SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.

SEMIANNUAL FINANCIAL REPORT 2019

August 2019

Financial Statements

I. Auditor's Report

Whether the interim report has been audited?

□Yes √ No

The interim report of the Company has not been audited.

II. Financial Statements

The unit of the financial statements attached: RMB

1. Consolidated Balance Sheet

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

30 June 2019

Unit: RMB

Item	30 June 2019	31 December 2018
Current assets:		
Monetary capital	2,619,326,701.91	3,389,234,357.72
Settlement reserve	0.00	0.00
Interbank loans granted		
Trading financial assets	0.00	0.00
Financial assets at fair value through profit or loss	0.00	0.00
Derivative financial assets		
Notes receivable		
Accounts receivable	78,370,539.85	64,231,267.94
Financing backed by accounts receivable		
Prepayments	132,519,315.37	35,913,164.32
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	1,409,276,464.77	24,428,411.19

Including: Interest receivable	4,348,511.45	8,293,317.33
Dividends receivable	0.00	0.00
Financial assets purchased under resale agreements		
Inventories	3,800,808,133.57	1,181,762,531.67
Contract assets		
Assets classified as held for sale	0.00	0.00
Current portion of non-current assets		
Other current assets	24,231,402.60	16,694,408.12
Total current assets	8,064,532,558.07	4,712,264,140.96
Non-current assets:		
Loans and advances to customers	0.00	
Investments in debt obligations		
Available-for-sale financial assets	0.00	3,621,381.11
Investments in other debt obligations	0.00	0.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	40,780,109.81	39,999,283.24
Investments in other equity instruments		
Other non-current financial assets	25,622,435.75	0.00
Investment property	388,859,756.35	400,550,689.90
Fixed assets	33,037,636.13	32,612,592.40
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
R&D expense		
Goodwill		
Long-term prepaid expense	2,348,985.91	2,398,576.29
Deferred income tax assets	542,341,646.00	519,783,531.64
Other non-current assets	22,309,093.40	108,971,942.00
Total non-current assets	1,055,299,663.35	1,107,937,996.58
Total assets	9,119,832,221.42	5,820,202,137.54

Current liabilities:		
Short-term borrowings		
Borrowings from central bank	0.00	0.00
Interbank loans obtained	0.00	0.00
Trading financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	387,411,164.10	398,429,855.96
Advances from customers	1,055,796,245.18	265,338,215.34
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities	0.00	0.00
Payables for underwriting of securities	0.00	0.00
Payroll payable	72,444,559.04	96,069,521.54
Taxes payable	1,374,184,461.60	1,552,720,630.59
Other payables	560,320,989.94	112,502,146.69
Including: Interest payable	6,702,350.69	1,669.10
Dividends payable	29,642.40	29,642.40
Handling charges and commissions payable		
Reinsurance payables		
Contract liabilities		
Liabilities directly associated with assets classified as held for sale	0.00	0.00
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	3,450,157,419.86	2,425,060,370.12
Non-current liabilities:		
Insurance contract reserve		

Long-term borrowings	2,194,000,000.00	1,000,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Provisions		
Deferred income		
Deferred income tax liabilities	4,281.56	5,275.60
Other non-current liabilities	53,068,073.26	52,937,180.81
Total non-current liabilities	2,247,072,354.82	53,942,456.41
Total liabilities	5,697,229,774.68	2,479,002,826.53
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	118,938,132.89	118,938,132.89
Less: Treasury stock	0.00	0.00
Other comprehensive income	-1,583,357.44	-1,786,181.69
Specific reserve		
Surplus reserves	299,569,569.96	299,569,569.96
General reserve		
Retained earnings	2,250,204,382.04	2,325,248,711.48
Total equity attributable to owners of the Company as the parent	3,263,107,819.45	3,337,949,324.64
Non-controlling interests	159,494,627.29	3,249,986.37
Total owners' equity	3,422,602,446.74	3,341,199,311.01
Total liabilities and owners' equity	9,119,832,221.42	5,820,202,137.54

Legal representative: Liu Shengxiang Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 June 2019	31 December 2018
Current assets:		
Monetary capital	1,790,312,809.40	2,520,788,994.16
Trading financial assets	0.00	0.00
Financial assets at fair value through profit or loss		
Derivative financial assets	0.00	0.00
Notes receivable	0.00	0.00
Accounts receivable	2,355,164.19	1,853,494.72
Financings backed by accounts receivable		
Prepayments	546,114.73	829,683.68
Other receivables	1,102,116,535.80	1,306,715,826.93
Including: Interest receivable	6,838,789.22	8,229,503.58
Dividends receivable	0.00	0.00
Inventories	584,874,507.04	105,840,115.24
Contract assets		
Assets classified as held for sale		
Current portion of non-current assets	0.00	0.00
Other current assets	0.00	0.00
Total current assets	3,480,205,131.16	3,936,028,114.73
Non-current assets:		
Investments in debt obligations		
Available-for-sale financial assets	0.00	3,851,881.11
Investments in other debt obligations		
Held-to-maturity investments	0.00	0.00
Long-term receivables	0.00	0.00
Long-term equity investments	748,282,782.74	239,501,956.17
Investments in other equity instruments		
Other non-current financial assets	3,852,935.75	0.00
Investment property	308,320,743.77	317,313,917.65

Fixed assets	8,770,220.23	9,121,637.65
Construction in progress	0.00	0.00
Productive living assets	0.00	0.00
Oil and gas assets	0.00	0.00
Right-of-use assets		
Intangible assets	0.00	0.00
R&D expense	0.00	0.00
Goodwill	0.00	0.00
Long-term prepaid expense	691,904.43	778,392.57
Deferred income tax assets	333,743,414.50	315,888,967.26
Other non-current assets	866,230,999.40	104,132,920.00
Total non-current assets	2,269,893,000.82	990,589,672.41
Total assets	5,750,098,131.98	4,926,617,787.14
Current liabilities:		
Short-term borrowings	0.00	0.00
Trading financial liabilities	0.00	0.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	0.00	0.00
Accounts payable	84,320,442.20	124,501,464.28
Advances from customers	11,041,014.00	75,895,087.75
Contract liabilities		
Payroll payable	22,811,800.67	31,224,455.28
Taxes payable	1,261,106,183.56	1,402,388,742.76
Other payables	1,349,101,096.85	224,875,980.31
Including: Interest payable	0.00	0.00
Dividends payable	29,642.40	29,642.40
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	2,728,380,537.28	1,858,885,730.38
Non-current liabilities:		

Long-term borrowings	0.00	0.00
Bonds payable	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Long-term payables		
Long-term payroll payable	0.00	0.00
Provisions		
Deferred income	0.00	0.00
Deferred income tax liabilities	0.00	0.00
Other non-current liabilities	0.00	0.00
Total non-current liabilities	0.00	0.00
Total liabilities	0.00	0.00
Owners' equity:	2,728,380,537.28	1,858,885,730.38
Share capital		
Other equity instruments	595,979,092.00	595,979,092.00
Including: Preferred shares		
Perpetual bonds		
Capital reserves		
Less: Treasury stock	92,326,467.62	92,326,467.62
Other comprehensive income	0.00	0.00
Specific reserve	0.00	0.00
Surplus reserves		
General reserve	298,912,759.52	298,912,759.52
Retained earnings	2,034,499,275.56	2,080,513,737.62
Total owners' equity	3,021,717,594.70	3,067,732,056.76
Total liabilities and owners' equity	5,750,098,131.98	4,926,617,787.14

3. Consolidated Income Statement

Unit: RMB

Item	H1 2019	H1 2018
1. Revenue	755,390,079.96	825,013,984.97
Including: Operating revenue	755,390,079.96	825,013,984.97
Interest income		
Premium income		

Handling charge and commission income		
2. Costs and expenses	626,487,025.20	721,482,528.52
Including: Cost of sales	381,969,088.48	689,187,341.10
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	120,082,220.00	7,299,438.66
Selling expense	18,292,724.72	9,296,529.76
Administrative expense	55,957,281.51	43,316,443.65
R&D expense		
Finance costs	50,185,710.49	-27,617,224.65
Including: Interest expense	73,970,116.57	0.00
Interest income	25,830,187.06	28,154,154.04
Add: Other income	305,213.90	0.00
Return on investment (“-” for loss)	780,826.57	49,247.20
Including: Share of profit or loss of joint ventures and associates	780,826.57	49,247.20
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Foreign exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	0.00	0.00

Credit impairment loss (“-” for loss)		
Asset impairment loss (“-” for loss)	-2,577,505.86	4,757,350.92
Asset disposal income (“-” for loss)	0.00	0.00
3. Operating profit (“-” for loss)	127,411,589.37	108,338,054.57
Add: Non-operating income	1,790,531.75	1,533,491.43
Less: Non-operating expense	1,706,247.92	311,674.85
4. Profit before tax (“-” for loss)	127,495,873.20	109,559,871.15
Less: Income tax expense	52,191,460.83	26,587,343.56
5. Net profit (“-” for net loss)	75,304,412.37	82,972,527.59
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	75,304,412.37	82,972,527.59
5.1.2 Net profit from discontinued operations (“-” for net loss)	0.00	0.00
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	103,749,398.16	82,972,527.59
5.2.1 Net profit attributable to non-controlling interests	-28,444,985.79	0.00
6. Other comprehensive income, net of tax	202,824.25	415,360.08
Attributable to owners of the Company as the parent	202,824.25	415,360.08
6.1 Items that will not be reclassified to profit or loss	0.00	0.00
6.1.1 Changes caused by remeasurements on defined benefit pension schemes	0.00	0.00
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method	0.00	0.00
6.1.3 Changes in the fair value of investments in other equity instruments	0.00	0.00
6.1.4 Changes in the fair value of the company’s credit risks	0.00	0.00
6.1.5 Other	0.00	0.00

6.2 Items that will be reclassified to profit or loss	202,824.25	415,360.08
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	0.00	0.00
6.2.2 Changes in the fair value of investments in other debt obligations	0.00	0.00
6.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets	0.00	0.00
6.2.4 Other comprehensive income arising from the reclassification of financial assets	0.00	0.00
6.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets	0.00	0.00
6.2.6 Allowance for credit impairments in investments in other debt obligations	0.00	0.00
6.2.7 Reserve for cash flow hedges	0.00	0.00
6.2.8 Differences arising from the translation of foreign currency-denominated financial statements	202,824.25	415,360.08
6.2.9 Other	0.00	0.00
Attributable to non-controlling interests	0.00	0.00
7. Total comprehensive income	75,507,236.62	83,387,887.67
Attributable to owners of the Company as the parent	103,952,222.41	83,387,887.67
Attributable to non-controlling interests	-28,444,985.79	0.00
8. Earnings per share		
8.1 Basic earnings per share	0.1741	0.1392
8.2 Diluted earnings per share	0.1741	0.1392

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

Legal representative: Liu Shengxiang Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

4. Income Statement of the Company as the Parent

Unit: RMB

Item	H1 2019	H1 2018
1. Operating revenue	341,910,051.35	33,455,791.84
Less: Cost of sales	64,705,194.33	11,792,652.03
Taxes and surcharges	106,581,164.55	2,037,017.20
Selling expense	6,932,430.59	912,834.22
Administrative expense	26,365,324.28	15,024,782.80
R&D expense		
Finance costs	-20,211,072.23	-26,492,474.92
Including: Interest expense	0.00	0.00
Interest income	-20,445,143.13	-26,226,534.52
Add: Other income	0.00	0.00
Return on investment (“-” for loss)	16,880,145.24	49,247.20
Including: Share of profit or loss of joint ventures and associates	780,826.57	49,247.20
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	0.00	0.00
Credit impairment loss (“-” for loss)		
Asset impairment loss (“-” for loss)	-475,313.54	-2,246,956.93
Asset disposal income (“-” for loss)	0.00	0.00
2. Operating profit (“-” for loss)	174,892,468.61	32,477,184.64
Add: Non-operating income	320,000.00	117,516.67
Less: Non-operating expense	1,102,131.09	9,233.27

3. Profit before tax (“-” for loss)	174,110,337.52	32,585,468.04
Less: Income tax expense	41,331,071.98	10,087,341.39
4. Net profit (“-” for net loss)	132,779,265.54	22,498,126.65
4.1 Net profit from continuing operations (“-” for net loss)	132,779,265.54	22,498,126.65
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	0.00	0.00
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit pension schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value of the company’s credit risks		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		
5.2.4 Other comprehensive income arising from the reclassification of financial assets		
5.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		

5.2.6 Allowance for credit impairments in investments in other debt obligations		
5.2.7 Reserve for cash flow hedges		
5.2.8 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.9 Other		
6. Total comprehensive income	132,779,265.54	22,498,126.65
7. Earnings per share		
7.1 Basic earnings per share	0.2228	0.0377
7.2 Diluted earnings per share	0.2228	0.0377

5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2019	H1 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,590,308,650.82	568,985,528.13
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		

Net proceeds for acting trading of securities		
Tax rebates		
Cash generated from other operating activities	39,778,392.63	39,349,722.92
Subtotal of cash generated from operating activities	1,630,087,043.45	608,335,251.05
Payments for commodities and services	1,398,110,298.42	242,009,085.68
Net increase in loans and advances to customers		
Net increase in deposits in central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Net increase in financial assets held for trading		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	204,073,732.46	171,547,891.95
Taxes paid	443,480,242.15	386,783,731.37
Cash used in other operating activities	44,375,007.40	33,586,527.86
Subtotal of cash used in operating activities	2,090,039,280.43	833,927,236.86
Net cash generated from/used in operating activities	-459,952,236.98	-225,591,985.81
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment		
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	2,655.00	42,583.50
Net proceeds from the disposal of subsidiaries and other business units		76,797,409.69

Cash generated from other investing activities		
Subtotal of cash generated from investing activities	2,655.00	76,839,993.19
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	10,172,187.11	2,807,222.59
Payments for investments		
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units	1,555,272.25	
Cash used in other investing activities		
Subtotal of cash used in investing activities	11,727,459.36	2,807,222.59
Net cash generated from/used in investing activities	-11,724,804.36	74,032,770.60
3. Cash flows from financing activities:		
Capital contributions received	1,750,000.00	
Including: Capital contributions by non-controlling interests to subsidiaries	1,750,000.00	
Borrowings obtained		
Net proceeds from issuance of bonds		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	1,750,000.00	
Repayments of borrowings		
Payments for interest and dividends	300,762,550.53	178,767,181.68
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	300,762,550.53	178,767,181.68
Net cash generated from/used in financing activities	-299,012,550.53	-178,767,181.68
4. Effect of foreign exchange rate	214,256.25	436,146.75

changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-770,475,335.62	-329,890,250.14
Add: Cash and cash equivalents, beginning of the period	3,375,714,690.09	2,464,626,655.21
6. Cash and cash equivalents, end of the period	2,605,239,354.47	2,134,736,405.07

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	H1 2019	H1 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	293,652,100.60	34,091,919.99
Tax rebates	0.00	0.00
Cash generated from other operating activities	944,825,021.06	138,780,669.81
Subtotal of cash generated from operating activities	1,238,477,121.66	172,872,589.80
Payments for commodities and services	567,591,895.82	5,004,956.42
Cash paid to and for employees	24,332,201.12	11,594,999.25
Taxes paid	326,980,098.56	70,155,089.07
Cash used in other operating activities	25,602,398.05	147,334,270.95
Subtotal of cash used in operating activities	944,506,593.55	234,089,315.69
Net cash generated from/used in operating activities	293,970,528.11	-61,216,725.89
2. Cash flows from investing activities:		
Proceeds from disinvestment	0.00	0.00
Return on investment	14,575,000.01	0.00
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	690.00	4,563.50
Net proceeds from the disposal of subsidiaries and other business units	0.00	70,207,999.92

Cash generated from other investing activities	0.00	0.00
Subtotal of cash generated from investing activities	14,575,690.01	70,212,563.42
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	8,631,309.56	443,173.00
Payments for investments	850,000,000.00	0.00
Net payments for the acquisition of subsidiaries and other business units	1,600,000.00	0.00
Cash used in other investing activities	0.00	0.00
Subtotal of cash used in investing activities	860,231,309.56	443,173.00
Net cash generated from/used in investing activities	-845,655,619.55	69,769,390.42
3. Cash flows from financing activities:		
Capital contributions received	0.00	0.00
Borrowings obtained	0.00	0.00
Net proceeds from the issuance of bonds	0.00	0.00
Cash generated from other financing activities	0.00	0.00
Subtotal of cash generated from financing activities	0.00	0.00
Repayments of borrowings	0.00	0.00
Payments for interest and dividends	178,793,727.60	178,767,181.68
Cash used in other financing activities	0.00	0.00
Subtotal of cash used in financing activities	178,793,727.60	178,767,181.68
Net cash generated from/used in financing activities	-178,793,727.60	-178,767,181.68
4. Effect of foreign exchange rate changes on cash and cash equivalents	2,634.28	2,723.88
5. Net increase in cash and cash equivalents	-730,476,184.76	-170,211,793.27
Add: Cash and cash equivalents,	2,520,788,994.16	1,754,272,751.45

beginning of the period		
6. Cash and cash equivalents, end of the period	1,790,312,809.40	1,584,060,958.18

7. Consolidated Statements of Changes in Owners' Equity

H1 2019

Unit: RMB

Item	H1 2019														
	Equity attributable to owners of the Company as the parent													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other	Subtotal		
		Preferred shares	Perpetual bonds	Other											
1. Balances as at the end of the prior year	595,979,092.00				118,938,132.89		-1,786,181.69		299,569,569.96		2,325,248,711.48		3,337,949,324.64	3,249,986.37	3,341,199,311.01
Add: Adjustments for changed accounting policies															
Adjustments for corrections of previous errors															
Adjustments for business combinations under common control															
Other adjustments															
2. Balances as at the beginning of the year	595,979,092.00				118,938,132.89		-1,786,181.69		299,569,569.96		2,325,248,711.48		3,337,949,324.64	3,249,986.37	3,341,199,311.01
3. Increase/ decrease in the period ("-" for							202,824.25				-75,044,329.44		-74,841,505.19	156,244,640.92	81,403,135.73

decrease)															
3.1 Total comprehensive income							202,824.25				103,749,398.16		103,952,222.41	-28,444,985.79	75,507,236.62
3.2 Capital increased and reduced by owners														184,689,626.71	184,689,626.71
3.2.1 Ordinary shares increased by shareholders														184,689,626.71	184,689,626.71
3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners' equity															
3.2.4 Other															
3.3 Profit distribution											-178,793,727.60		-178,793,727.60		-178,793,727.60
3.3.1 Appropriation to surplus reserves															
3.3.2 Appropriation to general reserve															
3.3.3 Appropriation to owners (or shareholders)											-178,793,727.60		-178,793,727.60		-178,793,727.60
3.3.4 Other															
3.4 Transfers															

within owners' equity															
3.4.1 Increase in capital (or share capital) from capital reserves															
3.4.2 Increase in capital (or share capital) from surplus reserves															
3.4.3 Loss offset by surplus reserves															
3.4.4 Changes in defined benefit pension schemes transferred to retained earnings															
3.4.5 Other comprehensive income transferred to retained earnings															
3.4.6 Other															
3.5 Specific reserve															
3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Other															
4. Balances as at the end of the period	595,979,092.00				118,938,132.89		-1,583,357.44		299,569,569.96		2,250,204,382.04		3,263,107,819.45	159,494,627.29	3,422,602,446.74

H1 2018

Unit: RMB

Item	H1 2018														
	Equity attributable to owners of the Company as the parent													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other	Subtotal		
		Preferred shares	Perpetual bonds	Other											
1. Balances as at the end of the prior year	595,979,092.00				118,938,132.89		-4,111,587.14		299,569,569.96		1,911,318,586.37		2,921,693,794.08	862,087.06	2,922,555,881.14
Add: Adjustments for changed accounting policies															
Adjustments for corrections of previous errors															
Adjustments for business combinations under common control															
Other adjustments															
2. Balances as at the beginning of the year	595,979,092.00				118,938,132.89		-4,111,587.14		299,569,569.96		1,911,318,586.37		2,921,693,794.08	862,087.06	2,922,555,881.14
3. Increase/ decrease in the period ("-" for decrease)							415,360.08				-95,821,200.01		-95,405,839.93		-95,405,839.93
3.1 Total comprehensive income							415,360.08				82,972,527.59		83,387,887.67		83,387,887.67
3.2 Capital															

increased and reduced by owners															
3.2.1 Ordinary shares increased by shareholders															
3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners' equity															
3.2.4 Other															
3.3 Profit distribution											-178,793,727.60		-178,793,727.60		-178,793,727.60
3.3.1 Appropriation to surplus reserves															
3.3.2 Appropriation to general reserve															
3.3.3 Appropriation to owners (or shareholders)											-178,793,727.60		-178,793,727.60		-178,793,727.60
3.3.4 Other															
3.4 Transfers within owners' equity															
3.4.1															

Increase in capital (or share capital) from capital reserves															
3.4.2 Increase in capital (or share capital) from surplus reserves															
3.4.3 Loss offset by surplus reserves															
3.4.4 Changes in defined benefit pension schemes transferred to retained earnings															
3.4.5 Other comprehensive income transferred to retained earnings															
3.4.6 Other															
3.5 Specific reserve															
3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Other															
4. Balances as at the end of	595,979,09				118,938,132.		-3,696,227.06		299,569,569.		1,815,497,38		2,826,287,95	862,087.06	2,827,150,041.

the period	2.00				89				96		6.36		4.15		21

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

H1 2019

Unit: RMB

Item	H1 2019											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balances as at the end of the prior year	595,979,092.00				92,326,467.62				298,912,759.52	2,080,513,737.62		3,067,732,056.76
Add: Adjustments for changed accounting policies												
Adjustments for corrections of previous errors												
Other adjustments												
2. Balances as at the beginning of the year	595,979,092.00				92,326,467.62				298,912,759.52	2,080,513,737.62		3,067,732,056.76
3. Increase/ decrease in the period ("-" for decrease)										-46,014,462.06		-46,014,462.06
3.1 Total comprehensive income										132,779,265.54		132,779,265.54
3.2 Capital increased and reduced by owners												
3.2.1												

Ordinary shares increased by shareholders												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												
3.2.4 Other												
3.3 Profit distribution										-178,793,727.60		-178,793,727.60
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)										-178,793,727.60		-178,793,727.60
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												

3.4.4 Changes in defined benefit pension schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balances as at the end of the period	595,979,092.00				92,326,467.62				298,912,759.52	2,034,499,275.56		3,021,717,594.70

H1 2018

Unit: RMB

Item	H1 2018											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balances as at the end of the prior year	595,979,092.00				94,057,859.68				298,912,759.52	1,920,589,031.84		2,909,538,743.04
Add: Adjustments for changed accounting policies												
Adjustments												

for corrections of previous errors												
Other adjustments												
2. Balances as at the beginning of the year	595,979,092.00				94,057,859.68				298,912,759.52	1,920,589,031.84		2,909,538,743.04
3. Increase/ decrease in the period ("-" for decrease)										-156,295,600.95		-156,295,600.95
3.1 Total comprehensive income										22,498,126.65		22,498,126.65
3.2 Capital increased and reduced by owners												
3.2.1 Ordinary shares increased by shareholders												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												
3.2.4 Other												
3.3 Profit distribution										-178,793,727.60		-178,793,727.60
3.3.1 Appropriation to surplus reserves												

3.3.2 Appropriation to owners (or shareholders)										-178,793,727.60		-178,793,727.60
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit pension schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												

3.5.2 Used in the period												
3.6 Other												
4. Balances as at the end of the period	595,979,092.00				94,057,859.68				298,912,759.52	1,764,293,430.89		2,753,243,142.09

III Company Profile

1. Company profile

Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as "the Company" or "Company") was incorporated based on the reconstruction of Shenzhen Properties & Resources Development Co., Ltd. after obtaining approval of ZFBF [1991] No. 831 from People's Government of Shenzhen Municipality. The registration number of Business License for Enterprises as Legal Person is ZQFZ No. 440301103570124. And the credibility code for the Company after the business license reform is 91440300192174135N. The registered capital of the Company was RMB541, 799,175 after bonus issue of shares on the basis of one share for every existing 10 shares based on existing paid-in capital of the Company in 1996 and it changes to RMB595,979,092 after bonus issue of shares on the basis of one share for every existing 10 shares based on previous paid-in capital of RMB541,799,175 in 2009. As of 30 June 2019, the total share capital of the Company was 595,979,092 shares, among which, 528,373,849 A shares, and 67,605,243 B shares.

Registered address: 39th and 42nd Floor, International Trade Center, Renmin South Road, Shenzhen.

Registration number of business entity: 91440300192174135N

Legal representative: Liu Shengxiang

2. Nature of the business, business scope and main products of the Company

The nature of business and business scope of the Company and its subsidiaries includes development of real estate and sale of commercial housing, construction and management of buildings, house rent, supervision of construction, domestic trading and materials supply and marketing (excluding exclusive dealing and monopoly sold products and commodities under special control to purchase).

Main products or services rendered mainly include the development and sales of commercial residential housing; property management; buildings and the building devices maintenance, garden afforest and cleaning service; property leasing; supervise and management of the engineering; retails of the Chinese food, Western-style food and wines, and etc.

The parent company of the Company is Shenzhen Investment Holdings Co., Ltd., a solely state-funded limited company. As a government department, Shenzhen State-owned Assets Supervision and Administration Bureau manages Shenzhen Investment Holdings Co., Ltd. on behalf of People's Government of Shenzhen Municipality. Thus, the final controller of the Company is Shenzhen State-owned Assets Supervision and Administration Committee of Shenzhen Government.

The financial report was approved to disclose by the 7th Meeting of the 9th Board of Directors on 19 August 2019.

There were 24 subsidiaries included in the consolidation financial statements in 2019, and for details, please refer to Note IX "Equities among Other Entities" herein. There was 2 increased subsidiary in the consolidation scope as compared with last year, and please refer to Notes VIII. "Changes in Consolidation Scope" for details.

IV Basis for Preparation of Financial Statements

1. Preparation Basis

With the going-concern assumption as the basis and based on transactions and other events that actually occurred, the Group prepared financial statements in accordance with The Accounting Standards for Business Enterprises—Basic Standard issued by the Ministry of Finance with Decree No. 33 and revised with Decree No. 76, the 42 specific accounting standards, the Application Guidance of Accounting Standards for Business Enterprises, the Interpretation of Accounting Standards for Business Enterprises and other regulations issued and revised from 15 February 2006 onwards (hereinafter jointly referred to as "the Accounting Standards for Business Enterprises", "China Accounting Standards" or "CAS"), as well as the Rules for Preparation Convention of Disclosure of Public Offering Companies No.15 – General Regulations for Financial Reporting (revised in 2014) by China Securities Regulatory Commission.

In accordance with relevant provisions of the Accounting Standards for Business Enterprises, the Group adopted the accrual basis in accounting. Except for some financial instruments, the financial statements were based on historical costs for measurement. If impairment occurred on an asset, an impairment reserve was withdrawn accordingly pursuant to relevant requirements.

2. Continuation

There will be no such events or situations in the 12 months from the end of this Reporting Period that will cause material doubts as to the continuation capability of the Company.

V Important Accounting Policies and Estimations

Indication of specific accounting policies and estimations:

The Company and its subsidiaries engage in development of real estate, property leasing, property management, supervision of construction, and catering services. The Company and each subsidiary according to the actual production and operation characteristics and the regulations of the relevant ASBE, formulated certain specific accounting policies and accounting estimates of the transactions and events such as recognizing the revenues, and please refer to the Note V. 39 "Revenue" for details. As for the notes to the important accounting judgment and estimations made by the management level, please refer to the Note V. 45. "Other important accounting policies and estimations" of the section.

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

The financial statements prepared by the Company are in compliance with in compliance with the Accounting Standards for Business Enterprises, which factually and completely present the Company's, and the Company's financial positions as at 30 June 2019, business results and cash flows for H1 of 2019 and other relevant information. In addition, the Company's and the Company's financial statements meet the requirements of disclosing financial statements and notes thereto stated in the Rules for Preparation Convention of Disclosure of Public Offering Companies No.15 – General Regulations for Financial Reporting (revised in 2014) by China Securities Regulatory Commission.

2. Fiscal Period

The Company's fiscal periods include fiscal years and fiscal periods shorter than a complete fiscal year. The Company's fiscal year starts on 1 Jan. and ends on 31 Dec. of every year according to the Gregorian calendar.

3. Operating Cycle

A normal operating cycle refers to a period from the Group purchasing assets for processing to realizing cash or cash equivalents. As for the construction of the real estate projects of the Group with rather long period, the normal operating period more than 1 year owning to the industry characteristics, and although the relevant assets be discounted, sold or consumed more than 1 year, should still be divided into the circulating assets; as for the operating liabilities projects during the normal operation period even be liquidated over 1 year after the balance sheet date, should be divided into the circulation liabilities. Besides, the normal operating period of other business of the Group is shorter than 1 year. As for the normal operating period shorten than 1 year and the assets discounted since the balance sheet date or the liabilities should be liquidated due within 1 year since the balance sheet date, should be classified as the current assets or liabilities.

4. Recording Currency

Renminbi (RMB) is regarded as the prevailing currency used in the main economic circumstances of the Company and its domestic subsidiaries. The Company and its domestic subsidiaries adopt RMB as the recording currency. The Hong Kong subsidiary of the Company confirms the Hong Kong dollar as its recording currency according to the major economic environment of the currency of its office place. When compiling the financial statements, the currency the Company adopted was the Renminbi.

5. Accounting Treatment for Business Combinations under the Common Control and Not under the Common Control

Business combinations, it is refer to two or more separate enterprises merge to form a reporting entity transactions or events. Business combination is divided into under the same control and those non under the same control.

(1) Business combinations under the same control

A business combination under the same control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or the same parties both before and after the business combination and on which the control is not temporary. In a business combination under the same control, the party which obtains control of other combining enterprise(s) on the combining date is the combining party, the other combining enterprise(s) is (are) the combined party. The “combining date” refers to the date on which the combining party actually obtains control on the combined party.

The assets and liabilities that the combining party obtains in a business combination shall be measured on the basis of their carrying amount in the combined party on the combining date. As for the balance between the carrying amount of the net assets obtained by the combining party and the carrying amount of the consideration paid by it (or the total par value of the shares issued), the additional paid-in capital (share premium) shall be adjusted. If the additional paid-in capital (share premium) is not sufficient to be offset, the retained earnings shall be adjusted.

The direct cost for the business combination of the combining party shall be recorded into the profits and losses at the current period.

(2) Business combinations not under the same control

A business combination not under the same control is a business combination in which the combining enterprises are not ultimately controlled by the same party or the same parties both before and after the business combination. In a business combination not under the same control, the party which obtains the control on other combining enterprise(s) on the purchase date is the acquirer, and other combining enterprise(s) is (are) the acquiree.

For a business combination not under the same control, the combination costs shall include the fair values, on the acquisition date, of the assets paid, the liabilities incurred or assumed and the equity securities issued by the acquirer in exchange for the control on the acquiree, the expenses for audit, legal services and assessment, and other administrative expenses, which are recorded into the profits and losses in the current period. The trading expenses for the equity securities or debt securities issued by the acquirer as the

combination consideration shall be recorded into the amount of initial measurement of the equity securities or debt securities. The involved contingent consideration shall be recorded into the combination costs at its fair value on the acquiring date. Where new or further evidences emerge, within 12 months since the acquiring date, against the existing circumstances on the acquiring date and the contingent consideration thus needs to be adjusted, the combined goodwill shall be adjusted accordingly. The combination costs of the acquirer and the identifiable net assets obtained by it in the combination shall be measured according to their fair values at the acquiring date. The acquirer shall recognize the positive balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquiree as business reputation. Where the combination costs are less than the fair value of the identifiable net assets it obtains from the acquiree, the acquirer shall re-examine the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities it obtains from the acquiree as well as the combination costs. If, after the reexamination, the combination costs are still less than the fair value of the identifiable net assets it obtains from the acquiree, the acquirer shall record the balance into the profits and losses of the current period.

As for the deductible temporary differences the acquirer obtains from the acquiree which are not recognized into deferred income tax liabilities due to their not meeting the recognition standards, if new or further information shows that the relevant situation has existed on the acquiring date and the economic benefits brought by the deductible temporary differences the acquirer obtains from the acquiree on the acquiring date can be realized, they shall be recognized into deferred income tax assets and the relevant goodwill shall be reduced. Where the goodwill is not sufficient to be offset, the difference shall be recognized into the profits and losses in the current period. In other circumstances than the above, where the deductible temporary differences are recognized into deferred income tax assets on the acquiring date, they shall be recorded into the profits and losses in the current period.

In a business combination not under same control realized by two or more transactions of exchange, according to about the 5th Notice about the Treasury Issuing the Accounting Standards for Enterprises (Finance accounting) [2012] No. 19 Criterion about the "package deal" (see Notes V. 5 (2)), Whether the deals are "package deal" or not, belong to the "package deal", see the previous paragraphs described in this section and Notes IV. 14 "Long term equity investment transaction" and conduct accounting treatment, those not belong to the "package deal" distinguish between the individual financial statements and the consolidated financial statements and conduct relevant accounting treatment.

In the individual financial statements, the sum of the book value and new investment cost of the Company holds in the acquiree before the acquiring date shall be considered as initial cost of the investment. Other related comprehensive gains in relation to the equity interests that the Company holds in the acquiree before the acquiring date shall be treated on the same basis as the acquiree directly disposes the related assets or liabilities when disposing the investment (that is, except for the corresponding share in the changes in the net liabilities or assets with a defined benefit plan measured at the equity method arising from the acquiree's re-measurement, the others shall be transferred into current investment gains).

In the Company's consolidated financial statements, as for the equity interests that the Company holds in the acquiree before the acquiring date, they shall be re-measured according to their fair values at the acquiring date; the positive difference between their fair values and carrying amounts shall be recorded into the investment gains for the period including the acquiring date. Other related comprehensive gains in relation to the equity interests that the Company holds in the acquiree before the acquiring date shall be treated on the same basis as the acquiree directly disposes the related assets or liabilities when disposing the investment (that is, except for the corresponding share in the changes in the net liabilities or assets with a defined benefit plan measured at the equity method arising from the acquiree's re-measurement, the others shall be transferred into current investment gains on the acquiring date).

6. Preparation of the Consolidated Financial Statements

(1) Principle for determining the consolidation scope

The consolidation scope for financial statements is determined on the basis of control. The term "control" is the power of the Company upon an investee, with which it can take part in relevant activities of the investee to obtain variable returns and is able to

influence the amount of returns. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. A subsidiary is an enterprise or entity controlled by the Company.

If any changes in the relevant facts or situations result in any changes in the elements involved in the aforesaid definition of "control", the Company shall carry out a reassessment.

(2) Methods for preparing the consolidated financial statements

Subsidiaries are fully consolidated from the date on which the Company obtains control on their net assets and operation decision-making and are de-consolidated from the date when such control ceases. As for a disposed subsidiary, its operating results and cash flows before the disposal date has been appropriately included in the consolidated income statement and cash flow statement; and as for subsidiaries disposed in the current period, the opening items in the consolidated balance sheet are not adjusted. For a subsidiary acquired in a business combination not under the same control, its operating results and cash flows after the acquiring date have been appropriately included in the consolidated income statement and cash flow statement, and the opening items and comparative items in the consolidated financial statements are not adjusted. For a subsidiary acquired in a business combination under the same control or a combined party obtained in a takeover, its operating results and cash flows from the beginning of the Reporting Period of the combination to the combination date have been appropriately included in the consolidated income statement and cash flow statement, and the comparative items in the consolidated financial statements are adjusted at the same time.

The financial statements of subsidiaries are adjusted in accordance with the accounting policies and accounting period of the Company during the preparation of the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Company and subsidiaries. For a subsidiary acquired from a business combination not under the same control, the individual financial statements of the subsidiary are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant inter-group balances, transactions and unrealized profits are offset in the consolidated financial statements.

The portion of a subsidiary's shareholders' equity and the portion of a subsidiary's net profits and losses for the period not held by the Company are recognized as minority interests and minority shareholder profits and losses respectively and presented separately under shareholders' equity and net profits in the consolidation financial statements. The portion of a subsidiary's net profits and losses for the period that belong to minority interests is presented as the item of "minority shareholder profits and losses" under the bigger item of net profits in the consolidated financial statements. Where the loss of a subsidiary shared by minority shareholders exceeds the portion enjoyed by minority shareholders in the subsidiary's opening owners' equity, minority interests are offset.

Where the Company losses control on its original subsidiaries due to disposal of some equity investments or other reasons, the residual equity interests are re-measured according to the fair value on the date when such control ceases. The summation of the consideration obtained from the disposal of equity interests and the fair value of the residual equity interests, minus the portion in the original subsidiary's net assets measured on a continuous basis from the acquisition date that is enjoyable by the Company according to the original shareholding percentage in the subsidiary, is recorded in investment gains for the period when the Company's control on the subsidiary ceases. Other comprehensive incomes in relation to the equity investment in the original subsidiary are treated on the same accounting basis as the acquiree directly disposes the relevant assets or liabilities (that is, except for the changes in the net liabilities or assets with a defined benefit plan resulted from re-measurement of the original subsidiary, the rest shall all be transferred into current investment gains) when such control ceases. And subsequent measurement is conducted on the residual equity interests according to the No. 2 Accounting Standard for Business Enterprises —Long-term Equity Investments or the No. 22 Accounting Standard for Business Enterprises—Recognition and Measurement of Financial Instruments. For details, see Notes V. 22 "Long Term Equity Investment" or Notes V. 10 "Financial Instruments".

Where the Company losses control on its original subsidiaries due to step by step disposal of equity investments through multiple transactions, it need to distinguish the Group losses control on its subsidiaries due to disposal of equity investments whether belongs to a package deal. All the transaction terms, conditions and economic impact of the disposal of subsidiaries' equity investment are in accordance with one or more of the following conditions, which usually indicate the multiple transactions, should be considered as a

package deal for accounting treatment. ① These deals are at the same time or under the condition of considering the influence of each other to concluded; ② These transactions only be as a whole can achieve a complete business result; ③ The occurrence of a deal depends on at least one other transactions；④ A deal alone is not economical, it is economical with other trading together. Those not belong to a package deal, each of them a deal depends on circumstances respectively conduct accounting treatment in accordance with the applicable principles of "part disposal of subsidiaries of a long-term equity investment under the condition of not losing control on its subsidiaries" (see Notes V. 24. (2) ④ in this section) and "Where the Company losses control on its original subsidiaries due to disposal of some equity investments or other reasons" (see the front paragraph) relevant transactions of the Company losses control on its subsidiaries due to disposal of equity investments belonging to a package deal, considered as a transaction and conduct accounting treatment. However, Before losing control, every disposal cost and corresponding net assets balance of subsidiary of disposal investment are confirmed as other comprehensive income in consolidated financial statements, which together transferred into the current profits and losses in the loss of control, when the Company losing control on its subsidiary.

7. Classification of Joint Arrangements and Accounting Treatment of Joint Operations

A joint arrangement refers to an arrangement jointly controlled by two participants or above. The Company classifies joint arrangements into joint operations and joint ventures according to its rights and duties in the joint arrangements. A joint operation refers to a joint arrangement where the Group enjoys assets and has to bear liabilities related to the arrangement. A joint venture refers to a joint arrangement where the Group is only entitled to the net assets of the arrangement.

The Company's investment in the joint venture shall accounted by using the equity method and treated in accordance with relevant accounting policies described in Note V. 22 (2) ②"Long-term equity investments accounted by using the equity method".

In terms of the joint operation involving the Company as a joint operator: recognizes the assets/liabilities held alone and the assets/liabilities jointly held by recognizing according to the portion; recognizes the income from sale of the Company's share in the output of the joint operation; recognizes the income from sale of the joint operation's outputs according to the Company's stake in it; and recognizes the expense solely incurred to the Company and the expense incurred to the joint operation according to the Company's stake in it.

When the Company, as a joint operator, transfers or sells assets (except for the assets constituting business, the same below) to the joint operation, before the assets are sold to a third party, the Company only recognizes the share of the other joint operators in the gains and losses arising from the sale. Where impairment occurs to the assets as prescribed in The Accounting Standard No. 8 for Business Enterprises—Asset Impairment, the Company shall fully recognizes the loss resulting from the Company's transfer or sale of the assets in relation to the joint operation; the Company shall recognizes the loss according to its stake in the joint operation for a purchase of assets from the joint operation.

8. Confirmation Standard for Cash and Cash Equivalent

The term "cash" refers to cash on hand and deposits that are available for payment at any time. The term "cash equivalents" refers to short-term (within 3 months from the purchase date) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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

(1) Accounting treatments for translation of foreign currency transactions

As for a foreign currency transaction, the Company shall convert the amount in a foreign currency into amount in its bookkeeping

base at the spot exchange rate (usually referring to the central parity rate announced by the People's Bank of China, the same below) of the transaction date, while as for such transactions as foreign exchange or involving in foreign exchange, the Company shall converted into amount in the bookkeeping base currency at actual exchange rate the transaction is occurred.

(2) Accounting treatments for translation of foreign currency monetary items and non-monetary items

On the balance sheet date, the foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date. The exchange difference arising from it shall be recorded into current profit and loss.

A foreign currency non-monetary item measured at the historical costs shall still be translated at the spot exchange rate on the transaction date. Where the foreign non-monetary items measured at the fair value shall be converted into amount in its bookkeeping base currency at spot exchange rate, the exchange gains and losses arising thereof shall be treated as change in fair value, and recorded into the current period gains and losses or as other comprehensive incomes.

(3) Translation of foreign currency financial statements

When it involves overseas business in preparing the consolidated financial statement, for the translation difference of foreign currency monetary items of net investment in overseas business arising from the change in exchange rate, it shall be recorded into the item of "difference of foreign currency financial statement translation" under the owners' equity; and be recorded into disposal gains and losses at current period when disposing overseas business.

The foreign currency financial statement of overseas business should be translated in to RMB financial statement by the following methods: The asset and liability items in the balance sheets shall be translated at a spot exchange rate on the balance sheet date. Among the owner's equity items, except for the items as "undistributed profits", other items shall be translated at the spot exchange rate at the time when they are incurred. The income and expense items in the profit statements shall be translated at the average spot exchange rate at the period-begin and period-end of the transaction date. The undistributed profits at year-begin is the undistributed profits at the end of last year after the translation; undistributed profits at year-end shall be listed as various distribution items after the translation; after the translation, the balance between assets and the sum of liabilities and owners' equities shall be recorded into other comprehensive gains and losses as difference of foreign currency translation. Where an enterprise disposes of an overseas business without the control right, it shall shift the differences, which is presented under the items of the owner's equities in the balance sheet and which arises from the translation of foreign currency financial statements relating to this overseas business, into the disposal profits and losses of the current period by all or proportion of the disposed overseas business.

Foreign cash flow shall be translated at the average spot exchange rate at the period-begin and period-end of the date of cash flow incurred. The influence of exchange rate on the cash flow shall be adjustment item and individually listed in the cash flow statement.

And the beginning balance and the actual balance of last year shall be listed at the amounts after translation of foreign currency financial statement in last year.

Where the control of the Company over an overseas operation ceases due to disposal of all or some of the Company's owner's equity in the overseas operation or other reasons, the foreign-currency statement translation difference belonging to the parent company's owner's equity in relation to the overseas operation which is stated in the balance sheet shall be all restated as gains and losses of the disposal period.

Where the Company's equity in an overseas operation decreases due to disposal of some equity investment or other reasons but the Company still has control over the overseas operation, the foreign-currency statement translation difference in relation to the disposed part of the overseas operation shall be recorded into minority interests instead of current gains and losses. If what's disposed is some equity in an overseas associated enterprise or joint venture, the foreign-currency statement translation difference related to the overseas operation shall be recorded into the gains and losses of the current period of the disposal according to the disposal ratio.

10. Financial Instruments

Financial Instruments

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability.

(1) Classification, recognition and measurement of financial assets

The Company classifies the financial assets into financial assets measured at amortized cost, financial assets measured by the fair value and the changes recorded in other comprehensive income and financial assets at fair value through profit or loss based on the business model for financial assets management and characteristics of contractual cash flow of financial assets

Financial assets initially recognized shall be measured at their fair values. For financial assets measured at their fair values and of which the variation is recorded into the profit or loss of the current period, the transaction expenses thereof shall be directly included into the current profit or loss; for other financial assets, the transaction expenses thereof shall be included into the initially recognized amount. For accounts receivable and notes receivable generated from sales of commodities or provision of labor services, excluding or without regard to major financing, the expected consideration amount the Company has the right to collect will be taken by the Company as the initially recognized amount.

① Financial assets measured by the amortized cost

The business mode of the Company to manage the financial assets targets at collecting the contractual cash flow. What's more, the contractual cash flow characteristics of the financial assets are consistent with the basic lending arrangement, that is, the cash flow generated in the specific date is the payment of the interest based on the principal and outstanding principal amount. This kind of financial assets of the Company shall be subsequently measured based on the amortized cost and effective interest method, and the gains or losses arising from the amortization, impairment shall be included into current profit and loss.

②Financial assets measured at the fair value with its changes included into other comprehensive income

Business mode for managing financial assets of the Company takes contract cash flow collected as target and selling as target and contract cash flow characteristics of such financial assets are consistent with basic lending arrangement. The Company calculates such financial assets as per fair value whose change is included into corresponding comprehensive income, but impairment loss or gain, exchange gain or loss and interest income calculated as per actual interest rate method are included into the current profit and loss.

Furthermore, the Company designates partial non-tradable equity vehicle investment as the financial asset measured with fair value whose change is included into other comprehensive income. The Company includes the related dividend income of such financial assets into the current profit and loss with the change in fair value included into other comprehensive income. At the time of derecognition of such financial assets, accumulated gain or loss included into other comprehensive income before will be shifted to retained earnings from other comprehensive incomes but not included into the current profit and loss.

③ Financial assets at fair value through profit or loss

The Company classifies financial assets except for above-mentioned financial assets measured with amortized cost and financial assets measured with fair value whose change is included into other comprehensive income into financial assets at fair value through profit or loss. Furthermore, at the time of the initial recognition, to eliminate or significantly reduce the accounting mismatch, the Company specifies partial financial assets as the financial assets at fair value through profit or loss. For such financial assets, the Company adopts the fair value for the subsequent measurement, and the changes in fair value are included into current profit and loss.

(2) Classification, recognition and measurement of financial liabilities

The Company's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss and other financial liabilities. For financial liabilities at fair value through profit or loss, relevant transaction costs are immediately recognized in profit or loss for the current period, and transaction costs relating to other financial liabilities are included in the initial recognition amounts.

① Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include trading financial liabilities (including the derivative instruments belonging to financial liabilities) and financial liabilities designated at the initial recognition to be measured by the fair value and their changes are recorded in the current profit or loss.

Trading financial liabilities (including the derivative instruments belonging to financial liabilities) are subsequently measured at fair value, and the changes of fair value except those related to hedge accounting) shall be recorded in the current profit or loss.

For the financial liabilities at fair value through profit or loss, the change of such liability's fair value arising from changes in the Company's own credit risk is included into other comprehensive income. And when the liability is derecognized, the accumulative change amount of its fair value arising from the change of own credit risk included into other comprehensive income is transferred to the retained earnings. The changes of the remaining fair value are included in the current profit or loss. If the treatment of change effects in own credit risk of such financial liability in the above method may cause or expand the accounting mismatching in the profit or loss, the Company will include all gains or losses (including the amount influenced due to the changes in own credit risk of the enterprise) of such financial liability into the current profit or loss.

② Other financial liabilities

Other financial liabilities except for those formed due to transfer of financial assets failing to comply with derecognition condition or continuously getting involved in transferred financial assets and financial guarantee contract are classified into financial liabilities measured with amortized cost and subject to subsequent measurement based on amortized cost. Gains or losses generated from derecognition or amortization are included into the current profit or loss.

(3) Recognition and measurement of financial assets transfer

The Company derecognizes a financial asset when one of the following conditions is met:

1) the rights to receive cash flows from the asset have expired;

2) the enterprise has transferred its rights to receive cash flows from the asset to a third party under a pass-through arrangement; or

3) the enterprise has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the enterprise has neither retained all the risks and rewards from the financial asset nor control over the asset, the asset is recognized according to the extent it exists as financial asset, and correspondent liability is recognized. The extent of existence refers the level of risk by the financial asset changes the enterprise is facing.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, (a). the carrying amount of the financial asset transferred; and (b) the sum of the consideration received from the transfer and any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

If a part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair value of those parts. The difference between (a) the carrying amount allocated to the part derecognized; and (b) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss.

If the Company endorses the financial assets sold by right of recourse and holding financial assets, it needs to confirm that whether almost all risks and remuneration in the ownership of financial assets have been transferred or not. Where an enterprise has transferred nearly all of the risks and rewards related to the ownership of the financial asset to the transferee, it shall stop recognizing the financial asset； If it retained nearly all of the risks and rewards related to the ownership of the financial asset, it shall not stop recognizing the financial asset. If the Company does not transfer or retain nearly all of the risks and rewards related to the ownership of the financial asset, then it continuously judges that whether the Company retain the control of the assets, and conducts accounting treatment according to the principles described in former paragraphs.

(4) Derecognition of financial liabilities

In case of current obligation of financial liabilities (or partial financial liabilities) being terminated, derecognition of such financial liabilities (or partial financial liabilities) is conducted by the Company. If the Company (borrower) concludes an agreement with the lender to replace original financial liabilities with new ones and contact terms of new financial liabilities are different from those of original financial liabilities, derecognition of original financial liabilities and recognition of new financial liabilities shall be

conducted. In case of material alteration of contract terms of original financial liabilities (partial financial liabilities) by the Company, derecognition of original financial liabilities and recognition of new financial liabilities as per modified terms shall be conducted.

In case of derecognition of financial liabilities (partial financial liabilities), the Company includes the balance between its carrying value and payment consideration (including non-cash assets transferred out or borne liabilities) into the current profit or loss.

(5) Offsetting financial assets and financial liabilities

When the Company has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

(6) Determination of financial assets and liabilities' fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For a financial instrument which has an active market, the Company uses quoted price in the active market to establish its fair value. The quoted price in the active market refers to the price that can be regularly obtained from exchange market, agencies, industry associations, pricing authorities; it represents the fair market trading price in the actual transaction. For a financial instrument which does not have an active market, the Company establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. The Company measures initially and subsequently the fair value of an interest rate swap at the value of a competitor's interest rate swap quoted by a recognized financial institution as at the Company's balance sheet date in accordance with the principle of consistency. In valuation, the Company adopts applicable valuation techniques supported by sufficient utilizable data and other information in current circumstances, selects input values consistent with asset or liability characteristics considered in relevant asset or liability transactions of market participators and prioritizes the applying relevant observable input values. Unobservable input values shall not be applied unless relevant observable input values are not accessible or feasible.

(7) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The consideration received from issuing equity instruments, net of transaction costs, are added to shareholders' equity. All types of distribution (excluding stock dividends) made by the Company to holders of equity instruments are deducted from shareholders' equity. The Company does not recognize any changes in the fair value of equity instruments.

An equity instrument distributing dividends during the period of continued existence (including the "interest" generated from those classified as equity instrument) shall be treated as profit distribution.

Impairment of Financial Assets

The Company needs to confirm that the financial assets subject to the impairment loss are the financial assets measured based on the amortized cost, the debt instrument investment measured based on the fair value with its variations included into other comprehensive incomes and the lease outlay receivable, mainly including notes receivable, account receivable, other receivables, investment on creditor's rights, other investments on creditor's rights and long-term receivables etc. Besides, in respect of the contract assets and partial financial guarantee contract, corresponding impairment provisions shall be calculated and withdrawn and corresponding credit impairment losses recognized according to various accounting policies mentioned in this part.

(1) Methods for the Recognition of Impairment Provisions

For all mentioned items above, the Company shall calculate and withdraw corresponding impairment provisions and recognize corresponding credit impairment losses according to applicable expected credit loss measurement methods (general methods or simplified methods) with the expected credit loss as the basis.

Credit loss refers to the difference between all receivable contract cash flows and all expected cash flows that are discounted to the present value based on the original actual interest rate -- the present value of all cash shortfall. However, for the purchased or original financial assets subject to the credit impairment, the Company shall realize the discounting based on the actual interest rate subject to

the credit adjustment.

General methods applied to measure the expected credit loss can be described as: the Company shall evaluate whether the credit risk of the financial assets (including the contract assets and other applicable items; the same below) increases remarkably after the initial recognition on the balance sheet day; if the credit risk increases remarkably after the initial recognition, the Company shall measure the provision for loss based on the specific expected credit loss amount during the entire period of existence; if not, the Company shall measure the provision for loss based on the specific expected credit loss amount in the following 12 months. While evaluating the expected credit loss, the Company shall take all reasonable and well-founded information into consideration, including the forward-looking information.

For the financial instrument of lower credit risk on the balance sheet day, the Company shall assume that its credit risk does not increase remarkably after the initial recognition, and corresponding provision for loss shall be measured according to the expected credit loss in the following 12 months.

(2) Standards for Judging Whether the Credit Risk Increases Remarkably after the Initial Recognition

If any financial assets' probability of default within the expected period of existence determined on the balance sheet day is obviously higher than that within the expected period of existence determined during the initial recognition, it shall indicate the remarkable increase of the financial assets' credit risk.

(3) Combined Method for Evaluating the Expected Credit Risk based on Corresponding Combination

For the financial assets with remarkably different credit risk, the Company shall separately evaluate its credit risk, including the receivables from related parties, receivables involved in any dispute with the other party or any lawsuit and arbitration, and receivables with obvious evidence showing that the debtor cannot fulfill the due payment obligation etc.

Except for the financial assets whose credit risk shall be separately evaluated, the Company shall divide these financial assets into different combinations based on the specific risk features, on which basis, corresponding credit risks can be evaluated.

(4) Accounting Treatment Methods Applied to the Impairment of Financial Assets

At the end of the period, the Company shall calculate the expected credit losses of various financial assets. If the expected credit loss is higher than the carrying amount of its current impairment provision, the difference shall be recognized as the impairment loss; if lower, the difference shall be recognized as the gain from the impairment.

(5) Methods for Determining the Credit Loss of Various Financial Assets

①Accounts receivable and other receivables

For accounts receivable and contract assets excluding significant financing composition, the Company shall measure the provision for loss according to the specific expected credit loss amount within the entire period of existence.

For accounts receivable, contract assets and lease payment receivable including significant financing composition, the Company shall always measure the provision for loss according to the specific expected credit loss amount within the period of existence.

Item	Basis for determina
Receivables within consolidation scope	Receivables among subsidiaries within the Company's consolidation scope
Aging group	Accounts receivable except for the accounts receivable in the consolidation scope which had not been impaired after the independent test, and the Company analyzed and recognized the ratio of the withdrawal of the bad debt provision combined with the current situation and based on the actual losses rate of the accounts receivable group which possessed the similar credit risk characteristics divided according to the aging phase that were the same as or similar to the previous years

11. Notes Receivable

In accordance with policies governing accounts receivable.

12. Accounts Receivable

(1) Accounts Receivable with Significant Single Amount for Which the Bad Debt Provision is Made Individually

Judgement basis or monetary standards of provision for bad debts of the individually significant accounts receivable	Receivables with the amount of more than RMB2 million (including RMB2 million) should recognize as the receivables with significant single amount.
Method of individual provision for bad debts of the individually significant accounts receivable	The Company made an independent impairment test on receivables with significant single amounts; the financial assets without impairment by independent impairment test should be included in financial assets portfolio with similar credit risk to take the impairment test. Receivables was recognized with impairment should no longer be included in receivables portfolio with similar credit risk to take the impairment test.

(2) Accounts Receivable Which the Bad Debt Provision is Withdrawn by Credit Risk Characteristics

Name of portfolios	Withdrawal method of bad debt provision
Portfolios 1 (accounts receivable among the companies within the consolidated scope of the Group)	Other method
Portfolios 2 (accounts receivable except for the accounts receivable in the consolidation scope which had not been impaired after the independent test, and the Company analyzed and recognized the ratio of the withdrawal of the bad debt provision combined with the current situation and based on the actual losses rate of the accounts receivable group which possessed the similar credit risk characteristics divided according to the aging phase that were the same as or similar to the previous years)	Aging analysis method

In the groups, adopting aging analysis method to withdraw bad debt provision:

Age	Withdrawal proportion for accounts receivable	Withdrawal proportion for other receivables
Within 1 year (including 1 year)	3.00%	3.00%
1-2 years	10.00%	10.00%
2-3 years	30.00%	30.00%
3-4 years	50.00%	50.00%
4-5 years	80.00%	80.00%
Over 5 years	100.00%	100.00%

In the groups, adopting balance percentage method to withdraw bad debt provision:

□ Applicable √ Not applicable

In the groups, adopting other methods to withdraw bad debt provision:

√ Applicable □ Not applicable

Name of portfolios	Withdrawal proportion for accounts receivable	Withdrawal proportion for other receivables
Portfolio 1	0.00%	0.00%

(3) Accounts Receivable with an Insignificant Single Amount but for which the Bad Debt Provision is Made Independently

Reason of individually withdrawing bad debt provision	The Group made independent impairment test on receivables with insignificant amount but with special impairment indicated by objective evidence.
Withdrawal method for bad debt provision	The Company made independent impairment test on receivables with insignificant amount but with the following characteristics, if any objective evidence shows that the accounts receivable has been impaired, impairment loss shall be recognized on the basis of the gap between the current values of the future cash flow lower than its book value so as to withdraw provision for bad debts

13. Financing Backed by Accounts Receivable

Not applicable

14. Other Receivables

Recognition method and accounting treatment method of expected credit losses of other receivables

In accordance with policies governing accounts receivable.

15. Inventory

Is the Company subject to any disclosure requirements for special industries?

No

(1) Classification

Inventories include raw materials, revolving materials, stock products, land intended to develop, development products in construction (development costs), completed development products and development products intended to sell but rent temporarily, and etc. the costs of development products include land-transferring fees, expenditures of basic supporting facilities and building installation engineering, borrowing costs incurred before the completion of development project, and other related costs in the process of the development. When the inventories are delivered, the actual costs shall be recognized by specific identification.

(2) Valuation method of inventories acquiring and issuing

Inventories shall be priced at actual cost when acquired, and they shall be initially measured at costs. When inventories are delivered, the materials are priced by weighted average costs, and development products are priced by specific identification.

(3) Basis for determining net realizable value of inventories and provision methods for decline in value of inventories

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the

estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, and takes into consideration the purpose of holding inventories and effect of post balance sheet events.

At the balance sheet date, inventories are measured at the lower of the cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. The provision for inventories decline in value is determined by the difference of the cost of individual item less its realizable value. For inventory that has large quantity and low unit price, the provision for inventory devaluation is provided for based on categories of the inventory. For inventory related to the products manufactured and sold in the same district, with same or similar use or purpose, and difficult to account for separately from other items, the provision for inventory devaluation is provided for on a consolidated basis.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

(4) The perpetual inventory system is maintained for stock system

(5) Amortization method of the low-value consumption goods and packing articles

(6) Accounting Method Applied to Lands for Development

For pure land development projects, all resulting costs and expenses shall individually constitute the land development costs;

For projects linked with the real estate for overall development, when the party supposed to assume all resulting expenses can be defined, such expenses shall be amortized into the commercial housing costs based on the actual area.

(7) Accounting of Costs of Public Facilities

It shall be calculated into the work in progress based on the actual completion cost (if the corresponding public facilities have not been completed when the real estate project is completed, it will be included in the completed development products according to the estimated cost); if a supporting facility can benefit from multiple supporting real estate projects and the developed products are of the same type, it shall be apportioned according to the saleable area; if a supporting facility can benefit from multiple supporting real estate projects and the developed products are not of the same type (for example, common residence and villas are developed at the same time), it shall be apportioned according to the floor space ratio.

(8) Accounting Method of Maintenance Fund

For the Company's property management business, the public maintenance fund received from the owners under the Company's management shall be included in the long-term account payable specially used for the maintenance and renewal of public facilities in the residential common facilities and property management areas.

(9) Accounting Method of Quality Guarantee Deposit

It shall be included in the completed development product costs based on the amount stipulated in the contract, and calculated into the accounts payable for future actual payment after the guarantee period expires.

16. Contract Assets

Not applicable

17. Contract Costs

Not applicable

18. Assets Held for Sale

The Company classifies an asset into held-for-sale when its book value is mainly recovered by selling (including the exchanges of

non-monetary assets with commercial substance) instead of a non-current asset or disposal group. Specific standards are simultaneously satisfying the following conditions: A asset or disposal group can be sold immediately under current conditions based on the practice of selling such assets or disposal groups in similar transactions; the Company has already made a resolution on sale plan and obtained a confirmed purchase commitment; and the sale is expected to will be completed within one year. A disposal group refers to a group of assets that are disposed of together as a whole by sale or other means in a transaction and the liabilities directly related to these assets transferred in the transaction. Where the asset group or combination of asset groups to which a disposal group belongs apportions the goodwill acquired in the business combination in accordance with the "Accounting Standards for Enterprises No. 8 - Asset Impairment", the disposal group shall include the goodwill allocated to it.

When the Company initially measures or re-measures on the balance sheet date the non-current assets and disposal groups classified as held-for-sale, If the book value is higher than the fair value minus the net amount of the sale costs, the book value will be written down to the net amount of fair value minus the sale costs, and the amount written down will be recognized as impairment loss of assets and included in the current profit and loss, and provision for impairment of held-for-sale assets will be made at the same time. For the confirmed amount of impairment loss of assets of the disposal groups held for sale, the book value of goodwill of the disposal groups will be offset first, and then the book value of various non-current assets applicable to the measurement of Accounting Standards for Business Enterprises No. 42 - Non-current Assets and Disposal Groups Held for Sale and Termination of Operations (hereinafter referred to as “Held for sale standards”) in the disposal groups will be offset according to the proportions. If the net amount that the fair value of the disposal groups held for sale on the follow-up balance sheet date minus the sale costs increases, the previous written-down amount will be restored, and reversed to the asset impairment loss confirmed after the assets being classified as held-for-sale. The reversed amount will be included in the current profit or loss. And its book value shall be increased proportionately to the proportion of the book value of various non-current assets measured by the disposal group in addition to goodwill applicable to the measurement of held-for-sale norms; The book value of deducted goodwill and the non-current assets applicable to the measurement of held-for-sale norms will not be reversed if the asset impairment loss is recognized before it is classified as held for sale.

Non-current assets held for sale or non-current assets in the disposal group are not subject to depreciation or amortization. Interest and other expenses of liabilities in the disposal group held for sale will be confirmed as before.

When a non-current asset or disposal group ceases be classified as held-for-sale or a non-current asset is removed out from the held-for-sale disposal group due to failure in meeting the classification conditions for the category of held-for-sale, it will be measured by one of the followings whichever is lower: (1) The book value before being classified as held for sale will be adjusted according to the depreciation, amortization or impairment that would have been recognized under the assumption that it was not classified as held for sale; (2) The recoverable amount.

19. Investments in Debt Obligations

Not applicable

20. Other Investments in Debt Obligations

Not applicable

21. Long-term Receivables

Not applicable

22. Long-term Equity Investments

The long-term equity investments of this part refer to the long-term equity investments that the Company has control, joint control or significant influence over the investees. The long-term equity investment that the Company does not have control, joint control or significant influence over the investees, should be recognized as available-for-sale financial assets or be measured by fair value with the changes should be included in the financial assets accounting of the current gains and losses, and please refer the details of the accounting policies to Notes IV. 10 “Financial instrument”

Joint control, refers to the control jointly owned according to the relevant agreement on an arrangement by the Company and the relevant activities of the arrangement should be decided only after the participants which share the control right make consensus. Significant influence refers to the power of the Company which could anticipate in the finance and the operation polices of the investees, but could not control or jointly control the formulation of the policies with the other parties.

(1) Recognition of investment costs

As for long-term equity investments acquired by enterprise merger, if the merger is under the same control, the share of the book value of the owner’s equity of the merged enterprise, on the date of merger, is regarded as the initial cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, non-cash assets transferred as well as the book value of the debts borne by the merging party shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. If the consideration of the merging enterprise is that it issues equity securities, it shall, on the date of merger, regard the share of the book value of the shareholder's equity of the merged enterprise on the consolidated financial statement of the ultimate control party as the initial cost of the long-term equity investment. The total face value of the stocks issued shall be regarded as the capital stock, while the difference between the initial cost of the long-term equity investment and total face value of the shares issued shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. The equities of the combined party which respectively acquired through multiple transaction under the same control that ultimately form into the combination of the enterprises under the same control, should be disposed according whether belongs to package deal; if belongs to package deal, each transaction would be executed accounting treatment by the Company as a transaction of acquiring the control right. If not belongs to package deal, it shall, on the date of merger, regard the enjoyed share of the book value of the shareholder's equity of the merged enterprise on the consolidated financial statement of the ultimate control party as the initial cost of the long-term equity investment, and as for the difference between the initial investment cost of the long-term equity investment and sum of the book value of the long-term equity investment before the combination and the book value of the consideration of the new payment that further required on the combination date, should adjust the capital reserve; if the capital reserve is insufficient to dilute, the retained earnings shall be adjusted. The equity investment held before the combination date which adopted the equity method for accounting, or the other comprehensive income confirmed for the available-for-sale financial assets, should not have any accounting disposal for the moment.

For the long-term investment required from the business combination under different control, the initial investment cost regarded as long-term equity investment on the purchasing date according to the combination cost, the combination costs shall be the sum of the fair values of the assets paid, the liabilities incurred or assumed and the equity securities issued by the Company. The equities of the acquirees which respectively acquired through multiple transaction that ultimately form into the combination of the enterprises under the different control, should be disposed according whether belongs to package deal; if belongs to package deal, each transaction would be executed accounting treatment by the Company as a transaction of acquiring the control right. If not belongs to package deal, the sum of the book value of the original held equity investment of the acquirees and the newly added investment cost should be regarded as the initial investment cost of the long-term equity investment that changed to be accounted by cost method. If the original held equity is calculated by cost method, the other relevant comprehensive income would not have any accounting disposal for the moment. If the original held equity investment is the financial assets available for sale, its difference between the fair value and the book value as well as the accumulative changes of the fair value that include in the other comprehensive income, should transfer into the current gains and losses.

The commission fees for audit, law services, assessment and consultancy services and other relevant expenses occurred in the business combination by the combining party or the purchase party, shall be recorded into current profits and losses upon their occurrence.

Besides the long-term equity investments formed by business combination, the other long-term equity investments shall be initially measured by cost, the cost is fixed in accordance with the ways of gaining, such as actual cash payment paid by the Company, the fair value of equity securities issued by the Company, the agreed value of the investment contract or agreement, the fair value or original carrying amount of exchanged assets from non-monetary assets exchange transaction, the fair value of the long-term equity investments, etc. The expenses, taxes and other necessary expenditures directly related with gaining the long-term equity investments shall also be recorded into investment cost. The long-term equity investment cost for those could execute significant influences on the investees because of appending the investment or could execute joint control but not form as control, should be as the sum of the fair value of the original held equity investment and the newly added investment cost recognized according to the No. 22 of Accounting Standards for Business Enterprises—Recognition and Measurement of Financial Instrument.

(2) Subsequent measurement and recognition of gains or losses

A long-term equity investment where the investing enterprise has joint control (except for which forms into common operators) or significant influence over the investors should be measured by equity method. Moreover, long-term equity investment adopting the cost method in the financial statements, and which the Company has control on invested entity.

① Long-term equity investment measured by adopting cost method

The price of a long-term equity investment measured by adopting the cost method shall be included at its initial investment cost and append as well as withdraw the cost of investing and adjusting the long-term equity investment. The return on investment at current period shall be recognized in accordance with the cash dividend or profit announced to distribute by the invested entity, except the announced but not distributed cash dividend or profit included in the actual payment or consideration upon gaining the investment.

② Long-term equity investment measured by adopting equity method

If the initial cost of a long-term equity investment is more than the Company's attributable share of the fair value of the invested entity's identifiable net assets for investment, the initial cost of the long-term equity investment may not be adjusted. If the initial cost of a long-term equity investment is less than the Company's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profits and losses and the cost of the long-term equity investment shall be adjusted simultaneously.

When measured by adopting equity method, respectively recognize investment income and other comprehensive income according to the net gains and losses as well as the portion of other comprehensive income which should be enjoyed or be shared, and at the same time adjust the book value of the long-term equity investment; corresponding reduce the book value of the long-term equity investment according to profits which be declared to distribute by the investees or the portion of the calculation of cash dividends which should be enjoyed; for the other changes except for the net gains and losses, other comprehensive income and the owners' equity except for the profits distribution of the investees, should adjust the book value of the long-term equity investment as well as include in the capital reserve. The investing enterprise shall, on the ground of the fair value of all identifiable assets of the invested entity when it obtains the investment, recognize the attributable share of the net profits and losses of the invested entity after it adjusts the net profits of the invested entity. If the accounting policy adopted by the investees is not accord with that of the Company, should be adjusted according to the accounting policies of the Company and the financial statement of the investees during the accounting period and according which to recognize the investment income as well as other comprehensive income. For the transaction happened between the Company and associated enterprises as well as joint ventures, if the assets launched or sold not form into business, the portion of the unrealized gains and losses of the internal transaction, which belongs to the Company according to the calculation of the enjoyed proportion, should recognize the investment gains and losses on the basis. But the losses of the unrealized internal transaction happened between the Company and the investees which belongs to the impairment losses of the transferred assets, should not be neutralized. The assets launched by the Company to the associated enterprises or the joint ventures if

could form into business, the long-term equity investment without control right which acquired by the investors, should regard the fair value of the launched business as the initial investment cost the newly added long-term equity investment, and for the difference between the initial investment cost and the book value of the launched business, should be included into the current gains and losses with full amount. The assets sold by the Company to the associated enterprises or the joint ventures if could form into business, the difference between the acquired consideration and the book value of the business should be included in the current gains and losses with full amount. The assets purchased by the Company to the associated enterprises or the joint ventures if could form into business, should be accounting disposed according to the regulations of No. 20 of ASBE—Business Combination, and should be recognized gains or losses related to the transaction with full amount.

The Company shall recognize the net losses of the invested enterprise until the book value of the long-term equity investment and other long-term rights and interests which substantially form the net investment made to the invested entity are reduced to zero. However, if the Company has the obligation to undertake extra losses, it shall be recognized as the estimated liabilities in accordance with the estimated duties and then recorded into investment losses at current period. If the invested entity realizes any net profits later, the Company shall, after the amount of its attributable share of profits offsets against its attributable share of the un-recognized losses, resume recognizing its attributable share of profits.

For the long-term equity investment held by the Company before the first execution of the new accounting criterion of the associated enterprises and joint ventures, if there is debit difference of the equity investment related to the investment, should be included in the current gains and losses according to the amount of the straight-line amortization during the original remained period.

③ Acquiring shares of minority interest

In the preparation for the financial statements, the balance existed between the long-term equity investment increased by acquiring shares of minority interest and the attributable net assets on the subsidiary calculated by the increased shares held since the purchase date (or combination date), the capital reserves shall be adjusted, if the capital reserves are not sufficient to offset, the retained profits shall be adjusted.

④ Disposal of long-term equity investment

In the preparation of financial statements, the Company disposed part of the long-term equity investment on subsidiaries without losing its controlling right on them, the balance between the disposed price and attributable net assets of subsidiaries by disposing the long-term equity investment shall be recorded into owners' equity; where the Company losses the controlling right by disposing part of long-term equity investment on such subsidiaries, it shall treated in accordance with the relevant accounting policies in Notes IV. 5. (2) "Method on preparation of combined financial statements"

For other ways on disposal of long-term equity investment, the balance between the book value of the disposed equity and its actual payment gained shall be recorded into current profits and losses.

For the long-term equity investment measured by adopting equity method, if the remained equity after disposal still adopts the equity method for measurement, the other comprehensive income originally recorded into owners' equity should adopt the same basis of the accounting disposal of the relevant assets or liabilities directly disposed by the investees according to the corresponding proportion. The owners' equity recognized owning to the changes of the other owners' equity except for the net gains and losses, other comprehensive income and the profits distribution of the investees, should be transferred into the current gains and losses according to the proportion.

For the long-term equity investment which adopts the cost method of measurement, if the remained equity still adopt the cost method, the other comprehensive income recognized owning to adopting the equity method for measurement or the recognition and measurement standards of financial instrument before acquiring the control of the investees, should adopt the same basis of the accounting disposal of the relevant assets or liabilities directly disposed by the investees and should be carried forward into the current gains and losses according to the proportion; the changes of the other owners' equity except for the net gains and losses, other comprehensive income and the profits distribution among the net assets of the investees which recognized by adopting the equity method for measurement, should be carried forward into the current gains and losses according to the proportion.

If the Company loses control over the investee due to disposal of partial equity investment, in the preparation of individual financial statements, if the remaining equity after such disposal can be applied to exercise joint control or exert significant influence on the investee, it shall be calculated by using the equity method. The remaining equity shall be deemed to be adjusted by equity method when it is acquired; if the remaining equity after disposal cannot be applied to exercise joint control over or exert significant influence on the investee, it shall be calculated according to various provisions related to financial instrument recognition and measurement criteria. The difference between the fair value and the book value on the date of loss of control is recognized in profit or loss for the period. Before the Company obtains control over the investee, other comprehensive incomes recognized and calculated by using the equity method or according to the financial instrument recognition and measurement criteria shall be subject to the accounting treatment by adopting the same accounting basis with that applied by the investee to directly dispose relevant assets or liabilities when the control over the investee is lost. The changes in the owner's equity other than the net profit or loss, other comprehensive income and profit distribution in the net assets of the investee recognized by using the equity method shall be carried forward into the current profit or loss. Where the remaining equity after disposal is calculated by using the equity method, other comprehensive incomes and other owner's equities shall be carried forward on a pro-rata basis; if the remaining equity after disposal adopts corresponding accounting treatment based on the financial instrument recognition and measurement criteria, other comprehensive incomes and other owner's equities shall be carried forward.

If the Company loses its joint control over or significant influence on the investee due to the disposal of partial equity investment, the remaining equity after disposal shall be subject to the financial instrument recognition and measurement criteria for accounting, and the difference between the fair value and the book value on the day of loss of joint control or significant influence shall be included in the current profit and loss. In the original equity investment, other comprehensive incomes recognized by using the equity method shall be subject to the accounting treatment on the same basis with that applied by the investee to directly dispose related assets or liabilities when the equity method is discontinued for accounting. The owner's equity recognized due to the changes of other owner's equities of the investee other than the net profit or loss, other comprehensive incomes and profit distribution shall be all carried forward to the current income on investment when the equity method is discontinued for accounting.

If the Company disposes the equity investment in the subsidiaries step by step by means of multiple transactions till the loss of control, and such transactions are part of the package transaction, such transactions shall be treated as a transaction in relation to the equity investment of the subsidiary with the lost control right. The difference between the disposal price and the book value of the long-term equity investment corresponding to the disposed equity before the loss of control shall be firstly recognized as other comprehensive incomes, and then carried forward to the current profit or loss when the control is lost.

23. Investment Property

Measurement model of investment real estate

Costing method measurement

Depreciation or amortization method

The investment real estate refers to the real estate gaining the rent or capital appreciation or both. It includes rented land use right, holding land use right to be transferred after the appreciation and rented building, etc.

The investment real estate is measured initially according to the cost. The subsequent expenses related with the investment real estate shall be calculated into the cost of investment real estate if the economic benefit related with the asset may flow in and the cost may be measured reliably. Other subsequent expenses shall be calculated in the current profits and losses at the occurrence.

The Company adopts the cost mode to conduct the subsequent measurement on the investment real estate, depreciates or amortizes according to the policy consistent with the house building or land use right.

The devaluation test method and devaluation provision method for the investment real estate can be seen in Notes V. 31 "Long-term Asset Devaluation".

When the self-use real estate or stock is converted to the investment real estate or the investment real estate is converted to the

self-use real estate, the book value before the conversion shall be the entry value after the conversion.

When the purpose of investment real estate is changed into private use, the investment real estate shall be converted into the fixed assets or intangible assets from the date of change. When the purpose of the self-use real estate is changed for earning rents or for capital appreciation, the fixed assets or intangible assets shall be converted into the investment real estate from the date of change. If it is converted to the investment real estate measured by the cost model, the book value before such conversion shall be used as the entry value after such conversion; if it is converted into the investment real estate measured by the fair value model, the fair value on the conversion date shall be used as the entry value after such conversion.

When the investment real estate is disposed, or out of usage permanently, and it is expected not to get the economic benefit from the disposal, the confirmation on the investment real estate shall be terminated. The disposal income for the sales, transferring, scrap or damage of the investment real estate deducing the book value and related tax shall be calculated in the current profits and losses.

24. Fixed Assets

(1) Conditions for Recognition

The term "fixed assets" refers to the tangible assets that simultaneously possess the features as follows: (a) they are held for the sake of producing commodities, rendering labor service, renting or business management; and (b) their useful life is in excess of one fiscal year. The fixed assets are only recognized when the relevant economic benefits probably flow in the Company and its cost could be reliable measured. The fixed assets should take the initial measurement according to the cost and at the same time consider the influences of the factors of the estimated discard expenses.

(2) Depreciation Methods

Category of fixed assets	Method	Useful life	Salvage value	Annual deprecation
Housing and building	Straight-line method	20-25	5-10%	3.8-4.5
Transportation vehicle	Straight-line method	5	5%	19
Electronic equipments and others	Straight-line method	5	5%	19
Decoration of fixed assets	Straight-line method	5	0%	20

The estimated net salvage refers to the amount obtained by the Company from its disposal of the assets by deducting the estimated disposal expenses based on the assumption that the fixed assets' estimated service life expires and reaches the predicted status when its service life expires.

The fixed assets impairment test methods and the impairment provision calculating and withdrawing method

Please refer to Note V. 31 "Long-term Assets Impairment" for the fixed assets impairment test methods and the impairment provision calculating and withdrawing method.

Subsequent expenses related to the fixed assets, if the economic benefits related to the fixed assets are likely to flow in and their costs can be reliably measured, are included in the cost of fixed assets and the carrying amount of the replaced portion is derecognized. Other subsequent expenditures other than that shall be recognized in the current profit or loss.

The fixed asset shall be derecognized when the fixed asset is in disposal or is expected not to generate economic benefits through use or disposal. The difference between the disposal income from the sale, transfer, retirement or damage of the fixed assets less the carrying amount and related taxes is recognized in profit or loss for the current period.

The Company shall review the useful life, estimated net residual value and depreciation method of the fixed assets at least at the end

of the year, and if there is any change, it shall be treated as the changes in accounting estimations.

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

The “finance lease” shall refer to a lease that has transferred in substance all the risks and rewards related to the ownership of an asset. Its ownership may or may not eventually be transferred. The fixed assets by finance lease shall adopt the same depreciation policy for self-owned fixed assets. If it is reasonable to be certain that the lessee will obtain the ownership of the leased asset when the lease term expires, the leased asset shall be fully depreciated over its useful life. If it is not reasonable to be certain that the lessee will obtain the ownership of the leased asset at the expiry of the lease term, the leased asset shall be fully depreciated over the shorter one of the lease term or its useful life.

25. Construction in Progress

Construction in process is measured at actual cost. Actual cost comprises construction costs, borrowing costs that are eligible for capitalization before the fixed assets being ready for their intended us and other relevant costs. Construction in process is transferred to fixed assets when the assets are ready for their intended use.

See the details of the impairment test method of the impairment provision withdrawal method of the construction in progress to Note V. 31 “Long-term assets impairment”.

26. Borrowing Costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings. The capitalization of borrowing costs, which can be directly attributable to asset acquisition or construction, starts when asset expenditure or borrowing cost are generated, or the asset acquisition or construction is launched to enable the asset to meet the predefined conditions for use or sale, and ends when the acquired or constructed asset conforming to capitalization conditions meet the predefined conditions for use or sale. The other borrowing costs are recognized as expenses in the current period.

The actual interest expenses incurred in the current period of specific borrowings shall be capitalized by subtracting the interest income earned by the bank from unused borrowing funds or investment income gained from temporary investment. For general borrowings, the amount to be capitalized shall be determined based on the weighted average of total asset expenditure exceeding the specific borrowing multiplied by the capitalization rate of general borrowings. The capitalization rate is determined based on the weighted average interest rate of general borrowings.

During the capitalization period, the foreign exchange differences on foreign currency specific borrowings shall be capitalized. The exchange differences on foreign currency general borrowings shall be included in the current profits and losses.

Assets eligible for capitalization refer to assets such as fixed assets, investment real estate and inventory that require a considerable amount of time for acquisition or construction to be ready for use or sale.

If the acquisition or construction process of the assets eligible for capitalization is stopped unexpectedly for more than 3 months, the capitalization of borrowing costs shall be suspended until the asset acquisition or construction resumes.

27. Biological Assets

Not applicable

28. Oil-gas Assets

Not applicable

29. Right-of-use Assets

Not applicable

30. Intangible Assets

(1) Pricing Method, Useful Life and Impairment Test

The term "intangible asset" refers to the identifiable non-monetary assets possessed or controlled by enterprises which have no physical shape.

The intangible assets shall be initially measured according to its cost. The costs related with the intangible assets, if the economic benefits related to intangible assets are likely to flow into the enterprise and the cost of intangible assets can be measured reliably, shall be recorded into the costs of intangible assets; otherwise, it shall be recorded into current profits and losses upon the occurrence.

The use right of land gained is usually measured as intangible assets. For the self-developed and constructed factories and other constructions, the related expenditures on use right of land and construction costs shall be respectively measured as intangible assets and fixed assets. For the purchased houses and buildings, the related payment shall be distributed into the payment for use right of land and the payment for buildings, if it is difficult to be distributed, the whole payment shall be treated as fixed assets.

For intangible assets with a finite service life, from the time when it is available for use, the original value shall be amortized by straight line method during the service life. While the intangible assets without certain service life shall not be amortized.

At the end of period, the Company shall check the service life and amortization method of intangible assets with finite service life, if there is any change, it shall be regarded as a change of the accounting estimates. Besides, the Company shall check the service life of intangible assets without certain service life, if there is any evidence showing that the period of intangible assets to bring the economic benefits to the enterprise can be prospected, it shall be estimated the service life and amortized in accordance with the amortization policies for intangible assets with finite service life.

(2) Accounting Policy for Internal Research and Development Expenditures

Not applicable

31. Impairment of Long-term Assets

For non-current financial Assets of fixed Assets, projects under construction, intangible Assets with limited service life, investing real estate with cost model, long-term equity investment of subsidiaries, cooperative enterprises and joint ventures, the Company should judge whether decrease in value exists on the date of balance sheet. Recoverable amounts should be tested for decrease in value if it exists. Other intangible Assets of reputation and uncertain service life and other non-accessible intangible assets should be tested for decrease in value no matter whether it exists.

If the recoverable amount is less than book value in impairment test results, the provision for impairment of differences should include in impairment loss. Recoverable amounts would be the higher of net value of asset fair value deducting disposal charges or present value of predicted cash flow. Asset fair value should be determined according to negotiated sales price of fair trade. If no sales agreement exists but with asset active market, fair value should be determined according to the Buyer's price of the asset. If no

sales agreement or asset active market exists, asset fair value could be acquired on the basis of best information available. Disposal expenses include legal fees, taxes, cartage or other direct expenses of merchantable Assets related to asset disposal. Present value of predicted asset cash flow should be determined by the proper discount rate according to Assets in service and predicted cash flow of final disposal. Asset depreciation reserves should be calculated on the basis of single Assets. If it is difficult to predict the recoverable amounts for single Assets, recoverable amounts should be determined according to the belonging asset group. Asset group is the minimum asset combination producing cash flow independently.

In impairment test, book value of the business reputation in financial report should be shared to beneficial asset group and asset group combination in collaboration of business merger. It is shown in the test that if recoverable amounts of shared business reputation asset group or asset group combination are lower than book value, it should determine the impairment loss. Impairment loss amount should firstly be deducted and shared to the book value of business reputation of asset group or asset group combination, then deduct book value of all assets according to proportions of other book value of above assets in asset group or asset group combination except business reputation.

After the asset impairment loss is determined, recoverable value amounts would not be returned in future.

32. Long-term Deferred Expenses

Long-term deferred expenses refer to general expenses with the apportioned period over one year (one year excluded) that have occurred but attributable to the current and future periods. And the long-term deferred expense shall be amortized by the straight-line method averagely within the benefit period.

33. Contract Liabilities

Not applicable

34. Payroll

(1) Accounting Treatment of Short-term Compensation

The payroll of the Company mainly includes Short-term Compensation, Welfare after Departure, Demission Welfare, and the Welfare of Other Long-term Staff. Among which:

Short-term compensation mainly including salary, bonus, allowances and subsidies, employee services and benefits, medical insurance premiums, birth insurance premium, industrial injury insurance premium, housing fund, labor union expenditure and personnel education fund, non-monetary benefits etc. The short-term compensation actually happened during the accounting period when the active staff offering the service for the Company should be recognized as liabilities and is included in the current gains and losses or relevant assets cost. Of which the non-monetary benefits should be measured according to the fair value.

(2) Accounting Treatment of the Welfare after Departure

Welfare after demission mainly includes basic endowment insurance and unemployment insurance and annuity, and welfare plans after demission include setting drawing plan. Where the setting drawing plan is adopted, the corresponding payable and deposit amount should be included into the relevant assets cost or the current gains and losses when happen. The Company relieves the labor relation with the employees before the due date of the labor contacts or puts forward the advice of providing the compensation for urging the employees volunteered to receive the downsizing and when the Company could not unilaterally withdraw the demission welfare owning to the relieving plan of the labor relation or the downsizing advice, should confirm the liabilities of the employees'

salary from the demission welfare on the earlier day between the cost confirmed by the Company and the cost related to the reorganization of the payment of the demission welfare and includes which in the current gains and losses. But as for the demission welfare be estimated that could not be completed paid within 12 months after the end of the annual Reporting Period, should be handled according to the other long-term employee's salary.

(3) Accounting Treatment of the Demission Welfare

The internal retire plan of the employees should be handled by adopting the same principles of the above demission welfare. The Company includes the salary and the paid social insurance charges planed to pay by the personnel retreated inside during the period from the date when ceased the services to the normal retire date in the current gains and losses (demission welfare) when met with the recognition conditions of the estimated liabilities.

(4) Accounting Treatment of the Welfare of Other Long-term Staffs

The other long-term welfare that the Company offers to the staffs, if met with the setting drawing plan, should be accounting disposed according to the setting drawing plan, while the rest should be disposed according to the setting revenue plan.

35. Leasing Liabilities

Not applicable

36. Provisions

The obligation pertinent to contingencies shall be recognized as an estimated debts when the following conditions are satisfied simultaneously: ① That obligation is a current obligation of the enterprise; ② It is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation; and ③ The amount of the obligation can be measured in a reliable way
On balance sheet date, given the risks, uncertainty, the time value of money, and other factors pertinent to the contingencies, the estimated debts shall be measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation.
When all or some of the expenses necessary for the liquidation of an estimated debts of an enterprise is expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. The amount of compensation is not exceeding the book value of the recognized estimated liabilities.

37. Share-based Payment

Not applicable

38. Other Financial Instruments such as Preferred Shares and Perpetual Capital Securities

Not applicable

39. Revenue

Is the Company subject to any disclosure requirements for special industries?

No

Has implemented new standards governing revenue or not

□ Applicable √ Not applicable

The revenue of the Group including the commodities sales revenue, labor revenues and the revenues from transferring asset use right.

(1) Selling products

No revenue from selling goods may be recognized unless the following conditions are met simultaneously: the significant risks and rewards of ownership of the goods have been transferred to the buyer by the enterprise; the enterprise retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods; the relevant amount of revenue can be measured in a reliable way; the relevant economic benefits may flow into the enterprise; and the relevant costs incurred or to be incurred can be measured in a reliable way.

The revenues of the sales of the commodities of the Group were mainly the sales revenues of the commercial residential buildings. The sales of the properties of the Group had executed completion acceptance that had transferred to the buyers or be regarded as had transferred to the buyers according to the sales contacts as well as confirmed the realization of the revenues when executing the liquidation of the sales amount of the commercial residential buildings (the mortgage purchase way of the buildings were the receipted down payment and the bank mortgage amount).

(2) Provide labor income

The labor income provided by the Group mainly comes from property management income, project supervision service income and catering service income.

Property management income: the property management income is realized when the property management service has been provided and the service fee as agreed with the owner is able to flow into the enterprise.

Other labor income: the labor income is realized when the labor service has been provided and the related economic interest is able to flow into the enterprise and related cost is able to be reliably measured.

The outcome of a transaction concerning the providing of labor services can be measured in a reliable way, means that the following conditions shall be met simultaneously: ① The amount of revenue can be measured in a reliable way; ② The relevant economic benefits are likely to flow into the enterprise; ③The costs incurred or to be incurred in the transaction can be measured in a reliable way.

If the outcome of a transaction concerning the providing of labor services can't be measured in a reliable way, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred and expected to be compensated, and make the cost of labor services incurred as the current expenses. If it is predicted that the cost of labor services incurred couldn't be compensated, thus no revenue shall be recognized.

Where a contract or agreement signed between Company and other enterprises concerns selling goods and providing of labor services, if the part of sale of goods and the part of providing labor services can be distinguished from each other and can be measured respectively, the part of sale of goods and the part of providing labor services shall be treated respectively. If the part of selling goods and the part of providing labor services can't be distinguished from each other, or if the part of sale of goods and the part of providing labor services can be distinguished from each other but can't be measured respectively, both parts shall be conducted as selling goods.

(3) Income from transferring asset use right

The income from transferring asset use right includes property lease income, and other use right income.

Property lease income: the property lease income is realized by the method of straight line as agreed in the lease contract or agreement signed with the leasee. If there are lease periods free of any rent, the lessor shall distribute the total rent, not deducting the rent during those periods free of any rent, within the entire lease period by the method of straight line or other reasonable means. During the periods free of any rent, the lessor shall recognize the lease income.

Income from other use right: the income from transferring asset use right is recognized when the income amount is able to be reliably measured and related economic interest is possible to flow into the enterprise.

(4) Interest income

The interest income is recognized by the duration you use the Company's monetary capital and the actual interest rate.

40. Government Subsidies

The government subsidy refers to the Company gets the monetary and non-monetary assets for free from the government, excluding the capital that the government invests as the investor who enjoys the corresponding owner's equity. It can be divided into the asset-related government subsidy and income-related government subsidy. The government subsidies pertinent to assets mean the government assets that are obtained by enterprises used for purchase or construction, or forming the long-term assets by other ways. The government subsidies pertinent to income refer to all the government subsides except those pertinent to assets. If the government subsidies documents had not definitely confirm the subsidy targets, based on the basic requirements necessary for the subsidies, the government subsidies based on long-term assets formed through purchase and construction and other methods are regarded as government subsidies related to assets. Beyond that, the rest are divided as the government subsidies related to income. If monetary grants are received, it recognized at actual received or receivable amount. If non-monetary grants are received, it recognized at fair value, replacing with nominal amount while fair value is not reliable. Government subsidies measured at nominal amount are directly recorded into the current profit and loss.

The asset-related government subsidy shall be confirmed as the deferred income, and it shall be calculated into the current profits and losses by stages in reasonable and systematic way within the service life of related asset. The income-related government subsidy to compensate the related expense and loss later shall be confirmed as the deferred income, and it shall be calculated in the current profits and losses during the period to confirm the related costs or losses; the occurred related costs or losses for compensation shall be calculated in the current profits and losses directly.

For government subsidy including the asset-related government subsidy and the income-related government subsidy at one time, accounting treatment shall be conducted respectively to distinguish the different parts; if it is difficult to distinguish, then it shall be classified into the income-related government subsidy

Government subsidies related to routine activities of the Company shall be calculated into other income according to the essence of economic business; government subsidies that have nothing to do with routine activities shall calculated into non-operating income.

41. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Income tax of the current period

On the balance sheet date, for the current income tax liabilities (or assets) of the current period as well as the part formed during the previous period, should be measured by the income tax of the estimated payable (returnable) amount which be calculated according to the regulations of the tax law. The amount of the income tax payable which is based by the calculation of the current income tax expenses, are according to the result measured from the corresponding adjustment of the pre-tax accounting profit of this year which in accord to the relevant regulations of the tax law.

(2) Deferred income tax assets and deferred income tax liabilities

The difference between the book value of certain assets and liabilities and their tax assessment basis, as well as the temporary difference occurs from the difference between the book value of the items which not be recognized as assets and liabilities but could confirm their tax assessment basis according to the regulations of the tax law, the deferred income tax assets and the deferred income tax liabilities should be recognized by adopting liabilities law of the balance sheet.

No deferred tax liability is recognized for a temporary difference arising from the initial recognition of goodwill, the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). Besides, no deferred tax assets is recognized for the taxable temporary differences related to the investments of subsidiary companies, associated enterprises and joint enterprises, and the investing enterprise can control the time of the reverse of temporary differences as well as the temporary differences are unlikely to be reversed in the excepted future. Otherwise,

the Group should recognize the deferred income tax liabilities arising from other taxable temporary difference.

No deferred taxable assets should be recognized for the deductible temporary difference of initial recognition of assets and liabilities arising from the transaction which is not business combination, the accounting profits will not be affected, nor will the taxable amount or deductible loss be affected at the time of transaction. Besides, no deferred taxable assets should be recognized for the deductible temporary difference related to the investments of the subsidiary companies, associated enterprises and joint enterprises, which are not likely to be reversed in the expected future or is not likely to acquire any amount of taxable income tax that may be used for making up such deductible temporary differences. Otherwise, the Company shall recognize the deferred income tax assets arising from a deductible temporary difference basing on the extent of the amount of the taxable income that is likely to be acquired to make up such deductible temporary differences

For any deductible loss or tax deduction that can be carried forward to the next year, the corresponding deferred income tax asset shall be determined to the extent that the amount of future taxable income to be offset by the deductible loss or tax deduction to be likely obtained.

On the balance sheet date, the deferred income tax assets and the deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

The book value of deferred income tax assets shall be reviewed at each balance sheet date. If it is unlikely to obtain sufficient taxable income to offset against the benefit of the deferred income tax asset, the book value of the deferred income tax assets shall be written down. Any such write-down should be subsequently reversed where it becomes probable that sufficient taxable income will be available.

(3) Income tax expenses

Income tax expenses include current income tax and deferred income tax.

The rest current income tax and the deferred income tax expenses or revenue should be included into current gains and losses except for the current income tax and the deferred income tax related to the transaction and events that be confirmed as other comprehensive income or be directly included in the shareholders' equity which should be included in other comprehensive income or shareholders' equity as well as the book value for adjusting the goodwill of the deferred income tax occurs from the business combination.

(4) Offset of income tax

The current income tax assets and liabilities of the Company should be listed by the written-off net amount which intend to executes the net amount settlement as well as the assets acquiring and liabilities liquidation at the same time while owns the legal rights of settling the net amount.

The deferred income tax assets and liabilities of the Company should be listed as written-off net amount when having the legal rights of settling the current income tax assets and liabilities by net amount and the deferred income tax and liabilities is relevant to the income tax which be collected from the same taxpaying bodies by the same tax collection and administration department or is relevant to the different taxpaying bodies but during each period which there is significant reverse of the deferred income assets and liabilities in the future and among which the involved taxpaying bodies intend to settle the current income tax and liabilities by net amount or are at the same time acquire the asset as well as liquidate the liabilities.

42. Lease

(1) Accounting Treatment of Operating Lease

Financial lease is the lease that actually transfers all risks and compensation related to assets ownership, and its ownership may transfer, or may not transfer. Other lease except financial lease is operating lease.

Business of operating leases recorded by the Group as the lessee

The rent expenses from operating leases shall be recorded by the lessee in the relevant asset costs or the profits and losses of the

current period by using the straight-line method over each period of the lease term. The initial direct costs shall be recognized as the profits and losses of the current period. The contingent rents shall be recorded into the profits and losses of the current period in which they actually arise.

Business of operating leases recorded by the Group as the lessor

The rent incomes from operating leases shall be recognized as the profits and losses of the current period by using the straight-line method over each period of the lease term. The initial direct costs of great amount shall be capitalized when incurred, and be recorded into current profits and losses in accordance with the same basis for recognition of rent incomes over the whole lease term. The initial direct costs of small amount shall be recorded into current profits and losses when incurred. The contingent rents shall be recorded into the profits and losses of the current period in which they actually arise.

(2) Accounting Treatments of Financial Lease

Business of finance leases recorded by the Company as the lessee

On the lease beginning date, the Company shall record the lower one of the fair value of the leased asset and the present value of the minimum lease payments on the lease beginning date as the entering value in an account, recognize the amount of the minimum lease payments as the entering value in an account of long-term account payable, and treat the balance between the recorded amount of the leased asset and the long-term account payable as unrecognized financing charges. Besides, the initial direct costs directly attributable to the leased item incurred during the process of lease negotiating and signing the leasing agreement shall be recorded in the asset value of the current period. The balance through deducting unrecognized financing charges from the minimum lease payments shall be respectively stated in long-term liabilities and long-term liabilities due within 1 year.

Unrecognized financing charges shall be adopted by the effective interest rate method in the lease term, so as to calculate and recognize current financing charges. The contingent rents shall be recorded into the profits and losses of the current period in which they actually arise.

43. Other Significant Accounting Policies and Estimates

(1) Measurement of fair value

Fair value refers to the price received from selling any asset or paid for transferring any liability in the orderly transactions that occur on the measurement date of the market participants. The Group should consider the characteristics of the assets or liabilities when measuring the relevant assets or liabilities by fair value; to suppose the transactions of selling or transferring the assets on the measurement date by the market participants is the orderly transactions under the conditions of the current market; to suppose the orderly transaction of selling or transferring the assets is executing in the market of the relevant assets or liabilities; to suppose the transaction is executing in the most favorable market of the relevant assets or liabilities if there is no any main market. The Group adopts the advice used when pricing the assets or liabilities for realizing the maximum of the economy benefits by the market participants.

The Group judges the fair value of initial recognition whether is equal to the transaction price according to the characteristics of the relevant assets or liabilities with transaction nature etc.; if the transaction price and fair value is not equal, should include the relevant gains or losses in the current gains and losses except for those stipulated by other relevant ASBE.

The Group adopts the assessment technology which adapt to the current conditions with sufficient available data and other information support, and the assessment technology mainly including the market method, equity method and cost method. In the application of the assessment technology, the Group should prefer the relevant observable input value and only when the relevant observable input value could not be required or required the not feasible value, could use the not observable input value.

The input value used for the fair value measurement is divided into three levels and the first level of the input value is initially used, then come to the second level and the third one the last. The first level input value is the quotation acquired from the active market of

the same assets or liabilities that had not be adjusted; the second input value is the input value could be directly or indirectly observed of the relevant assets or liabilities except for the first level input value; the third level input value is the not observable input value of the relevant assets or liabilities.

The Group measures the non-financial assets by fair value by considering the ability of the market participants when using the assets for the best purpose for causing the economy benefits or the ability to sell the assets to the other market participants which can use them with the best purpose for causing the economy benefits. The Group supposes to transfer the liabilities to other market participants on the measurement date and the liabilities would be continue to exist after the transfer as well as to be as the market participants of the transferees to execute the obligation when measuring the liabilities by fair value. The Group supposes to transfer the self equity instruments to other market participants on the measurement date and the self equity instruments would be continue to exist after the transfer as well transferees as to acquire the relevant rights and to undertake the relevant obligations as the market participants of the s.

(2) Termination of operation

Termination of operation refers to a separately identifiable constituent part that satisfies one of the following conditions that has been disposed of by the Company or is classified as held-for-sale: ①This constituent part represents an independent main business or a separate main business area. ②This constituent part is part of an associated plan that is intended to be disposed of in an independent main business or a separate major business area. ③This constituent part is a subsidiary that is specifically acquired for resale.

For details of accounting arrangement method of termination of operation, see relevant descriptions of Note IV. 12 Assets Held for Sale and Disposal Group

(3) Segmental report

The Group recognizes the operating segments according to the internal organization structure, the management requirements and the internal report system and recognizes the reporting segments and discloses the segmental information according base on the operating segments.

Operating segments refer to the compose parts of the Group which meet with the following conditions at the same time: (1). the compose part could cause revenues and expenses in the daily activities; (2). the management layer could periodically evaluate the operation results of the compose part and base which to distribute the resources and evaluate the performance; (3). the Group could acquire the relevant accounting information of the financial conditions, operation results and the cash flows of the compose part. If two or more operating segments own the similar economy characteristics and meet with certain conditions, could be combining as an operating segment.

44. Changes in Main Accounting Policies and Estimates

(1) Change of Accounting Policies

□ Applicable √ Not applicable

(2) Changes in Accounting Estimates

□ Applicable √ Not applicable

(3) Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

√ Applicable □ Not applicable

Consolidated Balance Sheet

Unit: RMB

Item	31 December 2018	1 January 2019	Adjusted
Current assets:			
Monetary capital	3,389,234,357.72	3,389,234,357.72	
Settlement reserve	0.00		
Interbank loans granted			
Trading financial assets	0.00		
Financial assets at fair value through profit or loss	0.00		
Derivative financial assets			
Notes receivable			
Accounts receivable	64,231,267.94	64,231,267.94	
Financing backed by accounts receivable			
Prepayments	35,913,164.32	35,913,164.32	
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables	24,428,411.19	24,428,411.19	
Including: Interest receivable	8,293,317.33	8,293,317.33	
Dividends receivable	0.00		
Financial assets purchased under resale agreements			
Inventories	1,181,762,531.67	1,181,762,531.67	
Contract assets			
Assets classified as held for sale	0.00		
Current portion of non-current assets			
Other current assets	16,694,408.12	16,694,408.12	
Total current assets	4,712,264,140.96	4,712,264,140.96	
Non-current assets:			
Loans and advances to customers			

Investments in debt obligations			
Available-for-sale financial assets	3,621,381.11		-3,621,381.11
Investments in other debt obligations	0.00		
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	39,999,283.24	39,999,283.24	
Investments in other equity instruments			
Other non-current financial assets	0.00	3,621,381.11	3,621,381.11
Investment property	400,550,689.90	400,550,689.90	
Fixed assets	32,612,592.40	32,612,592.40	
Construction in progress			
Productive living assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
R&D expense			
Goodwill			
Long-term prepaid expense	2,398,576.29	2,398,576.29	
Deferred income tax assets	519,783,531.64	519,783,531.64	
Other non-current assets	108,971,942.00	108,971,942.00	
Total non-current assets	1,107,937,996.58	1,107,937,996.58	
Total assets	5,820,202,137.54	5,820,202,137.54	
Current liabilities:			
Short-term borrowings			
Borrowings from central bank	0.00		
Interbank loans obtained	0.00		
Trading financial liabilities			
Financial liabilities at fair value through profit or loss			

Derivative financial liabilities			
Notes payable			
Accounts payable	398,429,855.96	398,429,855.96	
Advances from customers	265,338,215.34	265,338,215.34	
Financial assets sold under repurchase agreements			
Customer deposits and interbank deposits			
Payables for acting trading of securities	0.00		
Payables for underwriting of securities	0.00		
Payroll payable	96,069,521.54	96,069,521.54	
Taxes payable	1,552,720,630.59	1,552,720,630.59	
Other payables	112,502,146.69	112,502,146.69	
Including: Interest payable	1,669.10	1,669.10	
Dividends payable	29,642.40	29,642.40	
Handling charges and commissions payable			
Reinsurance payables			
Contract liabilities			
Liabilities directly associated with assets classified as held for sale	0.00		
Current portion of non-current liabilities			
Other current liabilities			
Total current liabilities	2,425,060,370.12	2,425,060,370.12	
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	1,000,000.00	1,000,000.00	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			

Lease liabilities			
Long-term payables			
Long-term payroll payable			
Provisions			
Deferred income			
Deferred income tax liabilities	5,275.60	5,275.60	
Other non-current liabilities	52,937,180.81	52,937,180.81	
Total non-current liabilities	53,942,456.41	2,247,072,354.82	
Total liabilities	2,479,002,826.53	5,697,229,774.68	
Owners' equity:			
Share capital	595,979,092.00	595,979,092.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	118,938,132.89	118,938,132.89	
Less: Treasury stock	0.00		
Other comprehensive income	-1,786,181.69	-1,786,181.69	
Specific reserve			
Surplus reserves	299,569,569.96	299,569,569.96	
General reserve			
Retained earnings	2,325,248,711.48	2,325,248,711.48	
Total equity attributable to owners of the Company as the parent	3,337,949,324.64	3,337,949,324.64	
Non-controlling interests	3,249,986.37	3,249,986.37	
Total owners' equity	3,341,199,311.01	3,341,199,311.01	
Total liabilities and owners' equity	5,820,202,137.54	5,820,202,137.54	

Note for adjustment:

In 2017, Ministry of Finance respectively revised and issued the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (CK[2017]No.7), the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets (CK[2017]No.8), the Accounting Standards for Business Enterprises No. 24 – Hedging Accounting (CK[2017]No.9), and the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments

(CK[2017]No.14) and required companies listed domestically to implement new financial instrument standards since 1 January 2019. On 15 June 2018, the Ministry of Finance issued the Notice on Revising and Issuing Formats of 2018 Financial Statements for General Enterprises (CK[2018]No.15) (hereinafter referred to as "CK[2018]No.15" and required non-financial enterprises carrying out accounting standards for business enterprises to prepare financial statements in line with the revised formats of financial statements for general enterprises (applicable to companies which have implemented new standards governing financial instruments or revenue).

The adjustments made as required by aforesaid notice and accounting standards for business enterprises are as follows:

1. In accordance with new standards governing financial instruments, the Company adjusted original "available-for-sale financial assets" to "other non-current financial assets".

2. The method of withdrawing provision for impairment of financial assets was adjusted from "incurred loss method" to "expected loss method".

3. In accordance with the link up provision of new standards governing financial instruments, it is unnecessary for the Company to restate comparative data of prior years and the difference adjustment amount between original standards and new standards on the first execution date is recorded into beginning retained earnings of 2019 or other comprehensive income.

Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2018	1 January 2019	Adjusted
Current assets:			
Monetary capital	2,520,788,994.16	2,520,788,994.16	
Trading financial assets	0.00	0.00	
Financial assets at fair value through profit or loss			
Derivative financial assets	0.00	0.00	
Notes receivable	0.00	0.00	
Accounts receivable	1,853,494.72	1,853,494.72	
Financings backed by accounts receivable			
Prepayments	829,683.68	829,683.68	
Other receivables	1,306,715,826.93	1,306,715,826.93	
Including: Interest receivable	8,229,503.58	8,229,503.58	
Dividends receivable	0.00	0.00	
Inventories	105,840,115.24	105,840,115.24	
Contract assets			
Assets classified as held for sale			
Current portion of non-current assets	0.00	0.00	

Other current assets	0.00	0.00	
Total current assets	3,936,028,114.73	3,936,028,114.73	
Non-current assets:			
Investments in debt obligations			
Available-for-sale financial assets	3,851,881.11		-3,851,881.11
Investments in other debt obligations			
Held-to-maturity investments	0.00		
Long-term receivables	0.00	0.00	
Long-term equity investments	239,501,956.17	239,501,956.17	
Investments in other equity instruments			
Other non-current financial assets	0.00	3,851,881.11	3,851,881.11
Investment property	317,313,917.65	317,313,917.65	
Fixed assets	9,121,637.65	9,121,637.65	
Construction in progress	0.00	0.00	
Productive living assets	0.00	0.00	
Oil and gas assets	0.00	0.00	
Right-of-use assets			
Intangible assets	0.00	0.00	
R&D expense	0.00	0.00	
Goodwill	0.00	0.00	
Long-term prepaid expense	778,392.57	778,392.57	
Deferred income tax assets	315,888,967.26	315,888,967.26	
Other non-current assets	104,132,920.00	104,132,920.00	
Total non-current assets	990,589,672.41	990,589,672.41	
Total assets	4,926,617,787.14	4,926,617,787.14	
Current liabilities:			
Short-term borrowings	0.00	0.00	
Trading financial liabilities	0.00	0.00	
Financial liabilities at fair			

value through profit or loss			
Derivative financial liabilities			
Notes payable	0.00	0.00	
Accounts payable	124,501,464.28	124,501,464.28	
Advances from customers	75,895,087.75	75,895,087.75	
Contract liabilities			
Payroll payable	31,224,455.28	31,224,455.28	
Taxes payable	1,402,388,742.76	1,402,388,742.76	
Other payables	224,875,980.31	54,376,657.71	
Including: Interest payable	0.00	0.00	
Dividends payable	29,642.40	29,642.40	
Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities			
Other current liabilities		170,499,322.60	
Total current liabilities	1,858,885,730.38	1,858,885,730.38	
Non-current liabilities:			
Long-term borrowings	0.00	0.00	
Bonds payable	0.00	0.00	
Including: Preferred shares	0.00	0.00	
Perpetual bonds	0.00	0.00	
Long-term payables			
Long-term payroll payable	0.00	0.00	
Provisions			
Deferred income	0.00	0.00	
Deferred income tax liabilities	0.00	0.00	
Other non-current liabilities	0.00	0.00	
Total non-current liabilities	0.00	0.00	
Total liabilities	0.00	0.00	

Owners' equity:	1,858,885,730.38	1,858,885,730.38	
Share capital			
Other equity instruments	595,979,092.00	595,979,092.00	
Including: Preferred shares			
Perpetual bonds			
Capital reserves			
Less: Treasury stock	92,326,467.62	92,326,467.62	
Other comprehensive income	0.00	0.00	
Specific reserve	0.00	0.00	
Surplus reserves			
General reserve	298,912,759.52	298,912,759.52	
Retained earnings	2,080,513,737.62	2,080,513,737.62	
Total owners' equity	3,067,732,056.76	3,067,732,056.76	
Total liabilities and owners' equity	4,926,617,787.14	4,926,617,787.14	

Note for adjustment:

In 2017, Ministry of Finance respectively revised and issued the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (CK[2017]No.7), the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets (CK[2017]No.8), the Accounting Standards for Business Enterprises No. 24 – Hedging Accounting (CK[2017]No.9), and the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments (CK[2017]No.14) and required companies listed domestically to implement new financial instrument standards since 1 January 2019.

On 15 June 2018, the Ministry of Finance issued the Notice on Revising and Issuing Formats of 2018 Financial Statements for General Enterprises (CK[2018]No.15) (hereinafter referred to as "CK[2018]No.15" and required non-financial enterprises carrying out accounting standards for business enterprises to prepare financial statements in line with the revised formats of financial statements for general enterprises (applicable to companies which have implemented new standards governing financial instruments or revenue).

The adjustments made as required by aforesaid notice and accounting standards for business enterprises are as follows:

1. In accordance with new standards governing financial instruments, the Company adjusted original "available-for-sale financial assets" to "other non-current financial assets".

2. The method of withdrawing provision for impairment of financial assets was adjusted from "incurred loss method" to "expected loss method".

3. In accordance with the link up provision of new standards governing financial instruments, it is unnecessary for the Company to restate comparative data of prior years and the difference adjustment amount between original standards and new standards on the first execution date is recorded into beginning retained earnings of 2019 or other comprehensive income.

(4) Retroactive Adjustments to Comparative Data of Prior Years when First Execution of any New Standards Governing Financial Instruments or Leases

□ Applicable √ Not applicable

45. Other

Significant Accounting Adjustment and Estimates

Due to the internal uncertainty of operating activities, the Company needs to make judgments, estimates and assumptions for carrying amounts of statement items that can't be measured accurately during the process of applying accounting policies. Such judgments, estimates and assumptions are made on the basis of the past experience of Company's management staffs and on the consideration of other relevant factors. Such judgments, estimates and assumptions have effect on reporting amount of incomes, expense, assets and liabilities, as well as disclosure of contingent liabilities on the balance sheet date. However, the uncertainty of such estimates may results in major adjustments of carrying amounts of assets or liabilities that will be influenced in future.

The Company shall have a check on the aforesaid judgments, estimates and assumptions at fixed intervals on the basis of sustainable operation. As for the change in accounting estimates that only effects on the current period of the change, the affected amount thereof shall be recognized at current period of the change. As for accounting estimates that effects on both the current period of the change and future periods, the affected amount thereof shall be recognized at current period of the change and future periods.

On balance sheet date, major fields requiring judgments, estimates and assumptions on amounts of financial statement items by the Company are as follows:

(1) Classification of leases

In line with rules in Accounting Standards for Enterprises No. 21 – Leases, the Company classifies leases into operating leases and finance leases. Upon the classification, the management staffs need to make analysis and judgments on whether to essentially transfer all risks and remuneration relating to the ownership of leased-out assets to the lessee, or whether the Company has essentially undertaken all risks and remuneration relating to the ownership of leased-in assets.

(2) Withdrawal of bad debt provisions

The Company shall, in accordance with accounting policies of receivables, calculate bad debt provisions by adopting allowance method. Impairment of accounts receivable is based on the assessment of the recovery of accounts receivable. Identification of impairment of accounts receivable requires judgments and estimates by management staffs. The difference between actual outcomes and originally estimated outcomes, which will influence the carrying amount of accounts receivable and bad debt provisions thereof in the estimated period of the change, shall be withdrawn or reversed.

(3) Inventory depreciation reserves

The Company shall calculate whichever is lower between the cost and realizable net value in light of inventory accounting policies. As for inventories of which the cost is higher than the realizable net value and inventories which are obsolete and unsalable inventory depreciation reserves shall be withdrawn. Impairment of inventories to realizable net value is based on the assessment of the marketing of inventories and realizable net value thereof. Identification of inventory impairment requires well-established evidences by management staffs, as well as judgments and estimates based on consideration of the purpose of holding inventories and other factors such as events occurring after the date of balance sheet. The difference between actual outcomes and originally estimated outcomes, which will influence the carrying amount of inventories and inventory depreciation reserves in the estimated period of the change, shall be withdrawn or reversed.

(4) Fair values of financial instruments

As for financial instruments not existing in active trading market, the Company shall determine their fair values by all kinds of assessment methods, which include model analysis of discounted cash flow and etc. During the assessment, the Company needs to

assess for respects such as future cash flows, credit risks, market volatility, correlation, and choose appropriate discount rate. Such related assumptions have uncertainty, of which the change will effect on fair values of financial instruments.

(5) Impairment of financial assets available for sale

To a large extent, whether the impairment of financial assets available for sale is recognized or not relies on the judgments and assumptions of the management staffs. In that way, the Company shall be certain about whether to recognize impairment losses of financial assets available for sale in the profit statement. During the process of making judgments and assumptions, the Company needs to evaluate how much the fair value of such investment is less than its cost, how long such investment will last, and the financial condition and short-term business outlook of the invested parties, which include industry status, technology transform, credit rating, default rate and risks from the opposite parties.

(6) Impairment provisions for long-term assets

The Company shall judge whether there is sign of impairment of non-current assets other than financial assets on balance sheet date. Intangible assets with uncertain service lives, besides being conducted with annual impairment test every year, have to accept impairment tests when there is sign of impairment. Other non-current assets except for financial assets have to accept impairment tests when there is sign indicating the carrying amount thereof is unrecoverable.

When the carrying amounts of the asset or group assets are higher than the recoverable amounts, namely whichever is higher between the net amount through deducting disposal charges from the fair value and the present value of the estimated future cash flow, impairment occurs.

The net amount of the fair value of an asset minus the disposal expenses shall be determined in light of the amount of the basis of the price as stipulated in the sales agreement or the observable market price in the fair transaction minus the incremental cost directly subject to the disposal of the asset.

When estimating present value of future cash flows, it is necessary to make significant judgments on characters of the asset or asset group, such as output, sales price, related operating costs, and discount used to calculate the present value. When estimating recoverable amount, the Company shall adopt all relevant materials that can be required, including estimates relating to output, sales price and relevant operating costs judged by rational and supportable assumptions.

The Company tests whether there is impairment of good will at least for every year, which requires itself to estimate the present value of the future cash flow of group assets or combination of group assets. When estimating the present value of the future cash flow, the Company needs to estimate the cash flow arising from future group assets or combination of group assets, and at the same time choose appropriate discount rate to determine the present value of the future cash flow.

(7) Depreciation and amortization

Upon consideration on the salvage value of investment real estates, fixed assets and intangible assets, the Company shall withdraw depreciation and amortization by straight-line method over their service lives. The Company checks on service lives at fixed intervals, so as to determine the amounts of depreciation expenses and amortization expenses at each period. Service lives are confirmed in accordance with the past experience on similar assets of the Company, along with renewed technology of expectation. If any significant change occurred to previous estimated, depreciation expenses and amortization expenses will be adjusted in future period.

(8) Deferred income tax assets

In a limit providing large possibility of offset losses from sufficient taxable profits, the Group shall recognize deferred income tax assets in line with all unused tax losses, which requires management staffs of the Group to estimate the time when future taxable profits occurs and the amount thereof by applying plenty of judgments and combining tax planning strategies, so as to determine the amount of the recognizable deferred income tax assets.

(9) Income taxes

There's certain uncertainty of disposal and calculation of taxes of partial transactions in normal operating activities. It is uncertain whether some pre-taxed items can set aside the approvals by tax authorities or not. If there are differences between the ultimate recognition outcomes and the originally estimated amounts of such tax issues, then such differences shall effect on the current

income tax and deferred income tax during the ultimate recognition period.

VI Taxes

1. Main Taxes and Tax Rates

Category of taxes	Tax basis	Tax rate
VAT	Operating revenue	For details, see 3. Other of this section
Urban maintenance and construction tax	Turnover tax payable	Applied to 7%, 1% separately according to the regional level
Enterprise income tax	Taxable income	15%、20%、16.5%、25%
Education surcharge	Taxable income	Paid according to 3% of the actual paid turnover tax
Local education surcharge	Taxable income	Paid according to 2% of the actual paid turnover tax
Land value appreciation tax	Added amount from transfer of real property	Four progressive levels with the tax rate ranging from 30% to 60% of transferring real estate added value

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

Name	Income tax rate
Chongqing Shenzhen International Trade Center Property Management Co., Ltd.	15%
Chongqing Aobo Elevator Co., Ltd.	20%
Subsidiaries registered in Hong Kong area	16.5%
Other taxpaying bodies within the consolidated scope	25%

2. Tax Preference

According to the regulations of No. 2, Property Service of No. 37, Commercial Service among the encouraging category of the Guidance Catalogue of Industry Structure Adjustment (Y2011), the western industry met with the conditions should be collected the corporate income tax according to 15% of the tax rate. The subsidiary of the Group Chongqing Shenzhen International Trade Center Property Management Co., Ltd. had be regarded as the western enterprise of the property service by Local Taxation Bureau of Chongqing Jiulong District on 4 May 2014, and had be collected the corporate income tax according to 15% of the tax rate.

According to the regulations of the notice of the income tax preferential policies of the small low-profit enterprises issued by SAT of CS [2015] No. 34, from 1 January 2017 to 31 December 2019, as for those small low-profit enterprises with the annual after-tax amount lower than RMB0.2 million (including RMB0.2 million), of which 50% of the revenues should be included into the taxable income and should be collected the corporate income tax according to 20% of the tax rate. The subsidiary of the Company, Chongqing Aobo Elevator Co., Ltd, has applied to this policy since 2017, which 50% of the revenues is included into the taxable income and is collected the corporate income tax according to 20% of the tax rate.

3. Other

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

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

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

1. Monetary Capital

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	130,986.09	176,193.08
Bank deposits	2,605,108,368.38	3,375,538,497.01
Other monetary capital	14,087,347.44	13,519,667.63
Total	2,619,326,701.91	3,389,234,357.72
Of which: the total amount deposited overseas	53,456,002.11	52,976,296.80

Other notes:

Note: on 30 June 2019, the monetary capital with restricted ownership of the Company was of RMB14,087,347.44, for details, see Part IV-4-3.

2. Trading Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
Of which:		
Of which:		
Total	0.00	

Other notes:

3. Derivative Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

4. Notes Receivable

(1) Notes Receivable Listed by Category

Unit: RMB

Item	Ending balance	Beginning balance

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Of which:										
Of which:										

Bad debt provision separately accrued:

Unit: RMB

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

Bad debt provision withdrawn according to groups:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion

Notes of the basis of recognizing the group:

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

□ Applicable √ Not applicable

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

Bad debt provision withdrawn in the Reporting Period:

Unit: RMB

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

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

□ Applicable √ Not applicable

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

Unit: RMB

Item	Amount

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

Unit: RMB

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

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

Unit: RMB

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

Other notes:

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

Unit: RMB

Item	Amount

Of which, verification of significant notes receivable:

Unit: RMB

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

Notes of the verification of notes receivable:

5. Accounts Receivable

(1) Accounts Receivable Classified by Category

Unit: RMB

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

				proportion					proportion	
Accounts receivable with single bad debt provision accrued	100,408,998.44	54.62%	100,408,998.44	100.00%	0.00	100,408,998.44	59.64%	100,408,998.44	100.00%	0.00
Of which:										
Accounts receivable with significant single amount with bad debt provision separately accrued	99,466,173.89	54.11%	99,466,173.89	100.00%		99,466,173.89	59.08%	99,466,173.89	100.00%	0.00
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	942,824.55	0.51%	942,824.55	100.00%		942,824.55	0.56%	942,824.55	100.00%	0.00
Accounts receivable with bad debt provision withdrawn according to groups	83,408,274.63	45.38%	5,037,734.78	6.04%	78,370,539.85	67,955,277.98	40.36%	3,724,010.04	5.48%	64,231,267.94
Of which:										
Aging analysis method	83,408,274.63	45.38%	5,037,734.78	6.04%	78,370,539.85	67,955,277.98	40.36%	3,724,010.04	5.48%	64,231,267.94
Total	183,817,273.07	100.00%	105,446,733.22	57.36%	78,370,539.85	168,364,276.42	100.00%	104,133,008.48	61.85%	64,231,267.94

Single bad debt provision accrued: 100,408,998.44

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	93,811,328.05	100.00%	Involved in lawsuit and no executable property, and see details in Notes (XIV). 2. (1)
Shenzhen Tewei Industry Co., Ltd.	2,836,561.00	2,836,561.00	100.00%	Uncollectible for a long period
Lunan Industry Corporation	2,818,284.84	2,818,284.84	100.00%	Poor operating conditions, uncollectible for a long period
			100.00%	

Total	99,466,173.89	99,466,173.89	--	--

Single bad debt provision accrued: 99,466,173.89

Unit: RMB

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

Single bad debt provision accrued:

Unit: RMB

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

Bad debt provision withdrawn according to groups:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Sub-item within 1 year			
Within 1 year	71,852,711.50	2,155,581.35	3.00%
Subtotal within 1 year	71,852,711.50	2,155,581.35	3.00%
1 to 2 years	7,210,628.67	721,062.87	10.00%
2 to 3 years	1,692,936.87	507,881.06	30.00%
3 to 4 years	1,920,316.29	960,158.15	50.00%
4 to 5 years	193,149.78	154,519.82	80.00%
Over 5 years	538,531.52	538,531.52	100.00%
Total	83,408,274.63	5,037,734.76	--

Notes of the basis of recognizing the group:

See Part X Financial Report-V-10 for details.

Bad debt provision withdrawn according to groups: 5,037,734.76

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion

Notes of the basis of recognizing the group:

Bad debt provision withdrawn according to groups:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion

Notes of the basis of recognizing the group:

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

□ Applicable √ Not applicable

Disclosed by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	2,155,581.35
1 to 2 years	721,062.87
2 to 3 years	507,881.06
3 to 4 years	960,158.15
4 to 5 years	154,519.82
Over 5 years	100,947,529.97
Total	105,446,733.22

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

Bad debt provision withdrawn for the Reporting Period:

Unit: RMB

Category	Beginning balance	Increase/decrease			Ending balance
		Withdrawn	Reversed or collected	Verified	
Bad debt provision	104,133,008.48	1,313,724.72			105,446,733.22
Total	104,133,008.48	1,313,724.72			105,446,733.22

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

Unit: RMB

Name of the entity	Amount reversed or collected	Method

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

Unit: RMB

Item	Amount verified

Of which, verification of significant accounts receivable:

Unit: RMB

Name of the entity	Nature	Amount verified	Reason for verification	Procedure	Whether occurred because of related-party transactions

Notes of the verification of accounts receivable:

Naught

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

Name of units	Relationship with the Company	Amount	Age limit	As % of total accounts receivable (%)
Shenzhen Jiyong Properties & Resources Development Company	Not-related	93,811,328.05	Over 5 years	51.04%
Alibaba Internet Technology Co., Ltd	Not-related	10,912,833.18	Within 1 year	5.94%
Shenzhen Tewei Industry Co., Ltd.	Not-related	2,836,561.00	Over 5 years	1.54%
Lunan Industry Corporation	Not-related	2,818,284.84	Over 5 years	1.53%
Chongqing Rail Transit (Group) Co., Ltd.	Not-related	1,805,967.52	Within 1 year	0.98%
Total		112,184,974.59		61.03%

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

Not applicable

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

Naught

Other notes:

Naught

6. Financing Backed by Accounts Receivable

Unit: RMB

Item	Ending balance	Beginning balance

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

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

Other notes:

7. Prepayments

(1) List by Aging Analysis

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	121,549,558.18	91.72%	27,130,150.07	75.54%
1 to 2 years	10,459,209.81	7.89%	8,272,467.04	23.04%
2 to 3 years	475,003.40	0.36%	500,503.40	1.39%
Over 3 years	35,543.98	0.03%	10,043.81	0.03%
Total	132,519,315.37	--	35,913,164.32	--

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

The prepayment aging over 1 year are the various prepaid taxes of prepayment of real estate projects still not reaching the recognition of income conditions according to tax law.

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

Name of units	Ending balance	As % of the total ending balance of the prepayments (%)
Prepayment of taxes	54,998,947.81	41.50%
Shenzhen Qianhai High-end Information Service Co., Ltd.	75,000,000.00	56.60%
State Grid Chongqing Electric Power Co., Ltd	450,000.00	0.34%
Chongqing Caitong Water Affairs Co., Ltd	300,000.00	0.23%
Chongqing Duanshi Garment Industry Co., Ltd.	227,825.00	0.17%
Total	130,976,772.81	98.84%

Other notes:

The balance of prepayment of taxes of the Company are the various prepaid taxes of prepayment of real estate projects still not reaching the recognition of income conditions according to tax law.

8. Other Receivables

Unit: RMB

Item	Ending balance	Beginning balance
Interest receivable	4,348,511.45	8,293,317.33
Dividends receivable	0.00	
Other receivables	1,404,927,953.32	16,135,093.86
Total	1,409,276,464.77	24,428,411.19

(1) Interest Receivable

1) Category of Interest Receivable

Unit: RMB

Item	Ending balance	Beginning balance
Fixed time deposits	4,348,511.45	8,293,317.33
Total	4,348,511.45	8,293,317.33

2) Significant Overdue Interest

Unit: RMB

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

Other notes:

Naught

3) Withdrawal of bad debt provision

□ Applicable √ Not applicable

(2) Dividends Receivable

1) Dividends Receivable

Unit: RMB

Item (or investees)	Ending balance	Beginning balance
Total	0.00	

2) Significant Dividends Receivable Aged over 1 Year

Unit: RMB

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

3) Withdrawal of bad debt provision

□ Applicable √ Not applicable

Other notes:

Naught

(3) Other Receivables

1) Other Receivables Classified by Account Nature

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Margin & cash deposit	19,600,290.83	16,118,034.95
Petty cash	2,010,696.43	595,535.66
Payment on behalf	3,004,167.81	1,054,967.78
Intercourse accounts	1,411,483,490.73	28,022,997.15

Other	2,514,549.69	2,769,781.38
Total	1,438,613,195.49	48,561,316.92

2) Withdrawal of Bad Debt Provision

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses for the whole existence period (no credit impairment)	Expected credit losses for the whole existence period (with credit impairment)	
Balance on 1 January 2019	13,514,343.51		18,911,879.55	32,426,223.06
Balance of 1 January 2019 in the Reporting Period	——	——	——	——
Withdrawn in the Current Period	1,259,019.11			
Balance on 30 June 2019	14,773,362.62		18,911,879.55	33,685,242.17

Changes in carrying amount of provision for loss with significant changes in amount in the Reporting Period

□ Applicable √ Not applicable

Disclosed by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	181,883.25
1 to 2 years	480,068.01
2 to 3 years	606,963.86
3 to 4 years	1,861,559.88
4 to 5 years	366,704.00
Over 5 years	30,188,063.17
Total	33,685,242.17

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

Withdrawal of bad debt provision for the Reporting Period:

Unit: RMB

Category	Beginning balance	Increase/decrease		Ending balance
		Withdrawn	Recovered or reversed	
Bad debt provision	32,426,223.06	1,259,019.11		33,685,242.17
Total	32,426,223.06	1,259,019.11		33,685,242.17

Of which, the bad debt provision recovered or reversed with significant amount in the Reporting Period:

Unit: RMB

Name of the entity	Reversed or recovered amount	Method

Not applicable

4) Other Receivables with Actual Verification in the Reporting Period

Unit: RMB

Item	Amount verified

Of which, the verification of significant other receivables:

Unit: RMB

Name of the entity	Nature	Amount verified	Reason for verification	Procedure	Whether occurred because of related-party transactions

Notes of verification of other receivables:

None

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

Unit: RMB

Name of the entity	Nature	Ending balance	Aging	Proportion to ending balance of other receivables%	Ending balance of bad debt provision
Shenzhen Xinhai Holdings Co., Ltd.	Related-party	1,057,899,990.18	Within 1 year	73.54%	0.00
Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.	Related-party	330,472,932.33	Within 1 year	22.97%	0.00
Shanghai Yutong Real estate development Co., Ltd.	Non-related party	5,676,000.00	Over 5 years	0.39%	5,676,000.00
HENG YUE DEVELOPMENT (HK) LIMITED	Non-related party	3,271,837.78	Over 5 years	0.23%	3,271,837.78
Shenzhen Bangling Shareholding Cooperative Company	Non-related party	3,000,000.00	Over 5 years	0.21%	0.00
Total	--	1,400,320,760.29	--	97.34%	8,947,837.78

6) Accounts Receivable Involving Government Subsidies

Unit: RMB

Name of the entity	Project of government	Ending balance	Aging at period-end	Estimated recovering

	subsidies			time, amount and basis

Not applicable

7) Derecogniziton of Other Receivables due to the Transfer of Financial Assets

Not applicable

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

Not applicable

Other notes:

Not applicable

9. Inventories

Has implemented the new standards governing revenue or not

□ Yes √ No

(1) Category of Inventories

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Falling price reserves	Carrying value	Carrying amount	Falling price reserves	Carrying value
Raw materials	1,260,549.65	489,471.79	771,077.86	1,306,660.68	489,471.79	817,188.89
Inventory good	38,758.22		38,758.22	54,416.03		54,416.03
R&D expenses	3,494,841,653.24	6,648,404.13	3,488,193,249.11	740,858,627.04	6,648,404.13	734,210,222.91
R&D of products	311,940,928.86	359,948.11	311,580,980.75	448,118,524.87	1,611,969.40	446,506,555.47
Low-value consumption goods	224,067.63		224,067.63	174,148.37		174,148.37
Total	3,808,305,957.60	7,497,824.03	3,800,808,133.57	1,190,512,376.99	8,749,845.32	1,181,762,531.67

Whether the Company needs satisfy relevant disclosure requirements stated in SZSE Industrial Information Disclosure Guidance No. 4-Listed Company Specialized in Seed Industry or Planting Business or not?

No

(2) Falling Price Reserves of Inventories

Unit: RMB

Item	Beginning balance	Increase		Decrease		Ending balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	489,471.79					489,471.79
Costs of	6,648,404.13					6,648,404.13

development						
Development of products	1,611,969.40			1,252,021.29		359,948.11
Total	8,749,845.32			1,252,021.29		7,497,824.03

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

The ending balance of the inventory included a total amount of the capitalized borrowings of RMB10,952,348.03, details were listed as follows:

Item	Period-begin	Reporting Period	Carry-over in current period	Period-end
Banshan Yujing I	2,285,133.70		669,544.17	1,615,589.53
Qianhai Gangwan	1,069,665.60		1,002,811.50	66,854.10
Golden Collar's Resort	3,882,239.73	27,464.23		3,909,703.96
Songhu Langyuan	1,116,092.96		704,701.09	411,391.87
Langqiao International	2,971,986.55			2,971,986.55
Hupan Yujing I	2,140,112.62		163,290.59	1,976,822.03
Total	13,465,231.16	27,464.23	2,540,347.36	10,952,348.03

(4) Completed but Unsettled Assets Generated from Construction Contacts at the Period-end

Unit: RMB

Item	Amount

Other notes:

Not applicable

10. Contract Assets

Unit: RMB

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

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

Unit: RMB

Item	Amount changed	Reason

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

□ Applicable √ Not applicable

Withdrawal of impairment provision for contract assets in the Reporting Period

Unit: RMB

Item	Withdrawn	Reversed	Write-off/verified	Reason

Other notes:

11. Held-for-sale Assets

Unit: RMB

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

Other notes:

12. Current Portion of Non-current Assets

Unit: RMB

Item	Ending balance	Beginning balance

Significant investments in debt obligations /other investments in debt obligations

Unit: RMB

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

Other notes:

13. Other Current Assets

Has implemented the new standards governing revenue or not

□ Yes √ Not

Unit: RMB

Item	Ending balance	Beginning balance
1. Assets group (investment to Hainan Xinda and accounts receivable) held to cancel after verification		
Of which: original value of assets group	69,437,140.28	69,437,140.28

Depreciation reserves of the assets group	-69,437,140.28	-69,437,140.28
2. Assets group (investment to Nanpeng Papermaking and accounts receivable) held to cancel after verification		
Of which: original value of assets group	21,949,664.00	21,949,664.00
Depreciation reserves of the assets group	-21,949,664.00	-21,949,664.00
3. Assets group (investment to International Trade Industry and accounts receivable) held to cancel after verification		
Of which: original value of assets group	6,034,625.03	6,034,625.03
Depreciation reserves of the assets group	-6,034,625.03	-6,034,625.03
4. Assets group (accounts receivable from Jintian Industry) held to cancel after verification and other accounts receivable		
Of which: original carrying value of other receivables	53,034,143.94	53,034,143.94
Bad debt provision	-53,034,143.94	-53,034,143.94
5. Assets group (accounts receivable from Shenzhen Shengfeng Road, Guomao Jewel & Gold Co., Ltd.) held to cancel after verification and other accounts receivable		
Of which: original carrying value of other receivables	6,980,273.01	6,980,273.01
Bad debt provision	-6,980,273.01	-6,980,273.01
6. Pre-paid VAT	19,406,123.62	16,644,131.80
7. Deducted input tax	4,825,278.98	50,276.32
Total	24,231,402.60	16,694,408.12

Other notes:

14. Investments in debt obligations

Unit: RMB

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

		provision			provision	

Significant investments in debt obligations

Unit: RMB

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

Withdrawal of impairment provision

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses for the whole existence period (no credit impairment)	Expected credit losses for the whole existence period (with credit impairment)	
The balance of 1 January 2019 in the Reporting Period	——	——	——	——

Changes in carrying amount of provision for losses with significant amount in the Reporting Period

□ Applicable √ Not applicable

Other notes:

15. Other Investments in Debt Obligations

Unit: RMB

Item	Beginning balance	Accrued interest	Change in fair value in the Reporting Period	Ending balance	Costs	Accumulated changes in fair value	Accumulated provision for losses recognized in other comprehensive income	Note
Total				0.00				——

Significant other investments in debt obligations

Unit: RMB

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

Withdrawal of impairment provision

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit	Expected credit losses for	Expected credit losses for	

	losses in the next 12 months	the whole existence period (no credit impairment)	the whole existence period (with credit impairment)	
The balance of 1 January 2019 in the Reporting Period	——	——	——	——

Changes in carrying amount of provision for losses with significant amount in the Reporting Period

□ Applicable √ Not applicable

Other notes:

16. Long-term Receivables

(1) List of Long-term Receivables

Unit: RMB

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

Impairment of bad debt provision

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses for the whole existence period (no credit impairment)	Expected credit losses for the whole existence period (with credit impairment)	
The balance of 1 January 2019 in the Reporting Period	——	——	——	——

Changes in carrying amount of provision for losses with significant amount in the Reporting Period

□ Applicable √ Not applicable

(2) Derecogniziton of Long-term Receivables due to the Transfer of Financial Assets

(3) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Long-term Receivables

Other notes

17. Long-term Equity Investments

Unit: RMB

Investees	Beginning balance	Increase/decrease								Ending balance	Ending balance
		Additiona	Reduced	Gains and	Adjustmen	Changes	Cash bonus	Withdra	Other		

		l investment	investment	losses recognized under the equity method	t of other comprehensive income	of other equity	or profits announced to issue	wal of depreciation reserves			of depreciation reserves
I. Joint ventures											
Jifa Warehouse Co., Ltd.	34,103,840.40			660,755.47						34,764,595.87	
Shenzhen Tian'an International Building Property Management Co., Ltd.	5,895,442.84			120,071.10						6,015,513.94	
Subtotal	39,999,283.24			780,826.57						40,780,109.81	
II. Associated enterprises											
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	18,983,614.14									18,983,614.14	18,983,614.14
Subtotal	18,983,614.14									18,983,614.14	18,983,614.14
Total	58,982,897.38									59,763,723.95	18,983,614.14

Other notes

18. Other Equity Instrument Investment

Unit: RMB

Item	Ending balance	Beginning balance

Disclosure of non-trading equity instrument investment

Unit: RMB

Name	Dividend income recognized	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure by fair value and the changes be included in other comprehensive income	Reason of other comprehensive income transferred to retained earnings

Other notes:

19. Other Non-current Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
Jintian Industry (Group) Co., Ltd.	3,622,435.75	3,621,381.11
China Trust Protection Fund Co., Ltd.	22,000,000.00	0.00
North Machinery (Group) Co., Ltd.	3,465,000.00	3,465,000.00
Depreciation reserves for North Machinery (Group) Co., Ltd.	-3,465,000.00	-3,465,000.00
Guangdong Huayue Real Estate Co., Ltd.	8,780,645.20	8,780,645.20
Depreciation reserves for Guangdong Huayue Real Estate Co., Ltd.	-8,780,645.20	-8,780,645.20
Sanya East Travel Co., Ltd.	230,500.00	230,500.00
Depreciation reserves for Sanya East Travel Co., Ltd.	-230,500.00	-230,500.00
Shenshan Co., Ltd.	17,695.09	17,695.09
Depreciation reserves for Shenshan Co., Ltd.	-17,695.09	-17,695.09
Macao Huashen Enterprise Co., Ltd.	85,407.77	85,067.96
Depreciation reserves for Macao Huashen Enterprise Co., Ltd.	-85,407.77	-85,067.96
Chongqing Guangfa Real Estate Development Co., Ltd.	2,591,580.37	2,581,269.42
Depreciation reserves for Chongqing Guangfa Real Estate Development Co., Ltd.	-2,591,580.37	-2,581,269.42

Saipan Project	1,930,356.50	1,922,676.32
Depreciation reserves for Saipan Project	-1,930,356.50	-1,922,676.32
Total	25,622,435.75	3,621,381.11

Other notes:

Note: 1. The available-for-sale financial assets measured in fair value held by the Company were based on the final execution of The Reorganization Plan of Gintian Industry (Group) Co., Ltd., the Company received 772,717 tradable A shares, 412,123 non-tradable A shares and 447,217 B shares distributed by Gintian Industry on 26 January 2016, received 163,488 tradable A shares, 83,239 non-tradable A shares and 92,238 B shares additionally distributed on 15 March 2017. The cost of available-for-sale financial assets was recognized based on the price issued on the last trading date before the trading suspension of Gintian Industry (10 December 2014), RMB2.09 per A share and USD0.17 per B share.

2. The changes in long-term equity investment in Macao Huashen Enterprise Co., Ltd., Saipan Project and Chongqing Guangfa Real Estate Development Co., Ltd. and changes in depreciation reserves during the Reporting Period were caused by translation of foreign currency statements.

3. Shenzhen Rongyao Real Estate Development Co., Ltd. gained the borrowing of RMB2.193 billion from Sichuan Trust CO., Ltd., and RMB22 million subscribed from China Trust Protection Fund Co., Ltd. in accordance with Administrative Rules Governing the Trust Protection Fund (YJF [2014] No.50) and Notice on Collection and Management of Trust Protection Fund (YJBF [2015] No. 32), of which income and liquidation are executed based on the relevant regulations of the aforesaid rules and notice. If the Company fails to pay the full amount of principal and interest when the loans matured, the principal and income of the fund will be deducted the relevant expenses and principal and interest under the loan contract of Sichuan Trust Co., Ltd.

20. Investment Property

(1) Investment Property Adopting the Cost Measurement Mode

√ Applicable □ Not applicable

Unit: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original carrying value				
1. Beginning balance	673,909,462.73	3,885,469.40		677,794,932.13
2.Increased amount of the period	48,319.54			48,319.54
(1) Outsourcing				
(2)Transfer from inventory/fixed assets/ construction in progress				
(3)Enterprise combination increase				
(4) Influence of the translation of foreign currency denominated financial statements	48,319.54			48,319.54

3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance	673,957,782.27	3,885,469.40		677,843,251.67
II.Accumulative depreciation and accumulative amortization				
1. Beginning balance	273,524,156.85	3,720,085.38		277,244,242.23
2.Increased amount of the period	11,573,869.07	165,384.02		11,739,253.09
(1)Withdrawal or amortization	11,573,869.07	165,384.02		11,739,253.09
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance	285,098,025.92	3,885,469.40		288,983,495.32
III. Depreciation reserves				
1. Beginning balance				
2.Increased amount of the period				
(1) Withdrawal				
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance				
IV. Carrying value				
1. Ending carrying value	388,859,756.35	0.00		388,859,756.35

2.Beginning carrying value	400,385,305.88	165,384.02		400,550,689.90

(2) Investment Property Adopted the Fair Value Measurement Mode

□ Applicable √ Not applicable

(3) Investment Property Failed to Accomplish Certification of Property

Unit: RMB

Item	Carrying value	Reason

Other notes

Not applicable

21. Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	33,037,636.13	32,612,592.40
Total	33,037,636.13	32,612,592.40

(1) List of Fixed Assets

Unit: RMB

Item	Houses and buildings	Transportation equipment	Electronic equipment and others	Decoration of the fixed assets	Total
I. Original carrying value					
1. Beginning balance	99,729,174.13	9,650,816.74	17,430,466.65	4,163,727.48	130,974,185.00
2. Increased amount of the period	22,361.48	762,967.11	2,452,604.69	0.00	3,021,315.04
(1) Purchase		762,967.11	2,235,986.45		2,998,953.56
(2) Transfer from construction in progress					
(3) Enterprise combination increase	0.00	0.00	216,618.24	0.00	216,618.24
(4) Influence of the translation of foreign	22,361.48				22,361.48

currency-denominated financial statements					
3. Decreased amount of the period	0.00	323,504.00	703,880.04	0.00	1,027,384.04
(1) Disposal or scrap	0.00	323,504.00	703,880.04	0.00	1,027,384.04
4. Ending balance	99,751,535.61	10,090,279.85	19,179,191.30	4,163,727.48	133,184,734.24
II. Accumulative depreciation					
1. Beginning balance	76,422,797.59	5,629,191.10	12,163,135.32	4,070,751.43	98,285,875.44
2. Increased amount of the period	990,651.17	848,068.62	897,887.12	0.00	2,612,286.25
(1) Withdrawal	990,651.17	848,068.62	773,566.46	0.00	2,612,286.25
(2) Enterprise combination increase	0.00	0.00	124,320.66	0.00	124,320.66
3. Decreased amount of the period	0.00	311,002.13	640,099.27	0.00	951,101.40
(1) Disposal or scrap	0.00	311,002.13	640,099.27	0.00	951,101.40
4. Ending balance	77,413,448.76	6,166,257.59	12,420,923.17	4,070,751.43	100,071,380.95
III. Depreciation reserves					
1. Beginning balance			75,717.16		75,717.16
2. Increased amount of the period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal or scrap					
4. Ending balance			75,717.16		75,717.16
IV. Carrying value					
1. Ending carrying value	22,338,086.85	3,924,022.26	6,682,550.97	92,976.05	33,037,636.13
2. Beginning	23,306,376.54	4,021,625.64	5,191,614.17	92,976.05	32,612,592.40

carrying value					

(2) List of Temporarily Idle Fixed Assets

Unit: RMB

Item	Original carrying value	Accumulative depreciation	Depreciation reserves	Carrying value	Note
Houses and buildings	3,580,695.77	2,276,078.01		1,304,617.76	

(3) Fixed Assets Leased in by Financing Lease

Unit: RMB

Item	Original carrying value	Accumulative depreciation	Depreciation reserves	Carrying value

(4) Fixed Assets Leased out by Operation Lease

Unit: RMB

Item	Ending carrying value

(5) Fixed Assets Failed to Accomplish Certification of Property

Unit: RMB

Item	Carrying value	Reason

Other notes

Not applicable

(6) Proceeds from Disposal of Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance

Other notes

Not applicable

22. Construction in Progress

Unit: RMB

Item	Ending balance	Beginning balance

(1) List of Construction in Progress

Unit: RMB

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

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

Unit: RMB

Item	Budget	Beginning balance	Increased amount	Transferred in fixed assets	Other decreased amount	Ending balance	Proportion of accumulated investment in constructions to budget	Job schedule	Accumulated amount of interest capitalization	Of which: Amount of capitalized interests for the Reporting Period	Capitalization rate of interests for the Reporting Period	Capital resources

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

Unit: RMB

Item	Amount withdrawn	Reason for withdrawal

Other notes

(4) Engineering Materials

Unit: RMB

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

Other notes:

23. Productive Living Assets

(1) Productive Living Assets Adopting Cost Measurement Mode

□ Applicable √ Not applicable

(2) Productive Living Assets Adopting Fair Value Measurement Mode

□ Applicable √ Not applicable

24. Oil and Gas Assets

□ Applicable √ Not applicable

25. Right-to-use Assets

Unit: RMB

Item		Total

Other notes:

26. Intangible Assets

(1) List of Intangible Assets

Unit: RMB

Item	Land use right	Patent right	Non-patent right		Total
I. Original carrying value					
1. Beginning balance					
2. Increased amount of the period					
(1) Purchase					
(2) Internal R&D					
(3) Business combination increase					
3. Decreased amount of the period					
(1) Disposal					
4. Ending balance					
II. Accumulated amortization					
1. Beginning balance					
2. Increased amount					

of the period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal					
4. Ending balance					
III. Depreciation reserves					
1. Beginning balance					
2. Increased amount of the period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal					
4. Ending balance					
IV. Carrying value					
1. Ending carrying value					
2. Beginning carrying value					

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

(2) Land Use Right with Certificate of Title Uncompleted

Unit: RMB

Item	Carrying value	Reason

Other notes:

27. R&D Expense

Unit: RMB

Item	Beginning	Increase	Decrease	Ending

	balance			balance

Other notes

28. Goodwill

(1) Original Carrying Value of Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Beginning balance	Increase	Decrease	Ending balance

(2) Depreciation Reserves of Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Beginning balance	Increase	Decrease	Ending balance

Information on the assets group or combination of assets groups which include goodwill

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

Influence of goodwill impairment testing

Other notes

29. Long-term Prepaid Expense

Unit: RMB

Item	Beginning balance	Increased amount	Amortization amount of the period	Other decreased amount	Ending balance
Facilities reconstruction expenses	1,806,738.29	794,064.25	344,619.63		2,256,182.91
Rental fees	591,838.00		499,035.00		92,803.00
Total	2,398,576.29	794,064.25	843,654.63		2,348,985.91

Other notes

30. Deferred Income Tax Assets/Deferred Income Tax Liabilities

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

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	128,576,454.53	31,960,664.40	126,743,538.44	31,553,045.99
Internal unrealized profit	56,152,891.00	14,038,222.75	52,189,819.68	13,047,454.92
Deductible losses	489,503,363.01	122,375,840.75	657,498,958.12	164,374,739.53
Accrued land VAT	1,232,409,921.52	324,268,003.40	1,204,912,500.44	301,228,125.11
Estimated profit calculated at pre-sale revenue of property enterprises	197,681,310.20	49,698,914.70	38,294,088.60	9,573,522.15
Payroll payable unpaid but withdrawn			26,575.76	6,643.94
Total	2,104,323,940.26	542,341,646.00	2,079,665,481.04	519,783,531.64

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

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
The carrying value of fixed assets was larger than the tax basis	17,126.24	4,281.56	21,102.40	5,275.60
Total	17,126.24	4,281.56	21,102.40	5,275.60

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

Unit: RMB

Item	Mutual set-off amount of deferred income tax assets and liabilities at the period-end	Ending balance of deferred income tax assets or liabilities after off-set	Mutual set-off amount of deferred income tax assets and liabilities at the period-begin	Beginning balance of deferred income tax assets or liabilities after off-set
Deferred income tax		542,341,646.00		519,783,531.64

assets				
Deferred income tax liabilities		4,281.56		5,275.60

(4) List of Unrecognized Deferred Income Tax Assets

Unit: RMB

Item	Ending balance	Beginning balance
Deductible losses	210,977,770.19	116,064,336.25
Estimated profit calculated at pre-sale revenue of property enterprises	552,050.70	2,535,696.30
Internal unrealized profit	1,768,353.48	2,427,381.29
Provision for assets impairment	196,680,018.71	212,156,220.23
Total	409,978,193.08	333,183,634.07

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

Unit: RMB

Years	Ending amount	Beginning amount	Notes
Y2019	0.00	7,443.23	The deductible losses of 2014
Y2020	1,834,215.36	2,221,261.56	The deductible losses of 2015
Y2021	4,913,880.10	5,397,820.20	The deductible losses of 2016
Y2022	108,437,811.26	108,437,811.26	The deductible losses of 2017
Y2023			The deductible losses of 2018
Y2024	95,791,863.47		The deductible losses of 2019
Total	210,977,770.19	116,064,336.25	--

Other notes:

31. Other Non-current Assets

Whether the Company executed the new income standards

□ Yes √ No

Unit: RMB

Item	Ending balance	Beginning balance
Prepayment for purchase of fixed assets, investment properties and intangible assets	22,309,093.40	8,971,942.00
Prepayment for acquisition of long-term equity investment	0.00	100,000,000.00

Total	22,309,093.40	108,971,942.00

Other notes:

32. Short-term Borrowings

(1) Category of Short-term Borrowings

Unit: RMB

Item	Ending balance	Beginning balance

Notes of short-term borrowings category:

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

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

Unit: RMB

Borrower	Ending balance	Interest rate	Overdue time	Overdue charge rate

Other notes:

33. Trading Financial liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Of which:		
Of which:		

Other notes:

34. Derivative Financial Liabilities

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

35. Notes Payable

Unit: RMB

Category	Ending balance	Beginning balance

The total amount of notes payable due but unpaid was RMBXXX.

36. Accounts Payable

(1) List of Accounts Payable

Unit: RMB

Item	Ending balance	Beginning balance
Accounts payable	387,411,164.10	398,429,855.96
Total	387,411,164.10	398,429,855.96

(2) Significant Accounts Payable Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason
The Second Construction Co., Ltd. of China Construction Third Engineering Bureau	49,918,600.00	Unsettled
Jinchen Group Limited Company	28,634,299.28	Unsettled
Jiangsu Hanjian Group Co., Ltd.	31,568,213.29	Unsettled
Shenzhen Luohu District Land and Resources Bureau	25,000,000.00	Unsettled
Henan First Construction Engineering Group Co., Ltd.	14,028,734.51	Unsettled
Total	149,149,847.08	--

Other notes:

37. Advances from Customers

Whether the Company has executed the new income standards

□ Yes √ No

(1) List of Advances from Customers

Unit: RMB

Item	Ending balance	Beginning balance
Within 1 year	1,055,042,541.16	262,553,420.13
1 to 2 years		2,031,091.19
2 to 3 years		510,000.00
Over 3 years	753,704.02	243,704.02
Total	1,055,796,245.18	265,338,215.34

(2) Significant Advances from Customers Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason

(3) Settled but Uncompleted Projects Formed by Construction Contracts at the Period-end

Unit: RMB

Item	Amount

Other notes:

38. Contract Liabilities

Unit: RMB

Item	Ending balance	Beginning balance

Significant changes in amount of carrying value occurred in the Reporting Period and the reasons

Unit: RMB

Item	Amount changed	Reason

39. Payroll Payable

(1) List of Payroll Payable

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
I. Short-term salary	95,583,589.44	175,275,875.01	198,827,668.83	72,031,795.62
II. Post-employment benefit-defined contribution plans	485,932.10	13,425,444.25	13,498,612.93	412,763.42
III. Termination benefits		188,645.00	188,645.00	
IV. Current portion of other welfares		11,757.61	11,757.61	
Total	96,069,521.54	188,901,721.87	212,526,684.37	72,444,559.04

(2) List of Short-term Salary

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Salary, bonus, allowance, subsidy	86,030,704.33	154,622,082.05	179,408,999.75	61,243,786.63

2. Employee welfare	30.00	5,445,150.33	5,445,180.33	0.00
3. Social insurance		6,487,637.57	6,486,380.93	1,256.64
Of which: Medical insurance premiums		5,065,698.94	5,064,836.12	862.82
Work-related injury insurance		235,771.29	235,596.29	175.00
Maternity insurance		379,167.66	378,948.84	218.82
4. Housing fund	483,298.55	4,254,531.48	4,419,411.45	318,418.58
5. Labor union budget and employee education budget	9,069,556.56	4,466,473.58	3,067,696.37	10,468,333.77
Total	95,583,589.44	175,275,875.01	198,827,668.83	72,031,795.62

(3) List of Defined Contribution Plans

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Basic pension benefits	485,932.10	11,056,810.00	11,329,028.50	213,713.60
2. Unemployment insurance		291,420.08	291,201.26	218.82
3. Annuity		2,077,214.17	1,878,383.17	198,831.00
Total	485,932.10	13,425,444.25	13,498,612.93	412,763.42

Other notes:

The Company, in line with the requirement, participate the endowment insurance, unemployment insurance scheme and so on, according to the scheme, the Company monthly pay to the scheme in line with 14% and 1% of the endowment insurance base, except the monthly payment, the Company no longer shoulder the further payment obligation, the relevant expense occurred was recorded into current profits and losses or related assets costs.

40. Taxes Payable

Unit: RMB

Item	Ending balance	Beginning balance
VAT	8,098,204.14	43,456,567.41
Corporate income tax	62,491,185.37	299,844,086.29
Personal income tax	2,679,990.18	727,690.79
Urban maintenance and construction tax	436,069.92	2,041,413.19
Stamp tax	34,134.25	11,902.61

Education Surcharge	195,815.20	893,767.33
Local education surtax	140,456.34	603,356.32
Land VAT	1,297,961,939.08	1,205,033,788.57
Property tax	2,142,863.97	48,545.74
Other	3,803.15	59,512.34
Total	1,374,184,461.60	1,552,720,630.59

Other notes:

41. Other Payables

Unit: RMB

Item	Ending balance	Beginning balance
Interest payable	6,702,350.69	1,669.10
Dividends payable	29,642.40	29,642.40
Other payables	553,588,996.85	112,470,835.19
Total	560,320,989.94	112,502,146.69

(1) Interest Payable

Unit: RMB

Item	Ending balance	Beginning balance
Interest of long-term borrowings with installment payments of interest and payment of principal at maturity	6,702,350.69	1,669.10
Total	6,702,350.69	1,669.10

List of the significant overdue unpaid interest:

Unit: RMB

Borrower	Overdue amount	Overdue reasons

Other notes:

(2) Dividends Payable

Unit: RMB

Item	Ending balance	Beginning balance
Ordinary share dividends	29,642.40	29,642.40
Total	29,642.40	29,642.40

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

Name	Shares	Amount of dividends	Note

		payable	
Shenzhen South China Investment Development Co., Ltd.	54,840.00	9,871.20	Without access to its account
Wenling Quality Control Association	54,839.00	9,871.02	Without access to its account
Shanghai Weihong Industry & Trade Co., Ltd.	55,000.00	9,900.00	Without access to its account
China Shenzhen International Cooperation (Group) Co., Ltd.	1.00	0.18	Without access to its account
Total	164,680.00	29,642.40	

Note: On 21 April 2017, the Company reviewed and approved the Proposal on 2016 Profit Distribution Plan and Bonus Issue from Capital Reserves on the 2016 Annual General Meeting and decided to distribute the dividends to all shareholders at RMB1.80 per ten shares in cash based on the total 595,979,092 shares of share capital. As of the end of the Reporting Period, there was still four shareholders who could not be distributed their dividends due to no access to their effective accounts.

(3) Other Payables

1) Other Payables Listed by Nature

Unit: RMB

Item	Ending balance	Beginning balance
Guarantee and cash deposit	36,830,747.54	35,517,532.96
Agency fund	28,369,869.43	26,902,808.40
Intercourse fund	64,333,112.52	35,881,368.64
Accrued expenses	5,195,975.79	4,641,226.43
Payment on behalf	6,074,675.64	4,410,942.10
Other	6,384,615.93	5,116,956.66
Share purchase	406,400,000.00	
Total	553,588,996.85	112,470,835.19

2) Significant Other Payables Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/Un-carry-over reason
Shenzhen Jifa Warehouse Co., Ltd.	26,296,665.14	Come-and-go accounts without specific payment term
Shenzhen Bangling Co., Ltd.	24,230,301.00	Come-and-go accounts
Shenzhen Tian'an International Building Property Management Co., Ltd.	5,214,345.90	Come-and-go accounts without specific payment term
Margin of sporadic lease	6,747,724.03	Margin within the leasing period
Rainbow Co., Ltd.	2,380,000.00	Margin within the leasing period

Total	64,869,036.07	--

Other notes

42. Held-for-sale Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Total	0.00	

Other notes:

43. Current Portion of Non-current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

44. Other Current Liabilities

Whether the Company has executed the new income standards

□ Yes √ No

Unit: RMB

Item	Ending balance	Beginning balance

Increase/decrease of the short-term bonds payable:

Unit: RMB

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

Other notes:

45. Long-term Borrowings

(1) Category of Long-term Borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Pledged borrowings	2,193,000,000.00	
Guaranteed borrowings	1,000,000.00	1,000,000.00

Total	2,194,000,000.00	1,000,000.00

Notes to the category of long-term borrowings:

Other notes, including the interval of interest rate:

Bank providing loan	Borrowings	Borrowings	Interest rate (%)	Currency	Period-end	
	Start date	End date			Foreign currency amount	Domestic currency
Sichuan Trust Co., Ltd.	13 February 2018	12 February 2023	11.00	RMB	--	2,193,000,000.00
Shenzhen Branch of Bank of Shanghai Co., Ltd.	20 July 2018	20 June 2021	5.4625	RMB	--	1,000,000.00

46. Bonds Payable

(1) List of Bonds Payable

Unit: RMB

Item	Ending balance	Beginning balance

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

Unit: RMB

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

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

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

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

Unit: RMB

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

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

Other notes

47. Lease Liabilities

Unit: RMB

Item	Ending balance	Beginning balance

Other notes

48. Long-term Payables

Unit: RMB

Item	Ending balance	Beginning balance

(1) Long-term Payables Listed by Nature

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

(2) Specific Payables

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Reason for formation

Other notes:

49. Long-term Payroll Payable

(1) List of Long-term Payroll Payable

Unit: RMB

Item	Ending balance	Beginning balance

(2) Changes in Defined Benefit Plans

Obligation present value of defined benefit plans:

Unit: RMB

Item	Reporting period	Same period of last year

Plan assets:

Unit: RMB

Item	Reporting period	Same period of last year

Net liabilities (net assets) of defined benefit plans:

Unit: RMB

Item	Reporting period	Same period of last year

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

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

Other notes:

50. Provisions

Whether the Company has executed the new income standards

□ Yes √ No

Unit: RMB

Item	Ending balance	Beginning balance	Reason for formation

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

51. Deferred Income

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Reason for formation

Item involving government subsidies:

Unit: RMB

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

Other notes:

52. Other Non-current Liabilities

Whether the Company has executed the new income standards

□ Yes √ No

Unit: RMB

Item	Ending balance	Beginning balance
Utility specific fund	237,163.63	237,163.63
Housing principle fund	11,835,954.22	11,702,533.73
House warming deposit	7,065,610.79	6,649,884.71
Electric Equipment Maintenance fund	4,019,415.44	4,019,415.44
Deputed Maintenance fund	28,580,603.13	28,374,344.95
Other	1,329,326.05	1,953,838.35
Total	53,068,073.26	52,937,180.81

Other notes:

53. Share Capital

Unit: RMB

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

Other notes:

54. Other Equity Instruments

(1) The Basic Information of Other Financial Instruments such as Preferred Stock and Perpetual Bond Outstanding at the End of the Period

(2) Changes in Financial Instruments such as Preferred Stock and Perpetual Bond Outstanding at the End of the Period

Unit: RMB

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

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

Other notes:

55. Capital Reserve

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Capital premium (premium on stock)	38,450,087.51			38,450,087.51
Other capital reserves	80,488,045.38			80,488,045.38
Total	118,938,132.89			118,938,132.89

Other notes, including changes and reason of change:

56. Treasury Shares

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Total				0.00

Other notes, including changes and reason of change:

57. Other Comprehensive Income

Unit: RMB

Item	Beginning balance	Reporting Period						Ending balance
		Income before taxation in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period	Less: Recorded into other comprehensive income in prior period and transferred in retained earnings in the Current period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
I. Other comprehensive income that may not be reclassified to profit or loss						0.00		
Of which: Changes caused by remeasurement on defined benefit pension schemes						0.00		
Other comprehensive income that may not be reclassified to profit or loss under equity method						0.00		
Changes in fair value of other equity instrument investment\						0.00		
Changes in fair value of enterprise credit risk						0.00		
II. Other comprehensive income that may subsequently be reclassified to profit or loss	-1,786,181.69	202,824.25				202,824.25		-1,583,357.44

Of which: Other comprehensive income that be reclassified to profit or loss under equity method						0.00		
Changes in fair value of other creditors' investment						0.00		
Amount of financial assets reclassified to other comprehensive income						0.00		
Credit impairment provision of other creditors' investment						0.00		
Reserve of cash flow hedges						0.00		
Differences arising from translation of foreign currency denominated financial statements	-1,786,181.69	202,824.25				202,824.25		-1,583,357.44
Total of other comprehensive income	-1,786,181.69	202,824.25				202,824.25	0.00	-1,583,357.44

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

58. Specific Reserve

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance

Other notes, including changes and reason of change:

59. Surplus Reserves

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Statutory surplus reserves	299,569,569.96			299,569,569.96
Total	299,569,569.96			299,569,569.96

Notes, including changes and reason of change:

Note: In line with provisions of Corporate Law and Articles of Association, the Company withdrew 10% of net profits as statutory surplus reserves. When the accumulative statutory surplus reserves reach over 50% of the registered capital of the Company, no

statutory surplus reserves will be withdrawn.

After the withdrawal of statutory surplus reserves, the Company can withdraw the discretionary surplus reserves which can be used to make up for losses of previous years or increase the share capital when approved.

60. Retained Earnings

Unit: RMB

Item	Reporting Period	Same period of last year
Beginning balance of retained earnings before adjustments	2,325,248,711.48	1,911,318,586.37
Beginning balance of retained earnings after adjustments	2,325,248,711.48	1,911,318,586.37
Add: Net profit attributable to owners of the Company as the parent	103,749,398.16	592,723,852.71
Dividend of ordinary shares payable	178,793,727.60	178,793,727.60
Ending retained earnings	2,250,204,382.04	2,325,248,711.48

List of adjustment of beginning retained earnings:

(1) RMB0.00 beginning retained earnings was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.

(2) RMB0.00 beginning retained earnings was affected by changes in accounting policies.

(3) RMB0.00 beginning retained earnings was affected by correction of significant accounting errors.

(4) RMB0.00 beginning retained earnings was affected by changes in combination scope arising from same control.

(5) RMB0.00 beginning retained earnings was affected totally by other adjustments.

61. Operating Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	726,984,203.15	369,698,027.62	795,673,204.34	677,352,002.41
Other operations	28,405,876.81	12,271,060.86	29,340,780.63	11,835,338.69
Total	755,390,079.96	381,969,088.48	825,013,984.97	689,187,341.10

Whether the Company has executed the new income standards

□ Yes √ No

Other notes

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

No.	Name of project	Income balance

1	SZPRD-Qianhai Gangwan	312,172,406.62
2	SZPRD-Songhu Langyuan	76,699,228.08
3	SZPRD-Hupan Yujing II	55,335,196.37
4	SZPRD-Banshan Yujing I	16,883,050.53
	Total	461,089,881.60

62. Taxes and Surtaxes

Unit: RMB

Item	Reporting Period	Same period of last year
Urban maintenance and construction tax	2,588,804.58	2,070,311.78
Education Surcharge	1,147,425.88	888,097.95
Property tax	2,249,401.17	2,175,077.03
Land use tax	416,068.76	281,571.20
Stamp tax	565,088.58	
Business tax		1,090,668.20
Local education surtax	757,642.27	592,065.31
Land VAT	112,267,887.84	
Other taxes	89,900.92	201,647.19
Total	120,082,220.00	7,299,438.66

Other notes:

Refer to Note VI Taxation for details.

63. Selling Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Employee’s remuneration	1,972,134.95	1,959,228.72
Depreciation fees	44,589.94	32,513.48
Advertising	3,438,151.08	1,233,881.55
Office expenses	112,355.40	100,271.82
Business entertainment fees	143,567.10	355,136.65
Property fees	273,214.87	196,945.24
Consultancy and sales service charges	2,974,832.10	13,700.00

Article of consumption	667,051.70	17,792.00
Amortization of low-value consumption goods	22,691.00	84,907.00
Agency fee	7,450,176.51	3,277,073.44
Vacancy charge	38,111.72	457,071.90
Other	1,155,848.35	1,568,007.96
Total	18,292,724.72	9,296,529.76

Other notes:

64. Administrative Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Employee's remuneration	34,773,506.78	29,151,108.54
Administrative office cost	7,993,257.39	6,013,327.64
Assets amortization and depreciation expense	1,928,051.08	1,473,571.76
Litigation costs	1,610,623.70	101,668.21
Other	9,651,842.56	6,576,767.50
Total	55,957,281.51	43,316,443.65

Other notes:

65. R&D Expense

Unit: RMB

Item	Reporting Period	Same period of last year

Other notes:

66. Finance Costs

Unit: RMB

Item	Reporting Period	Same period of last year
Interest expense	73,970,116.57	0.00
Less: Interest income	25,830,187.06	28,372,895.58
Foreign exchange gains or losses	1,473,105.77	434,629.66
Other	572,675.21	321,041.27
Total	50,185,710.49	-27,617,224.65

Other notes:

67. Other Income

Unit: RMB

Sources	Reporting Period	Same period of last year
Additional deduction of VAT	305,213.90	0.00

68. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	780,826.57	49,247.20
Total	780,826.57	49,247.20

Other notes:

69. Net Gain on Exposure Hedges

Unit: RMB

Item	Reporting Period	Same period of last year

Other notes:

70. Gain on Changes in Fair Value

Unit: RMB

Sources	Reporting Period	Same period of last year
Total	0.00	0.00

Other notes:

71. Credit Impairment Loss

Unit: RMB

Item	Reporting Period	Same period of last year

Other notes:

72. Assets Impairment Loss

Whether the Company has executed the new income standards

□ Yes √ No

Unit: RMB

Item	Reporting Period	Same period of last year

I. Bad debt loss	-2,577,505.86	180,030.66
II. Loss on inventory valuation		4,577,320.26
Total	-2,577,505.86	4,757,350.92

Other notes:

73. Asset Disposal Income

Unit: RMB

Sources	Reporting Period	Same period of last year

74. Non-operating Income

Unit: RMB

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Total income from scrap of non-current assets	120.00	5,171.33	120.00
Compensation income	1,012,703.75	1,528,320.10	1,012,703.75
Other	777,708.00		777,708.00
Total	1,790,531.75	1,533,491.43	1,790,531.75

Government subsidies recorded into current profit or loss

Unit: RMB

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

Other notes:

75. Non-operating Expense

Unit: RMB

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Loss on damage and scrap of non-current assets	37,083.65	51,457.63	37,083.65
Penalty and fine for delaying payment	15,092.62	12,367.88	15,092.62
Compensation of repaying	1,475,415.42		1,475,415.42

lessees			
Other	178,656.23	247,849.34	178,656.23
Total	1,706,247.92	311,674.85	1,706,247.92

Other notes:

76. Income Tax Expense

(1) List of Income Tax Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Current income tax expense	72,117,992.82	31,828,441.73
Deferred income tax expense	-19,926,531.99	-5,241,098.17
Total	52,191,460.83	26,587,343.56

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

Unit: RMB

Item	Reporting Period
Profit before taxation	127,495,873.20
Current income tax expense accounted at statutory/applicable tax rate	31,873,968.30
Influence of applying different tax rates by subsidiaries	-131,247.90
Influence of income tax before adjustment	-3,290,356.96
Influence of non-deductable costs, expenses and losses	10,738.90
Influence of deductable loss of unrecognized deferred income tax assets in prior period	-219,607.38
Influence of deductable temporary difference or deductable losses of unrecognized deferred income tax in the Reporting Period	23,947,965.87
Income tax expense	52,191,460.83

Other notes:

77. Other Comprehensive Income

Refer to Note VII-57 for details.

78. Cash Flow Statement

(1) Cash Generated from Other Operating Activities

Unit: RMB

Item	Reporting Period	Same period of last year
Large intercourse funds	3,254,135.02	3,800,000.00
Interest income	29,761,313.77	28,372,895.58
Net margins, security deposit and various special funds received	428,092.67	796,055.96
Other small receivables	6,334,851.17	6,380,771.38
Total	39,778,392.63	39,349,722.92

Notes:

(2) Cash Used in Other Operating Activities

Unit: RMB

Item	Reporting Period	Same period of last year
Paying administrative expense in cash	15,261,683.20	14,106,982.05
Paying selling expense in cash	22,787,882.85	5,790,331.31
Net amount of utilities, miscellaneous fees and accident fee and other payments on behalf	2,533,812.62	11,029,061.45
Other small payments	3,791,628.73	2,660,153.05
Total	44,375,007.40	33,586,527.86

Notes:

(3) Cash Generated from Other Investing Activities

Unit: RMB

Item	Reporting Period	Same period of last year

Notes:

(4) Cash Used in Other Investing Activities

Unit: RMB

Item	Reporting Period	Same period of last year

Notes:

(5) Cash Generated from Other Financing Activities

Unit: RMB

Item	Reporting Period	Same period of last year

Notes:

(6) Cash Used in Other Financing Activities

Unit: RMB

Item	Reporting Period	Same period of last year

Notes:

79. Supplemental Information for Cash Flow Statement

(1) Supplemental Information for Cash Flow Statement

Unit: RMB

Supplemental information	Reporting Period	Same period of last year
1. Reconciliation of net profit to net cash flows generated from operating activities	--	--
Net profit	75,304,412.37	82,972,527.59
Add: Provision for impairment of assets	2,577,505.86	-4,757,350.92
Depreciation of fixed assets, oil-gas assets, and productive living assets	14,351,539.34	13,603,686.94
Amortization of long-term prepaid expenses	843,654.63	86,488.14
Losses on scrap of fixed assets (gains: negative)	36,963.65	46,286.30
Finance costs (gains: negative)	-1,054.64	-7,556.73
Investment loss (gains: negative)	-780,826.57	-49,247.20
Decrease in deferred income tax assets (gains: negative)	-22,558,114.36	-5,289,164.36
Increase in deferred income tax liabilities ("-" means decrease)	-994.04	-2,013.97
Decrease in inventory (gains: negative)	-955,592,812.18	405,964,906.28
Decrease in accounts receivable generated from operating activities (gains: negative)	-89,423,505.84	-20,167,130.30
Increase in accounts payable used in operating activities (decrease: negative)	515,290,994.80	-697,993,417.58
Net cash generated from/used in operating	-459,952,236.98	-225,591,985.81

activities		
2.Significant investing and financing activities without involvement of cash receipts and payments	--	--
3. Net increase/decrease of cash and cash equivalent:	--	--
Ending balance of cash	2,605,239,354.47	2,134,736,405.07
Less: Beginning balance of cash	3,375,714,690.09	2,464,626,655.21
Net increase in cash and cash equivalents	-770,475,335.62	-329,890,250.14

(2) Net Cash Paid For Acquisition of Subsidiaries

Unit: RMB

	Amount
Cash and cash equivalent paid for business combination in the current period	1,600,000.00
Of which:	--
Cash	1,600,000.00
Less: Cash and cash equivalent held by subsidiaries on purchase date	44,727.75
Of which:	--
Cash	44,727.75
Of which:	--
Net payments for acquisition of subsidiaries	1,555,272.25

Other notes:

On 26 February 2019, the Company signed the share transfer agreement with Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd. (hereinafter referred to as "Xinhai Rongyao") to acquire 69% of shares in its subsidiary Shenzhen Rongyao Real Estate Development Co., Ltd. (hereinafter referred to as the "target company"). The price for transfer of shares in the target company agreed bilaterally is RMB508,000,000.00 which will be paid in four installments based on the progress of the project stipulated in the agreement. The Company should pay RMB101,600,000.00 after completing the setting up of fund supervision account and all application documents required in the registration changing procedures have been prepared completely. The Company has paid RMB100,000,000.00 in November 2018 and RMB1,600,00.00 in March 2019.

(3) Net Cash Receive from Disposal of the Subsidiaries

Unit: RMB

	Amount
Of which:	--
Of which:	--

Of which:	--

Other notes:

(4) Cash and Cash Equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	2,605,239,354.47	3,375,714,690.09
Including: Cash on hand	130,986.09	176,193.08
Bank deposit on demand	2,605,108,368.38	3,375,538,497.01
III. Ending balance of cash and cash equivalents	2,605,239,354.47	3,375,714,690.09

Other notes:

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

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

Not applicable

81. Assets with Restricted Ownership or Right to Use

Unit: RMB

Item	Ending carrying value	Reason for restriction
Monetary capital	14,087,347.44	Refer to Section IV-4.3
Total	14,087,347.44	--

Other notes:

82. Foreign Currency Monetary Items

(1) Foreign Currency Monetary Items

Unit: RMB

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
Monetary capital	--	--	
Of which: USD			
EUR			
HKD	61,497,019.17	0.8797	54,098,927.76

Accounts receivable	--	--	
Of which: USD			
EUR			
HKD			
Long-term borrowings	--	--	
Of which: USD			
EUR			
HKD			
Other receivables			
Of which: HKD	770.00	0.8797	677.37
Other non-current financial assets	91,707.93	6.8747	630,464.51
Of which: USD			
Accounts payable			
Of which: HKD	56,000.00	0.8797	49,263.20
Other payables			
Of which: HKD	570,289.25	0.8797	501,683.45
Long-term payables			
Of which: USD	8,768.06	6.8747	60,277.78
HKD	422,631.32	0.8797	371,788.77

Other notes:

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

√ Applicable □ Not applicable

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

83. Arbitrage

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

84. Government Subsidy

(1) Basic Information on Government Subsidy

Unit: RMB

Category	Amount	Listed items	Amount recorded in the current profit or loss

(2) Return of Government Subsidy

□ Applicable √ Not applicable

Other notes:

85. Other

Comparative data

In the Reporting Period, for the sake of comparability of information disclosed, the Company made appropriate adjustments to some of the comparable data in the middle of 2018 in the form of the disclosure for the Reporting Period.

VIII. Changes of Consolidation Scope

1. Business Combination Not under the Same Control

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

Unit: RMB

Name of acquiree	Time and place of gaining the equity	Cost of gaining the equity	Proportion of equity	Way to gain the equity	Purchase date	Recognition basis of purchase date	Income of acquiree from the purchase date to period-end	Net profits of acquiree from the purchase date to period-end
Shenzhen Rongyao Real Estate Development Co., Ltd.	12 March 2019	508,000,000.00	69.00%	Merger	12 March 2019	Completed business registration and transfer, and obtained the control	0.00	-91,139,605.71

Other notes:

Not applicable

(2) Combination Cost and Goodwill

Unit: RMB

Combination cost	
--Cash	508,000,000.00
Total combination cost	508,000,000.00
Less: Fair value of identifiable net assets	508,000,000.00

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

The determination of the fair value: the third level input value of fair value, and estimating the fair value based on the net assets of investees at the period-end. The net assets of investees at the period–end will be the base number to estimate the fair value as it can reflect the fair value; otherwise it will be adjusted according to the assumption used in related assets or liabilities pricing for market participators.

The main formation reason for the large goodwill:

Not applicable

Other notes:

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

Unit: RMB

	Fair value on purchase date	Carrying value on purchase date
Assets:	3,077,529,428.87	1,966,481,371.43
Monetary fund	44,727.75	44,727.75
Accounts receivable	1,415,020,689.96	1,415,020,689.96
Inventory	1,662,200,768.43	551,161,727.04
Fixed assets	92,297.58	83,281.53
Intangible assets		0.00
Long-term prepaid expense	170,945.15	170,945.15
Liabilities:	2,386,589,802.16	2,386,589,802.16
borrowings	2,193,000,000.00	2,193,000,000.00
Accounts payable	195,746,950.94	195,746,950.94
Tax payable	-2,157,148.78	-2,157,148.78
Net assets	690,939,626.71	-420,108,430.73
Less: Equity of non-controlling interests	182,939,626.71	
Net assets obtained	508,000,000.00	

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

The determination of the fair value: the third level input value of fair value, and estimating the fair value based on the net assets of investees at the period –end as key reference. The net assets of investees at the period –end will be the base number to estimate the

fair value as it can reflect the fair value; otherwise it will be adjusted according to the assumption used in related assets or liabilities pricing by market participators.

Contingent liability of acquiree undertaken in the business combination

Other notes:

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

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

□ Yes √ No

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

(6) Other Notes

2. Business Combination under the Same Control

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

Unit: RMB

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

Other notes:

(2) Combination Cost

Unit: RMB

Combination cost	

Contingent liabilities of the combined party undertaken in the business combination

Other notes:

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

Unit: RMB

	Combination date	Period-end of the last period

Contingent liabilities of the combined party undertaken in the business combination

Other notes:

3. Counter Purchase

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

44. Disposal of Subsidiary

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

□ Yes √ No

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

□ Yes √ No

5. Changes in Combination Scope for Other Reasons

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

On 28 June 2019, Shenzhen International Trade Center Property Management Co., Ltd., a subsidiary of the Company, and Guangdong Shenshan Investment Holding Group jointly established Shenzhen Shenshan Special Cooperation Zone International Trade Center Property Development Co., Ltd. with a registered capital of RMB5,000,000.00, among which, RMB3,250,000.00 was paid by Shenzhen International Trade Center Property Management Co., Ltd. for a stake of 65.00%.

6. Other

None

IX. Equity in Other Entities

1. Equity in Subsidiary

(1) Subsidiaries

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
				Directly	Indirectly	
Shenzhen Huangcheng Real Estate Co., Ltd.	Shenzhen	Shenzhen	Property development	100.00%		Set-up
SZPRD Real Estate Development Co.,	Shenzhen	Shenzhen	Property development	100.00%		Set-up

Ltd.						
Shenzhen Rongyao Real Estate Development Co., Ltd.	Shenzhen	Shenzhen	Property development	69.00%		Acquired
PRD Group Xuzhou Dapeng Real Estate Development Co., Ltd.	Xuzhou	Xuzhou	Property development	100.00%		Set-up
Dongguan International Trade Center Changsheng Real Estate Development Co., Ltd.	Dongguan	Dongguan	Property development	100.00%		Set-up
PRD Yangzhou Real Estate Development Co., Ltd.	Yangzhou	Yangzhou	Property development	100.00%		Set-up
Shenzhen International Trade Center Property Management Co., Ltd.	Shenzhen	Shenzhen	Property management	100.00%		Set-up
Shenshan Special Cooperation Zone International Trade Center Property Development Co., Ltd.	Shenzhen	Shenzhen	Property management		65.00%	Set-up
Shenzhen Huangcheng Real Estate Management Co., Ltd.	Shenzhen	Shenzhen	Property management		100.00%	Set-up
Shandong Shenzhen	Jinan	Jinan	Property management		100.00%	Set-up

International Trade Center Property Management Co., Ltd.						
Chongqing Shenzhen International Trade Center Property Management Co., Ltd.	Chongqing	Chongqing	Property management		100.00%	Set-up
Chongqing Aobo Elevator Co., Ltd.	Chongqing	Chongqing	Service		100.00%	Set-up
Chongqing Tianque Elevator Technology Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen Guoguan Electromechanical Device Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen International Trade Center Catering Co., Ltd.	Shenzhen	Shenzhen	Catering service	100.00%		Set-up
Shenzhen Property Engineering Construction Supervision Co., Ltd.	Shenzhen	Shenzhen	Engineering supervision		100.00%	Set-up
SZPRD Operation and Management of Real Estate Assets Co., Ltd.	Shenzhen	Shenzhen	Service	100.00%		Set-up
Zhanjiang Shenzhen Real Estate Development Co., Ltd.	Zhanjiang	Zhanjiang	Property development	100.00%		Set-up

Shum Yip Properties Development Co., Ltd.	Hong Kong	Hong Kong	Property development	100.00%		Set-up
Wayhang Development Co., Ltd.	Hong Kong	Hong Kong	Property development		100.00%	Set-up
Chief Link Properties Co., Ltd.	Hong Kong	Hong Kong	Property development		70.00%	Set-up
Syndis Investment Co., Ltd.	Hong Kong	Hong Kong	Property development		70.00%	Business combination not under the same control
Yangzhou Slender West Lake Jingyue Property Development Co., Ltd.	Yangzhou	Yangzhou	Property development		51.00%	Set-up
Shandong International Trade Center Hotel Management Co., Ltd.	Jinan	Jinan	Service		100.00%	Set-up

Notes to holding proportion in subsidiary different from voting proportion:

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

Other notes:

None

(2) Significant Non-wholly-owned Subsidiary

Unit: RMB

Name	Shareholding proportion	The profit or loss	Declaring dividends	Balance of

	of non-controlling interests	attributable to the non-controlling interests	distributed to non-controlling interests	non-controlling interests at the period-end
Yangzhou Slender West Lake Jingyue Property Development Co., Ltd.	49.00%	-182,718.17		2,205,181.14
Shenzhen Rongyao Real Estate Development Co., Ltd.	31.00%	-28,253,277.77		154,686,348.94
Shenshan Special Cooperation Zone International Trade Center Property Development Co., Ltd.	35.00%	0.00		1,750,000.00

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

Not applicable

Other notes:

None

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

Unit: RMB

Name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Yangzhou Slender West Lake Jingyue Property Development Co., Ltd.	4,416,444.00	323,591.05	4,740,035.05	239,664.85		239,664.85	4,873,263.90	0.00	4,873,263.90			
Shenzhen Rongyao Real Estate Development	2,629,945,758.64	22,241,811.98	2,652,187,570.62	120,435,607.06	3,043,000,000.00	3,163,435,607.06						

Co., Ltd.												
Shenshan Special Cooperation Zone International Trade Center Property Development Co., Ltd.	5,000,000.00		5,000,000.00									

Unit: RMB

Name	Reporting Period				Same period of last year			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Yangzhou Slender West Lake Jingyue Property Development Co., Ltd.	454,290.17	-372,894.22	-372,894.22	-1,079,939.58				
Shenzhen Rongyao Real Estate Development Co., Ltd.		-91,139,605.71	-91,139,605.71	-576,763,060.18				
Shenshan Special Cooperation Zone International Trade Center Property Development Co., Ltd.								

Other notes:

(4) Significant Restrictions on Using the Assets and Liquidating the Liabilities of the Company

None

(5) Financial Support or Other Supports Provided to Structural Entities Incorporated into the Scope of Consolidated Financial Statements

None

Other notes:

None

2. The Transaction of the Company with Its Owner's Equity Share Changed but Still Controlling the Subsidiary

(1) Note to the Owner's Equity Share Changed in Subsidiary

None

(2) The Transaction's Influence on the Equity of Non-controlling Interests and the Owner's Equity Attributable to the Company as the Parent

Unit: RMB

Other notes

Not applicable

3. Equity in Joint Ventures or Associated Enterprises

(1) Significant Joint Ventures or Associated Enterprises

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Accounting treatment of the investment to joint venture or associated enterprise
				Directly	Indirectly	
Shenzhen Jifa Warehouse Co., Ltd.	Shenzhen	Shenzhen	Warehouse service	50.00%		Equity method
Tian'an International Building Property Management	Shenzhen	Shenzhen	Property management	50.00%		Equity method

Company of Shenzhen						

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

Not applicable

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

Not applicable

(2) Main Financial Information of Significant Joint Ventures

Unit: RMB

	Ending balance/Reporting Period		Beginning balance/The same period of last year	
	Shenzhen Jifa Warehouse Co., Ltd.	Tian'an International Building Property Management Company of Shenzhen	Shenzhen Jifa Warehouse Co., Ltd.	Tian'an International Building Property Management Company of Shenzhen
Current assets	7,276,535.69	51,865,947.01	9,555,202.09	50,941,418.43
Of which: Cash and cash equivalents	4,956,654.72	33,967,332.28	8,614,698.79	34,496,954.60
Non-current assets	65,978,954.15	40,810.71	62,828,540.59	38,523.34
Total assets	73,255,489.84	51,906,757.72	72,383,742.68	50,979,941.77
Current liabilities	3,726,298.12	23,684,197.24	4,176,061.89	22,970,163.57
Non-current liability		16,191,532.60		16,218,892.53
Total liabilities	3,726,298.12	39,875,729.84	4,176,061.89	39,189,056.10
Equity attributable To owners of the Company as the parent	69,529,191.72	12,031,027.88	68,207,680.79	11,790,885.67
Portion of net Assets calculated according to proportion of shareholdings	34,764,595.86	6,015,513.94	34,103,840.40	5,895,442.84
Carrying value of equity investment to joint ventures	34,764,595.86	6,015,513.94	34,103,840.40	5,895,442.84
Operating revenue	3,127,168.02	10,118,037.30	1,332,229.50	10,019,051.54
Finance expense	-12,030.91	3,608.49	-7,950.24	-48,189.40
Income tax expense	467,887.30	99,490.19		190,474.42
Net profit	1,321,510.93	240,142.21	-472,928.87	571,423.26
Total comprehensive	1,321,510.93	240,142.21	-472,928.87	571,423.26

income				
Dividends from joints venture in the Reporting Period	0.00	0.00	0.00	0.00

Other notes

None

(3) Main Financial Information of Significant Associated Enterprise

Unit: RMB

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

Other notes

Not applicable

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

Unit: RMB

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

Other notes

None

(5) Note to the Significant Restrictions on the Ability of Joint Ventures or Associated Enterprises to Transfer Funds to the Company

None

(6) The Excess Loss of Joint Ventures or Associated Enterprises

Unit: RMB

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

	accumulatively derecognized	Period	

Other notes

None

(7) The Unrecognized Commitment Related to Investment to Joint Ventures

None

(8) Contingent Liabilities Related to Investment to Joint Ventures or Associated Enterprises

None

4. Significant Common Operation

Name	Main operating place	Registration place	Nature of business	Proportion /share portion	
				Directly	Indirectly

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

Not applicable

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

Other notes

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

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

None

6. Other

None

X. The Risk Related to Financial Instruments

The financial instruments of the Group include: monetary fund, the available for sale financial assets, borrowings, accounts receivable and accounts payable, etc, for details, see disclosure in each note.

1. Market Risk

(1) Exchange Rate Risk

Exchange rate risk refers to risk of losses due to fluctuation in exchange rate. Sensitive analysis of foreign exchange risk was as follows, which reflected the influence of changes in monetary assets and monetary liabilities on net profits and shareholders' equity when the following listed foreign exchanges showed reasonable and possible changes under the hypothesis of other variables constant.

Item	Period-end		Period-begin	
	Change in net profit	Change in equity	Change in net profit	Change in equity of

		of shareholders		shareholders
RMB down 2% against HKD	798,543.04	1,873,046.49	789,711.43	1,864,214.88
RMB up 2% against HKD	-798,543.04	-1,873,046.49	-789,711.43	-1,864,214.88
RMB down 2% against USD	8,552.80	8,552.80	8,538.49	8,538.49
RMB up 2% against USD	-8,552.80	-8,552.80	-8,538.49	-8,538.49

2. Credit Risk

The credit risk mainly occurred in bank deposit, accounts receivable and other receivables. The source of credit risk of financial assets was the default of the other party. The biggest risk exposure was equivalent to book value of the instruments.

The Group's working capital was in bank with higher credit rating, so there was no significant credit risk, nor significant losses due to the default of other entity. Thus, the credit risk of working capital is relatively low.

There were accounts receivable withdrawn individually in the Group and had withdrawn bad debt provision, which fully reveal the existence of credit risk. Amount of balance of account receivables was RMB83,408,274.63 except the aforesaid had withdrawn bad debt provision, mainly was the account receivable of property management, of which was account receivable RMB10,912,833.18 of Taobao (China) Software Co., Ltd. was the total property management costs of several serve district of Taobao (China) Software Co., Ltd. Other client receivables were widely dispersed owners and tenants. The Group conducted continuous supervisor to the account receivables to ensure the Group not facing significant bad debt risk.

3. Liquidity Risk

The subsidiary of the Group monitor the cash flow and the need of itself, the headquarters of the finance department combine the cash flow of each subsidiary, continue to monitor the short term or long term capital needs to ensure maintain plenty of cash flow. Besides, according to the actual capital need of the Group, provided commitment of adequate emergency capital to meet the short term and long term capital need.

XI. The Disclosure of Fair Value

1. Ending Fair Value of Assets and Liabilities at Fair Value

Unit: RMB

Item	Ending fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
(I) Trading financial assets	3,622,435.75			3,622,435.75
1. Financial assets at fair value through profit or loss	3,622,435.75			3,622,435.75
(2) Equity instrument investment	3,622,435.75			3,622,435.75
II. Inconsistent fair value	--	--	--	--

measurement				

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

The closing price in the national stock transfer system for small and medium sized enterprises on 28 June 2019

3. Valuation Technique Adopted and Nature and Amount Determination of Important Parameters for Consistent and Inconsistent Fair Value Measurement Items at Level 2

Not applicable

4. Valuation Technique Adopted and Nature and Amount Determination of Important Parameters for Consistent and Inconsistent Fair Value Measurement Items at Level 3

Not applicable

5. Sensitiveness Analysis on Unobservable Parameters and Adjustment Information between Beginning and Ending Carrying Value of Consistent Fair Value Measurement Items at Level 3

Not applicable

6. Explain the Reason for Conversion and the Governing Policy when the Conversion Happens if Conversion Happens among Consistent Fair Value Measurement Items at Different Levels

Not applicable

7. Changes in the Valuation Technique in the Current Period and the Reason for Such Changes

Not applicable

8. Fair Value of Financial Assets and Liabilities Not Measured at Fair Value

Not applicable

9. Other

Not applicable

XII. Related Party and Related-party Transactions

1. Information Related to the Company as the Parent of the Company

Name	Registration place	Nature of business	Registered capital	Proportion of share held by the	Proportion of voting rights owned by the

				Company as the parent against the Company (%)	Company as the parent against the Company (%)
Shenzhen Investment Holdings Co., Ltd	Shenzhen	Managing state-owned assets	RMB25,349,000,000	63.82%	63.82%

Notes: Information on the Company as the parent

Note: Shenzhen Investment Holdings Co., Ltd. is the final controller of the Company and also is a sole state-funded limited company. As a government department, Shenzhen State-owned Assets Supervision and Administration Bureau manage Shenzhen Investment Holdings Co., Ltd. on behalf of People's Government of Shenzhen Municipality. Thus, the final controller of the Company is Shenzhen State-owned Assets Supervision and Administration Committee of Shenzhen Government.

The registered capital of Shenzhen Investment Holdings Co., Ltd. was changed into RMB25.349 billion on 4 December 2018. The original registered capital was RMB RMB23.149 billion.

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

Other notes:

None

2. Subsidiaries of the Company

Refer to Note IX-1. Equity in Subsidiary for details.

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

Refer to Note IX-3. Equity in Joint Ventures or Associated Enterprises for details about significant joint ventures or associated enterprises.

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

Name	Relationship with the Company

Other notes

Not applicable

4. Information on Other Related Parties

Name	Relationship with the Company
Shenzhen Investment Holdings Co., Ltd.	Under the same control of the Company as the parent of the Company

Other notes

None

5. List of Connected Transactions

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

Information on acquisition of goods and reception of labor service

Unit: RMB

Related party	Content	Reporting Period	The approval trade credit	Whether exceed trade credit or not	Same period of last year

Information of sales of goods and provision of labor service

Unit: RMB

Related party	Content	Reporting Period	Same period of last year

Notes on acquisition of goods and reception of labor service

Not applicable

(2) Information on Related-party Trusteeship/Contract

Lists of trusteeship/contract:

Unit: RMB

Name of the entruster/contractee	Name of the entrustee/ contractor	Type	Start date	Due date	Pricing basis	Income recognized in this Reporting Period

Notes:

Not applicable

Lists of entrust/contractee

Unit: RMB

Name of the entruster/contractee	Name of the entrustee/ contractor	Type	Start date	Due date	Pricing basis	Charge recognized in this Reporting Period

Notes:

Not applicable

(3) Information on Related-party Lease

The Company was lessor:

Unit: RMB

Name of lessee	Category of leased assets	The lease income confirmed in the Reporting Period	The lease income confirmed in the Same period of last year

The Company was lessee:

Unit: RMB

Name of lessor	Category of leased assets	The lease fee confirmed in the	The lease fee confirmed in the

		Reporting Period	Same period of last year
Shenzhen Investment Holdings Co., Ltd.	Office	133,177.08	130,562.40

Notes:

(4) Information on Related-party Guarantee

The Company was guarantor:

Unit: RMB

Secured party	Guarantee amount	Start date	End date	Execution accomplished or not

The Company was secured party

Unit: RMB

Guarantor:	Guarantee amount	Start date	End date	Execution accomplished or not

Notes:

Not applicable

(5) Information on Inter-bank Lending of Capital of Related Parties

Unit: RMB

Related party	Amount	Start date	End date	Note
Borrowing				
Lending				

(6) Information on Assets Transfer and Debt Restructuring by Related Party

Unit: RMB

Related party	Content	Reporting period	Same period of last year

(7) Information on Remuneration for Key Management Personnel

Unit: RMB

Item	Reporting period	Same period of last year
Remuneration for key management personnel	4,115,229.51	3,661,480.66

(8) Other Related-party Transactions

6. Accounts Receivable and Payable of Related Party

(1) Accounts Receivable

Unit: RMB

Item	Related party	Ending balance		Beginning balance	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Other receivables	Shenzhen Xinhai Holding Co., Ltd.	1,057,899,990.18	0.00		
Other receivables	Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.	330,472,932.33	0.00		
Other receivables	Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	1,747,264.25	1,747,264.25	1,747,264.25	1,747,264.25

(2) Accounts Payable

Unit: RMB

Item	Related party	Ending carrying amount	Beginning carrying amount
Other payables	Shenzhen Jifa Warehouse Co., Ltd.	29,296,665.14	29,296,665.14
Other payables	Tian'an International Building Property Management Company of Shenzhen	5,214,345.90	5,214,345.90

7. Commitments of Related Party

The Company signed the share transfer agreement with Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd. in February 2019, in which Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd. will transfer 69% of shares in Shenzhen Rongyao Real Estate Development Co., Ltd. to the Company.

The Company signed the repayment agreement with Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd. and Shenzhen Xinhai Holding Co., Ltd. at the same time, and made arrangement to the borrowings of RMB1390.6049 million of Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd. and its related company (Shenzhen Xinhai Holding Co., Ltd.) from Shenzhen Rongyao Real Estate Development Co., Ltd. according to the share transfer agreement. The borrowing should be paid off in three months from the completion date of the project removal (the agreement signed for completing the removal, compensation and settlement in the project scope should be prevailed). The rest RMB300 million can be paid off in one year from the completion date of the project removal, but should add 11% annual interest rate to pay the interest on borrowing per day to Shenzhen Rongyao Real Estate Development Co., Ltd. from the completion date of project removal to the date of borrowing being paid off.

As of June 30, 2019, the borrowing balance is RMB1388.3729 million.

8. Other

Not applicable

XIII. Stock Payment

1. The Overall Situation of Stock Payment

□ Applicable □ Not applicable

2. The Stock Payment Settled in Equity

□ Applicable □ Not applicable

3. The Stock Payment Settled in Cash

□ Applicable □ Not applicable

4. Modification and Termination of the Stock Payment

None

5. Other

XIV. Commitments and Contingency

1. Significant Commitments

Significant Contingency on Balance Sheet Date

Item	Period-end
Large amount contract of real estate development project signed but derecognized in financial statements.	498,279,835.00
Total	498,279,835.00

2. Contingency

(1) Significant Contingency on Balance Sheet Date

1) Pending Action

The action about transferring Jiabin Building contentious matter (Now rename as: Longyuan Development Building; former name Jinlihua Commercial Plaza）

In 1993, the Company signed Right of Development Transfer Contract of Jiabin Building with Shenzhen Jiyong Property

Development Co., Ltd. (hereinafter referred to as "Jiyong Company"). Since the contract was not effectively executed, the Company subsequently filed a series of lawsuits against the parties involved in the project, but the outcome was not favorable to the Company. Therefore, the Company calculated and withdrew bad-debt provisions for accounts receivable from Jiyong Company in full in past years for the transfer of Jiabin Building. On October 31, 2018, Shenzhen Intermediate People's Court made a civil award and ruled that the Company's application for the bankruptcy of Jiyong Company would not be accepted. The Company refused to accept such ruling and has appealed to Shenzhen Intermediate People's Court. On April 29, 2019, Guangdong Higher People's Court adjudicated to reject the appeal and maintain the original judgment.

2) Guarantee

① The Company's subsidiary Dongguan International Trade Center Changsheng Real Estate Development Co., Ltd. belongs to provisional qualification real estate development enterprise, when dealing with the application of approval of the presale of houses, the commercial housing quality guarantee after the liquidations of enterprise bankruptcy, dissolution, Dongguan International Trade Center Changsheng Real Estate Development Co., Ltd. submitted guarantee RMB12,402,160.00 to Bank of Communications, Duangguang, Dalang Branch, the bank issue 9 Guarantee Letter for irrevocable goods, of which one guarantee of RMB1,468,870.00, from 30 June 2015 to 31 December 2020, and the remained were RMB10,933,290.00 from 1 July 2015 to 31 December 2020. As of June 30, 2019, the Company has get the original L/G back from Land and Resources Bureau.

② As a real estate developer, the Company has provided mortgage guarantees for commercial housing purchasers and paid loan guarantees according to real estate business practices. As of June 30, 2019, the balance of the cash deposit that have not been released is RMB1,117,507.63. That guarantee will be released on the date when the mortgage money is paid off.

③ The Company and its subsidiaries provide mortgage guarantees for commercial housing purchasers according to the real estate business practice. The purchaser uses the purchased commercial housing as collateral. The guarantee amount that has not been settled as of June 30, 2019 is RMB517.4278 million and since so far, purchasers have not defaulted, and the current market price of these properties is higher than the selling price, the Company believes that the risks associated with providing such guarantees are relatively low.

④ On April 20, 2018, Shenzhen Huangcheng Real Estate Co., Ltd. (hereinafter referred to as "Huangcheng Real Estate"), a subsidiary of the Company, signed a fixed asset borrowing contract with the Shenzhen Branch of Bank of Shanghai Co., Ltd., in which, the land use right of Golden Collar's Resort was mortgaged and the Company agreed to provide guarantee for Huangcheng Real Estate. In November 2018, due to the pre-sale of Golden Collar's Resort Project, mortgage of the land use right was released according to the requirements of the Housing Authority. Only the credit guarantee provided by the Company for Huangcheng Real Estate was still effective. As of the end of the period, the details about the remaining outstanding guarantee are as follows:

Secured party	Content	Guarantee period	Amount
Shenzhen Huangcheng Real Estate Co., Ltd.	Shenzhen Branch of Bank of Shanghai	20 June 2018 to 20 June 2021	1,000,000.00
Total			1,000,000.00

⑤ The Company took 69% of shares in Shenzhen Rongyao Real Estate Development Co., Ltd. as pledge to obtain the long-term borrowing of RMB2.193 billion from Sichuan Trust Co., Ltd. to the holding subsidiary, Shenzhen Rongyao Real Estate Development Co., Ltd. from 13 February 2018 to 12 February 2023 with 11% annual interest rate. As of the period-end, the borrowing balance is RMB2.193 billion.

(2) In Despite of no Significant Contingency to Disclose, the Company Shall Also Make Relevant Statements

There was no significant contingency in the Company.

3. Other

None

XV. Events after Balance Sheet Date

1. Significant Non-adjusted Events

Unit: RMB

Item	Content	Influence number to the financial position and operating results	Reason of inability to estimate influence number

2. Profit Distribution

Unit: RMB

Profits or dividends planned to distribute	
Reviewed and approved profits or dividends declared to distribute	

3. Sales Return

Not applicable

4. Notes to Other Events after Balance Sheet Date

None

XVI. Other Significant Events

1. The Accounting Errors Correction in Previous Period

(1) Retrospective Restatement

Unit: RMB

Content	Processing program	Name of the influenced report items during comparison period	Accumulative impact

(2) Prospective Application

Content	Processing program	Reason for adopting prospective application

2. Debt Restructuring

Not applicable

3. Assets Replacement

(1) Non-monetary Assets Exchange

Not applicable

(2) Other Assets Replacement

Not applicable

4. Pension Plans

Not applicable

5. Discontinued Operations

Unit: RMB

Item	Income	Expense	Total profit	Income tax expense	Net profit	Profit from discontinued operations attributable to owners of the Company as the parent

Other notes

Not applicable

6. Segment Information

(1) Determination Basis and Accounting Policies of Reportable Segment

The Group's business includes real estate business, property management, catering services, and other business (including: mechanical and electrical professional maintenance business, automobile service, engineering supervision, parking lot, because of the above businesses income are small, approve them being merged), etc. The Group separately organized and managed according to the business and the properties of products and services provided. Each business division of the Group was a business group, provided the facing risk and obtained rewards and products different from other division.

A. Real estate business divisions: real estate development, sales and rental

B. The property management business divisions: building management

C. Diet services: catering service

D.Other business: operating mechanical and electrical professional maintenance business, automobile service, engineering

supervision business, and parking lot

The management for the purpose of considering the decision of resources and evaluation of performance separately managed the operating results of each unit of business.

(2) The Financial Information of Reportable Segment

Unit: RMB

Item	Real estate	Property management	Catering service	Others	Offset among segment	Total
Operation revenue	500,233,278.93	256,203,525.70	12,217,150.20	12,664,051.38	-25,927,926.25	755,390,079.96
Cost of sales	158,983,932.42	225,715,536.57	11,050,201.48	11,252,333.01	-25,032,915.00	381,969,088.48
Total profit	117,011,074.96	16,745,873.77	116,320.72	286,097.30	-6,663,493.55	127,495,873.20
Total assets	11,451,747,307.04	466,428,336.08	4,569,695.49	9,616,943.86	-2,812,530,061.05	9,119,832,221.42
Total liabilities	6,500,220,464.92	368,621,406.69	2,192,385.21	7,409,339.68	-1,181,213,821.82	5,697,229,774.68

(3) If there Was no Reportable Segment, or the Total Amount of Assets and Liabilities of Each Reportable Segment Could not Be Reported, Relevant Reasons Shall Be Clearly Stated

Not applicable

(4) Other notes

① Foreign trade income regarding businesses

Item	Reporting Period	Same period of last year
Real estate	497,959,680.37	594,838,729.82
Property management	243,019,673.20	213,379,017.06
Catering service	11,743,534.28	11,510,169.69
Other	2,667,192.11	5,286,068.40
Total	755,390,079.96	825,013,984.97

② Foreign trade income regarding geography and total non-current assets

Countries or regions	Total foreign trrade income		Total non-current assets	
	Reporting Period	Same period of last year	Reporting Period	Period-begin
Mainland of China	755,214,802.19	825,013,984.97	424,246,378.39	434,417,428.34
Hong Kong	175,277.77		1,138,973.11	1,144,430.25
Other regions				

7. Other Significant Transactions and Events with Influence on Investors' Decision-making

Not applicable

8. Other

None

XVII. Notes of Main Items in the Financial Statements of the Company as the Parent

1. Notes Receivable and Accounts Receivable

(1) Accounts Receivable Disclosed by Category

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable for which bad debt provision separately accrued	96,702,269.40	97.55%	96,702,269.40	100.00%	0.00	96,702,269.40	98.03%	96,702,269.40	100.00%	0.00
Of which:										
Accounts receivable with significant single amount for which bad debt provision separately accrued	96,647,889.05	97.50%	96,647,889.05	100.00%	0.00	96,647,889.05	97.98%	96,647,889.05	100.00%	0.00
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	54,380.35	0.05%	54,380.35	100.00%	0.00	54,380.35	0.05%	54,380.35	100.00%	0.00
Accounts receivable withdrawal of bad debt provision by group	2,428,004.32	2.45%	72,840.13	3.00%	2,355,164.19	1,940,446.37	1.97%	86,951.65	4.48%	1,853,494.72
Of which:										
Accounts receivable withdrawal of bad	2,428,004.32	2.45%	72,840.13	3.00%	2,355,164.19	1,940,446.37	1.97%	86,951.65	4.48%	1,853,494.72

debt provision by aging method										
Total	99,130,273.72	100.00%	96,775,109.53	97.62%	2,355,164.19	98,642,715.77	100.00%	96,789,221.05	98.12%	1,853,494.72

Accounts receivable for which bad debt provision separately accrued: RMB96,702,269.40

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdrawal
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	93,811,328.05	100.00%	Involved in lawsuit and with no executable property, please refer to Section X Financial Statement-(XIV)-2 (1)
Shenzhen Tewei Industry Co., Ltd.	2,836,561.00	2,836,561.00	100.00%	Not recovered for a long time
Luohu District Economic Development Company	54,380.35	54,380.35	100.00%	Not recovered for a long time
Total	96,702,269.40	96,702,269.40	--	--

Accounts receivable for which bad debt provision separately accrued: RMB96,702,269.40

Unit: RMB

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

Accounts receivable for which bad debt provision separately accrued:

Unit: RMB

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

Withdrawal of bad debt provision by group:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Within 1 year (including 1 year)	2,428,004.32	72,840.13	3.00%
Total	2,428,004.32	72,840.13	--

Notes to the determination basis for the group:

For details, please refer to Part X Financial Statement-V-10.

Withdrawal of bad debt provision by group:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion

Notes to the determination basis for the group:

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

□ Applicable √ Not applicable

Disclosed by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	72,840.13
Over 5 years	96,702,269.40
Total	96,775,109.53

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

Bad Debt Provision Withdrawal, Reversed or Recovered in the Reporting Period:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period			Ending balance
		Withdrawal	Reversal or recovery	Write-off	
Bad debt provision	96,789,221.05	-14,111.52			96,775,109.53
Total	96,789,221.05	-14,111.52			96,775,109.53

Significant amount of reversed or recovered bad debt provision:

Unit: RMB

Name of entity	Amount reversed or recovered	Way of recovery

Not applicable

(3) Accounts Receivable with Actual Verification during the Reporting Period

Unit: RMB

Item	Amount verified

Of which the verification of significant other accounts receivable:

Unit: RMB

Name of entity	Nature	Amount verified	Reason for verification	Verification procedures performed	Whether generated from connected transactions

Notes to verification of accounts receivable:

None

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

Name of entity	Relationship with the Company	Amount	Age limit	Proportion to the total accounts receivable (%)
Shenzhen Jiyong Properties & Resources Development Company	Non-related party	93,811,328.05	Over 5 years	94.63
Shenzhen Tewei Industry Co., Ltd.	Non-related party	2,836,561.00	Over 5 years	2.86
Shenzhen Rainbow Department Store Co., Ltd.	Non-related party	809,747.85	1 to 5 years	0.82
CPIC	Non-related party	563,842.00	Within 1 year	0.57
Shenzhen Branch of Ping An Bank Co., Ltd.	Non-related party	160,741.00	Within 1 year	0.16
Total	—	98,182,219.90	—	99.70

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

None

(6) The Amount of Assets and Liabilities Generated from the Transfer and the Continued Involvement of Accounts Receivable

None

Other notes:

None

2. Other Accounts Receivable

Unit: RMB

Item	Ending balance	Beginning balance
Interest receivable	6,838,789.22	8,229,503.58
Dividend receivable	0.00	0.00
Other receivables	1,095,277,746.58	1,298,486,323.35
Total	1,102,116,535.80	1,306,715,826.93

(1) Interest Receivable

1) Category of Interest Receivable

Unit: RMB

Item	Ending balance	Beginning balance
Fixed time deposit	6,838,789.22	8,229,503.58
Total	6,838,789.22	8,229,503.58

2) Significant Overdue Interest

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

Other notes:

None

3) Information of Withdrawal of Bad Debt Provision

□ Applicable √ Not applicable

(2) Dividend Receivable

1) Category of Dividend Receivable

Unit: RMB

Item (or investees)	Ending balance	Beginning balance
Total	0.00	0.00

2) Significant Dividends Receivable Aging over 1 Year

Unit: RMB

Item (or investees)	Ending balance	Aging	Reason	Whether occurred impairment and its judgment basis

3) Information of Withdrawal of Bad Debt Provision

□ Applicable √ Not applicable

Other notes:

None

(3) Other Receivables

1) Other Receivables Disclosed by Account Nature

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Margin	2,218,894.63	2,218,894.63
Pretty cash	0.00	174,311.00
Payment on behalf	58,560.84	511,835.47
Intercourse fund	23,113,094.54	130,739,271.12
Account receivable to subsidiary	1,102,589,953.62	1,197,974,900.35

Total	1,127,980,503.63	1,331,619,212.57

2) Information of Withdrawal of Bad Debt Provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2019	8,872,831.22		24,260,058.00	33,132,889.22
Balance of 1 January 2019 in the current period	——	——	——	——
Withdrawal of the current period	-66,673.88		-363,458.29	-430,132.17
Balance of 30 June 2019	8,806,157.34		23,896,599.71	32,702,757.05

Changes of carrying amount with significant amount changed of loss provision in the Reporting Period

□ Applicable √ Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 years (including 1 year)	994,596,764.14
1 to 2 years	7,784.80
2 to 3 years	139,960.65
Over 5 years	133,235,994.04
Total	1,127,980,503.63

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

Information of bad debt provision withdrawn:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period		Ending balance
		Withdrawal	Reversal or recovery	
Bad debt provision	33,132,889.22	-430,132.17		32,702,757.05
Total	33,132,889.22	-430,132.17		32,702,757.05

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB-430132.17.

Of which the bad debt provision reversed or recovered with significant amount during the Reporting Period:

Unit: RMB

Name of entity	Amount reversed or recovered	Way of recovery

None

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

Unit: RMB

Item	Amount

Of which, the verification of significant other receivables:

Unit: RMB

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

Notes to the verification of other receivables:

None

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

Unit: RMB

Name of the entity	Nature	Ending balance	Aging	Proportion to ending balance of total other receivables%	Ending balance of bad debt provision
SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.	Related party in combination scope	214,838,221.77	Within 1 year	19.49%	
Shum Yip Properties Development Limited	Related party in combination scope	108,045,715.80	Over 5 years	9.80%	7,414,657.58
SZPRD Yangzhou Real Estate Development Co., Ltd.	Related party in combination scope	99,379,836.60	Over 5 years	9.02%	
Shenzhen Huangcheng Property Management Co., Ltd.	Related party in combination scope	72,915,906.77	Within 1 year	6.62%	
Shanghai Yutong Real Estate Co., Ltd.	Non-related party	5,676,000.00	Over 5 years	0.52%	5,676,000.00
Total	--	500,855,680.94	--		13,090,657.58

6) Accounts Receivable Involving Government Subsidies

Unit: RMB

Name of the entity	Project of government subsidies	Ending balance	Ending aging	Estimated recovering time, amount and basis

None

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

None

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

None

Other notes:

None

3. Long-term Equity Investment

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserve	Carrying value	Carrying amount	Depreciation reserve	Carrying value
Investment to subsidiaries	777,466,672.93	69,964,000.00	707,502,672.93	269,466,672.93	69,964,000.00	199,502,672.93
Investment to joint ventures and associated enterprises	59,763,723.95	18,983,614.14	40,780,109.81	58,982,897.38	18,983,614.14	39,999,283.24
Total	837,230,396.88	88,947,614.14	748,282,782.74	328,449,570.31	88,947,614.14	239,501,956.17

(1) Investment to Subsidiaries

Unit: RMB

Investee	Beginning balance	Increase	Decrease	Ending balance	Depreciation reserve withdrawn	Ending balance of depreciation reserve
Shenzhen Huangcheng Real Estate Co., Ltd.	35,552,671.93			35,552,671.93		
SZPRD Real Estate Development Co., Ltd.	30,950,000.00			30,950,000.00		
SZPRD Yangzhou Real Estate Development Co., Ltd.	50,000,000.00			50,000,000.00		
Dongguan ITC Changsheng Real Estate Development Co., Ltd.	20,000,000.00			20,000,000.00		
Shenzhen	20,000,000.00			20,000,000.00		

International Trade Center Property Management Co., Ltd.						
Shenzhen International Trade Center Catering Co., Ltd.	1.00			1.00		1,600,000.00
Shenzhen Property Construction Supervision Co., Ltd.	3,000,000.00			3,000,000.00		
SZPRD Housing Assets Operation and Management Co., Ltd.	40,000,000.00			40,000,000.00		
Zhanjiang Shenzhen Real Estate Development Co., Ltd.	0.00			0.00		2,530,000.00
Shum Yip Properties Development Co., Ltd.	0.00			0.00		15,834,000.00
SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.	0.00			0.00		50,000,000.00
Shenzhen Rongyao Real Estate Development Co., Ltd.		508,000,000.00		508,000,000.00		
Total	199,502,672.93	508,000,000.00		707,502,672.93		69,964,000.00

(2) Investment to Joint Ventures and Associated Enterprises

Unit: RMB

Investee	Beginnin	Increase/decrease	Ending	Ending

	g balance	Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other	balance	balance of depreciation reserve
I. Joint ventures											
Shenzhen Jifa Warehouse Co., Ltd.	34,103,840.40			660,755.47						34,764,595.87	
Tian'an International Building Property Management Company of Shenzhen	5,895,442.84			120,071.10						6,015,513.94	
Subtotal	39,999,283.24			780,826.57						40,780,109.81	
II. Associated enterprises											
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	0.00									0.00	18,983,614.14
Subtotal	0.00									0.00	18,983,614.14
Total	39,999,283.24			780,826.57						40,780,109.81	18,983,614.14

(3) Other Notes

None

4. Operating Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	341,910,051.35	64,045,206.33	33,455,791.84	11,132,664.03
Other operations		659,988.00		659,988.00
Total	341,910,051.35	64,705,194.33	33,455,791.84	11,792,652.03

Whether the Company has executed the new income standards

□ Yes √ No

Other notes:

None

5. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	780,826.57	49,247.20
Investment income of entrusted loans	16,099,318.67	
Total	16,880,145.24	49,247.20

6. Other

Not applicable

XVIII. Supplementary Materials

1. Items and Amounts of Non-recurring Profit or Loss

√ Applicable □ Not applicable

Unit: RMB

Item	Amount	Note
Gains/losses on the disposal of non-current assets	-36,963.65	Disposal of retail assets
Other non-operating income and expense other than the above	121,247.48	Income from penalty and liquidated damages
Less: Income tax effects	21,070.96	
Total	63,212.87	--

Explain the reasons if the Company classifies an item as an non-recurring gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item.

□ Applicable √Not applicable

2. Return on Equity and Earnings Per Share

Profit as of Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to ordinary shareholders of the Company	3.09%	0.1741	0.1741
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	3.09%	0.1740	0.1740

3. Differences between Accounting Data under Domestic and Overseas Accounting Standards

(1) Differences of Net Profit and Net Assets Disclosed in Financial Reports Prepared under International and Chinese Accounting Standards

□ Applicable √ Not applicable

(2) Differences of Net profit and Net assets Disclosed in Financial Reports Prepared under Overseas and Chinese Accounting Standards

□ Applicable √ Not applicable

(3) Explain Reasons for the Differences between Accounting Data under Domestic and Overseas Accounting Standards; for any Adjustment Made to the Difference Existing in the Data Audited by the Foreign Auditing Agent, Such Foreign Auditing Agent's Name Shall Be Clearly Stated

Not applicable

4. Other