book value | Book balance | | Bad debt provision | | Book value |
| | Amount | Percentage (%) | Amount | Provision on percentage | | Amount | Percentage (%) | Amount | Provision on percentage | |
| Bad debt provisions made on an individual basis | 36,676,783.37 | 34.75% | 31,688,211.23 | 86.40% | 4,988,572.14 | 32,550,436.93 | 35.29% | 29,212,403.37 | 89.75% | 3,338,033.56 |
| Including: | | | | | | | | | | |
| Bad debt provisions made on a combination basis | 68,874,484.65 | 65.25% | 1,914,112.08 | 2.78% | 66,960,372.57 | 59,686,262.33 | 64.71% | 1,975,510.78 | 3.31% | 57,710,751.55 |
| Including: | | | | | | | | | | |
| Receivable from property sales | 1,064,220.18 | 1.01% | 53,211.01 | 5.00% | 1,011,009.17 | 1,064,220.18 | 1.15% | 53,211.01 | 5.00% | 1,011,009.17 |
| Receivable from other corporate customers | 67,810,264.47 | 64.24% | 1,860,901.07 | 2.74% | 65,949,363.40 | 58,622,042.15 | 63.56% | 1,922,299.77 | 3.28% | 56,699,742.38 |
| Total | 105,551,268.02 | 100.00% | 33,602,323.31 | 31.84% | 71,948,944.71 | 92,236,699.26 | 100.00% | 31,187,914.15 | 33.81% | 61,048,785.11 |

Bad debt provisions made on an individual basis

Presented in RMB

| Item | As at 30 June 2022 | | | |
|--|--------------------|--------------------|----------------------|------------------------------------|
| | Book balance | Bad debt provision | Provision percentage | Reason |
| Shenzhen Hongteng Investment Management Co., | 12,471,430.35 | 7,482,858.21 | 60.00% | recoverability is relatively small |

| | | | | |
|---|----------------------|----------------------|---------|------------------------|
| Ltd. | | | | |
| 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 |
| Accounts receivable from the revoked subsidiary | 2,328,158.40 | 2,328,158.40 | 100.00% | Could be uncollectible |
| Accounts receivable from other customers | 653,223.42 | 653,223.42 | 100.00% | Could be uncollectible |
| Total | 36,676,783.37 | 31,688,211.23 | | |

Bad debt provision made on a combination basis:

Combined withdrawal item: property sales receivable

Presented in RMB

| Item | As at 30 June 2022 | | |
|---------------|---------------------|--------------------|----------------------|
| | Book balance | Bad debt provision | Provision percentage |
| Within 1 year | 1,064,220.18 | 53,211.01 | 5.00% |
| 1 to 2 years | | | |
| Total | 1,064,220.18 | 53,211.01 | |

Note to the basis for determining the combination:

Bad debt provision made on a combination basis:

Combined withdrawal item: other customers receivables

Presented in RMB

| Item | As at 30 June 2022 | | |
|---------------|----------------------|---------------------|----------------------|
| | Book balance | Bad debt provision | Provision percentage |
| Within 1 year | 56,637,006.35 | 1,302,238.16 | 2.30% |
| 1 to 2 years | 11,173,258.12 | 558,662.91 | 5.00% |
| Total | 67,810,264.47 | 1,860,901.07 | |

Note to the basis for determining the combination:

Please refer to the way of disclosing other receivables' bad debt provision to disclose relevant information, if the group choose to use general model of expected credit losses to accrue bad debts of notes receivable.

Applicable Not Applicable

Disclosure by Aging

Presented in RMB

| Aging | As at 30 June 2022 |
|----------------------------------|-----------------------|
| Within 1 year (include 1 year) | 65,413,817.01 |
| 1 to 2 years | 16,161,830.26 |
| 3to 5 years | 23,975,620.75 |
| More than 5 years | 23,975,620.75 |
| Total | 105,551,268.02 |

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

Provision for the current period:

Presented in RMB

| Types | As at 1 January 2022 | Amount changes in current period | | | | As at 30 June 2022 |
|-----------------------|-------------------------|----------------------------------|----------------------------|-------------|--------------|-----------------------|
| | | Provision | Recoveries or reversals | Written-off | Others | |
| Bad debt provision | 31,187,914.1 5 | -149,819.69 | | | 2,564,228.85 | 33,602,323.3 1 |
| Total | 31,187,914.1 5 | -149,819.69 | | | 2,564,228.85 | 33,602,323.3 1 |

Including: significant recoveries or reversals of bad debt provisions in the current period are as follows:

Presented in RMB

| Name of the entity | Recoveries or reversals amount | Recovery manner |
|--------------------|--------------------------------|-----------------|
| | | |

(3) Actual write-off of accounts receivable in the current period

Presented in RMB

| Item | Written-off amount |
|------|--------------------|
| | |

Including, the significant write-offs of accounts receivable are as follows

Presented in RMB

| Name of the entity | Nature of accounts receivable | Written-off amount | Reason for written-off | Approval procedures performed | Accounts receivable arising from related party transactions(Y/ N) |
|-----------------------|-------------------------------------|-----------------------|---------------------------|-------------------------------------|--|
| | | | | | |

Note:

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

Presented in RMB

| Name of the entity | Accounts receivable The ending balance | % of the total closing balance of accounts receivable | Bad debt provision The ending balance |
|--|---|---|--|
| Shenzhen Hongteng Investment Management Co., Ltd. | 12,471,430.35 | 11.82% | 7,482,858.21 |
| Wuhan Yutian Xingye Land Co., LTD | 9,465,700.87 | 8.97% | 473,285.04 |
| Jiangsu Huajian Construction Co., Ltd. Shenzhen Branch | 9,097,885.22 | 8.62% | 454,894.26 |
| Wuhan 2049 Poly Real Estate Development Co., Ltd. | 7,794,861.35 | 7.38% | 389,743.07 |
| Wuhan Linyun Real Estate Development Co., Ltd. | 7,608,187.02 | 7.21% | 380,409.35 |

| | | | |
|-------|---------------|--------|--|
| Total | 46,438,064.81 | 44.00% | |
|-------|---------------|--------|--|

(5) Accounts receivable terminated due to the transfer of financial assets

(6) Transfer of accounts receivable and continue to involve the amount of assets and liabilities formed

Note:

6. Accounts receivable financing

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|------|--------------------|----------------------|
|------|--------------------|----------------------|

The current period of receivables financing changes and changes in fair value.

Applicable Not applicable

Refer to the way of disclosing provision for other receivables to disclose relevant information, if use general model of expected credit losses to recognize allowance for impairment of receivable financing .

Applicable Not applicable

Note:

7. Prepayments

(1) The aging analysis of prepayments is as follows

Presented in RMB

| Aging | As at 30 June 2022 | | As at 1 January 2022 | |
|-------------------|--------------------|--------|----------------------|--------|
| | Amount | % | Amount | % |
| Within 1 year | 9,067,399.24 | 70.15% | 4,698,254.37 | 93.74% |
| 1 to 2 years | 3,658,245.36 | 28.30% | 206.95 | 1.01% |
| 2 to 3 years | 206.95 | 0.00% | | 6.23% |
| More than 3 years | 200,550.00 | 1.55% | 200,550.00 | 0.02% |
| Total | 12,926,401.55 | | 4,899,011.32 | |

Reason for significant prepayments aging more than 1 year and not be settled:

(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 7,658,241.35 yuan, which accounts for 59.24 % of the total ending balance of prepayments.

8. Other receivables

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|----------------------|--------------------|----------------------|
| Dividends receivable | 1,052,192.76 | 1,052,192.76 |
| Other receivables | 47,962,538.86 | 29,561,815.32 |
| Total | 49,014,731.62 | 30,614,008.08 |

(1) Interest receivable**1) Interest receivable classification**

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|------|--------------------|----------------------|
|------|--------------------|----------------------|

2) Significant overdue interest

Presented in RMB

| Borrowing unit | The ending balance | Overdue time (month) | Overdue reason | Whether impairment occurs and the basis for judgment |
|----------------|--------------------|----------------------|----------------|--|
|----------------|--------------------|----------------------|----------------|--|

Other notes:

3) Bad Debt Provisions Applicable Not Applicable**(2) Dividends receivable****1) Dividends receivable classification**

Presented in RMB

| Items (or invested units) | As at 30 June 2022 | As at 1 January 2022 |
|-------------------------------------|--------------------|----------------------|
| Yunnan Kumpeng Air Service Co., LTD | 1,052,192.76 | 1,052,192.76 |
| Total | 1,052,192.76 | 1,052,192.76 |

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

Presented in RMB

| Items (or invested units) | As at 30 June 2022 | Aging | Reasons for not retrieving | Whether impairment occurs and the basis for judgment |
|-------------------------------------|--------------------|---------|----------------------------|--|
| Yunnan Kumpeng Air Service Co., LTD | 1,052,192.76 | 5 years | Delay to issue | No |
| Total | 1,052,192.76 | | | |

3) Bad Debt Provisions

Applicable Not Applicable

(3) Other receivables**1) Other receivables disclosure by nature**

Presented in RMB

| Item | Book balance as at 30 June 2022 | Book balance as at 1 January 2022 |
|--|---------------------------------|-----------------------------------|
| Other receivables from employee's petty cash | 679,036.60 | 580,911.83 |
| Other receivables from the collecting and paying on behalf | 627,681.27 | 627,681.27 |
| Other receivables from other customers | 67,161,585.17 | 48,840,482.91 |
| Other receivables from related parties | 168,705,898.17 | 168,705,898.17 |
| Total | 237,174,201.21 | 218,754,974.18 |

2) Bad Debt Provision

Presented in RMB

| Bad Debt Provision | first stage | Second stage | Third stage | Total |
|--|----------------------------------|---|---|----------------|
| | To 12-month expected credit loss | To 12-month expected credit loss (no credit impairment) | To lifetime expected credit loss (has occurred credit impairment) | |
| Balance as at 1 January 2022 | 1,491,716.94 | | 187,701,441.92 | 189,193,158.86 |
| Balance as at 1 January 2022 in current period | | | | |
| Provision in a current period | 18,503.49 | | | 18,503.49 |
| Balance as at 30 June 2022 | 1,510,220.43 | | 187,701,441.92 | 189,211,662.35 |

Changes in the book balance with significant changes in the loss provision for the current period:

Applicable Not Applicable

Disclosure by aging

Presented in RMB

| Aging | As at 30 June 2022 |
|--------------------------------|--------------------|
| Within 1 year (include 1 year) | 47,855,956.05 |
| 1 to 2 years | 905,350.96 |
| 2 to 3 years | 106,096.34 |
| More than 3 years | 188,306,797.86 |

| | |
|-------------------|----------------|
| 3 to 4 years | 605,355.94 |
| More than 5 years | 187,701,441.92 |
| Total | 237,174,201.21 |

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

Presented in RMB

| Types | As at 1 January 2022 | Amount changes in current period | | | | As at 30 June 2022 |
|--------------------------------------|----------------------|----------------------------------|-------------------------|-------------|--------|--------------------|
| | | Additions | Recoveries or reversals | Written-off | Others | |
| Other receivables bad debt provision | 189,193,158.86 | 18,503.49 | | | | 189,211,662.35 |
| Total | 189,193,158.86 | 18,503.49 | | | | 189,211,662.35 |

Including: significant recoveries or reversals of bad debt provisions in the current period are as follows:

Presented in RMB

| Name of the entity | Amount of recoveries or reversals | Recovery manner |
|--------------------|-----------------------------------|-----------------|
|--------------------|-----------------------------------|-----------------|

4) Other receivables actually written off in the current period

Presented in RMB

| Item | Amount of written-off |
|------|-----------------------|
|------|-----------------------|

Including, the important accounts receivable write-off situation is as follows

Presented in RMB

| Name of the entity | Nature of other receivable | Amount of written-off | Reason | Verification and cancellation procedures to be performed | Whether the payment is generated by an affiliate transaction |
|--------------------|----------------------------|-----------------------|--------|--|--|
|--------------------|----------------------------|-----------------------|--------|--|--|

Note:

5) The top five units of ending balance of other receivables

Presented in RMB

| 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 | current account | 89,035,748.07 | More than 5 years | 37.54% | 89,035,748.07 |
| Paklid Limited | current account | 19,319,864.85 | More than 5 | 8.15% | 19,319,864.85 |

| | | | years | | |
|---|-----------------|-----------------------|-------------------|---------------|-----------------------|
| Australia Bekaton property Limited | current account | 12,559,290.58 | More than 5 years | 5.30% | 12,559,290.58 |
| Guangdong province Huizhou Luofu Hill Mineral Water Co.,Ltd | current account | 10,465,168.81 | More than 5 years | 4.41% | 10,465,168.81 |
| Xi'an Fresh Peak Property Trading Co., Ltd | current account | 8,419,205.19 | More than 5 years | 3.55% | 8,419,205.19 |
| Total | | 139,799,277.50 | | 58.94% | 139,799,277.50 |

6) Government subsidies receivable

Presented in RMB

| Name of the organization | Name of government subsidy item | The ending balance | Aging | Estimated time, amount and basis of collection |
|--------------------------|---------------------------------|--------------------|-------|--|
| | | | | |

7) Other receivables terminated due to the transfer of financial assets

8) Amount of assets and liabilities formed by transferring other receivables and continuing to involve them

9. Inventories

Does the Company need to comply with the disclosure requirements of real estate industry?

Yes

(1) Inventory classification

The company complies with the disclosure requirements of "Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 3-Listed Companies Engaged in Real Estate Business".

Classified by nature:

Presented in RMB

| Item | As at 30 June 2022 | | | As at 1 January 2022 | | |
|--------------------------------|----------------------|---|----------------------|----------------------|---|----------------------|
| | Book balance | Provision for impairment of inventories | The book value | Book balance | Provision for impairment of inventories | The book value |
| Real estate developing cost | 3,147,212.44 5.46 | | 3,147,212.44 5.46 | 3,037,991.96 9.96 | | 3,037,991.96 9.96 |
| Real estate developed products | 889,915,248. 10 | | 889,915,248. 10 | 994,212,857. 29 | | 994,212,857. 29 |
| Raw materials | 8,458.34 | | 8,458.34 | 8,458.34 | | 8,458.34 |

| | | | | | | |
|------------------|------------------|-----------|------------------|------------------|-----------|------------------|
| Finished goods | 331,370.65 | 38,891.91 | 292,478.74 | 334,040.04 | 38,891.91 | 295,148.13 |
| Project material | 32,950,760.23 | | 32,950,760.23 | 2,425,128.90 | | 2,425,128.90 |
| Total | 4,070,418,282.78 | 38,891.91 | 4,070,379,390.87 | 4,034,972,454.53 | 38,891.91 | 4,034,933,562.62 |

The main items of " Real estate developing cost " and their interest capitalization are shown below:

Presented in RMB

| Item | Starting time | Time for completion | Estimated total investment | As at 1 January 2022 | Less: Transfer to "Real estate developed products" | Less: Other reduction | Add: Increase in this period | As at 30 June 2022 | Cumulative interest capitalization | Include: Amount of interest capitalized in the current period | Sources of funds |
|-----------------------------|------------------|---------------------|----------------------------|----------------------|--|-----------------------|------------------------------|--------------------|------------------------------------|---|------------------|
| Shantou Fresh Peak Building | | | | 28,291,908.11 | | | 0.00 | 28,291,908.11 | | | Other |
| Guangmingli | 18 February 2022 | 7 December 2024 | 1,520,600,000.00 | 993,950,000.00 | | | 10,282,823.87 | 1,004,232,823.87 | | | Other |
| Lin Xin Garden | | 30 June 2023 | 3,000,000,000.00 | 2,015,750,061.85 | | | 98,937,651.63 | 2,114,687,713.48 | 12,326,753.08 | 89,286.77 | Other |
| Total | | | 4,520,600,000.00 | 3,037,991,969.96 | | | 109,220,475.50 | 3,147,212,445.46 | 12,326,753.08 | 89,286.77 | |

The main items of " Real estate developed products" and their interest capitalization are shown below:

Presented in RMB

| Item | Time for completion | As at 1 January 2022 | Increase | Decrease | As at 30 June 2022 | Cumulative interest capitalization | Include: Amount of interest capitalized in the current period |
|-------------------------------|---------------------|----------------------|----------|------------|--------------------|------------------------------------|---|
| Jinye Island Multi-tier villa | 16 Sep. 1997 | 39,494,762.60 | | | 39,494,762.60 | | |
| Jinye Island villa No.10 | 2 Dec 2010 | 5,696,007.25 | | | 5,696,007.25 | | |
| Jinye Island villa No.11 | 20 Aug. 2008 | 2,333,281.42 | | | 2,333,281.42 | | |
| YueJing dongfang | 18 Nov. 2014 | 7,305,619.37 | | 592,296.15 | 6,713,323.22 | | |

| | | | | | | | |
|-----------------------------------|-----------------|--------------------|------|--------------------|--------------------|--|--|
| Project | | | | | | | |
| HuangPu XinCun | | 140,000.00 | | | 140,000.00 | | |
| Beijing Fresh Peak Building | | 304,557.05 | | | 304,557.05 | | |
| TianYue Bay No.1 | 15 Dec. 2017 | 270,542,05 4.67 | | 32,563,206 .95 | 237,978,84 7.72 | | |
| Shengfang CuiLin Building | 8 May 2018 | 58,669,056 .16 | | | 58,669,056 .16 | | |
| Chuanqi Donghu | 18 Dec 2019 | 41,834,057 .24 | | 34,130,305 .68 | 7,703,751. 56 | | |
| TianYue Bay No.2 | 30 June 2021 | 567,893,46 1.53 | | 37,011,800 .41 | 530,881,66 1.12 | | |
| Total | | 994,212,85 7.29 | 0.00 | 104,297,60 9.19 | 889,915,24 8.10 | | |

The main items of "instalment on development products", "leased development products", "Revolving room" are shown below:

Presented in RMB

| Item | As at 1 January 2022 | Increase | Decrease | As at 30 June 2022 |
|------|----------------------|----------|----------|--------------------|
|------|----------------------|----------|----------|--------------------|

2) Provision for inventories and impairment of contract performance costs

Classified by nature:

Presented in RMB

| Item | Opening balance | Increase in the reporting period | | Decrease in the reporting period | | Ending balance | Note |
|-------------------|-----------------|----------------------------------|--------|----------------------------------|--------|----------------|------|
| | | Provision | Others | Reversal or Offset | Others | | |
| Finished products | 38,891.91 | | | | | 38,891.91 | |
| Total | 38,891.91 | | | | | 38,891.91 | |

Classified by items:

Presented in RMB

| Item | Opening balance | Increase in the reporting period | | Decrease in the reporting period | | Ending balance | Note |
|-------------------|-----------------|----------------------------------|--------|----------------------------------|--------|----------------|------|
| | | Provision | Others | Reversal or Offset | Others | | |
| Finished products | 38,891.91 | | | | | 38,891.91 | |
| Total | 38,891.91 | | | | | 38,891.91 | |

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

As at 30 June 2022, the Group's inventory balance contains capitalized borrowing costs at 12,326,753.08 yuan (As at 31 Dec 2021 is 12,237,466.31 yuan).

(4) Restriction on Inventories

Disclose restriction on Inventories by projects:

Presented in RMB

| Name of project | Opening balance | Ending balance | Reason of restriction |
|-----------------|-----------------|----------------|-----------------------|
|-----------------|-----------------|----------------|-----------------------|

10. Contractual assets

Presented in RMB

| Item | Ending balance | | | Opening balance | | |
|------|----------------|--------------------------|------------|-----------------|--------------------------|------------|
| | Book balance | Provision for impairment | Book value | Book balance | Provision for impairment | Book value |

The Amount and reason of significant changes in book value of contractual assets in current reporting period:

Presented in RMB

| Item | Changes in amount | Reason for change |
|------|-------------------|-------------------|
|------|-------------------|-------------------|

Refer to the way of disclosing provision for other receivables to disclose relevant information, if use general model of expected credit losses to recognize allowance for impairment of contractual assets.

Applicable Not applicable

Provision for impairment of contractual assets in current period:

Presented in RMB

| Item | Provision in current period | Reversals in current period | Verification / Written-off in current period | Reason |
|------|-----------------------------|-----------------------------|--|--------|
|------|-----------------------------|-----------------------------|--|--------|

Note:

11. Assets held for sale

Presented in RMB

| Item | Book balance as at 30 June 2022 | Provision for impairment | Book value as at 30 June 2022 | Fair Value | Estimated disposal costs | Estimated disposal time |
|---|---------------------------------|--------------------------|-------------------------------|------------|--------------------------|-------------------------|
| Assets in held-for-sale disposal groups | | | | | | |
| Including: Shenzhen Property Management Co., Ltd. | | | | | | |

Note:

In consideration of optimizing and adjusting the industrial structure, on December 30, 2021, the Company and its subsidiary Shenzhen Shenfang Investment Co., Ltd. signed the Equity Acquisition Agreement with Shenzhen International Trade Property Management Co., Ltd. and transferred the 100% equity of Shenzhen Property

Management Co., Ltd. in total to Shenzhen International Trade Property Management Co., Ltd. with a transfer price of RMB 196.6767 million. At the end of 2021, Shenzhen Property Management Co., Ltd. has been confirmed as a disposal group held for sale, and assets held for sale of RMB 78,940,232.10 have been confirmed.

In the first half of 2022, according to the Equity Acquisition Agreement, the Company has received 90% of the consideration for the sale of the above-mentioned equity, completed the transfer procedures, and terminated the recognition of the assets held for sale in its disposal group. The ending book balance of assets held for sale is 0.

12. Non-current assets due within one year

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|------|--------------------|----------------------|
|------|--------------------|----------------------|

Significant debt investment/ other debt investment

Presented in RMB

| Debt investment | As at 30 June 2022 | | | | As at 1 January 2022 | | | |
|-----------------|--------------------|-------------|--------------------|---------------|----------------------|-------------|--------------------|---------------|
| | Face value | Coupon rate | Real interest rate | Maturity date | Face value | Coupon rate | Real interest rate | Maturity date |

Note:

13. Other current assets

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|--------------------------------|--------------------|----------------------|
| Contract acquisition costs | 634,991.79 | 0.00 |
| Advance or prepaid income tax | 1,069,352.14 | 3,205,104.33 |
| Prepaid VAT | 3,525,374.00 | 7,643,969.22 |
| Pending deduct vat on purchase | 28,110,437.46 | 53,061,826.30 |
| Land Appreciation Tax | 1,604,369.43 | 2,481,541.71 |
| Business Tax | 150,024.32 | 259,308.30 |
| Others | 956,131.59 | 1,565,137.18 |
| Total | 36,050,680.73 | 68,216,887.04 |

Note:

14. Debt investment

Presented in RMB

| Item | As at 30 June 2022 | | | As at 1 January 2022 | | |
|------|--------------------|-----------------|----------------|----------------------|-----------------|----------------|
| | Book balance | Impairment loss | The book value | Book balance | Impairment loss | The book value |

Significant debt investment

Presented in RMB

| Debt investment | As at 30 June 2022 | | | | As at 1 January 2022 | | | |
|-----------------|--------------------|-------------|---------------|---------------|----------------------|-------------|---------------|---------------|
| | Face value | Coupon rate | Real interest | Maturity date | Face value | Coupon rate | Real interest | Maturity date |

| | | | | | | | | |
|--|--|--|------|--|--|--|------|--|
| | | | rate | | | | rate | |
|--|--|--|------|--|--|--|------|--|

Impairment provisions for the current period

Presented in RMB

| 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 1 January 2022 | --- | --- | --- | --- |

Significant changes in book balance of impairment provisions for the current period

Applicable Not Applicable

Note:

15. Other debt investment

Presented in RMB

| Item | Opening balance | Accrued interest | Changes in current fair value | Ending Balance | The cost of | Cumulative fair value changes | Accumulate the loss provision recognized in other comprehensive income | Note |
|------|-----------------|------------------|-------------------------------|----------------|-------------|-------------------------------|--|------|
| | | | | | | | | |

Significant other debt investment

Presented in RMB

| Other debt investment | As at 30 June 2022 | | | | As at 1 January 2022 | | | |
|-----------------------|--------------------|-------------|--------------------|---------------|----------------------|-------------|--------------------|---------------|
| | Face value | Coupon rate | Real interest rate | Maturity date | Face value | Coupon rate | Real interest rate | Maturity date |
| | | | | | | | | |

Impairment provisions for the current period

Presented in RMB

| 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 1 Jan. 2022 | --- | --- | --- | --- |

Significant changes in book balance of impairment provisions for the current period

Applicable Not Applicable

Note:

16. Long-term receivables**(1) Long-term receivables are disclosed by nature**

Presented in RMB

| Item | As at 30 June 2022 | | | As at 1 January 2022 | | | Discount rate range |
|------|--------------------|--------------------|------------|----------------------|--------------------|------------|---------------------|
| | Book balance | Bad debt provision | Book Value | Book balance | Bad debt provision | Book Value | |

Bad Debt Provision

Presented in RMB

| 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 1 Jan. 2022 | --- | --- | --- | --- |

Significant changes in book balance of impairment provisions for the current period

 Applicable V Not Applicable**(2) Long-term receivables terminated due to financial asset transfer****(3) Amount of transferring long-term receivables and continuing to involve in the formation of assets and liabilities**

Other notes:

17. Long-term equity investments

Presented in RMB

| Investees | Opening balance (book value) | Movements during the period | | | | | | | | Ending balance (book value) | Balance of provision for impairment as June 30 2022 | |
|----------------------------------|------------------------------|-----------------------------|----------|---|-------------------|------------------------|--|--------------------------|-------|-----------------------------|---|--------------|
| | | Increase | Decrease | Investment in come recognised under equity method | Adjustment in OCI | Other equity movements | Declared distribution of cash dividends or profits | Provision for impairment | Other | | | |
| 1. Joint Venture | | | | | | | | | | | | |
| Guangdong province Huizhou Luofu | 9,969,206.09 | | | | | | | | | | 9,969,206.09 | 9,969,206.09 |

| | | | | | | | | | | | |
|---|---------------|--|--|--|--|--|--|--|--|---------------|---------------|
| Hill Mineral Water Co., Ltd | | | | | | | | | | | |
| Fengka i 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 | 1,349,122.92 | | | | | | | | | 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 | 33,170,633.37 | | | | | | | | | 33,170,633.37 | 32,898,465.09 |
| Total | 52,595,304.84 | | | | | | | | | 52,595,304.84 | 52,323,136.56 |

Note:

18. Investments in other equity instrument

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|--|----------------------|----------------------|
| Shantou Small &Medium Enterprises Financing Guarantee Co., Ltd | 19,777,460.65 | 13,831,938.92 |
| Yunnan KunPeng Flight service Co., Ltd | 0.00 | 22,490,765.41 |
| Total | 19,777,460.65 | 36,322,704.33 |

Itemized disclosure of investment in non-trading equity instruments for the current period

Presented in RMB

| Item | Dividend income recognized for the current period | The cumulative gains | The cumulative loss | The amount of other comprehensive reserve transferred into retained earnings | Reasons for designating fair value measurement and its changes included in other comprehensive income | Transferring reasons |
|---|---|----------------------|---------------------|--|---|---------------------------|
| Shantou Small & Medium Enterprises Financing Guarantee Co., Ltd | 813,960.00 | 11,496,121.73 | | | | |
| Yunnan KunPeng Flight service Co., Ltd | | 11,449,773.26 | | 11,449,773.26 | | Dispose of the investment |

Note:

19. Other non-current financial assets

Presented in RMB

| Species | As at 30 June 2022 | As at 1 January 2022 |
|---------|--------------------|----------------------|
|---------|--------------------|----------------------|

Note:

20. Investment property**(1) Investment properties measured using the cost model**

Presented in RMB

| Item | Buildings | Land use rights | Construction in progress | Total |
|---|------------------|-----------------|--------------------------|------------------|
| I . Cost | | | | |
| 1. Balance as at 31 Dec. 2021 | 1,042,912,022.39 | 98,272,942.19 | | 1,141,184,964.58 |
| 2. Additions during the year | 1,832,873.00 | 4,767,448.45 | | 6,600,321.45 |
| (1) Purchase | 1,832,873.00 | | | 1,832,873.00 |
| (2) Transfer from Inventories\Fixed assets\ | | | | |

| | | | | |
|--|------------------|----------------|--|------------------|
| construction in progress | | | | |
| (3) Additions due to business combinations | | | | |
| (4) Others (Exchange Rate Changes) | | 4,767,448.45 | | 4,767,448.45 |
| 3. Decrease during the year | | | | |
| (1) Disposals | | | | |
| (2) Other transfers out | | | | |
| 4. Balance as at 30 June 2022 | 1,044,744,895.39 | 103,040,390.64 | | 1,147,785,286.03 |
| II. Accumulated depreciation or amortization | | | | |
| 1. Balance as at 31 Dec. 2021 | 457,533,453.68 | | | 457,533,453.68 |
| 2. Charge for the year | 12,725,918.76 | | | 12,725,918.76 |
| (1) Depreciated or amortised | 12,725,918.76 | | | 12,725,918.76 |
| 3. Reductions during the year | | | | |
| (1) Disposals | | | | |
| (2) Other transfers out | | | | |
| 4. As at 30 June 2022 | 470,259,372.44 | | | 470,259,372.44 |
| III. Provision for impairment | | | | |
| 1. Balance as at 31 Dec. 2021 | 14,128,544.62 | 80,657,189.12 | | 94,785,733.74 |
| 2. Charge for the year | | 3,912,867.40 | | 3,912,867.40 |
| (1) Provision | | | | |
| (2) Others (Exchange Rate Changes) | | 3,912,867.40 | | 3,912,867.40 |
| 3. Reductions on disposals | | | | |
| (1) Disposals | | | | |
| (2) Other transfers out | | | | |

| | | | | |
|-----------------------|----------------|---------------|--|----------------|
| 4.As at 30 June 2022 | 14,128,544.62 | 84,570,056.52 | | 98,698,601.14 |
| IV. Carrying amounts | | | | |
| 1. As at 30 June 2022 | 560,356,978.33 | 18,470,334.12 | | 578,827,312.45 |
| 2. As at 31 Dec 2021 | 571,250,024.09 | 17,615,753.07 | | 588,865,777.16 |

2) Investment property measured at fair value

Applicable Inapplicable

The company complies with the disclosure requirements of "Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 3-Listed Companies Engaged in Real Estate Business"

Disclosed by projects:

Presented in RMB

| Project name | Location | Time for completion | building area | Rental income in reporting period | Fair value as at 31 Dec. 2021 | Fair value as at 30 June 2022 | Movement in Fair value | Reasons and Index for fair value change |
|--------------|----------|---------------------|---------------|-----------------------------------|-------------------------------|-------------------------------|------------------------|---|
|--------------|----------|---------------------|---------------|-----------------------------------|-------------------------------|-------------------------------|------------------------|---|

Does the company have investment real estate that is currently under construction?

Yes No

Whether the company has new investment real estate measured at fair value in the current period?

Yes No

(3) Investment properties pending certificates of ownership

Presented in RMB

| Item | Carrying amount | Reason why certificates are pending |
|------|-----------------|-------------------------------------|
|------|-----------------|-------------------------------------|

Note: The current reduction in the original value of land use right and the impairment provision is caused by the exchange rate changes during the translation of foreign currency statements.

21. Fixed assets

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec. 2021 |
|--------------|--------------------|--------------------|
| Fixed assets | 22,677,228.99 | 23,920,424.55 |
| Total | 22,677,228.99 | 23,920,424.55 |

(1) Fixed assets

Presented in RMB

| Item | Plant & buildings | Motor vehicles | Electronic equipment and others | Total |
|---|-------------------|----------------|---------------------------------|----------------|
| I. Cost: | | | | |
| 1. Balance as at 31 Dec. 2021 | 100,117,808.10 | 8,307,455.41 | 7,273,579.83 | 115,698,843.34 |
| 2. Additions during the year | | | 123,731.04 | 123,731.04 |
| (1) Purchases | | | 123,731.04 | 123,731.04 |
| (2) Transfers from construction in progress | | | | |
| (3) Additions due to business combinations | | | | |
| 3. Decrease during the year | | | 61,875.44 | 61,875.44 |
| (1) Disposals or written-offs | | | 61,875.44 | 61,875.44 |
| 4. As at 30 June 2022 | 100,117,808.10 | 8,307,455.41 | 7,335,435.43 | 115,760,698.94 |
| II. Accumulated depreciation | | | | |
| 1. Balance as at 31 Dec. 2021 | 79,191,129.84 | 6,864,681.16 | 5,722,607.79 | 91,778,418.79 |
| 2. Charge for the year | 1,084,373.92 | 118,404.24 | 159,348.88 | 1,362,127.04 |
| (1) Provision | 1,084,373.92 | 118,404.24 | 159,348.88 | 1,362,127.04 |
| 3. Reductions for the year | | | 57,075.88 | 57,075.88 |
| (1) Disposal or written-offs | | | 57,075.88 | 57,075.88 |
| 4. Balance as at 30 June 2022 | 80,275,503.76 | 6,983,085.40 | 5,824,880.79 | 93,083,469.95 |
| III. Provision for impairment | | | | |
| 1. Balance as at 31 Dec. 2021 | | | | |
| 2. Charge for the year | | | | |
| (1) Provision | | | | |
| 3. Reductions for the year | | | | |
| (1) Disposals or written-offs | | | | |
| 4. Balance As at | | | | |

| | | | | |
|-----------------------|---------------|--------------|--------------|---------------|
| 30 June 2022 | | | | |
| IV. Carrying amount | | | | |
| 1. As at 30 June 2022 | 19,842,304.34 | 1,324,370.01 | 1,510,554.64 | 22,677,228.99 |
| 2. As at 31 Dec. 2021 | 20,926,678.26 | 1,442,774.25 | 1,550,972.04 | 23,920,424.55 |

(2) Temporarily idle fixed assets

Presented in RMB

| Item | Cost | Accumulated depreciation | Provision for impairment | Carrying Amount | Note |
|------|------|--------------------------|--------------------------|-----------------|------|
|------|------|--------------------------|--------------------------|-----------------|------|

(3) Fixed assets leased out under operating leases

Presented in RMB

| Item | Carrying amount at the end of reporting period |
|------|--|
|------|--|

(4) Fixed assets pending certificates of ownership

Presented in RMB

| Item | Carrying amount | Reason why certificates of ownership are pending |
|------|-----------------|--|
|------|-----------------|--|

Note

(5) Fixed assets to be disposed of

Presented in RMB

| 项目 | As at 30 June 2022 | As at 31 Dec. 2021 |
|----|--------------------|--------------------|
|----|--------------------|--------------------|

Note:

22. Construction in progress

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec. 2021 |
|------|--------------------|--------------------|
|------|--------------------|--------------------|

(1) Construction in progress

Presented in RMB

| Item | As at 30 June 2022 | | | As at 31 Dec. 2021 | | |
|------|--------------------|---------------|-----------------|--------------------|---------------|-----------------|
| | Book value | Provision for | Carrying amount | Book value | Provision for | Carrying amount |

| | | | | | | |
|--|--|------------|--|--|------------|--|
| | | impairment | | | impairment | |
|--|--|------------|--|--|------------|--|

(2) Movements of major construction Items in progress

Presented in RMB

| Item | Budget | Balance as at 31 Dec. 2021 | Additions | Transfers to fixed assets | Other deductions for the year | Balance as at 30 June 2022 | Percentage of actual cost to budget (%) | Item progresses | Accumulated capitalized interest | Including: interest capitalized in 2022 | Interest rate for capitalisation in 2022(%) | Sources of funding |
|------|--------|----------------------------|-----------|---------------------------|-------------------------------|----------------------------|---|-----------------|----------------------------------|---|---|--------------------|
| | | | | | | | | | | | | |

(3) Provision for impairment of construction in progress

Presented in RMB

| Item | Provision for current period | Reason for provision |
|------|------------------------------|----------------------|
| | | |

Note:

(4) Construction materials

Presented in RMB

| Item | As at 30 June 2022 | | | As at 31 Dec. 2021 | | |
|------|--------------------|--------------------------|-----------------|--------------------|--------------------------|-----------------|
| | Book balance | Provision for impairment | Carrying amount | Book balance | Provision for impairment | Carrying amount |
| | | | | | | |

23. Productive living assets**(1) Measured at cost** Applicable Not applicable**(2) Measured at fair value** Applicable Not applicable**24. Oil and gas assets** Applicable Not applicable**25. Use rights assets**

Presented in RMB

| Item | Plant & buildings | Total |
|------|-------------------|-------|
| | | |

| | | |
|--|------------|------------|
| I . Cost | | |
| 1. Balance as at 31 Dec. 2021 | 431,779.61 | 431,779.61 |
| 2. Additions during the year | | |
| 3. Decrease during the year | | |
| 4. Balance as at 30 June 2022 | 431,779.61 | 431,779.61 |
| II. Accumulated depreciation or amortization | | |
| 1. Balance as at 31 Dec. 2021 | 66,427.64 | 66,427.64 |
| 2. Charge for the year | | |
| (1) Depreciated or amortised | 66,427.63 | 66,427.63 |
| 3. Reductions during the year | | |
| (1) Disposals | | |
| 4. As at 30 June 2022 | 132,855.27 | 132,855.27 |
| III. Provision for impairment | | |
| 1. Balance as at 31 Dec. 2021 | | |
| 2. Charge for the year | | |
| (1) Provision | | |
| 3. Reductions for the year | | |
| (1) Disposals | | |
| 4. As at 30 June 2022 | | |
| IV. Carrying amounts | | |
| 1. As at 30 June 2022 | 298,924.34 | 298,924.34 |
| 2. As at 31 Dec 2021 | 365,351.97 | 365,351.97 |

Other notes:

26. Intangible assets

(1) Intangible assets

Presented in RMB

| Item | Land use rights | Patent right | Know-how | Software | Total |
|---|-----------------|--------------|----------|----------|-------|
| I. Cost | | | | | |
| 1. Balance as at 31 Dec. 2021 | | | | | |
| 2. Additions during the year | | | | | |
| (1) Purchase | | | | | |
| (2) Internal development | | | | | |
| (3) Additions due to business combination | | | | | |
| 3. Decrease during the year | | | | | |
| (1) Disposals | | | | | |
| 4. As at 30 June 2022 | | | | | |
| II. Accumulative amortisation | | | | | |
| 1. Balance as at 31 Dec. 2021 | | | | | |

| | | | | | |
|-------------------------------|--|--|--|--|--|
| 2. Charge for the year | | | | | |
| (1) Provision | | | | | |
| 3. Reductions for the year | | | | | |
| (1) Disposals | | | | | |
| 4.As at 30 June 2022 | | | | | |
| III. Provision for impairment | | | | | |
| 1. Balance as at 31 Dec. 2021 | | | | | |
| 2. Charge for the year | | | | | |
| (1) Provision | | | | | |
| 3. Reductions for the year | | | | | |
| (1) Disposals | | | | | |
| 4.As at 30 June 2022 | | | | | |
| IV. Carrying amount | | | | | |
| 1. As at 30 June 2022 | | | | | |
| 2. As at 31 Dec. 2021 | | | | | |

The carrying amount of intangible assets of the Group arising from internal development is XX% of the total carrying amount of intangible assets at the end of the year.

(2) Land use rights pending certificates of ownership

Presented in RMB

| Item | Carrying amount | Reason why certificates of ownership are pending |
|------|-----------------|--|
| | | |

27. Development costs

Presented in RMB

| Item | As at 31 Dec. 2021 | Additions during the year | | Decreased during the year | | As at 30 June 2022 |
|-------|--------------------|---------------------------|--------|---------------------------------|------------------------------|--------------------|
| | | Internal development | Others | Recognised as intangible assets | Recognised in profit or loss | |
| Total | | | | | | |

Other note:

28. Goodwill

(1) Book value of goodwill

Presented in RMB

| Name of investee or events from which goodwill arose | As at 31 Dec. 2020 | Additions during the year | Decreases during the year | As at 30 June 2021 |
|--|--------------------|---------------------------|---------------------------|--------------------|
| | | Business combination | Disposal | |
| Total | | | | |

(2) Provision for impairment of goodwill

Presented in RMB

| Name of investee or events from which goodwill arose | As at 31 Dec. 2020 | Additions during the year | Decreases during the year | As at 30 June 2021 |
|--|--------------------|---------------------------|---------------------------|--------------------|
| | | Provision | Disposal | |
| Total | | | | |

Information about the asset group or combination of asset groups in which the goodwill resides

The method of determining goodwill impairment and explain the process and key parameter of goodwill impairment tests:

The impact of goodwill impairment tests:

Other note:

29. Long-term deferred expense

Presented in RMB

| Item | As at 1 Jan. 2022 | Additions during the year | Amortisation for the year | Others decreases | As at 30 June 2022 |
|------------------|-------------------|---------------------------|---------------------------|------------------|--------------------|
| Renovation Costs | 1,703,967.55 | 38,771.84 | 236,790.42 | | 1,505,948.97 |
| Others | 460,995.63 | 179,091.09 | 98,923.72 | | 541,163.00 |
| Total | 2,164,963.18 | 217,862.93 | 335,714.14 | | 2,047,111.97 |

Other note:

30. Deferred tax assets/Deferred tax liabilities**(1) Deferred tax assets and deferred tax liabilities that are not offset**

Presented in RMB

| Item | As at 30 June 2022 | | As at 31 Dec. 2021 | |
|--|---------------------------------|---------------------|---------------------------------|---------------------|
| | Deductible or taxable temporary | Deferred tax assets | Deductible or taxable temporary | Deferred tax assets |
| Provisions for impairment of assets | 11,676,505.43 | 2,919,126.36 | 11,676,505.43 | 2,919,126.36 |
| Unrealised profits of intra-group transactions | 41,759,852.68 | 10,439,963.17 | 48,439,321.68 | 12,109,830.42 |
| Deductible tax losses | 60,853,662.72 | 15,213,415.68 | 60,853,662.72 | 15,213,415.68 |
| Provision for land appreciation tax liquidation reserves | 495,662,113.28 | 123,915,528.32 | 537,081,594.36 | 134,270,398.59 |
| Accrued Contractual cost | 22,029,322.92 | 5,507,330.73 | 22,029,322.92 | 5,507,330.73 |
| Total | 631,981,457.03 | 157,995,364.26 | 680,080,407.11 | 170,020,101.78 |

(2) Deferred tax liabilities without offsetting

Presented in RMB

| Item | As at 30 June 2022 | | As at 31 Dec. 2021 | |
|--|---|--------------------------|---|--------------------------|
| | Deductible or taxable temporary differences | Deferred tax liabilities | Deductible or taxable temporary differences | Deferred tax liabilities |
| Changes in the fair value of other equity instrument investments | 6,920,726.92 | 1,730,181.73 | 18,858,463.59 | 4,714,615.90 |
| Changes in fair value of held-for-trading financial assets | 11,828,130.44 | 2,957,032.61 | 11,828,130.44 | 2,957,032.61 |
| Interest not due | 7,411,964.20 | 1,852,991.05 | 7,411,964.20 | 1,852,991.05 |
| Total | 26,160,821.56 | 6,540,205.39 | 38,098,558.23 | 9,524,639.56 |

(3) Deferred tax assets or deferred tax liabilities disclosed as net amount after offsetting

Presented in RMB

| Item | Amount of offsetting as at 30 June 2022 | Deferred tax assets or liabilities after offsetting as at 30 June 2022 | Amount of offsetting as at 31 Dec. 2021 | Deferred tax assets or liabilities after offsetting as at 31 Dec. 2021 |
|--------------------------|---|--|---|--|
| Deferred tax assets | | 157,995,364.26 | | 170,020,101.78 |
| Deferred tax liabilities | | 6,540,205.39 | | 9,524,639.56 |

(4) Details of unrecognized deferred tax assets

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec. 2021 |
|--|-----------------------|-----------------------|
| Deductible tax losses | 5,122,462.04 | 10,875,646.42 |
| Bad debt provision | 211,607,688.34 | 211,607,688.34 |
| Provision for impairment of long-term equity | 220,084,700.95 | 220,084,700.95 |
| Provision for impairment of investment real estate | 98,698,601.14 | 94,785,733.74 |
| Total | 535,513,452.47 | 537,353,769.45 |

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

Presented in RMB

| Year | As at 30 June 2022 | As at 31 Dec. 2021 | Note |
|------|--------------------|--------------------|------|
| 2022 | | 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 | 346,891.06 | |
| 2027 | | | |

| | | |
|-------|--------------|---------------|
| Total | 5,122,462.04 | 10,875,646.42 |
|-------|--------------|---------------|

Other note:

31. Other non-current assets

Presented in RMB

| Item | As at 30 June 2022 | | | As at 31 Dec. 2021 | | |
|------|--------------------|-----------------|------------|--------------------|-----------------|------------|
| | Book balance | Impairment loss | Book value | Book balance | Impairment loss | Book value |

32. Short-term loans

(1) Classification of short-term loans

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec. 2021 |
|--------------|--------------------|--------------------|
| Pledge loans | 56,831,235.17 | 50,440,116.24 |
| Total | 56,831,235.17 | 50,440,116.24 |

Note:

The ending balance of the loan consist of the factoring with accounts receivables and discounted commercial acceptance bill receivable which is not derecognized.

(2) Past due short-term loans

The total balance of past due short-term loans at the end of the year is RMB 0, including significant items are as follows:

Presented in RMB

| Lender | As at 30 June 2022 | Interest rate | Past due period | Interest rate if overdue |
|--------|--------------------|---------------|-----------------|--------------------------|
|--------|--------------------|---------------|-----------------|--------------------------|

33. Trading financial liabilities

Presented in RMB

| Item | Ending balance | Opening balance |
|------------|----------------|-----------------|
| Including: | | |
| Including: | | |

34. Derivative financial liabilities

Presented in RMB

| Item | Ending balance | Opening balance |
|------|----------------|-----------------|
|------|----------------|-----------------|

35. Notes payable

Presented in RMB

| Kind of Class | Ending balance | Opening balance |
|----------------------------|----------------|-----------------|
| Commercial acceptance bill | 235,818,710.20 | 247,376,403.56 |
| Total | 235,818,710.20 | 247,376,403.56 |

The total amount of notes payable due and unpaid at the end of the current period is RMB 235,818,710.20.

36. Accounts payable

(1) Accounts payable

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec. 2021 |
|--------------|--------------------|--------------------|
| Construction | 113,866,145.19 | 139,000,203.58 |
| Others | 2,438,205.27 | 2,447,355.66 |
| Total | 116,304,350.46 | 141,447,559.24 |

(2) the age of more than 1 year of important accounts payable

Presented in RMB

| Item | As at 30 June 2022 | Reasons for non-payment or non-carry-forward |
|------|--------------------|--|
| | | |

Other note:

37. Advances from customers

(1) Advance payments

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec. 2021 |
|-------------------------------------|--------------------|--------------------|
| Payment for goods-import and export | 4,218,370.69 | 4,218,370.69 |
| Others | 2,260,567.86 | 2,193,056.35 |
| Total | 6,478,938.55 | 6,411,427.04 |

(2) Important advances received over one year

Presented in RMB

| Item | As at 30 June 2022 | Reasons for non-payment or non-carry-forward |
|------|--------------------|--|
| | | |

Other note:

38. Contractual liabilities

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec. 2021 |
|--------------------------|--------------------|--------------------|
| Advance in house payment | 45,049,115.96 | 199,909,796.88 |
| Advance in room fee | 55,794.14 | 55,693.20 |

| | | |
|-------|---------------|----------------|
| Total | 45,104,910.10 | 199,965,490.08 |
|-------|---------------|----------------|

Changes in amount and reason for the change in reporting period:

Presented in RMB

| Item | Changes in the amount | Reason for change |
|--------------------------|-----------------------|---|
| Advance in house payment | 154,860,680.92 | Real estate sales meet the income recognition conditions and carry forward income |
| Total | 154,860,680.92 | — |

The company needs to comply with the disclosure requirements of "real estate industry" in the "Shenzhen Stock Exchange Listed Company Self-Regulatory Supervision Guidelines No. 3 - Industry Information Disclosure"

Receipt information of the top five projects in the pre-sale amount:

Presented in RMB

| Serial number | Item | As at 31 Dec. 2021 | As at 30 June 2022 | Estimated completion time | Pre-sale ratio |
|---------------|------|--------------------|--------------------|---------------------------|----------------|
|---------------|------|--------------------|--------------------|---------------------------|----------------|

39. Payroll payable

(1) Employee benefits payable

Presented in RMB

| Item | As at 31 Dec 2021 | Accrued during the year | Decreased during the year | As at 30 June 2022 |
|---|-------------------|-------------------------|---------------------------|--------------------|
| Short-term employee benefits | 43,791,988.37 | 41,196,346.88 | 37,977,046.41 | 47,011,288.84 |
| Post-employment benefits - defined contribution plans | 134,723.41 | 5,016,567.01 | 5,088,567.01 | 62,723.41 |
| Dismissal benefits | | 40,767.00 | 40,767.00 | |
| Total | 43,926,711.78 | 46,253,680.89 | 43,106,380.42 | 47,074,012.25 |

(2) Short-term employee benefits

Presented in RMB

| Item | As at 31 Dec 2021 | Accrued during the year | Decreased during the year | As at 30 June 2022 |
|---------------------------------|-------------------|-------------------------|---------------------------|--------------------|
| 1.Salaries, bonus, allowances | 43,636,961.65 | 34,700,963.17 | 31,439,529.29 | 46,898,395.53 |
| 2.Staff welfare | 35,800.00 | 1,374,023.67 | 1,409,823.67 | |
| 3.Social insurances | | 1,833,773.17 | 1,833,773.17 | |
| Including: Medical insurance | | 1,727,152.37 | 1,727,152.37 | |
| Work-related injury insurance | | 21,000.23 | 21,000.23 | |

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Maternity insurance | | 85,620.57 | 85,620.57 | |
| 4. Housing Fund | 31,040.32 | 2,874,531.11 | 2,874,531.11 | 31,040.32 |
| 5. Labor union fees, staff and workers' education fee | 88,186.40 | 413,055.76 | 419,389.17 | 81,852.99 |
| Total | 43,791,988.37 | 41,196,346.88 | 37,977,046.41 | 47,011,288.84 |

(3) Post-employment benefits - defined contribution plans

Presented in RMB

| Item | As at 31 Dec 2021 | Accrued during the year | Decreased during the year | As at 30 June 2022 |
|-------------------------|-------------------|-------------------------|---------------------------|--------------------|
| Basic pension insurance | 72,000.00 | 3,195,002.46 | 3,267,002.46 | |
| Unemployment insurance | | 37,382.55 | 37,382.55 | |
| Annuity | 62,723.41 | 1,784,182.00 | 1,784,182.00 | 62,723.41 |
| Total | 134,723.41 | 5,016,567.01 | 5,088,567.01 | 62,723.41 |

Note:

40. Tax payable

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|---------------------------------------|--------------------|-------------------|
| Value-added tax | 3,217,792.71 | 2,364,703.76 |
| Corporate income tax | 156,224,499.29 | 55,260,539.21 |
| Individual income tax | 864,126.83 | 741,740.25 |
| City maintenance and construction tax | 447,699.69 | 243,387.84 |
| Land appreciation tax | 139,983,067.54 | 541,127,363.69 |
| Property tax | 4,958,754.25 | 262,015.56 |
| Education surcharge | 241,467.45 | 105,021.26 |
| local education surcharge | 148,652.48 | 56,806.29 |
| Others | 510,169.96 | 379,294.62 |
| Total | 306,596,230.20 | 600,540,872.48 |

Note:

41. Other payables

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|-------------------|--------------------|-------------------|
| Interest payables | 16,535,277.94 | 16,535,277.94 |
| Dividends payable | 89,026,080.00 | |
| Other payables | 542,210,820.18 | 564,842,137.70 |
| Total | 647,772,178.12 | 581,377,415.64 |

(1) Interest payable

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|---|----------------------|----------------------|
| Non-financial institution borrowing interest (interest payable to parent company) | 16,535,277.94 | 16,535,277.94 |
| Total | 16,535,277.94 | 16,535,277.94 |

Significant overdue interest outstanding:

Presented in RMB

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

Note:

The loan principal was paid in full on 22 Dec. 2016.

(2) Dividends payable

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|-----------------------|----------------------|-------------------|
| Common stock dividend | 89,026,080.00 | |
| Total | 89,026,080.00 | |

Reason for significant dividends not paid in 1 year:

The 2021 annual equity distribution plan has been reviewed and approved at the 2021 Annual General Meeting of Shareholders held on May 17, 2022, and a total of RMB 89,026,080.00 of ordinary stock dividends are to be distributed. As of the end of the reporting period, the above cash dividends have not been distributed. The equity registration date of this equity distribution A shares is: July 4, 2022, and the ex-rights and ex-dividend date is: July 5, 2022. The last trading day of B shares for this equity distribution is: July 4, 2022, the ex-rights and ex-dividend date is: July 5, 2022, and the share registration date is: July 7, 2022.

(3) Other payables**1) Other payables (by nature)**

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|--|-----------------------|-----------------------|
| Accrued land appreciation tax | 5,898,328.06 | 36,447,111.94 |
| Current account to Related parties | 236,183,176.92 | 215,460,862.07 |
| Current account to Non-Related parties | 180,642,168.00 | 161,537,615.36 |
| Deposits | 47,879,349.19 | 48,106,373.19 |
| Others | 71,607,798.01 | 103,290,175.14 |
| Total | 542,210,820.18 | 564,842,137.70 |

2) significant other payables aging over 1 year

Presented in RMB

| Item | As at 30 June 2022 | Reason for no repayment |
|------|--------------------|-------------------------|
|------|--------------------|-------------------------|

42. Liabilities held for sale

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|---|--------------------|----------------------|
| Liabilities in disposal groups held for sale | | |
| Including: Shenzhen Property Management Co., Ltd. | | 65,752,452.06 |
| Total | | 65,752,452.06 |

Note:

In order to optimize and adjust the industrial structure, on December 30, 2021, The Company and its subsidiary Shenzhen Shenfang Investment Co., Ltd. signed the Equity Acquisition Agreement with Shenzhen International Trade Property Management Co., Ltd., and transferred the 100% equity of Shenzhen International Property Management Co., Ltd. in total to Shenzhen International Trade Property Management Co., Ltd. with a transfer price of RMB 196.6767 million. In the first half of 2022, according to the Equity Acquisition Agreement, the Company has received 90% of the consideration for the sale of the above-mentioned equity, completed the transfer procedures, and derecognized the relevant held-for-sale liabilities in its disposal group.

43. Non-current liabilities due within one year

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|---------------------------------------|--------------------|-------------------|
| Lease liabilities due within one year | 103,779.30 | 83,023.44 |
| Total | 103,779.30 | 83,023.44 |

Note:

44. Other current liabilities

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|--------------|---------------------|---------------------|
| Others | 2,352,351.37 | 8,196,849.13 |
| Total | 2,352,351.37 | 8,196,849.13 |

Movement in Short-term bonds payable:

Presented in RMB

| Name of the bond | Face value | Release date | The bond deadline | issuance | As at 31 Dec 2021 | The current issue | Interest is accrued at face value | Amortization of excess discount | The current pay | As at 30 June 2022 |
|------------------|------------|--------------|-------------------|----------|-------------------|-------------------|-----------------------------------|---------------------------------|-----------------|--------------------|
|------------------|------------|--------------|-------------------|----------|-------------------|-------------------|-----------------------------------|---------------------------------|-----------------|--------------------|

Note:

45. Long-term loans**(1) Long-term loans classification**

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|------|--------------------|-------------------|
|------|--------------------|-------------------|

Note:

Additional notes, including interest rate ranges:

46. Debentures payable**(1) Debentures payable**

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|------|--------------------|-------------------|
|------|--------------------|-------------------|

(2) Changes in increase or decrease of bonds payable (excluding preferred stock, perpetual debt and other financial instruments classified as financial liabilities)

Presented in RMB

| Name of the bond | Face value | Release date | The bond deadline | issuance | As at 31 Dec. 20 | The current issue | Interest is accrued at face value | Amortization of excess discount | The current pay | As at 30 June 2021 |
|------------------|------------|--------------|-------------------|----------|------------------|-------------------|-----------------------------------|---------------------------------|-----------------|--------------------|
| Total | -- | -- | -- | | | | | | | |

(3) Convertible corporate bonds(Convertible company bonds conversion conditions, conversion time)**(4) Other financial instruments classified as financial liabilities**

Basic information on preferred stock, perpetual debt and other financial instruments outstanding at the end of the period:

Statement of changes in preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period:

Presented in RMB

| An outstanding financial instrument | 2021.12.31 | | Increase in current period | | The reduced in current period | | 2022.6.30 | |
|-------------------------------------|---------------|----------------|----------------------------|----------------|-------------------------------|----------------|---------------|----------------|
| | The number of | The book value | The number of | The book value | The number of | The book value | The number of | The book value |

Explanation of the basis for classifying other financial instruments as financial liabilities:

other note:

47. Lease liabilities

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|-------------------|--------------------|-------------------|
| Plant & buildings | 90,440.36 | 125,920.77 |
| Total | 90,440.36 | 125,920.77 |

other note:

48. Long-term payables

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|------|--------------------|-------------------|
|------|--------------------|-------------------|

(1) Long-term payables (shown by nature of payments)

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|------|--------------------|-------------------|
|------|--------------------|-------------------|

other note:

(2) Special payables

Presented in RMB

| Item | As at 31 Dec 2021 | Increase in current | The reduced | As at 30 June 2022 | Reasons for the formation |
|------|-------------------|---------------------|-------------|--------------------|---------------------------|
|------|-------------------|---------------------|-------------|--------------------|---------------------------|

other note:

49. Long-term employee benefits payable

(1) Long-term employee benefits payable

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|------|--------------------|-------------------|
|------|--------------------|-------------------|

(2) Set the changes of benefit plan

Set the present value of the benefit plan obligation:

Presented in RMB

| Item | This amount | The amount of the previous period |
|------|-------------|-----------------------------------|
|------|-------------|-----------------------------------|

Plan assets

Presented in RMB

| Item | This amount | The amount of the previous period |
|------|-------------|-----------------------------------|
|------|-------------|-----------------------------------|

Defined benefit plan net liabilities (net assets) :

Presented in RMB

| Item | This amount | The amount of the previous period |
|------|-------------|-----------------------------------|
|------|-------------|-----------------------------------|

The content, causes, characteristics and related risks of the defined benefit plan and the influence of the benefit plan on the amount, time and uncertainty of the Group's future cash flow.

Actuarial hypothesis and Sensitivity analysis of setting benefit plan:

Other note:

50. Provisions

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 | Causes |
|------|--------------------|-------------------|--------|
|------|--------------------|-------------------|--------|

Other note:

51. Deferred income

Presented in RMB

| Item | As at 31 Dec 2021 | Additions during the year | Reductions during the year | As at 30 June 2022 | Reason for deferral |
|------|-------------------|---------------------------|----------------------------|--------------------|---------------------|
|------|-------------------|---------------------------|----------------------------|--------------------|---------------------|

details of deferred income – government grant:

Presented in RMB

| species | As at 31 Dec 2021 | New subsidy amount of this period | Amount booked into non-operating income for the current period | Amount booked into other income for the current period | The amount of the current period carried forward to reduce related costs | other change | As at 30 June 2022 | Relating to assets/earnings |
|---------|-------------------|-----------------------------------|--|--|--|--------------|--------------------|-----------------------------|
|---------|-------------------|-----------------------------------|--|--|--|--------------|--------------------|-----------------------------|

52. Other non-current liabilities

Presented in RMB

| Item | As at 30 June 2022 | As at 31 Dec 2021 |
|------|--------------------|-------------------|
|------|--------------------|-------------------|

53. Share capital

Presented in RMB

| | As at 31 Dec 2021 | Increase or decrease of current period (+, -) | | | | | As at 30 June 2022 |
|---------------------|-------------------|---|----------------|-----------------------------------|--------|----------|--------------------|
| | | New shares | Stock dividend | Conversion from reserve to shares | Others | Subtotal | |
| The total number of | 1,011,660,000.00 | | | | | | 1,011,660,000.00 |

| | | | | | | | |
|--------|--|--|--|--|--|--|--|
| shares | | | | | | | |
|--------|--|--|--|--|--|--|--|

Other note:

54. Other equity instruments

(1) Basic information on preferred stock, perpetual debt and other financial instruments outstanding at the end of the period:

(2) movement on preferred stock, perpetual debt and other financial instruments outstanding at the end of the period:

Presented in RMB

| issued Financial instru- ments | As at 31 Dec 2021 | | Increase in | | The reduced | | As at 30 June 2022 | |
|---|-------------------|------------|-------------|------------|-------------|------------|--------------------|------------|
| | Numbers | Book value | Numbers | Book value | Numbers | Book value | Numbers | Book value |

the change of the increase or decrease of other equity instruments in the current period, the reasons for the change, and the relevant accounting treatment basis.

55. Capital reserves

Presented in RMB

| Item | As at 31 Dec 2021 | Increase in current period | The reduced in current period | As at 30 June 2022 |
|------------------------|-------------------|----------------------------|-------------------------------|--------------------|
| 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 |

Reason for movements in capital reserves:

56. Inventory stocks

Presente

| Item | As at 31 Dec 2021 | Increase in current period | The reduced in current period | As at 30 June 2022 |
|------|-------------------|----------------------------|-------------------------------|--------------------|
|------|-------------------|----------------------------|-------------------------------|--------------------|

Reason for movements in capital reserves:

57. Other comprehensive income

Presented in RMB

| Item | As at 31 Dec 2021 | Current amount | | | | | | As at 30 June 2022 |
|------|-------------------|-----------------------------------|---|---|--------------------------|--|---|--------------------|
| | | The current income tax before the | Less: included in other comprehensive income in | Less: included in other comprehensive income in | Less: Income tax expense | Attributable to the parent company after tax | Attributable to minority shareholders after tax | |

| | | amount | the previous period and transfere d to profit or loss in the current period | the previous period and transfere d to retained earnings in the current period | | | | |
|---|---------------|--------------|---|--|--|--------------|--------------|---------------|
| I. Other comprehensive income that cannot be reclassified into profits and losses | 14,143,847.69 | 5,175,152.79 | | 11,449,773.26 | | 6,274,620.47 | - | 7,869,227.22 |
| Changes in the fair value of other equity instrument investments | 14,143,847.69 | 5,175,152.79 | | 11,449,773.26 | | 6,274,620.47 | - | 7,869,227.22 |
| II. Other comprehensive income which is reclassified into profit and loss | 21,945,116.26 | 2,818,535.08 | | | | 2,818,535.08 | 1,207,943.61 | 19,126,581.18 |
| Translation differences arising from translation of foreign currency financial statements | 21,945,116.26 | 2,818,535.08 | | | | 2,818,535.08 | 1,207,943.61 | 19,126,581.18 |
| Total | 36,088,96 | 2,356,617 | | 11,449,77 | | - | - | 26,995,80 |

| | | | | | | | | |
|--|------|-----|--|------|--|------------------|------------------|------|
| | 3.95 | .71 | | 3.26 | | 9,093,155 .55 | 1,207,943 .61 | 8.40 |
|--|------|-----|--|------|--|------------------|------------------|------|

Other notes, including the adjustment of the effective portion of the cash flow hedging gain or loss to the initially recognised amount of the hedged item:

58. Specific reserve

Presented in RMB

| Item | As at 31 Dec 2021 | Additions during the year | Reductions during the year | As at 30 June 2022 |
|------|-------------------|---------------------------|----------------------------|--------------------|
|------|-------------------|---------------------------|----------------------------|--------------------|

Reason for changes in specific reserve in current period:

59. Surplus reserve

Presented in RMB

| Item | As at 31 Dec 2021 | Additions during the year | Reductions during the year | As at 30 June 2022 |
|---------------------------|-------------------|---------------------------|----------------------------|--------------------|
| Statutory surplus reserve | 241,144,854.93 | | | 241,144,854.93 |
| Total | 241,144,854.93 | | | 241,144,854.93 |

Note:

60. Retained earnings

Presented in RMB

| Item | Year ended 30 June 2022 | Year ended 30 June 2021 |
|--|-------------------------|-------------------------|
| Before adjustment: Retained earnings at the end of the previous period | 1,671,121,562.98 | 1,560,720,254.31 |
| After adjustment: Retained earnings at the beginning of the reporting period | 1,671,121,562.98 | 1,560,720,254.31 |
| Plus: Net profits for the year attributable to shareholders of the Group | 145,128,330.14 | 132,447,122.14 |
| Dividends payable to ordinary shares | 89,026,080.00 | 88,014,420.00 |
| Plus: Disposal of other equity instrument investments | 11,449,773.26 | |
| Retained earnings at the end of the reporting period | 1,738,673,586.38 | 1,605,152,956.45 |

Adjustments on beginning retained earnings are as follows:

- 1). Retrospective adjustments of RMB 0.00 made on beginning retained earnings in accordance with CAS and related new regulations.
- 2). RMB 0.00 on beginning retained earnings due to changes in accounting policies.
- 3). RMB 0.00 on beginning retained earnings due to corrections of significant accounting errors.
- 4). RMB 0.00 on beginning retained earnings due to changes in consolidation scope resulting from business combinations involving entities under common control.
- 5). RMB 0.00 on beginning retained earnings due to other adjustments.

61. Operation Income and Costs

Presented in RMB

| Item | Year ended 30 June 2022 | | Year ended 30 June 2021 | |
|----------------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | Income | costs | Income | costs |
| Principal activities | 364,450,882.21 | 238,944,330.95 | 689,047,393.48 | 330,844,214.47 |
| Other operating activities | 1,733,616.69 | 940,941.77 | 5,550,824.99 | 1,131,464.08 |
| Total | 366,184,498.90 | 239,885,272.72 | 694,598,218.47 | 331,975,678.55 |

Income related information:

Presented in RMB

| Contract type | Segment 1 | Segment 2 | | Total |
|--------------------------------|-----------|-----------|--|-------|
| Product Types | | | | |
| including: | | | | |
| By business area | | | | |
| including: | | | | |
| Market or customer type | | | | |
| including: | | | | |
| Type of contract | | | | |
| including: | | | | |
| Sort by time of goods transfer | | | | |
| including: | | | | |
| Sort by contract term | | | | |
| including: | | | | |
| By sales channel | | | | |
| including: | | | | |
| Total | | | | |

Information related to performance obligations:

There are four criteria need to be satisfied when the group recognizing the revenue from property sales: (1) the sale contract has been signed and filed with the land department; (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.

Information related to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have been signed but not yet performed or not yet completed is RMB 465,523,537.18 yuan, Among them, RMB 184,756,994.12 yuan is expected to be recognized as revenue in 2022, RMB 167,384,668.36 is expected

to be recognized as revenue in the year 2023, and RMB 79,140,635.64 yuan is expected to be recognized as revenue in the year 2024 and subsequent years.

Note: The company complies with the disclosure requirements of "Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 3-Listed Companies Engaged in Real Estate Business"

Information of the top five projects that the revenue recognized during the reporting period:

Presented in RMB

| No. | Project | Income amount |
|-----|---------------------------|----------------|
| 1 | ChuanQi DongHu Building | 146,364,854.28 |
| 2 | TianYue Bay No.2 | 42,965,973.25 |
| 3 | TianYue Bay No.1 | 38,220,407.83 |
| 4 | YueJing dongfang Project | 858,036.19 |
| 5 | Shengfang CuiLin Building | 0 |

62. Taxes and surcharges

Presented in RMB

| Item | Current amount | Amount of previous period |
|--|----------------|---------------------------|
| Urban maintenance and construction tax | 1,170,922.86 | 2,116,459.71 |
| Education surcharge | 502,679.96 | 939,297.22 |
| Property tax | 4,650,644.11 | 4,661,338.71 |
| Land use tax | 322,273.95 | 53,795.62 |
| Vehicle and vessel usage tax | 2,040.00 | 6,030.00 |
| Stamp duty | 229,657.72 | 380,892.76 |
| Land appreciation tax | 49,721,941.06 | 138,238,943.94 |
| Local education surcharge | 337,561.61 | 569,112.63 |
| Embankment protection fees | 43,860.73 | 393,247.80 |
| Total | 56,981,582.00 | 147,359,118.39 |

Note:

63. Selling and distribution expense

Presented in RMB

| Item | Current amount | Amount of previous period |
|------------------------|----------------|---------------------------|
| Employee benefits | 2,722,521.43 | 1,989,941.91 |
| Advertising expenses | 1,366,337.04 | 1,917,769.32 |
| Entertainment expenses | 246,246.42 | 250,432.76 |
| commissions | 3,940,062.31 | 9,360,189.39 |
| Others | 2,450,864.13 | 3,297,266.68 |
| Total | 10,726,031.33 | 16,815,600.06 |

Note:

64. General and administrative expenses

Presented in RMB

| Item | Current amount | Amount of previous period |
|------|----------------|---------------------------|
|------|----------------|---------------------------|

| | | |
|------------------------|----------------------|----------------------|
| Employee benefits | 25,452,857.55 | 30,479,393.18 |
| Depreciation | 1,296,844.73 | 1,394,723.83 |
| Entertainment expenses | 1,181,431.41 | 1,342,134.54 |
| Professional fee | 932,733.24 | 980,491.44 |
| Travel expense | 21,150.06 | 33,943.63 |
| Office expenses | 826,098.42 | 998,969.38 |
| Maintenance expenses | 343,507.92 | 395,206.71 |
| Utilities | 164,773.58 | 278,307.83 |
| Amortization | 194,229.28 | 227,695.45 |
| Others | 2,599,674.33 | 4,168,718.23 |
| Total | 33,013,300.52 | 40,299,584.22 |

Note:

65. Research and development expense

Presented in RMB

| Item | Current amount | Amount of previous period |
|------|----------------|---------------------------|
|------|----------------|---------------------------|

Note:

66. Financial expense

Presented in RMB

| Item | Current amount | Amount of previous period |
|---|----------------------|---------------------------|
| Interest expense | 89,286.77 | |
| Less: Interest income | 2,903,815.84 | 16,398,025.57 |
| Less: capitalized interest | 89,286.77 | |
| Exchange losses/-gains | -811,005.72 | -201,900.59 |
| Less: Exchange losses and gains capitalized | | |
| Others | 113,267.24 | 185,438.57 |
| Total | -3,601,554.32 | -16,414,487.59 |

Note:

67. Other Income

Presented in RMB

| Item (Source of other income) | Current amount | Amount of previous period |
|-------------------------------|-------------------|---------------------------|
| VAT relief | 236,488.67 | 633,733.52 |
| Training allowance | 33,625.00 | 0.00 |
| Public health subsidy | 0.00 | 10,000.00 |
| Employment Support Subsidy | 10,000.00 | 0.00 |
| Stable Job Subsidy | 123,118.76 | 0.00 |
| Total | 403,232.43 | 643,733.52 |

68. Investment Income

Presented in RMB

| Item | Current amount | Amount of previous period |
|--|-----------------------|---------------------------|
| Disposal of held-for-trading financial assets | 159,619.01 | |
| Dividend income from other equity instrument investments during the holding period | 813,960.00 | |
| Debt Restructuring Proceeds | 2,489,520.46 | |
| Disposal of subsidiaries | 163,352,077.77 | |
| Total | 166,815,177.24 | |

Note:

69. Net exposure hedging income

Presented in RMB

| Item | Current amount | Amount of previous period |
|------|----------------|---------------------------|
|------|----------------|---------------------------|

70. Income from changes in fair value

Presented in RMB

| The source of the fair value change income | Current amount | Amount of previous period |
|--|---------------------|---------------------------|
| Trading financial assets | 4,963,730.62 | 2,329,484.00 |
| Total | 4,963,730.62 | 2,329,484.00 |

Note:

The group purchased monetary fund at 13 billion yuan in early June 2021 and one month income is 4,963,730.62 yuan.

71. Credit impairment loss

Presented in RMB

| Item | Current amount | Amount of previous period |
|---|-------------------|---------------------------|
| Bad debt losses on other receivables | -18,503.49 | 1,142,580.28 |
| Reversal of impairment of accounts receivable | 149,819.69 | |
| Total | 131,316.20 | 1,142,580.28 |

Other note:

72. Impairment loss of assets

Presented in RMB

| Item | Current amount | Amount of previous period |
|------|----------------|---------------------------|
|------|----------------|---------------------------|

Other note:

73. Income from asset disposal

Presented in RMB

| Source of asset disposal | Current amount | Amount of previous period |
|--------------------------|----------------|---------------------------|
|--------------------------|----------------|---------------------------|

74. Non-operating income

Presented in RMB

| Item | Current amount | Amount of previous period | Amount booked into current non-recurring profits and losses |
|------------------------|-------------------|---------------------------|---|
| Penalty/Default Income | 550,000.00 | 1,352,709.50 | 550,000.00 |
| Others | 2,207.24 | 18,048.38 | 2,207.24 |
| Total | 552,207.24 | 1,370,757.88 | 552,207.24 |

Government subsidy counted to the current profit and loss:

Presented in RMB

| Item | Issuer | Reason for issue | Subsidy nature | Does the subsidy affect the profit and loss of the year | Whether special subsidy | Current amount | Amount of previous period | Relating to assets or earnings |
|------|--------|------------------|----------------|---|-------------------------|----------------|---------------------------|--------------------------------|
|------|--------|------------------|----------------|---|-------------------------|----------------|---------------------------|--------------------------------|

Other note:

75. Non-operating expenses

Presented in RMB

| Item | Current amount | Amount of previous period | Amount counted to the current non-operating gain and loss |
|------------------------------------|------------------|---------------------------|---|
| Non-monetary asset exchange losses | 1,892.06 | | 1,892.06 |
| Donations provided | 43,357.00 | | 43,357.00 |
| Others | 50.00 | 25,246.47 | 50.00 |
| Total | 45,299.06 | 25,246.47 | 45,299.06 |

Note:

76. Income to expense

(1) Details of income tax expenses

Presented in RMB

| Item | Current amount | Amount of previous period |
|----------------------------------|----------------------|---------------------------|
| Current tax expense for the year | 59,036,968.69 | 47,841,099.11 |
| Total | 59,036,968.69 | 47,841,099.11 |

(2) Reconciliation between income tax expenses and accounting profit is as follows:

Presented in RMB

| Item | Current amount |
|---|----------------|
| Profits/losses before tax | 201,997,231.32 |
| Expected income tax expenses at applicable tax rate | 50,499,307.83 |
| Effect of non-deductible costs, expenses and losses | 8,537,660.90 |
| Income tax expenses | 59,036,968.69 |

Note:

77. Other comprehensive income

Refer to Note VII. 57 for details.

78. Cash Flow Statement**(1) Proceeds from operating activities**

Presented in RMB

| Item | Current amount | Amount of previous period |
|---|----------------------|---------------------------|
| Interest income | 2,805,382.05 | 16,145,175.19 |
| Deposits and security deposits | 244,977.70 | 4,840,752.27 |
| Maintenance Fund | 46,833.81 | 48,921.12 |
| Collecting fee for certifications on behalf | 680,720.00 | 196,503.48 |
| Others | 70,573,645.41 | 226,919,277.33 |
| Total | 74,351,558.97 | 248,150,629.39 |

Note:

(2) Payment for other operating activities

Presented in RMB

| Item | Current amount | Amount of previous period |
|---|-----------------------|---------------------------|
| Payment for general and administrative expenses | 3,613,201.28 | 5,877,859.14 |
| Payment for selling and distribution expenses | 2,931,332.85 | 12,305,839.37 |
| Deposits and security deposits | 472,001.70 | 3,809,037.95 |
| Paying fee for certifications on behalf | 17,696.81 | 46,643.34 |
| Others | 181,834,327.89 | 324,877,972.54 |
| Total | 188,868,560.53 | 346,917,352.34 |

Note:

(3) Proceeds from other investing activities

Presented in RMB

| Item | Current amount | Amount of previous period |
|-----------------------------------|-----------------------|---------------------------|
| Cash recovered from Monetary Fund | 115,000,000.00 | |
| Total | 115,000,000.00 | |

Note:

(4) Payment for other investing activities

Presented in RMB

| Item | Current amount | Amount of previous period |
|--------------------------|----------------|---------------------------|
| Purchasing monetary fund | | 1,300,000,000.00 |
| Total | | 1,300,000,000.00 |

Note:

(5) Proceeds from other financing activities

Presented in RMB

| Item | Current amount | Amount of previous period |
|--------------------------------------|----------------|---------------------------|
| Borrowing from minority shareholders | | 331,178,702.21 |
| Total | | 331,178,702.21 |

Note:

(6) Payment for other financing activities**79. Supplementary information of the cash flow statement****(1) supplementary information of the cash flow statement**

Presented in RMB

| Supplementary information | Current amount | Amount of previous period |
|--|----------------|---------------------------|
| 1. Adjust net profit to cash flow from operating activities: | | |
| Net profit | 142,960,262.63 | 132,182,934.94 |
| Add: Provisions for impairment of assets | | |
| credit impairment loss | 131,316.20 | 1,142,580.28 |
| Depreciation of Fixed Assets, Depreciation of Investment Real Estate, Depreciation of Oil and Gas Assets, Depreciation of Productive Biological Assets | 1,362,127.04 | 1,894,530.05 |
| Depreciation of investment | 12,725,918.76 | 11,663,350.76 |

| | | |
|--|-----------------|------------------|
| property | | |
| Depreciation of Right-of-use Assets | 66,427.63 | |
| Amortization of intangible assets | | |
| Amortization of long-term deferred expenses | 183,931.86 | 59,919.67 |
| Loss on disposal of fixed assets, intangible assets and other long-term assets (marked with "-" for gains) | | -10,871.50 |
| Loss on the scrapping of fixed assets (marked with "-" for income) | 1,892.06 | 1,598.00 |
| Loss from changes in fair value (marked with "-" for earnings) | -4,963,730.62 | -2,329,484.00 |
| Financial expenses (revenue marked with "-") | -811,005.72 | -2,274,549.67 |
| Loss on investment (marked with "-" for income) | -166,815,177.24 | |
| Deferred tax assets decreased (marked with "-" for increase) | 12,024,737.52 | 8,457,756.18 |
| Deferred tax liability increased (marked with "-" for decrease) | -2,984,434.17 | |
| Decrease in stock (marked with "-" for increase) | -35,445,828.25 | -799,115,376.98 |
| Decrease of operating receivable items (marked with "-" for increase) | -53,847,916.31 | 200,437,421.26 |
| Increase in operational payable items (marked with "-" for decrease) | -452,703,664.73 | 162,251,243.69 |
| Other | | 98,195.86 |
| Net cash flow from operating activities | -548,115,143.34 | -285,540,751.46 |
| 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 | 319,956,294.72 | 876,192,880.75 |
| Minus: Opening balance of cash | 612,293,635.15 | 2,669,103,926.82 |
| Plus: Ending balance of cash equivalents | | |

| | | |
|--|-----------------|-------------------|
| Minus: Beginning balance of cash equivalents | | |
| Net increase in cash and cash equivalents | -292,337,340.43 | -1,792,911,046.07 |

(2) The net cash of the subsidiary paid in the current period**(3) Net cash received for disposal of subsidiaries during the current period**

Presented in RMB

| | Amount |
|--|----------------|
| Cash and cash equivalents received from disposal of subsidiaries during current period | 177,009,030.00 |
| Including: | |
| Minus: Cash and cash equivalents held by the company on the date of loss of control | 55,358,474.26 |
| Including: | |
| Including: | |
| Net cash received from disposal of subsidiaries | 121,650,555.74 |

Note:

(4) Composition of cash and cash equivalents

Presented in RMB

| Item | Ending balance | Opening balance |
|--|----------------|-----------------|
| Cash at bank and on hand | 319,956,294.72 | 612,293,635.15 |
| Including: Cash on hand | 9,262.03 | 12,082.00 |
| Bank deposits available on demand | 262,947,032.69 | 372,181,553.15 |
| Other monetary funds available on demand | 57,000,000.00 | 240,100,000.00 |
| Cash and cash equivalents at the end of the year | 319,956,294.72 | 612,293,635.15 |

Note: Bank deposits available on demand at the beginning of the year include monetary funds of RMB 64,521,214.48 classified as assets held for sale.

80. Notes for items in the statement of changes in shareholders' equity**81. Assets whose ownership or use rights are restricted**

Presented in RMB

| Item | Ending book value | Limited reason |
|--------------------------|-------------------|---|
| Cash at bank and on hand | 5,674,439.78 | Shenzhen Longgang District Urban Renewal Project and Surrounding Public Facilities Project-Construction Funds |
| Inventories | 965,000,000.00 | Land mortgage of project development loan |

| | | |
|---------------------|------------------|------------------------|
| Accounts receivable | 56,831,235.17 | Short-term loan pledge |
| Total | 1,027,505,674.95 | |

Note:

82. Foreign currency monetary items

(1) Foreign currency monetary items

Presented in RMB

| Item | Ending Foreign Currency Balance | Discount rate | Balance converted into RMB at the end |
|---------------------|---------------------------------|---------------|---------------------------------------|
| Monetary fund | | | |
| Including:US dollar | 1,136.01 | 6.6850 | 7,594.23 |
| The euro | | | |
| Hong Kong dollars | 6,667,312.14 | 0.8517 | 5,678,283.05 |
| Accounts receivable | | | |
| Including:US dollar | | | |
| The euro | | | |
| Hong Kong dollars | 4,905,150.10 | 0.8517 | 4,177,520.13 |
| Long-term borrowing | | | |
| Including:US dollar | | | |
| The euro | | | |
| Hong Kong dollars | | | |
| Other receivables | | | |
| Including:US dollar | | | |
| Hong Kong dollars | 20,165,086.70 | 0.8517 | 17,173,797.72 |
| Other payables | | | |
| Including:US dollar | 655,299.33 | 6.6850 | 4,380,677.84 |
| Hong Kong dollars | | | |

Note: The company's important overseas business entities are Great Wall Real Estate Co., Ltd. and Xinfeng Enterprise Co., Ltd. Since Great Wall Real Estate Co., Ltd. is mainly operating in the United States, it chooses the US dollar as the functional currency; Xinfeng Enterprise Co., Ltd. is an investment company, the main business activities of its investment entities are all in mainland China, and the RMB is used as the standard currency for bookkeeping, so it chooses RMB as the standard currency for bookkeeping.

(2) Note to overseas operating entities, including important overseas operating entities, which should be disclosed about its principal business place, function currency for bookkeeping and basis for the choice. In case of any change in function currency, the cause should be disclosed.

Applicable Not Applicable

83. Hedging

The qualitative and quantitative information of the hedge item, the related hedge instrument and the hedged risk shall be disclosed according to the hedge Types.

84. Government subsidies

(1) **Basic information of government subsidies**

(2) **Refunding of the government subsidies**

Applicable Not Applicable

85. Other**VIII. Change of consolidation scope****1. Business combinations involving enterprises not under common control**

(1) **Business combinations involving enterprises not under common control occurred during the year**

(2) **Acquisition cost and goodwill**

(3) **Identifiable assets and liabilities of the acquiree at the acquisition date**

(4) **Gain or loss from remeasurement of equity interests held prior to acquisition date to fair value**

Whether there are multiple transactions to achieve the business merger step by step and gain control during the reporting period

Yes No

(5) **If it is impossible to reasonably determine the merger consideration or the fair value of the assets and liabilities recognized by the purchaser on the purchase date or at the end of the current period, the Group shall disclose the fact and reasons.**

(6) **Other Note**

2. Business combinations involving enterprises under common control(1) **Business combinations involving enterprises under common control during the period**(2) **Combination cost**(3) **Book value of merged party's assets and liabilities in combination date****3. Reverse buying****4. Disposal of subsidiaries**

Whether subsidiaries reduced due to single disposal until loss of control

√ Yes No

Presented in RMB

| Name of the Subsidiary | Equity disposal price | Equity disposal proportion | Equity disposal method | Point of loss control | Basis for the point of loss of control | The difference between the disposal price and the share of the subsidiary's net assets at the consolidated financial statement corresponding to the disposal investment | Proportion of remaining equity at the date of loss of control | Book value of remaining equity on the date of loss of control | Fair value of remaining equity at the date of loss of control | Gain or loss from remeasurement of remaining equity at fair value | Method and main assumptions of fair value of remaining equity on the date of loss of control | Amount of other comprehensive income related to the original subsidiary's equity investment transferred into investment profit or loss |
|--|-----------------------|----------------------------|------------------------|-----------------------|---|---|---|---|---|---|--|--|
| Shenzhen City Property Management Ltd. | 196,676,700.00 | 100.00% | Transfer agreement | February 11, 2022 | Complete the Industrial and commercial registration | 163,352,077.77 | | | | | | |

| | | | | | | | | | | | | | |
|--|--|--|--|--|---------------------|--|--|--|--|--|--|--|--|
| | | | | | n of chan ges | | | | | | | | |
|--|--|--|--|--|---------------------|--|--|--|--|--|--|--|--|

Note: As of the end of the reporting period, the audit of the operating results of the disposed subsidiary related to the above equity transfer during the transition period has not been completed, but it is not expected to have a significant impact on the investment income generated by the disposal of the subsidiary.

Whether exist multiple transactions to dispose of the equity step by step to the loss of control and the reduction of the subsidiary

Yes No

5. Other reason for change of consolidation scope

6. Other

IX. Interest in other entities

1. Interests in subsidiaries

(1) Composition of the Group

| Name of the Subsidiary | 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 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 | Shenzhen | Shenzhen | Mechanical & | 95.00% | 5.00% | Acquiring |

| | | | | | | |
|--|-----------|-----------|--------------------------------|---------|--------|---|
| Industry and Trading Co., Ltd. | | | Electrical device installation | | | 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 |
| 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 | 75.00% | 25.00% | Acquiring through establishment or investment |
| Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. | Huizhou | Huizhou | Real estate | 51.00% | | Acquiring through establishment or investment |
| Shenzhen Shenfang Chuanqi Real Estate Development Co., Ltd. | Shenzhen | Shenzhen | Real estate | 100.00% | | Acquiring through establishment or investment |

Note to shareholding ratio is different from the voting ratio in subsidiaries:

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

The basis for controlling significant structured entities in the scope of merger:

The basis for determining whether a company is an agent or a principal:

Other 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 of the Subsidiary | Principal place of business | Place of registration | Business nature | Shareholding proportion | | 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 |
| Jiangmen Xinjiang Real Estate Co., Ltd | Jiangmen Guangdong | Jiangmen Guangdong | Real estate | -- | 90.91 | 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 | Electromechanical 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 wound 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" (Shenfeng [1997] No.19), all businesses from 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

Presented in RMB

| Name of the Subsidiary | 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 2022.6.30 |
|---|--|---|---|--|
| Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. | 49.00% | -2,016,517.73 | | 426,682,372.87 |
| Great Wall Estate Co., Inc | 30.00% | -151,549.78 | | -20,892,599.12 |
| Fresh Peak Investment Ltd | 45.00% | | | -116,180,387.59 |

| | | | | |
|------------------|--------|--|--|---------------|
| Barenie Co. Ltd. | 20.00% | | | -3,889,709.36 |
|------------------|--------|--|--|---------------|

Note to shareholding ratio of minority shareholder is different from the voting ratio:

Other note:

(3) Key financial information about material non-wholly owned subsidiaries

Presented in RMB

| Name | As at 30 June 2022 | | | | | | As at 1 January 2022 | | | | | |
|---|--------------------|--------------------|------------------|---------------------|-------------------------|-------------------|----------------------|--------------------|------------------|---------------------|-------------------------|-------------------|
| | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities |
| Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. | 1,276,589,293.76 | 3,640,520.63 | 1,280,229,814.39 | 1,291,766,677.69 | 90,440.36 | 1,291,857,118.05 | 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 |
| Great Wall Estate Co., Inc | 7,303.30 | 18,470,334.12 | 18,477,637.42 | 103,913,816.77 | 0.00 | 103,913,816.77 | 585,669.06 | 17,615,753.07 | 18,201,422.13 | 99,105,956.86 | | 99,105,956.86 |
| Fresh Peak Investment Ltd | 4,748.07 | 36,016.90 | 40,764.97 | 258,219,487.07 | | 258,219,487.07 | 4,748.07 | 36,016.90 | 40,764.97 | 258,219,487.07 | | 258,219,487.07 |
| Barenie Co. Ltd. | 957.41 | | 957.41 | 32,908,874.92 | | 32,908,874.92 | 957.41 | | 957.41 | 32,908,874.92 | | 32,908,874.92 |

Presented in RMB

| Name of the Subsidiary | Current amount | | | | Amount of previous period | | | |
|------------------------|------------------|------------|----------------------------|---------------------------|---------------------------|------------|----------------------------|---------------------------|
| | Operating income | Net profit | Total comprehensive income | Cash flows from operating | Operating income | Net profit | Total comprehensive income | Cash flows from operating |

| | | | me | activities | | | | activities |
|---|------------|--------------|-------------------|---------------------|------------|-----------------|-----------------|---------------------|
| Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. | 0.00 | 4,115,342.31 | - 4,115,342.31 | - 110,177,413.44 | | - 880,621.51 | - 880,621.51 | - 666,756,866.68 |
| Great Wall Estate Co., Inc | 260,141.10 | -505,165.93 | - 4,531,644.62 | - 495,723.39 | 260,141.10 | - 127,844.80 | - 127,844.80 | - 128,668.43 |
| Fresh Peak Investment Ltd | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,153.52 | -3,153.52 | 0.00 |
| Barenie Co. Ltd. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 238.11 | 238.11 | 0.00 |

Note:

- (4) Material restriction on the use of the Group's assets and the settlement of the Group's liabilities
- (5) Financial support or other support provided to structured entities included in the scope of the consolidated financial statements

2. Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control

- (1) Changes in the Group's interests in subsidiaries:
- (2) Impact from transactions with non-controlling interests and equity attributable to the shareholders of the Group:

3. Interests in joint ventures or associates

- (1) Material joint ventures or associates
- (2) Key financial information of material joint ventures:
- (3) Key financial information of material associates:
- (4) Summarized financial information of immaterial joint ventures and associates:

Presented in RMB

| | Ending balance/amount incurred in the reporting period | Opening balance/amount incurred in the reporting period |
|-----------------------------------|--|---|
| Joint ventures: | | |
| The total number of the following | | |

| | | |
|---|------------|------------|
| items based on shareholding ratio | | |
| Associates: | | |
| Aggregate book value of investments | 272,168.28 | 377,489.65 |
| The total number of the following items based on shareholding ratio | | |

Note:

(5) Material restrictions on transfers of funds from investees to the Group

(6) Excess loss from joint ventures or associates

Presented in RMB

| Investee | Accumulated unrecognized loss in prior periods | Unrecognized loss (or share of net profit) for the year | Accumulated unrecognized loss as at 2022.6.30 |
|--|--|---|---|
| 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 3,000,000 yuan. The group subscribed RMB 600,000 (20% in total capital). As at 30 June 2022, the group contributed RMB 600,000 and already confirmed long-term equity invest lose RMB 600,000.

(7) Unrecognized commitments in connection with its investment in joint ventures

(8) Contingent liabilities in connection with its investment in joint ventures or associates

4. Material joint operations

5. Interests and interests in structured entities not included in the scope of consolidated financial statements

Note to structured entities not included in the scope of consolidated financial statements:

6. Other

X. Risk Management of Financial Instruments

The Group's main financial instruments include the monetary funds, notes receivable, other receivables, 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 44.00% of the Group's total accounts receivable (in 2021: 56.87%); Among other receivables of the Group, other receivables from the top five companies in arrears amount to 58.94% (in 2021: 63.70%) 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 30 June 2022, the Group's unutilized bank loan amount is RMB 500 million (31 December 2021: RMB 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: RMB 10,000) :

| Item | 2022.6.30 | | | |
|---|-------------------|--------------------------|----------------------|-------------------|
| | Within one year | Within one to five years | More than five years | Total |
| Financial liabilities: | | | | |
| Short-term loans | 5,683.12 | | | 5,683.12 |
| Notes payable | 23,581.87 | | | 23,581.87 |
| Accounts payable | 11,630.44 | | | 11,630.44 |
| Interest payables | 1,653.53 | | | 1,653.53 |
| Other payables | 54,221.08 | | | 54,221.08 |
| Guarantees for client | 36,201.90 | | | 36,201.90 |
| Total financial liabilities and contingent liabilities | 132,971.94 | | | 132,971.94 |

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: RMB 10,000) :

| Item | 2021.12.31 | | | |
|---|------------------|--------------------------|----------------------|-------------------|
| | Within one year | Within one to five years | More than five years | Total |
| 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 |
| Held-for-sale liabilities | 5,791.56 | 783.69 | -- | 6,575.25 |
| Guarantees for client | 39,237.82 | -- | -- | 39,237.82 |
| Total financial liabilities and contingent liabilities | 147093.53 | 783.69 | - | 147,877.22 |

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 30 June 2022, the Group's liability to asset ratio was 24.02% (31 December 2021: 31.62%).

XI. Fair Value

1. Items and amounts measured at fair value at the end of reporting period

Presented in RMB

| Item | As at 30 June 2022 | | | |
|--|---|--|---|----------------|
| | 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 | -- | -- | -- | -- |
| Monetary Fund | 404,148,060.54 | | | 404,148,060.54 |
| Investments in other equity instrument | | | 19,777,460.65 | 19,777,460.65 |
| Total assets measured at fair value on a recurring basis | 404,148,060.54 | | 19,777,460.65 | 423,925,521.19 |
| II. Non-recurring fair value measurements | -- | -- | -- | -- |

2. Basis for determining the market price of the items measured based on the continuous and non - continuous first level fair value

Unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities.

3. Items measured based on the continuous or uncontinuous 2nd level fair value, valuation technique as used, nature of important parameters and quantitative information

4. Items measured based on the continuous or uncontinuous 3rd level fair value, valuation technique as used, nature of important parameters and quantitative information

| Item | Ending fair value | Valuation techniques | The input value cannot be observed | Range (weighted mean) |
|-------------------------------|-------------------|----------------------|--|------------------------|
| Equity instrument investment | | | | |
| Non-listed equity investments | 19,777,460.65 | Net asset method | Net assets in the book Liquidity discount | N/A |

5. Items measured based on the continuous 3rd level fair value, sensitivity analysis on adjusted information and unobservable parameters between the book value at beginning and end of the period

6. In case items measured based on fair value are converted between different levels incurred in the current period, state the cause of conversion and determine conversion time point

7. Change of valuation technique incurred in the current period and cause of such change

8. the carrying value of other financial assets and financial liabilities which are not measured at fair value varies

9. Other

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 payables, 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.

XII. Related parties and related party transactions

1. Information about the parent of the Group

| Name | Registration | Business nature | Registered | Shareholding | Percentage of |
|------|--------------|-----------------|------------|--------------|---------------|
|------|--------------|-----------------|------------|--------------|---------------|

| | place | | capital | percentage % | voting rights % |
|--|------------------------------|--|--------------|--------------|-----------------|
| Shenzhen Investment Holdings Co., Ltd. | Shenzhen, Guangdong province | Investment, real estate development, guarantee | 2,800,900.00 | 57.19% | 57.19% |

Note:the ultimate controlling party of the Group is State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government.

2. Information about the subsidiaries of the Group

For information about the subsidiaries of the Group, refer to Note IX "interests in subsidiaries".

3. Information about joint ventures and associates of the Group

For information about the joint ventures and associates of the Company, refer to Note IX. 3 "Summarized financial information of immaterial joint ventures and associates"

Joint ventures and associates that have related party transactions with the Group during this year or the previous year are as follows:

| Name of joint ventures or associates | Relationship with the Group |
|--------------------------------------|-----------------------------|
|--------------------------------------|-----------------------------|

4. Information on other related parties

| Name | Related party relationship |
|---|---|
| Shenzhen Water Planning & Design Institute Co., Ltd. | Same controlling shareholders |
| Shenzhen General Institute of Architectural Design and Research Co., Ltd. | Same controlling shareholders |
| Guoren Property and Casualty Insurance Co., Ltd. | Same controlling shareholders |
| Shenzhen Property Management Co., Ltd. | Same controlling shareholders |
| 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. | Shareholders of Shenzhen Jian 'an Group Co., Ltd. |

| | |
|---|--------------------------|
| | |
| Directors, Supervisors, CFO and Board secretary | Key management personnel |

Note: Since February 11, 2022, the Group will lose control over Shenzhen Property Management Co., Ltd. due to the disposal of all the equity of the subsidiary. The Group and Shenzhen Property Management Co., Ltd. are still under the control of the parent company, and will be listed as related parties from February 11, 2022.

5. Transactions with related parties

(1) Purchases/sales

Purchase of goods/receiving of services

Presented in RMB

| Related party | Nature of transaction | Year ended 2022.6.30 | Approved transaction limit | Whether it exceeds the transaction limit | Year ended 2021.6.30 |
|---|--|-------------------------|----------------------------------|--|----------------------------|
| Shenzhen Water Planning & Design Institute Co., Ltd. | Design of foundation ditch for Shenfeng Guangmingli project, etc. | 554,056.60 | | No | |
| Shenzhen General Institute of Architectural Design and Research Co., Ltd. | Design of Construction Engineering of Shenfeng Guangmingli Project | 763,773.58 | | No | |
| Guoren Property and Casualty Insurance Co., Ltd. | Insurance Service | 4,134.00 | | No | |
| Shenzhen Property Management Co., Ltd. | Property Service | 100,579.23 | | No | |

Sales of goods/rendering of services

Presented in RMB

| Related party | Nature of transaction | Year ended 2022.6.30 | Year ended 2021.6.30 |
|--|-----------------------|----------------------|----------------------|
| Guoren Property and Casualty Insurance Co., Ltd. | Rental Service | 421,519.98 | |
| Shenzhen Property Management Co., Ltd. | Rental Service | 724,518.75 | 42,160.81 |
| Shenzhen Ronghua JiDian Co., Ltd | Rental Service | | 42,160.81 |

Note:

(2) Trust/contracting arrangement

Asset management/contracting undertaken by the Group on behalf of related parties

Presented in RMB

| Name of related party | Name of trustee/sub-contractor | Type of assets entrusted/co | Inception date of trust/contracti | Maturity date of trust/contract | Trust/contracting | Trust/contracting revenue |
|-----------------------|--------------------------------|-----------------------------|-----------------------------------|---------------------------------|-------------------|---------------------------|
|-----------------------|--------------------------------|-----------------------------|-----------------------------------|---------------------------------|-------------------|---------------------------|

| | | | | | | |
|--|--|------------|-----|-----|---------|--------------------|
| | | Contracted | ing | ing | revenue | recognized in 2022 |
|--|--|------------|-----|-----|---------|--------------------|

Asset management / contracting undertaken by related parties on behalf of the Group

Presented in RMB

| Name of trustor/maior contractor | Name of related party | Type of assets entrusted/contracted | Inception date of trust/contracting | Maturity date of trust/contracting | Trust/contracting revenue | Trust/contracting revenue recognized in 2022 |
|----------------------------------|-----------------------|-------------------------------------|-------------------------------------|------------------------------------|---------------------------|--|
|----------------------------------|-----------------------|-------------------------------------|-------------------------------------|------------------------------------|---------------------------|--|

(3) Leases

As the lessor

Presented in RMB

| Lessee | Type of assets leased | Lease income recognized in 2022 | Lease income recognized in 2021 |
|--|-----------------------|---------------------------------|---------------------------------|
| Shenzhen Property Management Co., Ltd. | Building | 724,518.75 | |
| Guoren Property and Casualty Insurance Co., Ltd. | Building | 421,519.98 | |

As the lessee

Presented in RMB

| Lessor | Type of assets leased | Rental costs for simplified short-term leases and low value asset leases (if applicable) | | Variable lease payments not included in the measurement of lease liabilities (if applicable) | | Rent paid | | Interest expense on lease liability | | Increased right-of-use assets | |
|--------|-----------------------|--|---------------------------|--|---------------------------|----------------|---------------------------|-------------------------------------|---------------------------|-------------------------------|---------------------------|
| | | Current amount | Amount of previous period | Current amount | Amount of previous period | Current amount | Amount of previous period | Current amount | Amount of previous period | Current amount | Amount of previous period |

Note:

(4) Guarantee

As the guarantor

Presented in RMB

| Guarantee holder | Amount of | Inception date | Maturity date of | Guarantee expired |
|------------------|-----------|----------------|------------------|-------------------|
|------------------|-----------|----------------|------------------|-------------------|

| | | | | |
|--|-----------|--------------|------------|-------|
| | guarantee | of guarantee | guaran tee | (Y/N) |
|--|-----------|--------------|------------|-------|

As the guarantee holder

Presented in RMB

| Guarantor | Amount of guarantee | Inception date of guarantee | Maturity date of guaran tee | Guarantee expired (Y/N) |
|-----------|---------------------|-----------------------------|-----------------------------|-------------------------|
|-----------|---------------------|-----------------------------|-----------------------------|-------------------------|

(5) Funding from related party

Presented in RMB

| Related party | Amount of funding | Inception date | Maturity date | Note |
|----------------|-------------------|----------------|---------------|------|
| Funds received | | | | |
| Funds provided | | | | |

(6) Transfer of assets and debt restructuring

Presented in RMB

| Related party | Nature of transaction | Year ended 2022.6.30 | Year ended 2021.6.30 |
|---------------|-----------------------|----------------------|----------------------|
|---------------|-----------------------|----------------------|----------------------|

(7) Remuneration of key management personnel

Presented in RMB

| Item | Year ended 2022.6.30 | Year ended 2021.6.30 |
|--|----------------------|----------------------|
| Remuneration of key management personnel | 2,902,600.00 | 3,399,100.00 |

(8) Other related party transactions

6. Receivables from and payables to related parties

(1) Receivables from related parties

Presented in RMB

| Item | Related party | As at 30 June 2022 | | As at 1 January 2022 | |
|---------------------|--|--------------------|--------------------------------------|----------------------|--------------------------------------|
| | | 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 | 1,118,383.88 | 1,118,383.88 |
| Other receivables | Guangdong Province Huizhou Luofu | 10,465,168.81 | 10,465,168.81 | 10,465,168.81 | 10,465,168.81 |

| | | | | | |
|-------------------|---|---------------|---------------|---------------|---------------|
| | Hill Mineral Water Co., Ltd | | | | |
| 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 | Bekaton Property Limited | 12,559,290.58 | 12,559,290.58 | 12,559,290.58 | 12,559,290.58 |
| Other receivables | Paklid Limited | 18,689,545.58 | 18,870,785.54 | 18,689,545.58 | 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 | 475,223.46 |
| 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 | Shenxi Limited | 7,660,529.37 | 7,660,529.37 | 7,660,529.37 | 7,660,529.37 |
| Other receivables | Shenzhen Nanyang Hotel Co., Ltd. | 3,168,721.00 | 3,168,721.00 | 3,168,721.00 | 3,168,721.00 |

(2) Payables to related parties

Presented in RMB

| Item | Related party | As at 30 Jun 2022 | As at 1 January 2022 |
|-------------------|--|-------------------|----------------------|
| Interest payables | Shenzhen Investment Shareholding Co. Ltd | 16,535,277.94 | 16,535,277.94 |
| Other payables | Shenzhen Dongfang New world store Co., Ltd | 902,974.64 | 902,974.64 |
| Other payables | Guangdong Fengkai County Lianfeng 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 | 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 |
| Other payables | Guangzhou Bobi Enterprise Management Consulting Co., Ltd. | 193,016,852.52 | 193,016,852.52 |
| Other payables | Shenzhen Property Management Co., Ltd. | 20,722,314.85 | 0.00 |

7. Related party commitment

8. Other

XIII. Share-based payment

1. The general situation of share-based payment

Applicable Not Applicable

2. Share payment settled in equity

Applicable Not Applicable

3. Cash-settled share payments

Applicable Not Applicable

4. Modification and termination of share-based payment

5. Other

XIV. Commitments and contingencies

1. Significant commitments

As at 30 June 2022, there exist significant commitments.

| Capital commitments entered into but not recognized in the financial statements | 2022.6.30 | 2021.12.31 |
|---|----------------|----------------|
| Material sales or purchases contracts | 475,137,087.80 | 475,137,087.80 |

As of June 30, 2022, the Group had no other commitments that should be disclosed.

For details of contingent liabilities related to investment of joint ventures or associates, refer to "Note IX. Interest in other entities".

2. Contingencies

(1) Significant contingencies existing on the balance sheet date

(1) Contingent liabilities arising from pending litigation and arbitration and their financial impact

| Plaintiff | Defendant | Case | Court of Appeal | Amount involved | 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 | Shanxi Higher People's Court | 36.62 million yuan 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 RMB 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 RMB 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 30 June 2022.

As at 30 June 2022, the book value of the long-term equity investment of Xi'an Fresh Peak Company is RMB 32,840,729.61. The book balance of assets was RMB 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 30 June 2022, the Group provides commercial housing purchaser with guarantees at 36,201.90 ((RMB in ten thousand) 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 | 2,697.86 | |
| ChuanQi DongHu | Until the Premises Permit mortgage registration is finished and in bank | 2,228.92 | |

| | | | |
|---|---|------------------|--|
| Building (Former DongHuDiJing Building) | custody | | |
| TianYue Bay | Until the Premises Permit mortgage registration is finished and in bank custody | 30,898.12 | |
| Lin Xin Building | Until the Premises Permit mortgage registration is finished and in bank custody | 377.00 | |
| Total | | 36,201.90 | |

(3) Other contingencies (Not including contingent liabilities that are highly unlikely to result in an outflow of economic benefits from the business)

For details of contingent liabilities related to investment of joint ventures or associates, refer to Note IX.3.

As at 30 June 2022, there is no other contingency to be disclosed.

(2) It is necessary to explain if the group has no contingencies to be disclosed.

There is no material contingencies to be disclosed.

3. Other

XV. Post balance sheet date events

1. Material post balance sheet date events

2. Profit appropriations after the balance sheet date

3. Sale returns

4. Other events after the balance sheet date

XVI. Other significant items

1. Corrections of errors in prior periods

(1) Retrospective method

Presented in RMB

| Details of corrections of errors | Adjustment procedure | Financial item affected in the comparable period | Cumulative amount |
|----------------------------------|----------------------|--|-------------------|
|----------------------------------|----------------------|--|-------------------|

(2) Prospective method

Presented in RMB

| Details of correction of errors | Approval procedure | Reason for using prospective method |
|---------------------------------|--------------------|-------------------------------------|
|---------------------------------|--------------------|-------------------------------------|

2. Major debt restructuring**3. Replacement of assets****(1) Exchange of non-monetary assets****(2) Other asset replacement****4. Annuity plan****5. Termination of operation****6. Segment reporting****(1) The basis for determining the reporting segments and accounting policy****(2) Financial information of the reporting segments**

(3) In case there is no reporting segment or the total assets and liabilities of the reporting segments cannot be disclosed, explain the reason

(4) Other note**7. Other significant transactions and matters that may affect investors' decision making****8. Other****XVII. Notes for main items in the parent company's financial statements****1. Accounts Receivable****(1) Accounts receivables disclosed by categories**

Presented in RMB

| Item | As at 30 June 2022 | | | As at 1 January 2022 | | |
|------|--------------------|--------------------|------------|----------------------|--------------------|------------|
| | Book balance | Bad debt provision | Book value | Book balance | Bad debt provision | Book value |

| | Amount | Proportion | Amount | Provision proportion | | Amount | Proportion | Amount | Provision proportion | |
|--|---------------------|----------------|---------------------|----------------------|------------------|----------------------|----------------|---------------------|----------------------|---------------------|
| Bad debt provisions made on an individual basis | 9,649,415.20 | 97.51% | 9,649,415.20 | 100.00% | 0.00 | 9,649,415.20 | 49.22% | 9,649,415.20 | 100.00% | 0.00 |
| Including : | | | | | | | | | | |
| Bad debt provisions made on a combination basis | 246,255.24 | 2.49% | 168,065.71 | 68.25% | 78,189.53 | 9,954,456.83 | 50.78% | 246,170.90 | 2.47% | 9,708,285.93 |
| Including : | | | | | | | | | | |
| Accounts receivable from related parties in consolidated scope | 55,957.34 | 0.57% | | | 55,957.34 | 5,031,038.74 | 25.67% | | | 5,031,038.74 |
| Accounts receivable from other customers | 190,297.90 | 1.92% | 168,065.71 | 88.32% | 22,232.19 | 4,923,418.09 | 25.11% | 246,170.90 | 5.00% | 4,677,247.19 |
| Total | 9,895,670.44 | 100.00% | 9,817,480.91 | 99.21% | 78,189.53 | 19,603,872.03 | 100.00% | 9,895,586.10 | 50.48% | 9,708,285.93 |

Bad debt provisions made on an individual basis:

Presented in RMB

| Item | As at 30 June 2022 | | | |
|---|---------------------|---------------------|-------------------------|------------------------------|
| | Book balance | Bad debt provision | Percentage of provision | Reason for accrual |
| long-term accounts receivable from property sales | 9,649,415.20 | 9,649,415.20 | 100.00% | Expected to be uncollectable |
| Total | 9,649,415.20 | 9,649,415.20 | | |

Bad debt provisions made on a combination basis: related parties in consolidation scope:

Presented in RMB

| Item | As at 30 June 2022 |
|------|--------------------|
|------|--------------------|

| | Book balance | Bad debt provision | Percentage of provision |
|---------------|--------------|--------------------|-------------------------|
| Within 1 year | 55,957.34 | | |
| Total | 55,957.34 | | |

Note to the basis for determining the combination:

Bad debt provisions made on a combination basis: receivables from other customers:

Presented in RMB

| Item | As at 30 June 2022 | | |
|---------------|--------------------|--------------------|-------------------------|
| | Book balance | Bad debt provision | Percentage of provision |
| Within 1 year | 190,297.90 | 168,065.71 | 88.32% |
| Total | 190,297.90 | 168,065.71 | |

Note to the basis for determining the combination:

Please refer to the way of disclosing other receivables' bad debt provision to disclose relevant information, if the group choose to use general model of expected credit losses to accrue bad debts of accounts receivable.

Applicable Not Applicable

Disclosed by aging

Presented in RMB

| Aging | As at 30 June 2022 |
|---------------------------------------|--------------------|
| Within 1 year (with 1 year inclusive) | 246,255.24 |
| Above 3 year | 9,649,415.20 |
| Above 5 year | 9,649,415.20 |
| Total | 9,895,670.44 |

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

Provision for the current period:

Presented in RMB

| Types | As at 1 January 2022 | Amount changes in current period | | | | As at 30 June 2022 |
|--------------------|----------------------|----------------------------------|-------------------------|-------------|--------|--------------------|
| | | Provision | Recoveries or reversals | Written-off | Others | |
| Bad debt provision | 9,895,586.10 | | 78,105.19 | | | 9,817,480.91 |
| Total | 9,895,586.10 | | 78,105.19 | | | 9,817,480.91 |

Including: significant recoveries or reversals of bad debt provisions in the current period are as follows:

Presented in RMB

| Name of the entity | Recoveries or reversals amount | Recovery manner |
|--------------------|--------------------------------|-----------------|
|--------------------|--------------------------------|-----------------|

(3) Actual write-off of accounts receivable in the current

Presented in RMB

| Item | Written-off amount |
|------|--------------------|
|------|--------------------|

Including the significant write-offs of accounts receivable are as follows:

Presented in RMB

| Name of the entity | Nature of accounts receivable | Written-off amount | Reason written-off | Approval procedures performed | Accounts receivable arising from related party transactions(Y/N) |
|--------------------|-------------------------------|--------------------|--------------------|-------------------------------|--|
|--------------------|-------------------------------|--------------------|--------------------|-------------------------------|--|

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

Presented in RMB

| Name of the entity | Accounts receivable The ending balance | % of the total closing balance of accounts receivable | Bad debt provision The ending balance |
|-----------------------------|---|---|--|
| Daxing Auto Parts Co., Ltd. | 1,890,563.21 | 19.10% | 1,890,563.21 |
| Weidong Wang | 1,200,000.00 | 12.13% | 1,200,000.00 |
| Guangyao Cai | 876,864.11 | 8.86% | 876,864.11 |
| Peitong Huang | 617,559.26 | 6.24% | 617,559.26 |
| Zhiying Zhang | 593,244.00 | 5.99% | 593,244.00 |
| Total | 5,178,230.58 | 52.32% | |

(5) Accounts receivable terminated due to the transfer of financial assets**(6) Transfer of accounts receivable and continue to involve the amount of assets and liabilities formed****2. Other receivables**

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|-------------------|--------------------|----------------------|
| Other receivables | 1,606,595,768.89 | 1,587,300,891.76 |
| Total | 1,606,595,768.89 | 1,587,300,891.76 |

(1) Interest receivable**1) Classification of interest receivable**

Presented in RMB

| Item | As at 30 June 2022 | As at 1 January 2022 |
|------|--------------------|----------------------|
|------|--------------------|----------------------|

2) Significant overdue interest

Presented in RMB

| Borrowing unit | The ending balance | Overdue time (month) | Overdue reason | Whether impairment occurs and the basis for judgment |
|----------------|--------------------|----------------------|----------------|--|
|----------------|--------------------|----------------------|----------------|--|

3) Bad Debt Provisions
 Applicable Not Applicable
(2) Dividends receivable**1) Dividends receivable classification**

Presented in RMB

| Items (or invested units) | As at 30 June 2022 | As at 1 January 2022 |
|---------------------------|--------------------|----------------------|
|---------------------------|--------------------|----------------------|

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

Presented in RMB

| Items (or invested units) | As at 30 June 2022 | Aging | Reasons for not recovered | Whether impairment occurs and the basis for judgment |
|---------------------------|--------------------|-------|---------------------------|--|
|---------------------------|--------------------|-------|---------------------------|--|

3) Bad Debt Provisions
 Applicable Not Applicable

Other note:

(3) Other receivables**1) Other receivables disclosure by nature**

Presented in RMB

| Item | Book balance as at 30 June 2022 | Book balance as at 1 January 2022 |
|--|---------------------------------|-----------------------------------|
| Other receivables from the collecting and paying on behalf | 201,363.15 | 203,659.15 |
| Other receivables from other customers | 35,426,046.31 | 4,801,159.55 |
| Other receivables from related parties | 137,211,313.52 | 137,211,313.52 |
| Other receivables in consolidated scope | 2,230,859,423.27 | 2,237,602,605.41 |
| Total | 2,403,698,146.25 | 2,379,818,737.63 |

2) Bad Debt Provision

Presented in RMB

| Bad Debt Provision | first stage | Second stage | Third stage | Total |
|--|----------------------------------|---|---|----------------|
| | To 12-month expected credit loss | To 12-month expected credit loss (no credit impairment) | To lifetime expected credit loss (has occurred credit impairment) | |
| Balance as at 1 January 2022 | 39,189.17 | 651,249,966.99 | 141,228,689.71 | 792,517,845.87 |
| Balance as at 1 January 2022 in current period | | | | |
| Other movements | | 4,584,531.49 | | |
| Balance as at 30 June 2022 | 39,189.17 | 655,834,498.48 | 141,228,689.71 | 797,102,377.36 |

Changes in the book balance with significant changes in the loss provision for the current period:

Applicable Not Applicable

Other movements in the loss provision were due to the exchange differences of foreign currency accounts receivable of overseas subsidiaries.

Disclosure by aging

Presented in RMB

| Aging | As at 30 June 2022 |
|--------------------------------|--------------------|
| Within 1 year (include 1 year) | 275,846,265.28 |
| 1 to 2 years | 554,599,664.52 |
| 2 to 3 years | 78,698,092.26 |
| Over 3 years | 1,494,554,124.19 |
| 3 to 4 years | 980,894,958.51 |
| Over 5 years | 513,659,165.68 |
| Total | 2,403,698,146.25 |

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

Provision for bad debts in the current period:

Presented in RMB

| Types | As at 1 January 2022 | Amount changes in current period | | | | As at 30 June 2022 |
|--------------------------------------|----------------------|----------------------------------|-------------------------|-------------|--------------|--------------------|
| | | Additions | Recoveries or reversals | Written-off | Others | |
| Other receivables bad debt provision | 792,517,845.87 | | | | 4,584,531.49 | 797,102,377.36 |
| Total | 792,517,845.87 | | | | 4,584,531.49 | 797,102,377.36 |

Including significant recoveries or reversals of bad debt provisions in the current period are as follows:

Presented in RMB

| Name of the entity | Amount of recoveries or reversals | Recovery manner |
|--------------------|-----------------------------------|-----------------|
|--------------------|-----------------------------------|-----------------|

4) Other receivables actually written off in the current period

Presented in RMB

| Item | Amount of written-off |
|------|-----------------------|
|------|-----------------------|

Including significant accounts receivable written-off situation is as follows:

Presented in RMB

| Name of the entity | Nature of other receivable | Amount of written-off | Reason | Verification and cancellation procedures to be performed | Whether the payment is generated by an affiliate transaction |
|--------------------|----------------------------|-----------------------|--------|--|--|
|--------------------|----------------------------|-----------------------|--------|--|--|

5) The top five units of ending balance of other receivables

Presented in RMB

| 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 |
|---|-----------------------------|-------------------------------------|--|---|--------------------------------------|
| Shantou Huafeng Estate Development Co., Ltd | Receivable from Subsidiary | 766,160,642.87 | Within 1 year. 1-3 years.. over3 years | 31.87% | |
| Guangdong Jianbang Group (Huiyang) Industrial Co., Ltd. | Receivable from Subsidiary | 681,097,870.89 | Within 1 year. 1-2years | 28.34% | |
| Fresh Peak Enterprise Co., Ltd | Receivable from Subsidiary | 518,037,906.74 | Within 1 year. over five years | 21.55% | 508,377,320.74 |
| American Great Wall Co., Ltd | Receivable from Subsidiary | 99,086,947.95 | over five years | 4.12% | 99,086,947.95 |
| Fresh Peak Zhiye Co., Ltd. | Receivable from Subsidiary | 88,700,902.73 | over five years | 3.69% | 88,700,902.73 |
| Total | | 2,153,084,271.18 | | 89.57% | 696,165,171.42 |

6) Government subsidies receivable

Presented in RMB

| Name of the organization | Name of government subsidy item | The ending balance | Aging | Estimated time, amount and basis of collection |
|--------------------------|---------------------------------|--------------------|-------|--|
|--------------------------|---------------------------------|--------------------|-------|--|

7) Other receivables terminated due to the transfer of financial assets

8) Amount of assets and liabilities formed by transferring other receivables and continuing to involve them

3. Long-term equity investments

Presented in RMB

| Item | As at 30 June 2022 | | | As at 1 January 2022 | | |
|---|----------------------|--------------------|----------------------|----------------------|--------------------|----------------------|
| | Book balance | Impairment reserve | Book value | Book balance | Impairment reserve | Book value |
| Investment in subsidiaries | 1,735,224,15 7.90 | 152,839,271. 15 | 1,582,384,88 6.75 | 1,735,224,15 7.90 | 152,839,271. 15 | 1,582,384,88 6.75 |
| Investment in associates and joint ventures | 12,250,013.8 6 | 11,977,845.5 8 | 272,168.28 | 12,250,013.8 6 | 11,977,845.5 8 | 272,168.28 |
| Total | 1,747,474,17 1.76 | 164,817,116. 73 | 1,582,657,05 5.03 | 1,747,474,17 1.76 | 164,817,116. 73 | 1,582,657,05 5.03 |

(1) Investment in subsidiaries

Presented in RMB

| Name of investee | As at 1 January 2022 (book value) | Increase/ Decrease (+ / -) in current period | | | | As at 30 June 2022 (book value) | provision for impairment as at 30 June 2022 |
|--|-----------------------------------|--|------------------------|--------------------------|-------|---------------------------------|---|
| | | Additional investment | Decrease of investment | Provision for impairment | Other | | |
| Shenzhen Petrel Hotel Co. Ltd. | 20,605,04 7.50 | | | | | 20,605,047 .50 | |
| Shenzhen City Shenfang Investment Ltd. | 9,000,000. 00 | | | | | 9,000,000. 00 | |
| Fresh Peak Enterprise Ltd. | 556,500.0 0 | | | | | 556,500.00 | |
| Fresh Peak Zhiye Co., Ltd. | 22,717,69 7.73 | | | | | 22,717,697 .73 | |
| Shenzhen Special Economic Zone Real | | | | | | | 19,000,000 .00 |

| | | | | | | | |
|--|---------------|--|--|--|--|---------------|---------------|
| Estate (Group) Guangzhou Property and Estate Co., Ltd. | | | | | | | |
| Shenzhen Zhen Tung Engineering Ltd | 11,332,321.45 | | | | | 11,332,321.45 | |
| American Great Wall Co., Ltd | 1,435,802.00 | | | | | 1,435,802.00 | |
| Shenzhen City Shenfang Free Trade Trading 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 |
| Shenzhen Lain Hua Industry and Trading Co., Ltd. | 13,458,217.05 | | | | | 13,458,217.05 | |
| Shenzhen City SPG Long Gang Development Ltd. | 30,850,000.00 | | | | | 30,850,000.00 | |
| Beijing Fresh Peak Property Development Management Limited Company | | | | | | | 64,183,888.90 |
| Shantou City Huafeng Real Estate Development | 16,467,021.02 | | | | | 16,467,021.02 | |

| | | | | | | | |
|---|-------------------------|--|--|--|--|-------------------------|-----------------------|
| Co., Ltd | | | | | | | |
| Paklid Limited | | | | | | | 201,100.00 |
| Bekaton Property Limited | | | | | | | 906,630.00 |
| Shenzhen Shenfang Department Store Co. Ltd. | | | | | | | 9,500,000.00 |
| Shantou Fresh Peak Building | | | | | | | 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 | 1,582,384,886.75 | | | | | 1,582,384,886.75 | 152,839,271.15 |

(2) Investment in associates and joint ventures

Presented in RMB

| Investees | Opening balance (book value) | Increase/ Decrease (+ / -) in the Jan to Jun 2022 | | | | | | | | Ending balance (book value) | Ending balance of the provision for impairment |
|-------------------------|------------------------------|---|------------------------|--|---------------------------------------|-----------------------|--|--------------------------|--------|-----------------------------|--|
| | | Additional investment | Decrease of investment | Income from Equity investment recognized under equity method | Other comprehensive Income adjustment | Other equity movement | Announced for distributing cash dividend or profit | Provision for impairment | Others | | |
| I. Joint Venture | | | | | | | | | | | |
| Fengkai Xinghua Hotel | 0.00 | | | | | | | | | 0.00 | 9,455,465.38 |
| Subtotal | 0.00 | | | | | | | | | 0.00 | 9,455,465.38 |

| II. Associates | | | | | | | | | | | |
|---|----------------|--|--|--|--|--|--|--|--|----------------|-------------------|
| Shen he n Rongh ua Jidian Co., Ltd | 272,16 8.28 | | | | | | | | | 272,16 8.28 | 1,076,95 4.64 |
| Shen he n Runhu a Autom obile Tradin g Co., Ltd | 0.00 | | | | | | | | | 0.00 | 1,445,42 5.56 |
| Subtot al | 272,16 8.28 | | | | | | | | | 272,16 8.28 | 2,522,38 0.20 |
| Total | 272,16 8.28 | | | | | | | | | 272,16 8.28 | 11,977,8 45.58 |

(3) Other note**4. Operation Income and Costs**

Presented in RMB

| Items | Jan to Jun 2022 | | Jan to Jun 2021 | |
|--------------------|-----------------|---------------|-----------------|----------------|
| | Income | Costs | Income | Costs |
| Principal business | 160,962,949.24 | 48,054,643.10 | 455,734,779.10 | 115,125,525.93 |
| Other businesses | 6,035.31 | | 6,035.31 | |
| Total | 160,968,984.55 | 48,054,643.10 | 455,740,814.41 | 115,125,525.93 |

Revenue related information:

Information related to performance obligations:

There are four criteria need to be satisfied when the group recognizing the revenue from property sales:

(1) the sale contract has been signed and filed with the land department; (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.

Information related to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have been signed but not yet performed or not yet completed is RMB 149,766,505.08 yuan, Among them, RMB35,427,921.08 yuan is expected to be recognized as revenue in 2022, RMB 56,509,104.00 is

expected to be recognized as revenue in the year 2023, and RMB 56,509,104.00 yuan is expected to be recognized as revenue in the year 2024.

5. Investment income

Presented in RMB

| Item | Jan to Jun 2022 | Jan to Jun 2021 |
|--|-----------------|-----------------|
| Investment income from disposal of long-term equity investment | 174,021,073.48 | |
| Investment income from disposal of financial assets held for trading | 159,619.01 | |
| Dividend income from other equity instrument investments during the holding period | 813,960.00 | |
| Total | 174,994,652.49 | |

6. Other

XVIII. Supplementary Information

1. Statement of non-recurring gains and losses for the current period

Applicable Not Applicable

Presented in RMB

| Item | Amount | Note |
|--|----------------|---|
| Gains and losses on disposal of non-current assets | 163,352,077.77 | Investment income in disposal of subsidiary equity |
| Government subsidies in the current profit and loss (except the part that are closely related to the company's normal business operations, comply with national policies and regulations, and will continuously enjoyed with a fixed or quantitative manner according to certain standards) | 400,232.43 | Government grants received |
| Debt Restructuring Gains and Losses | 2,489,520.46 | Debt Restructuring Proceeds |
| Except for the effective hedging business related to the normal operation of the company, gains and losses from changes in fair value arising from the holding of tradable financial assets and tradable financial liabilities, and the investment income from the disposal of financial assets held for trading, financial liabilities held for trading or available-for-sale | 5,123,349.63 | Changes in fair value and investment income arising from investment in monetary funds |

| | | |
|--|----------------|----|
| financial assets. | | |
| Non-operating income/(expenses) except the above | 506,908.18 | |
| Less: Amount affected by the income tax | 42,968,022.12 | |
| Amount affected by minority interests | 914,898.77 | |
| Total | 127,989,167.58 | -- |

Details of other profit and loss items that meet the definition of non recurring gain and loss:

Applicable Not Applicable

Details of the company does not have other profit and loss items that meet the definition of non recurring profit and loss.

Description of defining the non recurring profit and loss items listed in 'Explanatory Announcement No. 1 on information disclosure of companies offering securities to the public - non recurring profits and losses' as recurring profit and loss items.

Applicable Not Applicable

2. Return on equity and earnings per share

| Profit in reporting period | Basic earnings per share | Basic earnings per share | |
|--|--------------------------|--------------------------|----------------------------|
| | | Basic earnings per share | Diluted earnings per share |
| Net income attributable to the common shareholders of the Group | 3.62% | 0.1435 | 0.1435 |
| Net profit attributable to common shareholders of a company after deducting non-recurring gains and losses | 0.43% | 0.0169 | 0.0169 |

3. Differences in accounting data under domestic and foreign accounting standards

(1) The difference between net profit and net assets in the financial report disclosed in accordance with International Accounting Standards and Chinese Accounting Standards

Applicable Not Applicable

Presented in RMB

| | Net profit | | Net assets | |
|---|----------------|---------------------------|------------------|------------------|
| | Current amount | Amount of previous period | Ending balance | Opening balance |
| According to the accounting standards for | 145,128,330.14 | 132,447,122.14 | 3,996,719,159.82 | 3,938,260,291.97 |

| | | | | |
|--|----------------|----------------|------------------|------------------|
| Chinese enterprises | | | | |
| Items and Amount Adjusted according to International Accounting Standards: | | | | |
| According to the international accounting standards | 145,128,330.14 | 145,128,330.14 | 4,085,745,239.82 | 3,938,260,291.97 |

(2) The difference between net profit and net asset in the financial report disclosed in accordance with International accounting standards for overseas enterprises and Chinese accounting standards for enterprises

Applicable Not Applicable

(3) Note to the discrepancy in accounting data under the accounting standards outside Mainland China. In case the discrepancy in data which have been audited by an overseas auditing agent has been adjusted, please specify the name of the overseas auditing agent.

4. Other