

SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.

2012 ANNUAL REPORT

March 2013

Section I. Important Notes, Contents & Explanation

The Board of Directors, the Supervisory Committee, directors, supervisors and senior management staff of Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as “the Company”) warrant that this report does not contain any false or misleading statements or omit any material facts and hereby accept, individually and collectively, responsibility for the factuality, accuracy and completeness of the contents carried in this report.

Mr. Chen Yugang, Company Principal, Mr. Wang Hangjun, Person in Charge of Accounting Work, CFO Mr. Gong Sixin and Ms. Shen Xueying, Person-in-charge of the accounting organ (Chief of Accounting) and Financial Manager, hereby confirm that the Financial Report enclosed in the Annual Report is true and complete.

All directors have attended the board session for reviewing this report.

The Company plans not to distribute cash dividends or bonus shares or turn capital reserve into share capital.

This report is prepared in both Chinese and English. Should there be any understanding discrepancy between the two versions, the Chinese version shall prevail.

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Section II. Company Profile

I. Basic information of the Company

Stock abbreviation	SWYA, SWYB	Stock code	000011、200011
Stock exchange listed with	Shenzhen Stock Exchange		
Chinese name of the Company	深圳市物业发展(集团)股份有限公司		
Abbr. of the Chinese name of the Company	深物业集团		
English name of the Company (if any)	ShenZhen Properties & Resources Development (Group) Ltd.		
Abbr. of the English name of the Company (if any)	SZPRD		
Legal representative of the Company	Mr. Chen Yugang		
Registered address	39/F and 42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China		
Postal code for the registered address	518014		
Office address	39/F and 42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China		
Postal code for the office address	518014		
Internet website of the Company	www.szwuye.com.cn		

II. For Contact

	Company Secretary	Securities Affairs Representative
Name	Fan Weiping	Qian Zhong, Huang Fengchun
Contact address	42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China	42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China
Tel.	0755-82211020	0755-82211020
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E-mail	000011touzizhe@163.com	000011touzizhe@163.com

III. About information disclosure and where this report is placed

Newspapers designated by the Company for information disclosure	A-share: Securities Times B-share: Ta Kung Pao (HK)
Internet website designated by CSRC for disclosing this report	www.cninfo.com.cn
Where this report is placed	BOD Office, 42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China

IV. Change of the registered information

	Registration date	Registration place	Business license No.	Registration code of taxation	Organizational code
Initial registration	17 Jan. 1983	Industrial and Commercial Administration Bureau of Shenzhen Municipal Government	440301103570124	440301192174135	19217413-5
Change of the Company's main business since listing (if any)	Unchanged				
Changes of the controlling shareholder (if any)	Unchanged				

V. Other information

The CPAs firm hired by the Company:

Name	Union Power Certified Public Accountants Co., Ltd.
Office address	16 th - 18 th Floor, Tower B, Wuhan International Mansion

Section III. Accounting & Financial Highlights

I. Major accounting data and financial indicators

Does the Company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

√ Yes □ No

	2012	2011		Increase or decrease of this year over last year (%)	2010	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Operating revenues (RMB Yuan)	1,861,298,830.99	1,408,565,307.32	1,430,211,933.75	30.14%	993,175,350.38	1,016,389,026.19
Net profit attributable to shareholders of the Company (RMB Yuan)	375,422,129.64	257,461,077.54	261,108,340.62	43.78%	174,998,534.79	176,701,254.63
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	337,545,206.86	257,538,768.66	257,538,768.66	31.07%	160,273,095.99	160,273,095.99
Net cash flows from operating activities (RMB Yuan)	805,714,197.38	-361,467,587.70	-354,083,921.13	327.55%	-101,778,470.64	-92,901,678.94
Basic EPS (RMB Yuan/share)	0.6299	0.432	0.4381	43.78%	0.2936	0.2965
Diluted EPS (RMB Yuan/share)	0.6299	0.432	0.4381	43.78%	0.2936	0.2965
ROE (%)	28.43%	25.67%	25.79%	2.64%	23.27%	23.28%
	As at 31 Dec. 2012	As at 31 Dec. 2011		Increase or decrease of this year-end than last year-end (%)	As at 31 Dec. 2010	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Total assets (RMB Yuan)	4,006,705,938.73	3,499,608,314.21	3,552,025,374.73	12.8%	2,913,281,353.84	2,982,006,967.39
Net assets/owners' equity attributable to shareholders of the Company (RMB Yuan)	1,502,852,915.53	1,130,243,873.92	1,141,460,658.78	31.66%	874,185,621.88	881,777,845.08

II. 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

Unit: RMB Yuan

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	2012	2011	Closing amount	Opening amount
According to Chinese accounting standards	375,422,129.64	261,108,340.62	1,502,852,915.53	1,141,460,658.78
Items and amounts adjusted according to international accounting standards				
According to international accounting standards	375,422,129.64	261,108,340.62	1,502,852,915.53	1,141,460,658.78

2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards

Unit: RMB Yuan

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	2012	2011	Closing amount	Opening amount
According to Chinese accounting standards	375,422,129.64	261,108,340.62	1,502,852,915.53	1,141,460,658.78
Items and amounts adjusted according to overseas accounting standards				
According to overseas accounting standards	375,422,129.64	261,108,340.62	1,502,852,915.53	1,141,460,658.78

3. Explain reasons for the differences between accounting data under domestic and overseas accounting standards

No difference

III. Items and amounts of extraordinary gains and losses

Unit: RMB Yuan

Items	2012	2011	2010	Notes
Gain/loss on the disposal of non-current assets (including the offset part of the asset impairment provisions)	534,657.73	-26,955.97	3,666,926.49	

Government grants recognized in the current year, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	1,720,000.00			
Gain/loss on non-monetary asset swap	47,444,108.36			The gain of RMB 47,444,108.36 on non-monetary asset swap was formed in the asset trade-in between the Company and Shenzhen Investment Holdings. See the asset trade-in matters for details.
Expenses on business reorganization, such as expenses on staff arrangements, integration, etc.	-3,152,560.00		-87,077.70	The expenses of RMB -3,152,560.00 on business reorganization, such as expenses on staff arrangements, integration, etc. were because the subsidiary Shengxin Taxi carried out three mechanisms in the reporting period to reform the dismissal welfare.
Current gains and losses of subsidiaries acquired from business combination under the same control as from period-begin to combination date	1,312,539.70	2,936,782.09	2,740,419.93	
Gain/loss on contingent events irrelevant to the Company's normal business			3,533,281.90	
Gains and losses on change in fair value from tradable financial assets and tradable financial liabilities, as well as investment income from disposal of tradable financial assets and tradable financial liabilities and financial assets available for sales except for effective hedging related with normal businesses of the Company		240,074.81	39,900.00	

Reversal of provision for impairment that made impairment test independently	623,086.75	842,092.26	1,478,071.21	
Non-operating income and expense other than the above	778,062.12	-1,458,137.35	6,620,338.00	
Income tax effects	11,982,949.11	26,727.37	526,001.10	
Minority interests effects (after tax)	-599,977.23	-1,062,443.49	1,037,700.09	The minority interests effects were the gain/loss distributable to Shenzhen Investment Holdings for Jan.-May 2012 when the subsidiary Shenxin Taxi stripped off assets.
Total	37,876,922.78	3,569,571.96	16,428,158.64	--

Section IV. Report of the Board of Directors

I. Overview

In 2012, the central government made clearer the real estate macro-control concept of “protect rational demand for residence purpose and restrain demand for speculative investment purpose”. It continued to carry out policies such as differential credit and limited housing purchase in a strict manner. Many cities in the country adjusted their housing reserve funds mechanisms and increased the first house credit line to meet rational demands. In the year, the central bank decreased the deposit reserve rate and the interest rate twice. The said policies resulted in an obvious “down and then up” trend in the real estate market. The first-hand commercial house turnover of major cities in China picked up in the second half of the year from both the same period of last year and the first half of the year. De-inventory of real estate enterprises accelerated and major enterprises excellently fulfilled their sales amount and area goals, with their capital status improving significantly. As a result, the second half of the year saw a heat-up of the land market, with investment growth in real estate development gradually picking up.

In view of the heat-up in some regional real estate markets at the end of 2012 and in the beginning of 2013, the central government unveiled in Feb. 2013 the “new five real estate macro-control measures of the State Council”, fully indicating its determination to maintain stability of house prices through policy. As local governments unveil their specific implementation measures, new effects will take place in the market. The Company will pay close attention to the effects of relevant policies on the market, attach importance to the ability to manage multiple real estate projects and focus on improving the project development and management capability. At the same time, it will also emphasize building of the “SZPRD” brand and effectively enhance its ability to resist risks.

II. Main business analysis

1. Overview

For the reporting year, the Company achieved operating revenues of RMB 1,861,298,800, up 30.14% over last year; operating profit of RMB 485,398,200, up 41.07% on a year-on-year basis; total profit of RMB 487,048,100, up 42.01% from last year; and net profit of RMB 374,822,200, up 44.14% over last year.

The operating revenues, operating profit, total profit and net profit increased considerably mainly because the real estate income rose significantly.

Overview of the reporting period progress of development strategies and business plans disclosed in previous periods:

State the reasons why the Company’s actual business performance is 20% lower or higher than the earning forecast for the reporting period which has been publicly disclosed earlier:

☐ Applicable ☒ Inapplicable

2. Revenues

Explanation:

The Company specializes in real estate development, with taxi transportation service, property management, house leasing, etc. as its sidelines. In 2012, the revenue generated from the main

business reached RMB 1,827,263,100, representing a year-on-year growth of 30.59%; and gross profit of the main business reached RMB 993,371,300.

The sales income from the top five customers reached RMB 326,371,800, accounting for 17.86% of the main business income.

Is the Company's goods selling revenue higher than the service revenue?

☐ Yes ☐ No

Major orders held:

☐ Applicable ☒ Inapplicable

Significant change or adjustment of the Company's products or services during the reporting period:

☐ Applicable ☒ Inapplicable

Major customers:

Total sales to the top 5 customers (RMB Yuan)	326,371,841.37
Ratio of the total sales to the top 5 customers to the annual total sales (%)	17.53%

Information about the top 5 customers:

☒ Applicable ☐ Inapplicable

Serial No.	Name of customer	Sales (RMB Yuan)	Proportion in annual total sales (%)
1	Shenzhen Investment Holdings Co., Ltd.	286,024,220.45	15.37%
2	Natural person	13,073,842.00	0.7%
3	Natural person	10,357,958.00	0.56%
4	Tianhong Shopping Plaza Co., Ltd.	9,368,289.92	0.5%
5	Feiran Technology (Shenzhen) Co., Ltd.	7,547,531.00	0.41%
Total	—	326,371,841.37	17.53%

3. Costs

Real estate development and operation is the core business of the Company. When developing a project, the Company chooses the general contractor or the design institution in the form of open bidding in the government's relevant construction engineering trading service center according to bidding laws and regulations of China and the project location. For general contracting, the contractor shall purchase main construction materials, and the Company is responsible for procurement for the marketing center on site, sample house decoration, external landscaping, some engineering design, etc. The above-mentioned bidding or procurement projects shall be carried out and the contractors shall be determined according to the bidding administrative rules of the Company. The procurement from the top five suppliers totaled RMB 50.55 million for the year, accounting for 53.8% of the total procurement.

Major suppliers:

Total purchases from the top 5 suppliers (RMB Yuan)	50,549,459.00
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Ratio of the total purchases from the top 5 suppliers to the annual total purchases (%)	53.85%
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Information about the top 5 suppliers:

√ Applicable □ Inapplicable

Serial No.	Name of supplier	Procurement amount (RMB Yuan)	Proportion in annual total procurement amount (%)
1	Jiangsu Shanshui Environmental Construction Group Co., Ltd.	15,959,021.00	17%
2	Nantong Construction Group Joint-Stock Co., Ltd.	12,548,438.00	13.37%
3	Aube Architecture Design (France) Co., Ltd.	9,920,000.00	10.57%
4	Shenzhen Jian Zhuang Ye Group (Stock) Co., Ltd.	6,380,000.00	6.8%
5	Huasen Architectural & Engineering Designing Consultant Ltd.	5,742,000.00	6.11%
Total	—	50,549,459.00	53.85%

4. Expense

YoY changes of the operating expenses, administrative expenses, financial expenses and income tax expenses, as well as the main reasons for the changes:

Item	Jan.-Dec. 2012 (RMB Yuan)	Jan.-Dec. 2011 (RMB Yuan)	YoY +/-%
Operating expenses	43,951,174.60	32,792,286.16	34.03
Financial expenses	-1,504,589.66	12,452,491.31	-112.08
Income tax expenses	112,225,990.61	82,914,212.42	35.35

Explanation:

- ① Operating expenses increased mainly because projects for sale increased and marketing was enhanced according to the market changes, causing increase of the marketing expenses.
- ② Financial expenses decreased mainly because last year, bank borrowings that did not satisfy capitalization conditions were recorded into financial expenses.
- ③ Income tax expenses increased mainly because total profit rose.

5. Cash flows

Unit: RMB Yuan

Item	2012	2011	YoY +/- (%)
Subtotal of cash inflows from operating activities	2,164,869,117.40	794,880,082.28	172.35%
Subtotal of cash outflows from operating activities	1,359,154,920.02	1,148,964,003.41	18.29%
Net cash flows from operating activities	805,714,197.38	-354,083,921.13	327.55%
Subtotal of cash inflows from investing activities	10,486,382.45	6,020,861.21	74.17%
Subtotal of cash outflows from investing activities	4,327,597.65	16,042,221.98	-73.02%
Net cash flows from investing activities	6,158,784.80	-10,021,360.77	161.46%
Subtotal of cash inflows from financing activities	186,000,000.00	612,495,212.00	-69.63%
Subtotal of cash outflows from financing activities	669,463,515.74	324,324,897.53	106.42%
Net cash flows from financing activities	-483,463,515.74	288,170,314.47	-267.77%
Net increase in cash and cash equivalents	328,410,569.80	-76,152,852.96	531.25%

Reasons for any over-30% YoY movement of the data above:

√ Applicable □ Inapplicable

- ① Subtotal of cash inflows from operating activities increased over last year mainly because capital inflows increased due to sale of projects.
- ② Net cash flows from operating activities increased over last year mainly because capital inflows increased due to sale of projects.
- ③ Subtotal of cash inflows from investing activities increased over last year mainly because the cash received as investment gains increased.
- ④ Subtotal of cash outflows from investing activities decreased over last year mainly because vehicle renewal of the relevant subsidiary was less.
- ⑤ Net cash flows from investing activities increased over last year mainly because the cash received as investment gains increased and vehicle renewal of the relevant subsidiary was less.
- ⑥ Subtotal of cash inflows from financing activities decreased over last year mainly because the cash received as borrowings decreased.
- ⑦ Subtotal of cash outflows from financing activities increased over last year mainly because the cash used for loan repayment increased.
- ⑧ Net cash flows from financing activities decreased over last year mainly because the Company secured fewer borrowings and repaid more loans.
- ⑨ Net increase in cash and cash equivalents increased over last year mainly because capital inflows increased due to sale of projects.

Reasons for a big difference between the operating cash flows and the net profit:

√ Applicable □ Inapplicable

There was a great difference between the net cash flows of RMB 805,714,197.38 from operating activities and the net profit of RMB 374,822,152.41. This was mainly because the “cash received from sale of goods and rendering of services” in the cash flow statement was larger than the corresponding “operating revenues” in the income statement due to the fact that the Company received some prepayments for part of the projects but the terms of settlement had not yet been satisfied.

III. Breakdown of main business

Unit: RMB Yuan

	Operating revenues	Operating costs	Gross profit rate (%)	Increase/decrease of operating revenues over last year (%)	Increase/decrease of operating costs over last year (%)	Increase/decrease of gross profit rate over last year (%)
Classified by industry:						
Real estate	1,429,818,416.04	529,936,876.93	62.94%	37.48%	86.91%	-9.8%
Property management and leasing	284,730,882.17	240,033,558.66	15.7%	13.96%	7.26%	5.26%
Transportation	71,332,140.87	36,881,838.97	48.3%	-1.58%	14.03%	-7.08%
Catering service	25,909,847.37	21,782,438.16	15.93%	16.43%	21.08%	-3.23%
Other	15,471,780.42	5,257,045.72	66.02%	5.62%	45.43%	-9.3%
Classified by product:						
Real estate	1,429,818,416.04	529,936,876.93	62.94%	37.48%	86.91%	-9.8%
Property management and leasing	284,730,882.17	240,033,558.66	15.7%	13.96%	7.26%	5.26%
Transportation	71,332,140.87	36,881,838.97	48.3%	-1.58%	14.03%	-7.08%
Catering service	25,909,847.37	21,782,438.16	15.93%	16.43%	21.08%	-3.23%
Other	15,471,780.42	5,257,045.72	66.02%	5.62%	45.43%	-9.3%
Classified by region:						
Shenzhen	1,714,040,958.25	733,366,869.03	57.21%	32.39%	55.42%	-6.34%
Other	113,222,108.62	100,524,889.41	11.21%	8.3%	12.46%	-3.28%

Where the Company's accounting standard of the main business data above changed during the reporting period, give the main business data of the latest year adjusted according to the accounting standard at the end of the reporting period:

□ Applicable √ Inapplicable

IV. Asset and liability analysis**1. Major changes of asset items**

Unit: RMB Yuan

	As at 31 Dec. 2012		As at 31 Dec. 2011		Proportion change (%)	Explain any major change
	Amount	Proportion in total assets (%)	Amount	Proportion in total assets (%)		
Monetary funds	797,724,311.37	19.91%	469,313,741.57	13.21%	6.7%	Capital inflows increased due to sale of projects.
Accounts receivable	76,584,008.68	1.91%	70,557,693.71	1.99%	-0.08%	Increase of receivables from house owners by the property management subsidiary
Inventories	2,300,674,551.14	57.42%	1,814,992,629.34	51.1%	6.32%	The prepayment for some land in Yangzhou was transferred in and the project input increased.
Investing real estate	285,258,604.17	7.12%	302,632,518.55	8.52%	-1.4%	Provisions for depreciation
Long-term equity investment	84,249,349.70	2.1%	81,103,539.95	2.28%	-0.18%	Earnings from associates increased.
Fixed assets	78,821,168.21	1.97%	86,855,289.26	2.45%	-0.48%	Some fixed assets for leasing were transferred into investing real estate and the relevant provisions for depreciation were made.
Construction in process	57,000.00	0%	57,000.00	0%	0%	
Prepayments	64,714,990.11	1.62%	474,354,748.39	13.35%	-11.73%	The prepayment for some land in Yangzhou was transferred in inventories.
Deferred income tax assets	194,507,824.50	4.85%	124,102,202.41	3.49%	1.36%	Increase of pre-withdrawn deductible land VAT

2. Major changes of liability items

Unit: RMB Yuan

	2012		2011		Proportion change (%)	Explain any major change
	Amount	Proportion in	Amount	Proportion in		

		total assets (%)		total assets (%)		
Short-term borrowings	360,000,000.00	8.98%	601,495,212.00	16.93%	-7.95%	Some mature short-term borrowings were repaid.
Long-term borrowings	19,316,666.64	0.48%	7,333,333.32	0.21%	0.27%	Increase of borrowings
Accounts payable	298,525,752.32	7.45%	187,093,587.42	5.27%	2.18%	The tentatively estimated cost increased as some projects were completed.
Accounts received in advance	678,075,291.01	16.92%	208,655,909.41	5.87%	11.05%	Increase of project sale
Taxes and fares payable	733,659,679.71	18.31%	499,957,087.36	14.08%	4.23%	Some projects were carried forward into revenues and the relevant land VAT provisions increased.
Other payables	195,045,649.98	4.87%	480,433,469.91	13.53%	-8.66%	The payable for the land of the Moon Bay was transferred out.
Non-current liabilities due within one year	14,909,888.32	0.37%	218,359,888.32	6.15%	-5.78%	Due liabilities were repaid.

3. Assets and liabilities measured at fair value

Unit: RMB Yuan

Item	Opening amount	Gain/loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Closing amount
Financial assets							
1. Financial assets measured at fair value and of which changes are recorded into current gains/losses (excluding derivative)					0.00	0.00	

financial assets)							
2. Derivative financial assets					0.00	0.00	
Subtotal of financial assets					0.00	0.00	
Total of the above					0.00	0.00	
Financial liabilities					0.00	0.00	

Did any significant change occur to the attribute of the Company's main asset measurement during the reporting period?

☐ Yes ☒ No

V. Core competitiveness analysis

In face of a complex and changeable real estate market, the Company was honored as one of the "Top 100 Real Estate Listed Companies of China for 2012" in the year. Meanwhile, Building No. 21 of SZPRD·Shengang No. 1 and SZPRD·Langqiao International helped the Company win the best project award in the first "Golden Building Awards" of Shenzhen and some other honors. The size and profitability of the Company keep increasing because the existing Shenzhen projects have a great value due to low costs for land and the position in the core of the city; and the Company has been carrying out the fine product strategy in recent years with highly-positioned development projects, excellent product quality and an increasingly recognized brand image. In the coming future, the Company will continue to adhere to the development philosophy of "Quality Property, Quality Life", keep increasing the management and operation capability, build up high-end products, better the brand, and cultivate and improve the core competitiveness.

VI. Investment analysis

1. Investments in equities of external parties

(1) Securities investments

Equity-holdings in other listed companies:

Code of securities	Name of securities	Initial investment amount	Stake in the investee	Closing book value	Gain/loss for reporting period	Change of owners' equity in reporting period	Accounting title	Source of stock
000509	S*STHS	2,962,500.00	0.33%	802,199.55	0.00	0.00	Long-term equity investment	Purchasing legal person shares directionally

Total	2,962,500.00	-	802,199.55	0.00	0.00
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2. Analysis to main subsidiaries and stock-participating companies

Particulars about main subsidiaries and stock-participating companies:

Company name	Company variety	Industry	Main products/services	Registered capital	Total assets (RMB Yuan)	Net assets (RMB Yuan)	Operating revenues (RMB Yuan)	Operating profit (RMB Yuan)	Net profit (RMB Yuan)
Shenzhen Huangcheng Real Estate Co., Ltd.	Subsidiary	Real estate	Construction, operation and management of development facilities at Huanggang Port	30,000	1,937,161,366.63	490,463,071.30	1,375,285,506.24	458,707,150.73	345,045,448.06
SZPRD Real Estates Development Co., Ltd.	Subsidiary	Real estate	Development of real estate	30,950	697,633,474.81	99,418,957.23	99,259,652.00	28,239,586.14	21,116,343.10

Explain particulars about main subsidiaries and stock-participating companies:

The operating profit and net profit of Shenzhen Huangcheng Real Estate Co., Ltd. increased significantly due to the considerable growth of the real estate sales income. And the profit was turned in, so net assets remained almost the same.

Subsidiaries acquired or disposed during the reporting period:

☐ Applicable ☒ Inapplicable

3. Significant projects invested with non-raised funds

Unit: RMB'000

Project name	Estimated total investment	Input for this year	Cumulative actual input	Project progress	Project earnings
SZPRD-Langqiao International (Langqiao Residence)	514,170	174,290.67	578,370.68	Construction has been completed.	—
SZPRD-Caitianyise	170,000	65,946.53	176,094.49	Construction was about to come to	—

				an end.	
SZPRD-Banshanyujing (first and second phases)	793,000	118,824.78	346,397.12	In construction	——
SZPRD-Songhulangyuan (previously land in Dalang, Dongguan)	687,110	10,741.25	234,982.86	In construction	——
SZPRD-Jinling Holiday (previously land in Huanggang Port)		3,494.63	65,492.62	In preparation	——
SZPRD-West Lake Wonder (land in Yangzhou)		185,849.14	621,738.94	In preparation	——
SZPRD-Blue Bay (land in the Moon Bay)		906.38	272,210.75	In preparation	——
Total		560,053.38	2,295,287.46		——

Note: All the above were real estate development projects.

VII. Entities controlled by the Company for special purposes

For details, see “Section X. Financial Report; VI. Business combination; 2. Events”.

VII. Outlook of the Company’s future development

1. Countermeasures against risks

(1) About policy risks

In 2013, the macro-control policies such as “limited purchase” will carry on and be further enhanced. Local governments’ specific implementation rules of the “five real estate macro-control measures of the State Council” will impose more requirements on differential credit, real estate tax, pre-sale management of commercial houses, etc. This round of real estate macro-control will extend to the trading of second-hand houses, producing both short-term and long-term effects on the market. As such, the market in 2013 is full of uncertainties.

The Company will attach great importance to studying the policy trend, enhance analysis on the specified policies for the project locations, analyze possible market changes in depth and formulate development and marketing strategies for all projects with the big picture in mind and within the framework of the annual goals.

(2) About financial risks

In the year, the central bank decreased the deposit reserve rate and the interest rate twice, giving some credit relief. Despite a market recovery at the end of 2012, the policy of “limited purchase and credit” is still strict in 2013 and the financing channels of real estate enterprises are greatly restrained. As such, the market uncertainties in 2013 may impose risks on the sales and capital inflow of the Company.

The Company will strengthen financial risk control and beef up capital inflow from project sale; activate the existing assets and expand financing channels for more capital support; and enhance financial management and stick to the management mode of “capital pool” within the Group to maximize the capital effects.

(3) About operating risks

① Operation risks

The real estate macro-control measures such as limited purchase and credit, mass construction of houses for low-income people, etc. in recent years have objectively and relatively narrowed the market space, causing a shift from an extensive to an intensive competition in the sector. With a bigger size, leading enterprises are gaining more and more advantages in terms of financing, investment, risk resistance, etc. while small-and medium-sized enterprises are facing fiercer competition.

The Company has always kept a clear mind in dealing with pressure from competition. It enhances the main operation capability of real estate, accelerates the turnover of project development and makes full use of re-investment to achieve snowball-style development. In order to ensure a sustainable development, the Company will keep an eye on Shenzhen and its surroundings, Xuzhou, Yangzhou and other target land. Upon in-depth study and analysis, the Company will increase its land reserve properly so as to expand the development scale. Meanwhile, development and accumulation over a long time has given the Company excellent fundamentals. And it will enhance its study on the capital market under the current conditions to look for opportunities to increase its overall strength.

② Management risks

A good corporate management is an important guarantee for performance stability and financial security. Affected by the real estate macro-control, the current operating environment in the sector is complex and changeable. Along with more and more development projects, projects outside Shenzhen in particular, it is increasingly complicated for the Company to manage. In 2012, the Company achieved outstanding progress in improving and standardizing real estate development management, internal control & risk management, corporate culture management, etc. In 2013, the Company will continue to improve all the management mechanisms; focus on the formulation and execution of a brochure for real estate development; optimize the organizational, operation and process management of the main business of real estate; and effectively enhance control over all projects.

2. Plans for 2013

For 2013, the Company plans to achieve main operating revenues of RMB 1.58 billion with the period expense and cost at RMB 870 million. The Company will stabilize the sideline operation with increasing profitability as the core, enhance scientific management, and strengthen mechanisms for risk control and internal control. It will also build a professional and competitive team, cultivate a corporate culture of “be the first and reform for growth”, and try to achieve a quality and steady growth, as well as a sustained overall development. The Company will focus on the following tasks in 2013:

(1) With the fine product strategy as the core, the Company will try to achieve a sustained and sound growth of the main business of real estate. On the basis of standardizing real estate development mechanisms and processes, the Company will work on high-quality buildings, promote the brand image of “Quality Property, Quality Life”, beef up the construction progress of all projects, input great efforts for the engineering quality, and improve customer service for projects on sale. Meanwhile, it will enhance study on the government’s macro-economic policies, analyze the real estate market policies in a scientific way, optimize its real estate development strategies, improve the market-oriented operation of the main business of real estate, keep an eye on the land markets of the second-and third-tier cities in the country, and increase its land reserve properly.

(2) The Company will improve management measures to enhance its scientific management capability. With the “Real Estate Brochure” as the basis and project management as the core, the Company specifies the power & responsibility mechanism and the management scope for real estate development, improves management measures for all projects, specifies working standards and standardizes working processes. At the same time, it completes the management mechanisms for financial affairs, personnel, business, etc. of its real estate subsidiaries outside Shenzhen; builds up a data base of qualified suppliers; improves the post-project appraisal mechanism;

and keeps increasing its real estate development and management capability.

(3) The Company will promote and implement its cultural philosophy and make innovations of its corporate culture. With its corporate culture brochure and employees' brochure as the foundation, the Company standardizes behaviors of its employees, promote pragmatism and efficiency among them, and encourages reform and innovation. These will bring the philosophy of modern corporate management into minds of the employees, enable the spirit of "be the first and reform for growth" to enter all sectors of the Company, and thus enable the Company to enter a new stage of corporate culture development.

3. Particulars about demand for capital, plan for capital use and capital source

In the year 2013, it is expected that over RMB 660 million is needed for the construction in-progress of the Company. In order to ensure the capital supply and satisfy the need of the business development, the Company intends to solve the capital issue by more bank loans, the payment by customers for the real estate sold, etc.

IX. Explain change of the accounting policy, accounting estimate and measurement methods as compared with the financial reporting of last year

N/A

X. Explain retrospective restatement due to correction of significant accounting errors in the reporting period

N/A

XI. Explain change of the consolidation scope as compared with the financial reporting of last year

See "Section X. Financial Report; VI. Business Combination and Consolidated Financial Statements; 2, 3 and 4".

XII. Profit allocation and dividend distribution

Formulation, execution or adjustment of the Company's profit distribution policy, especially the cash dividend policy, during the reporting period:

In the reporting period, in order to set up a scientific, sustained and steady mechanism concerning returns for shareholders as required by CSRC, the Company has worked out a plan for returns for shareholders for the coming three years. Meanwhile, it revises its Articles of Association, which has increased the transparency of cash dividend distribution, safeguarded the legal rights and interests of minority shareholders in a better way and improved the corporate governance.

The Company's preplans for profit distribution and turning capital reserve into share capital for the reporting period were in compliance with relevant rules such as the Company's Articles of Association.

The Company's preplans or plans for profit distribution and turning capital reserve into share capital for the recent three years (including the reporting year):

Year	Plan for profit allocation or turning capital reserve into share capital
2012	The Company did not allocate profit or turn capital reserve into share capital.

2011	The Company did not allocate profit or turn capital reserve into share capital.
2010	The Company did not allocate profit or turn capital reserve into share capital.

Cash dividend distribution of the Company over the recent three years:

Unit: RMB Yuan

Year	Amount of cash dividend (tax included)	Net profit attributable to shareholders of the Company in the consolidated statement for the year	Ratio the amount of cash dividend to the net profit attributable to shareholders of the Company in the consolidated statement (%)
2012	0.00	375,422,129.64	0%
2011	0.00	261,108,340.62	0%
2010	0.00	176,701,254.63	0%

The Company (including its subsidiaries) made profit in the reporting period and the retained profit of the Company (without subsidiaries) was positive, but it did not put forward a preplan for cash dividend distribution:

☒ Applicable ☐ Inapplicable

Reason for the Company (including its subsidiaries) making profit in the reporting period with the retained profit of the Company (without subsidiaries) being positive, but not putting forward a preplan for cash dividend distribution	Use plan for retained profit
Considering the Company's 2013 annual business plan, its current capital situation and the continuously strict macro-control by the government on the real estate market in 2013, the main capital source of the Company in 2013, i.e. capital inflows from sale of houses, is expected to be greatly uncertain. Therefore, in order to satisfy capital needs for project development and ensure that all projects are developed in a smooth way and the strategic planning goals are achieved, the Company will not allocate profit or turn capital reserve into share capital for 2012.	To be continuously input for development of the existing project

XIII. Social responsibilities

Following a strict engagement procedure, the Company adhered to the open, transparent and fair engagement principles, provided competitive remunerations and attracted a team of great talent. According to post and actual needs, the Company enhanced training and provided its employees with high quality trainings such as new employee trainings, occupational spirit trainings, leading capability trainings for managerial personnel, various professional skill trainings, etc. to help its employees improve their comprehensive quality and professional skills. Meanwhile, the Company encouraged a performance-oriented culture, objectively appraising employees' working performance and conducts through objective, fair, standardized, transparent and scientific performance appraisal methods; promoting continuous improvement of the performance of both the Company and its employees; and providing a fair development space for employees. The Company also worked on creating an active and healthy cultural atmosphere for employees by encouraging them to attend various activities by the labor union such as

sports activities of badminton, soccer, mountain climbing and swimming. The Company built up a smooth communication mechanism based on face-to-face talks, discussions and meetings, online forums, staff satisfaction survey, etc. to listen to voices of its employees.

The Company is a big supporter for the “one-on-one” support project of SASAC. In 2012, it took an active part in helping the poor area of Zhanjiang, contributing a great support to the local economy. It set up a poverty relief fund and conducted the 7th campaign of “Hand in Hand, Heart to Heart” to donate to employees in difficulty. The kind-hearted drivers of the subordinate businesses Shenzhen Guomao Vehicle Industry Co., Ltd. and Shenxin Taxi Co., Ltd. organized a vehicle team to offer quality and free-of-charge transportation service to disabled people, students who were going to attend the university entrance exam, other special groups and some large-sized commonweal activities (like the Ceramic Fair).

XIV. Particulars about researches, visits and interviews received in this reporting period

Time of reception	Place of reception	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company
15 Feb. 2012	BOD Office of the Company	By phone	Individual	Investor	When would the Qianhai Project kick off?
16 Feb. 2012	BOD Office of the Company	By phone	Individual	Investor	Progress on the equity transfer of Shenxin Taxi Co., Ltd.
2 Mar. 2012	BOD Office of the Company	By phone	Individual	Investor	Did the Company have any project outside Shenzhen?
11 Apr. 2012	BOD Office of the Company	By phone	Individual	Investor	Progress on the Qianhai Project
23 May 2012	BOD Office of the Company	By phone	Individual	Investor	Progress on the projects outside Shenzhen
3 Jul. 2012	BOD Office of the Company	By phone	Individual	Investor	When would the Qianhai Project kick off?
18 Jul. 2012	BOD Office of the Company	By phone	Individual	Investor	The Company’s dividend planning
9 Aug. 2012	BOD Office of the Company	By phone	Individual	Investor	Progress on the projects outside Shenzhen
11 Sept. 2012	BOD Office of the Company	By phone	Individual	Investor	Particulars about the project in Yangzhou
20 Sept. 2012	BOD Office of the Company	By phone	Individual	Investor	Implementation of the stock right splitting reform by the majority shareholder
31 Oct. 2012	Investor interaction platform	Written inquiry	Individual	Investor	The Company’s market expansion plan
31 Oct. 2012	Investor interaction	Written inquiry	Individual	Investor	Countermeasures adopted

	platform				and the Company's expectations about the market
14 Dec. 2012	BOD Office of the Company	Field research	Individual	Investor	Project progress

Section V. Significant Events

I. Significant lawsuit or arbitration

1. No new significant lawsuit or arbitration occurred in the reporting period.

2. Reporting period progress on significant lawsuits or arbitrations disclosed previously

(1) The case of “Meisi Company Lawsuit” disclosed continuously by the Company in the Annual Reports from 2004 to 2012

Shenzhen Meisi Industrial Co., Ltd. (“Meisi Company”) brought a civil action (Case (2009) SZFMWCZ No. 71) against the Company in Feb. 2009. During the trial by Shenzhen Intermediate People’s Court, the plaintiff Meisi Company filed a withdrawal application. Upon discussion by the Trial Committee of the court on 30 Sept. 2012, the ruling was given that the plaintiff Meisi Company was permitted to withdraw its accusation.

On 8 Oct. 2012, the Company received the civil judgment issued by Guangdong Shenzhen Intermediate People’s Court. The case withdrawal by Meisi Company left the ownership of the involved land and housing properties in an uncertain status. Therefore, the Company brought a civil action against Meisi Company, hoping to solve this ownership dispute through civil legal channels. On 26 Oct. 2012, the civil action brought by the Company against Shenzhen Luohu Economic Development Co., Ltd. and Meisi Company was accepted by Guangdong Shenzhen Intermediate People’s Court. The Company requested the court to rule that the land and housing properties involved in the case shall belong to the Company. For details, see the interim announcements disclosed by the Company on “Securities Times”, “Ta Kung Pao (HK)” and the website designated for information disclosure (<http://www.cninfo.com.cn>) dated 10 Oct. 2012 and 29 Oct. 2012 respectively.

II. Occupation of the Company’s capital by the controlling shareholder and its related parties for non-operating purposes

III. Asset transactions

1. Asset acquisition

Transaction party or ultimate controller	Asset acquired or bought in	Transaction price (RMB Ten thousand)	Progress	Net profit contributed to the Company from the acquisition date to the period-end (RMB Ten thousand) (applicable for business combinations)	Net profit contributed to the Company from the year-begin to the period-end (RMB Ten thousand) (applicable for business combinations)	Ratio of the net profit contributed by the asset to the total profit of the Company	Related party transaction or not	Relationship between the transaction party and the Company (applicable for related-party transaction)	Disclosure date	Disclosure index
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				combinations not under the same control)	under the same control)	(%)		transaction s)		
Shenzhen Investment Holdings Co., Ltd.	Land Parcel T102-02 37 of the Moon Bay and 100% equity interests of Shenxin Taxi Co., Ltd.	30,409	All transferred to the Company in May 2012		37.04	0.1%	Yes	Controlling shareholder of the Company	4 Sept. 2012	http://www.cninfo.com.cn

Overview of asset acquisition:

For details, see Section X. Financial Report: VI. Business Combination and Consolidated Financial Statements and IX. Related parties and related-party transactions.

2. Sale of assets

Transaction party	Asset sold	Date of sale	Transaction price (RMB Ten thousand d)	Net profit contributed by the asset from the period-b egin to the date of sale (RMB Ten thousand d)	Gain/loss on sale (RMB Ten thousand d)	Ratio of the net profit contributed to the Company by the asset sale to the total profit (%)	Pricing principle	Related- party transaction or not	Relation ship between the transacti on party and the Company (applica ble for related- party transacti ons)	Whether or not the ownersh ip of the asset involve d has been fully transferr ed	Whether or not the creditor's right and liabilitie s involved have been fully transferr ed	Disclos ure date	Disclos ure index
Shenzhen Investment Holding	Some housing properties such as the	31 May 2010 (ownership transfer)	30,656	0	3,500	9.32%	Market evaluation price	Yes	Controlling shareholder	Yes	Yes	4 Sept. 2012	http://www.cninfo.com.cn

s Co., Ltd.	Huangc heng Square held by the Compan y and its wholly-f unded subsidia ry Shenzhe n Huangc heng Real Estate Co., Ltd.	formalit ies complet ed in (2012)										
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Overview of sale of assets:

For details, see Section X. Financial Report: VI. Business Combination and Consolidated Financial Statements and IX. Related parties and related-party transactions.

3. Business combination

For details, see Section X. Financial Report: VI. Business Combination and Consolidated Financial Statements and IX. Related parties and related-party transactions.

IV. Significant related-party transactions

1. Credits and liabilities with related parties

Was there any credit or liability with any related party for non-operating purpose?

√ Yes □ No

Related party	Relationship	Variety of credit or liability	Reason	Non-operating capital occupation or not?	Opening balance (RMB Ten thousand)	Amount incurred in reporting period (RMB Ten thousand)	Closing balance (RMB Ten thousand)
Shenzhen Guomao Tian'an Properties Co., Ltd	Joint venture of the Company	Creditor's rights receivable	Dividend receivable	No	971	-971	0

		from the related party					
Anhui Nanpeng Papermaking Co., Ltd	The Company held a 30% stake in it.	Creditor's rights receivable from the related party	Working funds	No	768	-3	765
Shenzhen Guomao Industry Development Co., Ltd.	The Company held a 38.33% stake in it.	Creditor's rights receivable from the related party	Working funds	No	255	-20	235
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	The Company held a 26% stake in it.	Creditor's rights receivable from the related party	Working funds	No	175		175
Shenzhen Guest House Co., Ltd.	Under the same control of the parent company of the Company	Creditor's rights receivable from the related party	Intra-Group funds	No	91		91
Shenzhen Investment Holdings Co., Ltd.	Controlling shareholder of the Company	Creditor's rights receivable from the related party	Intra-Group funds	No	16	26	42
SZPRD Jifa Warehouse Co., Ltd	Joint venture of the Company	Creditor's rights receivable from the related party	Intra-Group funds	No	1,555	400	1,955
Shenzhen Tian'an International Building Property Management Co., Ltd	Joint venture of the Company	Creditor's rights receivable from the related party	Intra-Group funds	No		150	150
Shenzhen Guomao Tian'an Properties Co., Ltd	Joint venture of the Company	Creditor's rights receivable from the related party	Intra-Group funds	No		1,350	1,350

Shenzhen Investment Holdings Co., Ltd.	Controlling shareholder of the Company	Creditor's rights receivable from the related party	Entrustment borrowings and intra-Group funds	No	76,177	-52,177	24,000
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V. Particulars about significant contracts and their fulfillment

1. Provision of guarantees

Unit: RMB Ten thousand

Guarantees provided by the Company for external parties (excluding those for subsidiaries)								
Guaranteed party	Disclosure date of relevant announcement on the guarantee amount	Amount for guarantee	Actual occurrence date (date of agreement)	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed or not	Guarantee for a related party or not
Shenzhen Guomao Vehicle Industry Co., Ltd.	23 May 2011	2,600	11 Jan. 2012	2,420	Pledge	3 years	No	No
Shenzhen Guomao Car Rental Co., Ltd.	23 May 2011	4,000	27 Jul. 2012	4,000	Joint-liability guarantee; pledge	1 year	No	No
Shenzhen Guomao Vehicle Industry Co., Ltd.	19 Mar. 2010	4,000	29 Mar. 2012	4,000	Mortgage; pledge	1 year	No	No
Total external guarantee line approved during the reporting period (A1)		0		Total actual occurred amount of external guarantee during the reporting period (A2)		10,420		
Total external guarantee line that has been approved at the end of the reporting period (A3)		10,600		Total actual external guarantee balance at the end of the reporting period (A4)		10,420		
Guarantees provided by the Company for its subsidiaries								
Guaranteed party	Disclosure date of relevant announcement on the guarantee	Amount for guarantee	Actual occurrence date (date of agreement)	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed or not	Guarantee for a related party or not

	amount							
Shenzhen Huangcheng Real Estate Co., Ltd.	19 Mar. 2010	46,000	29 Mar. 2012	20,000	Mortgage	1 year	No	No
Shenzhen Guomao Vehicle Industry Co., Ltd.	23 May 2011	21,400	28 Apr. 2012	6,000	Joint-liability guarantee	1 year	No	No
Shenzhen Guomao Vehicle Industry Co., Ltd.	23 May 2011	2,000	11 May 2012	2,000	Mortgage	1 year	No	No
Total guarantee line approved for the subsidiaries during the reporting period (B1)		141,000		Total actual occurred amount of guarantee for the subsidiaries during the reporting period (B2)		28,000		
Total guarantee line that has been approved for the subsidiaries at the end of the reporting period (B3)		210,400		Total actual guarantee balance for the subsidiaries at the end of the reporting period (B4)		28,000		
Total guarantee amount provided by the Company (total of the above-mentioned two kinds of guarantees)								
Total guarantee line approved during the reporting period (A1+B1)		141,000		Total actual occurred amount of guarantee during the reporting period (A2+B2)		38,420		
Total guarantee line that has been approved at the end of the reporting period (A3+B3)		221,000		Total actual guarantee balance at the end of the reporting period (A4+B4)		38,420		
Proportion of total guarantee amount (A4+B4) in the net assets of the Company				25.56%				
Of which:								
Amount of guarantee for shareholders, actual controller and related parties (C)				0				
Amount of debt guarantee provided for the guaranteed party whose asset-liability ratio is not less than 70% directly or indirectly (D)				38,420				
Part of the amount of the total guarantee over 50% of net assets (E)				0				
Total amount of the above three guarantees (C+D+E)				38,420				
Explanation on the possibility of bearing joint responsibility of liquidation due to immature guarantee				The Company provided a total guarantee amount of RMB 384.20 million to external parties, including a guarantee amount of RMB 280 million provided by the Company for its subsidiaries and a				

	guarantee amount of RMB 104.20 million provided by subsidiaries to subsidiaries. Neither the Company nor its subsidiaries provided guarantees for any company not in the consolidation scope. Up to the end of the reporting period, subsidiaries were in normal operation and the loans were also in a normal status, with the risk being controllable.
Explanation on provision of guarantees for external parties in violation of the prescribed procedure	N/A

Particulars about guarantees provided in a compound way:

2. Other significant contracts

Signing company	Signing person	Book value of involved assets (RMB Ten thousand) (if any)	Evaluated value of involved assets (RMB Ten thousand) (if any)	Evaluation agency (if any)	Base day for evaluation (if any)	Pricing principle	Transaction price (RMB Ten thousand)	Related-party transaction or not	Relationship	Execution progress up to period-end
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VI. Fulfillment of commitments

1. Commitments made during the reporting period or ending before the end of the reporting period by the Company or shareholders owning over 5% shares

Shenzhen Construction Investment Holdings Co., Ltd. (hereinafter referred to as “Construction Holdings”) and Shenzhen Investment Management Co., Ltd. (hereinafter referred to as “Investment Management Company”) were nominal shareholders of the Company (Shares of the Company are registered under the name of these two companies.). Later, these two companies and Shenzhen Trade & Commerce Investment Holdings Co., Ltd. combined on a legal basis and became one company known as Shenzhen Investment Holdings Co., Ltd. (hereinafter referred to as “Investment Holdings”). However, due to various reasons, the Company’s shares held by Construction Holdings and Investment Management Company has not been transferred to Investment Holdings, which is the actual controller of the Company.

1. Investment Holdings stated that it would establish and perfect the internal control over undisclosed information of the listed company known by it, urge relevant insiders not to trade the shares of the Company by making use of the undisclosed information, not suggest other buying and selling shares of the Company, nor leak any undisclosed information of the Company. Meanwhile, it would provide an insider name list to the Company in a timely, factual, accurate and complete way so that the Company could submit the name list to the Shenzhen Bureau of CSRC and the Stock Exchange for records.

In the reporting period, it was found that no actual controller of the Company or insiders bought and sold stocks of the Company by taking advantage of undisclosed information of the Company. And the Company submitted monthly the particulars about the parties to which the undisclosed information had been submitted to CSRC Shenzhen Bureau for reference.

2. Commitments made by non-tradable shareholders in the share merger reform

(1) The Company's non-tradable share holders Construction Holdings and Investment Management Company made a common commitment to abide by laws, regulations and rules and perform prescribed commitment duties. And they also made special commitments as follows:

Non-tradable shares held by Construction Holdings and Investment Management Company would not be traded or transferred within 36 months since they acquired right of trade. After expiration of the aforesaid commitment, originally non-tradable shares sold through the listing and trading system on the Shenzhen Stock Exchange should not exceed 5 percents of total shares of the Company within 12 months, as well as not exceed 10 percents within 24 months. In case these companies acted against the above commitment and sold shares of the Company, the income from sales of the shares would belong to the Company.

Up to the date of public notice, Construction Holdings and Investment Holdings never sold shares of the Company.

(2) Investment Holdings made a commitment to abide by laws, regulations and rules and perform prescribed commitment duties. And it also made special commitments as follows:

① Non-tradable shares held by Investment Holdings would not be traded or transferred within 36 months since they acquired right of trade. After expiration of the aforesaid commitment, originally non-tradable shares sold through the listing and trading system on the Shenzhen Stock Exchange should not exceed 5 percents of total shares of the Company within 12 months, as well as not exceed 10 percents within 24 months. In case these companies acted against the above commitment and sold shares of the Company, the income from sales of the shares would belong to the Company.

Up to the date of public notice, Investment Holdings never sold shares of the Company actually controlled.

② Within one year since the non-tradable shares held by Construction Holdings and Investment Management Company controlled by Investment Holdings acquired the right of trading, Shenzhen Investment Holdings Co., Ltd will start up capital injection to the Company, that is, Shenzhen Investment Holdings Co., Ltd will inject legitimate capital no less than RMB 500 million including land resource in lump sum or in batches by replace or other legitimate way, will increase land reserves of the Company and enhance profitability in the future. In case the aforesaid capital failed to start completely within one year, Shenzhen Investment Holdings Co., Ltd will compensate 20% of reorganization capital failing to start to the Company within 30 days when expiration of 1 year, and continued to implement the capital injection which had been started. As for the capital injection failing to start, Shenzhen Investment Holdings Co., Ltd will not implement. Note: Startup of capital injection means capital injection program has been reviewed and approved by the Shareholders' General Meeting of the Company. Shenzhen Investment Holdings Co., Ltd was willing to entrust China Securities Depository and Clearing Corporation Limited Shenzhen Branch to freeze 30 million shares of the Company, which was under name of Shenzhen Construction Investment Holdings and actually controlled by Shenzhen Investment Holdings Co., Ltd, as guarantee for the above commitment.

In order to implement the commitment, the Company prepared to start the relevant affairs together with Investment Holdings, and disclosed the Public Notice on Implementation of Commitment of Share Merger Reform on Assets Replacement and Significant Related Transaction, which was reviewed and approved at the First Special Shareholders' General Meeting for 2010, for details,

please refer to Public Notice on Resolutions of the First Special Shareholders' General Meeting for 2010; Investment Holdings has applied to Shenzhen Branch of China Securities Depository and Clearing Corporation Limited for freezing its actual controlled 30 million shares of the Company under the name of Construction Holdings, now the frozen period is due and the frozen shares has been released.

③ Since non-tradable shares held by Shenzhen Investment Holdings Co., Ltd, Shenzhen Construction Investment Holdings and Shenzhen Investment Co., Ltd acquired right to trade within 24 months, Shenzhen Investment Holdings Co., Ltd commit that they will support balance no less than RMB 500 million with method of entrust loan in line with relevant provisions of laws and administrative statutes to release nervous capital of the Company. The aforesaid balance means accumulative incurred amount within 24 months since the date when non-tradable shares held by Shenzhen Investment Holdings Co., Ltd, Shenzhen Construction Investment Holdings and Shenzhen Investment Co., Ltd acquired right to trade, and each entrust loan for support will not be less than 12 months; the above cash support of RMB 500 million excluded entrust loan offered before the date when non-tradable shares held by Shenzhen Investment Holdings Co., Ltd, Shenzhen Construction Investment Holdings and Shenzhen Investment Co., Ltd acquired right to trade.

On 18 Mar. 2010, the Company held the Annual Shareholders' General Meeting 2009, at which reviewed and approved Proposal on Application of Entrust Loan from Controlling Shareholder. The Shareholders' General Meeting authorized the Board of Directors of the Company to deal with signature of entrusted loan agreement, renewal of loan, borrow a new loan to repay old within RMB 500 million according to actual need of operation and based on negotiation with Investment Holdings and relevant banks. For details, please refer to Public Notice on the Resolutions of Annual Shareholders' General Meeting on 19 Mar. 2010. On 28 Dec. 2010, Investment Holdings entrusted Shenzhen Jingtian Sub-branch of China Everbright Bank to provide entrust loan of RMB 10 million for the Company's subsidiary Shenzhen ITC Vehicle Industry Co., Ltd.; till 29 March 2011, Shenzhen Investment Holdings has provided entrust loan of RMB 500 million for the Company. This commitment has been fulfilled.

④ In case that net profit of the Company in any year of 2010, 2011 and 2012 was less than 2009, Shenzhen Investment Holdings Co., Ltd. will make up balance of net profit between the year and 2009 with cash.

VII. Particulars about employing and dismissing accounting firms

Accounting firm in employment

Name of accounting firm from inside China	Union Power Certified Public Accounts Co., Ltd.
Payment of accounting firm from inside China(ten thousand)	52
Number of years of audit service conducted in succession by accounting firm from inside China	11

During the reporting period, with the need of internal control audit, the Company employed Union Power Certified Public Accounts Co., Ltd. as the accounting firm for internal control audit. Within

the period, the Company paid RMB 230,000 for internal control audit.

Section VI. Changes in shares and particulars about shareholders

I. Changes in shares

	Before the change		Increase/decrease for this reporting period(+, -)					After the change	
	Amount	Proportion (%)	Newly issued shares	Bonus shares	Transfer of capital reserve to shares	Other	Subtotal	Amount	Proportion (%)
I. Shares subject to trading moratorium	383,219,164	64.3%				-780,585		382,438,579	64.17%
2. Share held by state-owned corporations	380,287,429	63.81%				78,515		380,365,944	63.82%
3. Shares held by other domestic investors	2,931,735	0.49%				-859,100		2,072,635	0.35%
Among which: Shares held by domestic corporations	2,403,735	0.4%				-331,100		2,072,635	0.35%
Shares held by domestic natural persons	528,000	0.09%				-528,000		0	
5. Shares held by senior executives	0	0%							
II. Shares not subject to trading moratorium	212,759,928	35.7%				780,585		213,540,513	35.83%
1. RMB ordinary shares	145,154,685	24.36%				780,585		145,935,270	24.49%
2. Domestically listed foreign shares	67,605,243	11.34%				0		67,605,243	11.34%
III. Total amount of shares	595,979,092	100%						595,979,092	100%

Reasons for changes in shares

(I) Explanation about increase/decrease for this reporting period of I. Shares subject to trading moratorium

(1) Reasons why shares held by state-owned corporations increased 78,515 shares are as follows:

Non-tradable shares held by Geng Qunying, the natural person and committeeman of Labor Union Committee of China Shenzhen International Cooperation (Group) Co., Ltd, has ended the restricted period, and Geng Qunying has repaid the party paying in advance the consideration in reform of

non-tradable shares— Shenzhen Construction Investment Holdings Company(state-owned corporation). Shares accumulatively repaid reached 78,515 shares and the obligation of repaying advanced payment was fulfilled on 18 June 2012. Therefore, shares held by state-owned corporations under the title had an increase. For details see Informative Announcement on Canceling Restriction on Non-tradable shares.

(2) Reasons about a decrease of 859,100 shares in shares held by other domestic investors are as follows:

Geng Qunying, the natural person and committeeman of Labor Union Committee of China Shenzhen International Cooperation (Group) Co., Ltd, repaid the advanced payment on 18 June 2012 and Shares accumulatively repaid reached 78,515 shares. Shares held by Geng Qunying were unlocked on 23 July 2012 and began to circulate in the market (For details see Informative Announcement on Canceling Restriction on Non-tradable Shares published on 20 July 2012). The total amount of circulating shares of this time reached 780,585 shares, and shares held by other domestic investors decrease by 859,100.

(II) Particulars about increase/decrease for this reporting period of II. Shares not subject to trading moratorium:

Geng Qunying, the natural person and committeeman of Labor Union Committee of China Shenzhen International Cooperation (Group) Co., Ltd, repaid the advanced payment on 18 June 2012. Shares held by him were unlocked on 23 July 2012 and began to circulate in the market (For details see Informative Announcement on Canceling Restriction on Non-tradable Shares published on 20 July 2012). The total amount of circulating shares of this time reached 780,585 shares. Therefore, the total increase of shares not subject to trading moratorium was 780,585 shares.

(III) Subsequent events

A shares of the Company held by Shenzhen Construction Investment Holdings Company were unlocked on 4 Nov. 2012. According to the commitment of Shenzhen Investment Holdings on unlocking non-tradable shares, 5% shares of the Company held by Shenzhen Construction Investment Holdings Company, that's to say, 29,798,954 shares have been unlocked, and began to circulate on 24 Jan. 2013. For details see Informative Announcement on Cancelling Restriction on Non-tradable Shares on 22 Jan. 2013. Till the announcement date of this report, the total amount of non-tradable shares of the Company will reach 352,639,625 shares, the total amount of tradable shares will reach 243,339,467 shares.

II. Issuance and listing of securities

1. Issuance of securities till the end of this reporting period

Name of shares and derivative securities	Issue date	Issue price(or ratio)	Issue quantity	Listing date	Amount of shares authorized for listed exchange	Ending date of exchange
Stocks						
Convertible corporate bonds, separably-traded convertible bonds, corporate bonds						
warrants						

Issuance of securities of the last three times

During the last three years till the end of the reporting period, the Company never issued stocks, Convertible corporate bonds, separably-traded convertible bonds, corporate bonds and other derivative securities.

2. Explanation about changes in total amount of shares, shareholder structure, corporate assets and debt structure

During the reporting period, there existed no change in total amount of shares, stock structure, and no change in corporate assets and debt structure resulting from the former change.

III. Particulars about shareholders and actual controllers

1. Amount of corporate shareholders and shareholdings

Unit: Share

Total amount of shareholders within the reporting period		45,928	Total amount of shareholders till the end of the 5 th trading day before the disclosure date of annual report				44,999	
Stockholdings of shareholders owning over 5% shares								
Name of Shareholder	Type of shareholders	Proportion of shareholding (%)	Amount of shares till the end of reporting period	Increase/ decrease during the reporting period	Amount of non-tradable shares	Amount of tradable shares	Pledged or frozen shares	
							Condition of shares	Amount
SHENZHEN CONSTRUCTION INVESTMENT HOLDINGS COMPANY	State-owned corporation	54.33%	323,783,371		323,783,371			0
SHENZHEN INVESTMENT MANAGEMENT CORPORATION	State-owned corporation	9.49%	56,582,573		56,582,573			0
SHENZHEN GUO MAO CENTER PROPERTY	State-owned corporation	0.42%	2,514,781		0	2,514,781		0

MANAGERMENT COMPANY								
SHENZHEN DUTY-FREE COMMODITY CO., LTD.	Non-state-owned corporation from inside China	0.29%	1,730,300		1,730,300			0
GUOSEN SECURITIES-CLIENT CREDIT COLLATERAL SECURITIES TRADING ACCOUNT	Non-state-owned corporation from inside China	0.23%	1,387,000			1,387,000		0
WU XUELING	Domestic natural person	0.2%	1,193,300			1,193,300		0
CHINA MERCHANTS SECURITIES-CLIENT CREDIT COLLATERAL SECURITIES TRADING ACCOUNT	Non-state-owned corporation from inside China	0.19%	1,164,604			1,164,604		0
CHEN LIYING	Domestic natural person	0.17%	1,007,151			1,007,151		0
LONG KEYI	Domestic natural person	0.17%	1,000,011			1,000,011		0
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	Foreign legal person	0.16%	932,304			932,304		0
Strategic investors or common legal persons become the top 10 shareholders because of		None						

issue of additional shares （if there exists such situation ）			
Explanation about associated relationship or concerted action among the above shareholders	The first and second principal shareholders of the Company are managed by Shenzhen Investment Holding Corporation, the actual controlling shareholder of the Company. The third shareholder is the wholly-owned subsidiary company indirectly controlled by the Company. Except for these, the Company is not aware of whether there exists associated relationship or concerted action among the other seven shareholders.		
Shareholdings of the top ten shareholders not subject to trading moratorium			
Name of shareholders	Amount of shares not subject to trading moratorium till the end of the year （Note 4）	Type of share	
		Type of share	Amount
SHENZHEN GUO MAO CENTER PROPERTY MANAGERMENT COMPANY	2,514,781	RMB ordinary shares	2,514,781
GUOSEN SECURITIES-CLIENT CREDIT COLLATERAL SECURITIES TRADING ACCOUNT	1,387,000	RMB ordinary shares	1,387,000
WU XUELING	1,193,300	RMB ordinary shares	1,193,300
CHINA MERCHANTS SECURITIES-CLIENT CREDIT COLLATERAL SECURITIES TRADING ACCOUNT	1,164,604	RMB ordinary shares	1,164,604
CHEN LIYING	1,007,151	Foreign capital shares listed in China	1,007,151
LONG KEYI	1,000,011	RMB ordinary shares	1,000,011
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	932,304	Foreign capital shares listed in China	932,304
ZHOU YONGHONG	668,500	Foreign capital shares listed in China	668,500

CHINA INTERNATIONAL CAPITAL CORPORATION	645,974	RMB ordinary shares	645,974
LIU LIAOYUAN	641,900	Foreign capital shares listed in China	641,900
Explanation about associated relationship and concerted action among the top ten shareholders not subject to trading moratorium as well as between the top ten shareholders not subject to trading moratorium and the top ten shareholders	Whether there exists associated relation or concerted action among the top ten shareholders not subject to trading moratorium is unknown.		

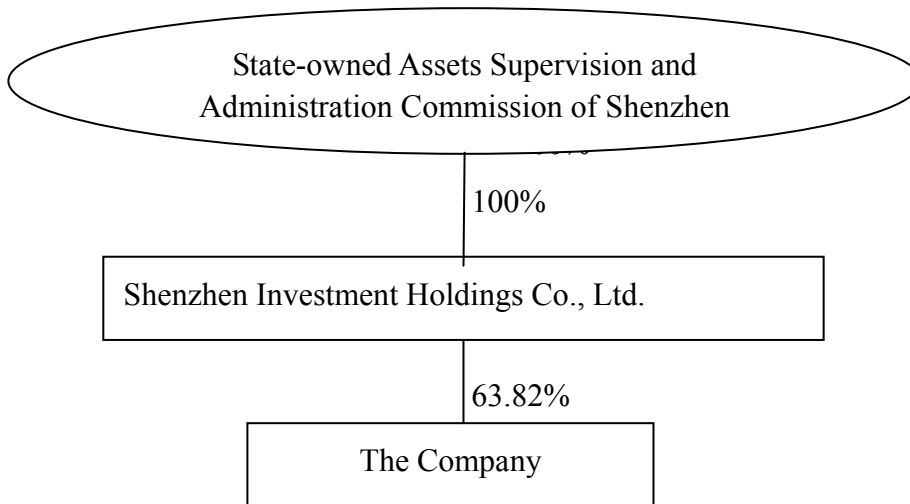
2. Particulars about controlling shareholders

By the end of reporting period, the controlling shareholder of the Company is still Shenzhen Construction Investment Holdings Corporation (“the holding company”) in register book. In 2004, Shenzhen Municipal Government incorporated Shenzhen Construction Investment Holdings Corporation with the other two municipal assets operation and management companies, namely Shenzhen Investment Management Corporation and Shenzhen Trade and Business Holdings Corporation to establish Shenzhen Investment Holdings Co., Ltd.. Therefore, the Company’s actual controlling shareholder is Shenzhen Investment Holdings Co., Ltd., a sole state-funded limited company, who was established in Oct. 13, 2004 with the registered capital of RMB 4 billion and Mr. Fan Mingchun as its legal representative. Main business scope: providing guarantee to municipal state-owned enterprises, management of state-owned equity, assets reorganization and reformation of enterprises, assets operation and equity investment and etc.. As a government department, State-owned Assets Supervision and Administration Commission of Shenzhen implemented management for Shenzhen Investment Holdings Co., Ltd. on behalf of Shenzhen municipal government. Thus, the final controller of the Company is State-owned Assets Supervision and Administration Commission of Shenzhen with locating at Investment Bldg., Shen Nan Av., Futian District, Shenzhen and postcode of “518026”.

During the reporting period, there existed no change in the controlling shareholder and the actual controller.

3. Particulars about the actual controller

Block diagram of property rights and control relationship between the Company and the actual controller



4. Other institutional shareholders owning over 10% shares

During the reporting period, there existed no other institutional shareholders owning over 10% (including 10%) shares.

Section VII. Directors, supervisors, senior executives and staff

I. Changes in shares held by directors, supervisors, senior executives

During the reporting period, there existed no directors, supervisors, senior executives holding shares of the Company.

II. Particulars about employers

Work experience of current directors, supervisors and senior executives over the recent five years

Members of the Board of Directors:

Mr. Chen Yugang, was born in September 1957, Postgraduate degree, is senior Political Worker. He gains rich experience in government administrative management and enterprise management over 20 years. He held some important posts in many municipal departments. He served as GM and Secretary of the CPC in Shenzhen Shenhua Group Company. Also, he served as GM and Vice Secretary of the CPC in Shenzhen Xianke Enterprise Group, and Deputy General Manager of Shenzhen Investment Holdings Co., Ltd. From May 2006, he has served as Secretary of CPC in the Company. And in June 2006, he was elected as Chairman of the Board of the Company. Now he acts as Secretary of CPC and Chairman of the Board in the Company.

Mr. Wei Zhi, was born in November 1957, Bachelor Degree, holds the title of interpretation. He gains rich experience in enterprise management for over 20 years. He ever worked in Shenzhen International Engineering Co., Ltd. as Deputy Manager of Overseas Department, in Shenzhen Zhongshen Overseas Development Company as Manage of Labor Affairs Department and Deputy General Manager, in China Shenzhen International Cooperation (Group) Co., Ltd. in Hong Kong Liyuan Company as Director and General Manager; in Shenzhen Construction Investment Holdings Corporation as Deputy Manager of Overseas Department, in Shenzhen Construction Investment Holdings Corporation as Deputy Manager of Contract Department, in Shenzhen Tonge (Group) Co., Ltd. as Assistant General Manager and Deputy General Manager, in Tonge Real Estates Development Company as Chairman of the Board and General Manager. Since October 2007, he took the posts of the Vice Secretary of CPC and Standing Deputy General Manager in the Company. Since 20 Dec. 2007, he held the posts of Director, Vice Secretary of CPC and GM of the Company. Since 15 Jul. 2008 to present, he acts as Vice Secretary of CPC, Director and GM of the Company.

Mr. Liu Guangxin, was born in May 1958, College Diploma, is an Economist. He gains experience in enterprise management over 10 years. Since May 1989, he held a job in the Company as Director of the Office in Properties Engineering Development Company, General Manager of International Trade Center Industrial Development Company, General Manager of International Trade Center Food Company, Deputy Director and Director of the GM Office of the Company, as well as Manager of Operation and Management Department of the Company. Since October 2007, he took the posts of Vice Secretary of CPC and Secretary of Discipline Inspection Committee in the Company. Since November 2007, he was appointed as Chairman of the Labor Union of the Company. Now he acts as Vice Secretary of CPC, Director, Secretary of Discipline Inspection Committee as well as Chairman of Labor Union in the Company.

Mr. Gong Sixin, was born in Feb. 1968, Master of Economics, Senior Accountant. He has profound experiences in financial accounting management. He ever took posts of CFO of Shandong

Weigao Medical Polymer Company Limited, of CFO of Shenzhen 3Nod Technology Co., Ltd. as well as CFO of Shenzhen Jiehe Technology Co., Ltd. Since Sep. 2010, he kept acting as CFO of the Company. Since June 2011, he is acting as director and CFO of the Company.

Ms. Wen Li, born in December 1969, Postgraduate Degree, Master Degree, is an Economist as well as Engineer. She gains experience in enterprise management over 10 years. She ever worked in Shenzhen Fantasia Investment Development as Assistant of Standing Deputy General Manger, Manager of Project Department, as well as Manager of Market Planning Department. Since July 2005, worked in Shenzhen Investment Holdings Co., Ltd.. She was ever appointed as Deputy Department Director of Investment Department of Shenzhen Investment Holdings Co., Ltd. Now she acts as Vice Director of Management Center of Construction Project of Shenzhen Investment Holdings Co., Ltd., Director of the Company.

Mr. Guo Liwei, was born in April 1973, Postgraduate Degree, is a master of Law. He once successively held the posts in General Department of Ping An Insurance (Group) Company of China as legal consultant, and Shenzhen Investment Management Corporation as Business Manager of Legal Affairs Department. Since October 2004, he worked in Shenzhen Investment Holdings Co., Ltd as Deputy GM of Legal Affairs Department. He now acts as Manager of the First Enterprise Management Department in Shenzhen Investment Holdings Co., Ltd. and Director of the Company.

Independent Directors:

Mr. Li Xiaofan, was born in May 1953, holder of Master-degree of economics with register management consultant and research scholar. He once successively held posts in Economic Research Institute of the Gansu Provincial Academy of Social Sciences as Vice Director, in Shenzhen System Restructuring Office as Chief Division; and Director of Investment Promotion Liaison Office of Shenzhen Municipal Government in European office, inspector of Former Foreign Economic & Trade Bureau of Shenzhen. From 2006 to now, he has held posts in Shenzhen Urban Development Research Center as a research scholar; in China Productive Power Commission as Administrative Syndic and Vice Secretary-general. Now he is the Independent Director of the Company.

Mr. Zha Zhenxiang, was born in November 1955, Doctor Degree, holds title of Professor, and enjoys special allowance from Government of the State Council. Mr. Zha has profound theoretical basis in business management. He ever held the posts of Vice Dean in College of Economics and Management of China Agricultural University, Director of Development and Research Center of China Bao'an Group Co., Ltd., Chief Economist of Nanhai Nengxing Development Group Co., Ltd. Now he took the posts of Dean in College of Economics and Management of Shenzhen Polytechnic and concurrently Director of Social Development Research Center, as well as Independent Director of the Company.

Mr. Dong Zhiguang, was born in February 1957, Bachelor Degree, is a Senior Accountant as well as CPA. He gains experience in enterprise management over 20 years. He ever took the posts of Deputy Division Chief and Division Chief of China Construction Bank Heilongjiang Branch, General Manager of Planning & Financial Department, Chief Accountant and Director in Southern Securities Co., Ltd., and President of China Antai Group Co., Ltd. Now he acts as Chairman of the Board in Shenzhen Osgate Trading Co., Ltd., Independent Director of the Company.

Members of the Supervisory Committee:

Mr. Dai Xianhua, was born in April 1962, doctor degree, Party member of CPC. He gains adequate work experience of over 20 years. He worked as a lecturer in School of Business and Economy of Zhongnan University of Economics and Law from 1986 to 1989. He took posts of editor of department of theory and review, assistant director, vice director in Shenzhen Economic Daily from 1992 to 1997; worked in Shenzhen State Assets Administration Committee (hereinafter referred as “Shenzhen SAC”) as Vice Section Chief of Assets Department, and Assets Management Department, Vice Director, investigator of Office, and investigator of Appraisal and Distribution Department from 1997 to 2011. Now he is Chairman of the Supervisory Committee of the Company.

Mr. Zhang Shilei, was born in Feb. 1978, master degree holder. He worked as a marketing engineer in CyberMart Business Department of Foxconn Enterprise Group from 2002 to 2004; as Director, Secretary to the Board of Shenzhen Information Pipeline Co., Ltd. from 2004 to 2008; and has been working as Vice Director of Office of Shenzhen Investment Holdings Co., Ltd. Now he is Director of the Company.

Ms. Wang Xiuyan, was born in Aug. 1962, MBA degree, is an accountant. From May 1997 to Sep. 2004, she worked in Shenzhen Investment Management Corporation, once acted as secretary of the Supervisory Committee Office, Business Manager of Audit Department, Director of Women’s Labor Union, Senior Business Manager of Audit Department and Supervision Department; from Oct. 2004 to Dec. 2007, she acted as manager of Supervision and Inspection Department in Shenzhen Investment Holding Co., Ltd.; from Dec. 2007 to present, she is manager of Audit Department (the Supervisory Committee Office) in Shenzhen Investment Holding Co., Ltd., now she is supervisor of the Company.

Ms. Wang Qiuping, was born in Jan. 1970, Bachelor degree, is a senior economist. Since 1992, she worked for the Company, she ever took post in GM office, Plan and Finance Department and Operation and Management Department for comprehensive operation and management as well as planning and management. Now she is Supervisor, Manager of Development and Management Department of the Company.

Mr. Zhang Gejian, was born in September 1975, Bachelor Degree, is an Accountant as well as Auditor. He was engaged in internal auditing work in Audit Department of the Company since July 1997. Now he acts as Supervisor of the Company and concurrently Manager of Audit Department.

Senior executives:

Mr. Wang Hangjun, was born in Nov. 1966, graduated from Zhongnan University of Economics with a master degree of economy. He is a senior auditor and has over 20 years corporate management experience. He ever took post of Deputy Chief of Audit Bureau of Nanshan District, Shenzhen; of Vice Minister, Minister of Audit Department of Shenzhen Investment and Management Company; of Vice Minister, Minister of Supervision Department of Shenzhen Investment and Management Company; of Minister of Audit and Inspection Department of Shenzhen Investment Holding Co., Ltd. He has been Deputy GM of the Company since Oct. 2007.

Mr. Li Zipeng, was born in May 1966, Bachelor Degree from Civil Department of Huazhong University of Science and Technology. He successfully held the posts of Section Chief of

Engineering, Field Manager of Real Estate Project, Principal of Housing Sale Department, Assistant General Manager, Deputy General Manager as well as General Manager in Shenzhen Huangcheng Properties Co., Ltd. (shareholding subsidiary company of the Company). From October 2007, he was appointed as Deputy General Manager of the Company and concurrently General Manager of Shenzhen Huangcheng Properties Co., Ltd, shareholding subsidiary company of the Company.

Mr. Fan Weiping, was born in Apr. 1965, graduated from Southwest University of Political Science & Law in 1988 and holder of postgraduate degree. He worked in Shenzhen Shenhua Group Company in 2003, successively acted as section chief of Law section of Supervisory and Audit Department; Vice Secretary and Secretary of Law Department; Assistant to General Manager; Chief Legal adviser; since Jan. 2009 to present, he acted as Secretary to the Board of Directors and chief legal consultant in the Company. Since Feb. 2012, he has been Vice General Manager, Secretary to the Board of Directors and chief legal consultant in the Company.

Particulars about employers in the shareholders' companies

√ Applicable □ Non-applicable

Name of employers	Name of shareholders' companies	Posts held in shareholders' companies	Start date of tenure	Expiration Date of tenure	Whether receiving subsidies and remuneration in shareholders' companies
Wen Li	Shenzhen Investment Holdings Co., Ltd.	Vice director of management centre of construction projects	1 July 2005		Yes
Guo Liwei	Shenzhen Investment Holdings Co., Ltd.	Manager of the first section of enterprise management	1 Oct. 2004		Yes
Zhang Shilei	Shenzhen Investment Holdings Co., Ltd.	Vice director of general office	1 March 2008		Yes
Wang Xiuyan	Shenzhen Investment Holdings Co., Ltd.	Manager of audit department (the Supervisor	1 Dec. 2007		Yes

		y Committee Office)			
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Particulars about employers in other companies

√ Applicable □ Non-applicable

Name of employers	Name of other companies	Posts held in other companies	Start date of employment	Expiration date of employment	Whether receiving subsidies and remuneration in other companies
Li Xiaofan	Shenzhen Urban Development Research Center, China Productive Power Commission	Research scholar, Administrative Syndicate and Vice Secretary-general	1 June 2006		Yes
Zha Zhenxiang	College of Economics and Management of Shenzhen Polytechnic	Dean			Yes
Dong Zhiguang	Shenzhen Osgate Trading Co., Ltd.	Chairman of the board			Yes

III. Remuneration of directors, supervisors, senior executives and staff

Decision-making process, determination, actual payment of remuneration of directors, supervisors, senior executives

During the reporting period, the board and the management of the Company signed statement of operation objectives responsibility for 2012, conducted appraisal system integrating operation indicators, classification indicators with management objectives. After the end of the reporting period, assessment was implemented by the board. Remuneration of senior executives, according to “Management Method of Annual salary System of Directors, Supervisors and Senior Executives”, adopted annual salary system, and need to be implemented after assesment of the board.

Remuneration of directors, supervisors, senior executives during the reporting period

Name	Post	Gender	Age	Incumbent or not	Total amount of remuneration received from the	Total amount of remuneration received from the	Actual remuneration till the end of the reporting period

					Company	shareholder s' companies	
Chen Yugang	Chairman of the board	Male	56	Incumbent	781,350.00	0.00	781,350.00
Wei Zhi	Director, General Manager	Male	56	Incumbent	756,950.00	0.00	756,950.00
Liu Guangxin	Director, Chairman of Labor Union	Male	55	Incumbent	725,598.00	0.00	725,598.00
Gong Sixin	Director, CFO	Male	45	Incumbent	412,800.00	0.00	412,800.00
Wen Li	Director	Female	44	Incumbent	0.00		
Guo Liwei	Director	Male	40	Incumbent	0.00		
Li Xiaofan	Independent director	Male	60	Incumbent	80,000.04	0.00	80,000
Zha Zhenxiang	Independent director	Male	58	Incumbent	80,000.04	0.00	80,000
Dong Zhiguang	Independent director	Male	56	Incumbent	80,000.04	0.00	80,000
Dai Xianhua	Chairman of the supervisory committee	Male	51	Incumbent	422,800.00	0.00	422,800.00
Zhang Shilei	Supervisor	Male	35	Incumbent	0.00		
Wang Xiuyan	Supervisor	Female	51	Incumbent	0.00		
Wang Qiuping	Supervisor, manager of development management department	Female	43	Incumbent	302,250.00	0.00	302,250.00
Zhang Gejian	Supervisor, manager of audit department	Male	38	Incumbent	301,750.00	0.00	301,750.00
Wang Hangjun	Vice general manager, financial employee in	Male	47	Incumbent	725,598.00	0.00	725,598.00

	charge						
Li Zipeng	Vice general manager	Male	47	Incumbent	725,598.00	0.00	725,598.00
Fan Weiping	Vice general manager, secretary of the board	Male	48	Incumbent	725,598.00	0.00	725,598.00

Particulars about equity incentive granted to directors, supervisors, senior executives during the reporting period

☐ Applicable ☒ Non-applicable

IV. Particulars about employees

The Company has totally 2750 employees in office at present, including 1783 production personnel, 130 salespersons, 550 technicians, 95 financial personnel and 192 administrative personnel. 1250 persons graduated from technical secondary school and college or above. At present, the Company needs to bear the expenses of 185 retirees.

Section VIII. Corporate Governance

I. Particulars about corporate governance

During the reporting period, in accordance with the requirement of the Company Law, Securities Law, Code of Corporate Governance for Listed Companies in China and Stock Listing Rules of Shenzhen Stock Exchange as well as relevant laws and statutes of CSRC, the Company continuously regulated and perfected corporate governance structure, established and perfected internal management and control system and investigated in management activities of the Company, which promoted the Company's standard management level.

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

Whether there existed differences between corporate governance and regulations of "Company Law" and CSRC

☐ Yes ☒ No

There existed no difference between corporate governance and regulations of "Company Law" and CSRC.

Particulars about development of special activities of corporate governance and formulation and performance of registration and management of insiders

The Company always pays attention to standardize the management for inside information, such as promulgating the Management Rules for Insiders, making clear about the contents of inside information, making the scope of insiders and accountability system for inside dealings. After reporting and submitting non-published information to the controlling shareholders, the Company all registered the relevant information of insiders and then submitted to securities regulatory authorities, as well as strictly controlled the transmission scope of inside information, further strengthened the security work of inside information. Upon Self-inspection, during the reporting period, there were no particulars about insiders took advantages of inside information to purchase or sell shares of the Company before the disclosure of major sensitive information that shall have an impact on the share price of the Company, nor any investigation and punishment as well as rectification from the regulatory authority. From now on, the Company will continuously strengthen to learn relevant rules and laws, scrupulously execute the Management Rules for Insider Information and Insiders, standardize the corporate governance of the Company, do well the work of preventing inside dealings.

II. Particulars about annual shareholders' general meetings and temporary shareholders' meetings during the reporting period

1. Particulars about annual shareholders' general meetings during the reporting period

Name of meeting	Date of holding the meeting	Name of proposal on the meeting	Result of resolution	Date of disclosure	Index for disclosure
2011 Annual Shareholders' General Meeting	20 April 2012	2011 Annual Work Report of the Board	Approval	23 April 2012	www.cninfo.com.cn
		2011 Annual Work Report of the Supervisory Committee	Approval	23 April 2012	www.cninfo.com.cn
		2011 Annual Report	Approval	23 April 2012	www.cninfo.com.cn
		2011 Annual Report on Financial Statement	Approval	23 April 2012	www.cninfo.com.cn
		2012 Annual Report on Financial Budget	Approval	23 April 2012	www.cninfo.com.cn
		Proposal on Profit Distribution and Transfer of Capital Reserve to Common Shares for 2011	Approval	23 April 2012	www.cninfo.com.cn
		Proposal on Further Employment of Accounting Firm	Approval	23 April 2012	www.cninfo.com.cn
		Proposal on Guarantee loans of subsidiaries	Approval	23 April 2012	www.cninfo.com.cn

2. Particulars about temporary shareholders' meetings during the reporting period

Name of meeting	Date of holding the meeting	Name of proposal on the meeting	Result of resolution	Date of disclosure	Index for disclosure
The first session of temporary	24 Aug. 2012	Proposal on Plan of Shareholder	Approval	24 Aug. 2012	www.cninfo.com.cn

shareholders' meeting for 2012		Returns in the Future Three Years			
		Proposal on Revising Articles of Association	Approval	24 Aug. 2012	www.cninfo.com.cn

III. Execution of duty of independent directors during the reporting period

1. Attendance of independent directors in the board meetings and shareholders' meetings

Attendance of independent directors in the board meetings						
Name of independent director	Number of the board meetings attended during the reporting period	Number of meetings attended on the spot	Number of meetings attended in the means of communication	Number of meetings attended by mandatarly	Number of meetings skipped from	Whether not attending meetings by oneself two times in succession
Li Xiaofan	6	3	3			No
Zha Zhenxiang	6	3	3			No
Dong Zhiguang	6	3	3			No

Explanations about absence from the board meetings two times in succession

2. Particulars about objections to relevant events of the Company raised by independent directors

Whether independent directors raised objections to relevant events of the Company

☐ Yes ☒ No

During the reporting period, independent directors never raised objections to relevant events of the Company

3. Other particulars about execution of duty of independent directors

Whether the Company took the advices proposed by independent directors

☒ Yes ☐ No

Explanations about the adoption or rejection in respect of independent directors' advices

With attitude of credibility and diligence to the Company and all shareholders, independent directors was diligent and responsible, reviewed all resolutions, and in line with their professional knowledge and capability, made independent, objective and fair judgment away from influence from the Company and principal shareholders of the Company. Also, independent directors expressed independent, objective and fair opinion on relevant events, which made practical efforts to safeguard interests of the Company and minority shareholders.

IV. Duty performance of special committee affiliated to the Board during the reporting period

Special committee affiliated to including audit committee, remuneration and nomination committee, investment and decision committee, according to “Governance Principle of listed Company”, “Articles of Association”, “and Rules of Procedure of the Board of Directors” and implementation rules of special committee, earnestly performed their duties.

(I) Duty performance of strategic development and investment committee

During the reporting period, strategic development and investment committee paid attention to authorization of the board to project development and financing, kept good contact with the management and had a good knowledge of matters within their power.

(II) Duty performance of nomination committee

During the reporting period, nomination committee held working conference once, conducted vote through communication once and verified the qualification of Mr. Fan Weiping as vice general manager of the Company and issued “Opinions About Verification and Examination of Qualification of Mr. Fan Weiping as Vice General Manager of the Company”.

(III) Duty performance of remuneration and assessment committee

During the reporting period, remuneration and assessment committee earnestly performed their duties, kept good contact with the management and conducted several communication with the management for relevant matters.

(IV) Duty performance of audit committee

During the reporting period, audit committee held on-the-spot working conference once, listened to report of Union Power Certified Public Accounts Co., Ltd. on audit work, deliberate preliminary audit opinion issued by Union Power Certified Public Accounts Co., Ltd. and proposed their opinions about 2011 Financial Statement of the Company. After the meeting of audit committee, the Company arranged on-the-spot investigation for important development projects.

V. Particulars about the work of the supervisory committee

Whether there existed risks in the Company according to supervision of the supervisory committee during the reporting period

☐ Yes ☒ No

The supervisory committee raised no objection to matters under the supervision during the reporting period.

VI. Independence and integrity of the Company and controlling shareholders in respect of business, personnel, asset, organization, finance

The Company was independent from the controlling shareholder in business, personnel, assets, organization and finance to realize that independent personnel, independent finance, complete assets, independent organization and independent business. (I) In aspect of business: The Company was independent from the controlling shareholder with independent and complete business and independent operation capability. There was no business which was same or competitive with the controlling shareholder. (II) In aspect of personnel: The Company was complete independent from the controlling shareholder in terms of labor and personnel, management on remuneration. All Senior Executives drew the remuneration from the Company, and none held a post concurrently in shareholders' company. Personnel of the Company are independent,

all ones signed labor contract with the Company. The Company was independent from the shareholders or other related parties in personnel management, social security, salary etc. (III) In aspect of asset: The Company's assets were complete and independent, the property relationship was clear. There was no capital occupation by controlling shareholder, and assets of the Company were completely independent from controlling shareholder. (IV) In aspect of organization: The Company's organization was independent, and the Company implemented rules and regulations as well as responsibilities for all departments, formed independent responsibilities and rights, scientific and rational internal control system. Independence of the Company on operation and management is free from impact from controlling shareholders and other subordinated units. There were no controlling shareholders intervene organization of the Company. (V) In aspect of finance: The Company's finance was independent with independent finance department. The Company established the independent finance settling system and financial management system, had its own finance account and paid the tax in line with laws, run finance decision-making independently. The controlling shareholder of the Company performed normatively with no conduct that intervened with the operation decision-making and operation activities directly or indirectly over the shareholders' general meeting, however, the controlling shareholder could influence on the significant decision-making through the shares holding.

VII. Assessment and incentive mechanisms for senior executives

Within the reporting period, the annual operating target plan 2012 was went forth to the management team by the Board of Directors, of which the Company adopted appraisal method by the score combination of operation index, category index and administrative goal. At the end of the fiscal year, the Board of Directors examined the final score. For senior executives of the Company, the Company adopted annual salary system in accordance with Management Measure for Annual Salary System of Directors, Supervisors and Senior Executives, which shall be implemented after the Board of Directors completing fiscal examination.

Section IX. Internal Control

I. Construction of internal control

In 2012, the Company had established good governance structure, organizational structure, and related internal control system. In respects of management of businesses, treasury, accounting system, human resources and salary, as well as information communication and disclosure, a complete internal control system was formed. Board of the Company authorized the audit department to take charge of concrete organization and implementation of internal control assessment, which is to audit and assess on high-risk fields and units included into the assessment area. In this fiscal year, the Company engaged the Unison Power Accounting Firm to take independent audit on the establishment, perfection, and execution of the Company's internal control system, and issue internal control audit report. As at the end of the reporting period, by nearly 2-year establishment of system and mechanism, the Company has systematically perfected Risk Database, Internal Control Manual, and Internal Control Assessment Manual, improving the establishment of internal control constantly.

1. Internal environment (1) Governance structure By strictly referring to related laws and administrative regulations including Corporation Law and Securities Act, as well as rules of Articles of association, the Company established and perfected corporate governance structure complied with the Code of Corporate Governance for Listed Companies. Based on the target of standard corporate governance structure, the Company has established and perfected rules and systems for Shareholders' General Meeting, Board of Directors, and the Supervisory Committee, ensuring them to effectively execute the right to make decision, execute, and supervise. In 2012, by thoroughly clearing up systems and mechanisms, the Company revised and perfected risk-control points of all important businesses, and formed documents of internal control management system, such as Risk Database, Internal Control Manual, and Internal Control Assessment Manual.

(2) Institution setting and distribution of rights and liabilities ① Shareholders' General Meeting: Shareholders' General Meeting, the top-high power institution of the Company, on the basis of terms of reference set by laws, regulations, rules, and systems including Corporation Law and Articles of Association, review and decide for significant items of the Company, such as operation policy, investment plan, significant transaction items, change of the Company's capital, as well as appointment and dismissal of directors and supervisors. The Company prepares and strictly executes systems and rules including Rules of Procedures of the Shareholders' General Meeting to ensure all shareholders' equity. ② Board of Directors: It is the Company's decision-making institution and responsible for the Shareholders' General Meeting, and in charge of establishing and perfecting the Company's internal control system. There're Board Secretary and Board office under the Board of Directors, accounting for daily affairs of the Board and information disclosure of the Company. There are also Audit Committee, Remuneration and Assessment Committee, Strategy Development and Investment Committee, and Nomination Committee under the Board. According to related work rules, the four special committees respectively undertake functions of discussion, decision-making, supervision, and assessment of the Company's significant work items to improve operation efficiency of the Company's Board. ③ Supervisory Committee: Supervisory Committee, the Company's supervisory institution, review, supervise, and inspect on work execution of directors and senior management of the Company. It is responsible to the Shareholder's General Meeting, the institution for the Supervisory Committee to report work to. ④ Management: The management is responsible for the Board of Directors, works

as the decision-executing group for the Shareholders' General Meeting and Board of Directors, gets engaged by the Board of Directors, and accounts for the Company's routine business and administration, as well as routine operation of internal control. ⑤Functional departments of the Company: Functional departments, including Board Office, office of the general manager, cost control department, department of design and planning, human resources department, development management department, financial budget department, audit department (the Supervisory Committee Office), department of risk control and legal affairs, rental center, and Party-masses office, which all perform their duties, and strictly develop their work in light of internal control system, so as to ensure normal operation of the Company.

(3) Internal audit Audit department accounts for internal audit for the Company. It is directly responsible for the Board of Directors, which ensures the independence of audit work. According to annual audit plan, the audit department, through executing internal audit or special audit, issues opinions on integrity and effectiveness of internal control, as well as compliance of financial revenue and expense and operation management. It proposes rectification plan for exposed problems, and regularly check the implementation of rectification. For internal control defects found in audit, the audit department, according to defect nature and in line with report procedures, reports to the Board of Director, the Supervisory Committee, and the management.

2. Risk assessment The Company sets department of risk control and legal affairs based on its need, and strictly executes Risk Management Method of the Company, as well as Implementation Management Method of Financial Risk Warning System. The Company regularly organizes and implements comprehensive risk assessment, timely identifies and assess on risk factors faced by the Company in operating activities, including external risk factors, such as policy and market environment, and internal factors, such as financial status, project operation management, and asset management, finishes risk assessment reports, so as to control risks effectively.

3. Main control activities (1) Decision-making management for real estate projects Rules of Real Estate Project Demonstration and Decision-making Management of the Company clarifies the liabilities of headquarter and subsidiaries in the process of project development, and standardizes liability departments and related work procedures involved in project development process; Management Rules of Project Engineering of the Company clarifies detail implementation rules of engineering projects related to launching preparation, construction plan, safety, quality, construction progress, related technologies, cost control, completion acceptance, as well as technology service and supervision. The effective execution of those systems and measures basically ensures the Company's control over engineering price and cost through standard project operation, achieving the target of improving company's economic benefit.

(2) Management of subsidiaries As needed by strategic development planning of the Company, the Company has established and perfected internal control system for subsidiaries, prepared management systems including Management Rules for Reports from Representatives of Property Rights of Subsidiaries, Management Rules of Routine Operation of Secondary Companies, and Assessment and Management Method for Liability Statement of Annual Business Target of Secondary Companies, and standardized management over review processes of subsidiaries for official documents, contracts, and payments. The Company regularly acquires statistics and analysis materials of financial statements of subsidiaries, and timely check and control their operation and management status. In respects of marketing planning, cost control, financial management, investment and financing management, management of labor, human resources, and salary, as well as information disclosure, the Company intensifies management and decreases decision-making

risks. (3) Management of significant investment Articles of Association clarifies limits of authorities and procedures of reviewing external investment by the Shareholders' General Meeting, the Board of Directors, as well as the management. The Company has prepared Investment Management Rules to control investment risks and promote standard operation and health development of the Company. As for investment management, the Company emphasizes on rationality of price and controllability of risks, strictly assesses feasibility of project return, and thoroughly supervises on significant investment according to classified authority-review-and-approval procedures, so as to ensure validity, safety, and profitability of investment. (4) Finance and accounting control The Company implements unified finance management and accounting system. So far, the Company has prepared complete finance and accounting system, covering standards of basic accounting work, financial budget management, treasury management, expense management, treasury management, tax management, financial information system management, accounting, and financial reports. In respect of treasury management, the Company executes strict payment review and approval procedure to strictly limit external borrowings. All payments should go through related signature review and approval process, and payments of significant amount should be reported, reviewed, and approved by the Board of Directors. In respect of financial budget, the Company executes strict budget system for fund, expense, and purchase of fixed assets to strictly control expenses out of budgets. All budgets should be attached with detail and actual preparation basis materials. Financial budget, together with budget execution status of last fiscal year, should be passed by the Board of Directors. In respect of asset management, the Company regularly checks all physical assets to make sure consistence of accounting records and physical assets, as well as the effective usage of all assets. In respect of accounting and financial reports, the Company accounts while using unified accounting system and setting unified accounting entries, and improve the accuracy and standardization of accounting disposal, as well as ensure the quality of accounting information by distributing all detail business accounting index on the basis of unifying accounting system and method. (5) Tender procurement management The Company has also established and perfected a series of tender procurement systems, covering Management System of Tender Procurement, Notice on Strengthening Tender and Bidding of the Group, and Notice on Strengthening Standardized, Normalized, and Planned Management of Tender Procurement Announcement, ruled management requests for tender opening, tender invitation, and tender assessment, standardized tender management of the Company, strictly supervised its implementation, effectively controlled procurement cost, and avoided honesty risk in the process of tender procurement. (6) Comprehensive budget management Comprehensive Budget Management Rule of the Company forms the process of comprehensive budget of the Group and subsidiaries. It aims at establishing and perfecting internal control system, standardizing financial management behaviors, intensifying budget management, and make sure budget preparation comply with development strategy and target of the Company. According to all index in liabilities statement of targets signed by subsidiaries and the Group at the year-begin, the audit department reviewed the completion status of index of subsidiaries, reviewed and analyzed on concrete reasons for deviation from budget index, and issued audit report. (7) Human resources management The Company has prepared a series of human resources management systems, covering Management Rule of Employee Recruitment, Management Rule of Remuneration of the Company, Management Rule of Performance Assessment of the Company, which aim at optimizing and using human resources needed by company production according to planned target, and

allocating talents needed by the Company according to development need, so that the Group and subsidiaries can orderly and highly effectively accomplish targets of comprehensive human resources management. (8) Control over related transaction businesses The Company has prepared rules such as Management Method of Related Transactions of the Company and Special System of the Company for Avoiding Capital Occupation by Controlling Shareholders and Related Parties, and at the same time, makes sure that the Company can adopt fair, sound, and Company-beneficial principals to related transactions, as well as fully protects investors' benefits by perfect corporate governance structure. Significant related transactions should be submitted for the Board's review only after having been recognized by independent directors, and should be externally disclosed in time in line with rules. (9) Internal control on external guarantee The Company strictly executes Management Method of Guarantee Business of the Company. Links of review, approval, execution, management, and disclosure of all guarantee businesses are in strict accordance with systems and processes In the reporting period, there's no guarantee behaviors of violation against rules regulated in Notice on Standardizing Capital Flow Between Listed Companies and Related Parties and Several Problems About External Guarantee of Listed Companies, as well as Notice on Standardizing External Guarantee Behaviors of Listed Companies. (10) Control on raised capital In the reporting period, there's no circumstance where the Company raised capital in securities market, nor previously raised capital extended to this reporting period.

4. Information and communication Internal control systems of the Company, including Management Rule of Information Disclosure Affairs, Regulation for Work of Annual Report of Audit Committee, Liability Accountability System for Significant Errors in Information Disclosure of Annual Report, Working System of Annual Report, Management System of Internal Information Insiders, Management System of Investor Relations, clarify on the management of information disclosure scope and its standards, processes, and law liabilities, internal communication and transmission procedures of significant information, significant internal information and its insiders, as well as investor relations, so as to ensure the authenticity, accuracy, integrity, timeliness, and fairness of information disclosure of the Company.

II. Statement on the Responsibility for Internal Control from the Board of Directors

The Board of Directors and all its directors hereby ensure that this announcement contains no false information, misleading statement or material omission, and shall be jointly and severally liable for the factuality, accuracy and completeness of the information carried in this announcement. Establishing , perfecting and effectively conducting internal control is the liability of the Board of Directors; establishment and implementation of internal control conducted by the Board is under the supervision of the supervisory committee; the management is responsible for organizing and guiding daily operation of internal control. The goals of the Company's internal control: reasonably guarantee the legality and compliance of the Company's operating management, safety of assets, authenticity and completeness of financial report and relevant information; enhance the level of operating management and ability of risk prevention, protect the legal interests of the Company, investors and other interested parties. Because of the inherent limitation of internal control, the above objective can only receive reasonable guarantee. The Board, according to requirements of "Basic Standards on Internal Control", has appraised the internal control related to financial statements and the appraisal took effect on 31 Dec. 2012(base day).

III. Foundation on which internal control of financial reports are based

The Company carried out unified financial management and accounting calculation system. At present, intact finance and calculation system has been formulated, including standardization of basic work of accounting, management of financial budget, fund management, expense management, asset management, taxation management, management of financial information system, accounting calculation and financial reports, etc.. In respect of treasury management, the Company executes strict payment review and approval procedure to strictly limit external borrowings. All payments should go through related signature review and approval process, and payments of significant amount should be reported, reviewed, and approved by the Board of Directors. In respect of financial budget, the Company executes strict budget system for fund, expense, and purchase of fixed assets to strictly control expenses out of budgets. All budgets should be attached with detail and actual preparation basis materials. Financial budget, together with budget execution status of last fiscal year, should be passed by the Board of Directors. In respect of asset management, the Company regularly checks all physical assets to make sure consistence of accounting records and physical assets, as well as the effective usage of all assets. In respect of accounting and financial reports, the Company accounts while using unified accounting system and setting unified accounting entries, and improve the accuracy and standardization of accounting disposal, as well as ensure the quality of accounting information by distributing all detail business accounting index on the basis of unifying accounting system and method.

IV. Self-assessment report on internal control

Specific explanations about significant defects of internal control found during the reporting period in self-assessment report on internal control	
During the reporting period, none significant defect of internal control was found.	
Date of disclosure of whole article of self-assessment report on internal control	30 March 2013
Index for disclosure of whole article of self-assessment report on internal control	Cninfo (http://www.cninfo.com.cn)

V. Audit report on internal control

✓ Applicable ☐ Non-applicable

Deliberations in audit report on internal control	
We believe that, Shenzhen Properties & Resources Development (Group) Ltd. maintained efficient internal control of financial reports in all significant aspects according to “Basic Standards of Corporate Internal Control” and relevant regulations.	
Date of disclosure of whole article of audit report on internal control	30 March 2013
Index for whole article of	Cninfo (http://www.cninfo.com.cn)

audit report on internal control	
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Whether accounting firm issued unqualified audit report on internal control

☐ Yes ☒ No

Whether the audit report on internal control issued by accounting firm was consistent with self-assessment report from the Board

☒ Yes ☐ No

VI. Establishment and implementation of accountability system of significant mistakes in annual reports

The Company established accountability system of significant mistakes in annual reports, and thoroughly carried out special activities on standardizing basic work of accounting. During the reporting period, there existed no significant mistake in annual reports.

Section X. Financial Report

I. Auditor's report

Type of audit opinion	Standard unqualified audit opinion
Date for signing the auditor's report	28 Mar. 2013
Name of the auditor's report	Union Power Certified Public Accountants Co., Ltd.
Document No. of the auditor's report	ZHS Zi (2013) No. 010163

Text of the auditor's report

TO THE SHAREHOLDERS OF SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.:

We have audited the accompanying financial statements of Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as "Company" or "the Company"), which comprise the balance sheet and the consolidated balance sheet as at 31 Dec. 2012, the income statement and the consolidated income statement, the statement of change in equity and the consolidated statement of change in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

I. Management's responsibility for the financial statements

The management of the Company is responsible for the preparation of these financial statements and fair presentation. These responsibilities include: (1) preparing financial statements according to the Accounting Standards for Business Enterprises and make them a fair presentation; and (2) designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

II. Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with China's Independent Auditing Standards. Those Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and effective, providing a reasonable basis for our opinion.

III. Opinion

In our opinion, the financial statements comply with Accounting Standards for Business Enterprises in all material aspects, and present fairly the consolidated and the Company's financial positions as of 31 Dec. 2011 and their operating results and cash flows for the year then ended.

II. Financial statements

Monetary unit of notes to financial statements: RMB Yuan

1. Consolidated balance sheet

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

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	797,724,311.37	469,313,741.57
Settlement reserves		
Intra-group lendings		
Transactional financial assets		
Notes receivable		200,000.00
Accounts receivable	76,584,008.68	70,557,693.71
Accounts paid in advance	64,714,990.11	474,354,748.39
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable		
Dividend receivable		
Other accounts receivable	6,371,689.34	3,428,342.39
Financial assets purchased under agreements to resell		
Inventories	2,300,674,551.14	1,814,992,629.34
Non-current assets due within 1 year		
Other current assets		
Total current assets	3,246,069,550.64	2,832,847,155.40
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	84,249,349.70	81,103,539.95

Investing property	285,258,604.17	302,632,518.55
Fixed assets	78,821,168.21	86,855,289.26
Construction in progress	57,000.00	57,000.00
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	114,098,153.11	121,254,256.15
R&D expense		
Goodwill		
Long-term deferred expenses	3,644,288.40	3,173,413.01
Deferred income tax assets	194,507,824.50	124,102,202.41
Other non-current assets		
Total of non-current assets	760,636,388.09	719,178,219.33
Total assets	4,006,705,938.73	3,552,025,374.73
Current liabilities:		
Short-term borrowings	360,000,000.00	601,495,212.00
Borrowings from Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Transactional financial liabilities		
Notes payable		
Accounts payable	298,525,752.32	187,093,587.42
Accounts received in advance	678,075,291.01	208,655,909.41
Financial assets sold for repurchase		
Handling charges and commissions payable		
Employee's compensation payable	54,721,616.91	46,354,982.87
Tax payable	733,659,679.71	499,957,087.36
Interest payable		
Dividend payable		
Other accounts payable	195,045,649.98	480,433,469.91
Reinsurance premiums payable		
Insurance contract reserves		

Payables for acting trading of securities		
Payables for acting underwriting of securities		
Non-current liabilities due within 1 year	14,909,888.32	218,359,888.32
Other current liabilities		
Total current liabilities	2,334,937,878.25	2,242,350,137.29
Non-current liabilities:		
Long-term borrowings	19,316,666.64	7,333,333.32
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		
Deferred income tax liabilities	2,739,089.94	
Other non-current liabilities	145,997,301.31	160,019,158.28
Total non-current liabilities	168,053,057.89	167,352,491.60
Total liabilities	2,502,990,936.14	2,409,702,628.89
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	595,979,092.00	595,979,092.00
Capital reserves	63,783,019.03	77,820,275.72
Less: Treasury stock		
Specific reserves		
Surplus reserves	70,368,860.95	70,368,860.95
Provisions for general risks		
Retained profits	778,604,846.00	403,182,716.36
Foreign exchange difference	-5,882,902.45	-5,890,286.25
Total equity attributable to owners of the Company	1,502,852,915.53	1,141,460,658.78
Minority interests	862,087.06	862,087.06
Total owners' (or shareholders') equity	1,503,715,002.59	1,142,322,745.84
Total liabilities and owners' (or shareholders') equity	4,006,705,938.73	3,552,025,374.73

2. Balance sheet of the Company

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

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	399,641,751.92	83,846,009.34
Transactional financial assets		
Notes receivable		
Accounts receivable	56,779,588.68	57,610,601.35
Accounts paid in advance	138,000.00	435,617,463.60
Interest receivable		
Dividend receivable		
Other accounts receivable	793,063,936.59	66,901,359.57
Inventories	324,442,304.42	323,385,959.42
Non-current assets due within 1 year	475,000,000.00	
Other current assets		
Total current assets	2,049,065,581.61	967,361,393.28
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	316,537,110.68	300,514,039.95
Investing property	193,719,444.41	196,918,915.36
Fixed assets	18,999,543.38	29,002,844.78
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets		
R&D expense		
Goodwill		
Long-term deferred expenses	1,816,250.25	1,989,226.53
Deferred income tax assets		

Other non-current assets		475,000,000.00
Total of non-current assets	531,072,348.72	1,003,425,026.62
Total assets	2,580,137,930.33	1,970,786,419.90
Current liabilities:		
Short-term borrowings		
Transactional financial liabilities		
Notes payable		
Accounts payable	33,664,931.14	33,981,501.43
Accounts received in advance	426,641.50	351,401.50
Employee's compensation payable	10,017,975.02	7,550,348.37
Tax payable	2,092,132.57	1,829,406.16
Interest payable		
Dividend payable		
Other accounts payable	1,503,502,567.38	1,268,548,668.33
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	1,549,704,247.61	1,312,261,325.79
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		
Deferred income tax liabilities		
Other non-current liabilities	1,851,595.90	4,161,870.46
Total non-current liabilities	1,851,595.90	4,161,870.46
Total liabilities	1,551,555,843.51	1,316,423,196.25
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	595,979,092.00	595,979,092.00
Capital reserves	37,754,232.28	38,914,227.99
Less: Treasury stock		
Specific reserves		
Surplus reserves	69,712,050.51	69,712,050.51

General risk provision		
Retained profits	325,136,712.03	-50,242,146.85
Foreign exchange difference		
Total owners' (or shareholders') equity	1,028,582,086.82	654,363,223.65
Total liabilities and owners' (or shareholders') equity	2,580,137,930.33	1,970,786,419.90

3. Consolidated income statement

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

Unit: RMB Yuan

Item	Amount in 2012	Amount in 2011
I. Total operating revenues	1,861,298,830.99	1,430,211,933.75
Including: Sales income	1,861,298,830.99	1,430,211,933.75
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating cost	1,379,046,423.21	1,086,070,404.13
Including: Cost of sales	841,932,253.07	568,646,701.95
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	398,859,737.67	345,918,833.09
Selling and distribution expenses	43,951,174.60	32,792,286.16
Administrative expenses	109,680,547.70	103,909,870.96
Financial expenses	-1,504,589.66	12,452,491.31
Asset impairment loss	-13,872,700.17	22,350,220.66
Add: Gain/(loss) from change in fair value ("-" means loss)		-3,364.50

Gain/(loss) from investment (“-” means loss)	3,145,809.75	-43,208.94
Including: share of profits in associates and joint ventures	3,145,809.75	-286,648.25
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	485,398,217.53	344,094,956.18
Add: non-operating income	4,025,211.48	1,634,947.04
Less: non-operating expense	2,375,285.99	2,769,793.67
Including: loss from non-current asset disposal	58,269.77	28,235.97
IV. Total profit (“-” means loss)	487,048,143.02	342,960,109.55
Less: Income tax expense	112,225,990.61	82,914,212.42
V. Net profit (“-” means loss)	374,822,152.41	260,045,897.13
Including: Net profit achieved by combined parties before the combinations	1,312,539.70	2,936,782.09
Attributable to owners of the Company	375,422,129.64	261,108,340.62
Minority shareholders’ income	-599,977.23	-1,062,443.49
VI. Earnings per share	--	--
(I) Basic earnings per share	0.6299	0.4381
(II) Diluted earnings per share	0.6299	0.4381
VII. Other comprehensive incomes	7,383.80	-1,402,825.50
VIII. Total comprehensive incomes	374,829,536.21	258,643,071.63
Attributable to owners of the Company	375,429,513.44	259,705,515.12
Attributable to minority shareholders	-599,977.23	-1,062,443.49

Where business mergers under the same control occurred in this report period, the net profit achieved by the merged parties before the business mergers was RMB 1,312,539.70.

4. Income statement of the Company

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

Unit: RMB Yuan

Item	Amount in 2012	Amount in 2011
I. Total sales	48,210,057.27	48,557,559.48

Less: cost of sales	20,151,948.72	35,318,571.13
Business taxes and surcharges	9,028,751.88	6,677,356.44
Distribution expenses		
Administrative expenses	43,915,015.22	37,525,862.49
Financial costs	-2,354,237.66	796,873.78
Impairment loss	-15,500,366.74	20,832,527.84
Add: gain/(loss) from change in fair value ("-" means loss)		-3,364.50
Gain/(loss) from investment ("-" means loss)	381,808,751.52	17,549,461.29
Including: income from investment on associates and joint ventures	3,145,809.75	-286,648.25
II. Business profit ("-" means loss)	374,777,697.37	-35,047,535.41
Add: non-business income	2,089,256.20	135,208.33
Less: non-business expense	1,488,094.69	2,481,283.79
Including: loss from non-current asset disposal	1,470.30	2,826.50
III. Total profit ("-" means loss)	375,378,858.88	-37,393,610.87
Less: income tax expense		-807.48
IV. Net profit ("-" means loss)	375,378,858.88	-37,392,803.39
V. Earnings per share	--	--
(I) Basic earnings per share	0.6299	-0.0627
(II) Diluted earnings per share	0.6299	-0.0627
VI. Other comprehensive income		
VII. Total comprehensive income	375,378,858.88	-37,392,803.39

5. Consolidated cash flow statement

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

Unit: RMB Yuan

Item	Amount in 2012	Amount in 2011
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	2,127,163,532.80	755,242,978.35
Net increase of deposits from customers and dues from banks		

Net increase of loans from the central bank		
Net increase of funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase of deposits of policy holders and investment fund		
Net increase of disposal of tradable financial assets		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received		
Other cash received relating to operating activities	37,705,584.60	39,637,103.93
Subtotal of cash inflows from operating activities	2,164,869,117.40	794,880,082.28
Cash paid for goods and services	613,923,266.79	696,932,522.62
Net increase of customer lendings and advances		
Net increase of funds deposited in the central bank and amount due from banks		
Cash for paying claims of the original insurance contracts		
Cash for paying interest, handling charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	244,711,375.88	223,300,664.36
Various taxes paid	395,582,349.38	145,141,064.57
Other cash payment relating to operating activities	104,937,927.97	83,589,751.86

Subtotal of cash outflows from operating activities	1,359,154,920.02	1,148,964,003.41
Net cash flows from operating activities	805,714,197.38	-354,083,921.13
II. Cash flows from investing activities:		
Cash received from withdrawal of investments		512,174.81
Cash received from return on investments	9,705,931.45	4,648,037.50
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	780,451.00	860,648.90
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	10,486,382.45	6,020,861.21
Cash paid to acquire fixed assets, intangible assets and other long-term assets	4,327,597.65	16,042,221.98
Cash paid for investment		
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	4,327,597.65	16,042,221.98
Net cash flows from investing activities	6,158,784.80	-10,021,360.77
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings	186,000,000.00	612,495,212.00
Cash received from issuance of		

bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	186,000,000.00	612,495,212.00
Repayment of borrowings	618,961,878.68	278,960,000.00
Cash paid for interest expenses and distribution of dividends or profit	48,917,137.06	43,968,697.53
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities	1,584,500.00	1,396,200.00
Sub-total of cash outflows from financing activities	669,463,515.74	324,324,897.53
Net cash flows from financing activities	-483,463,515.74	288,170,314.47
IV. Effect of foreign exchange rate changes on cash and cash equivalents	1,103.36	-217,885.53
V. Net increase in cash and cash equivalents	328,410,569.80	-76,152,852.96
Add: Opening balance of cash and cash equivalents	469,313,741.57	545,466,594.53
VI. Closing balance of cash and cash equivalents	797,724,311.37	469,313,741.57

6. Cash flow statement of the Company

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

Unit: RMB Yuan

Item	Amount in 2012	Amount in 2011
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	48,165,574.83	48,186,363.60
Tax refunds received		
Other cash received relating to operating activities	1,238,725,468.05	955,034,252.86
Subtotal of cash inflows from operating activities	1,286,891,042.88	1,003,220,616.46
Cash paid for goods and services	7,593,201.26	450,309,709.08

Cash paid to and for employees	17,689,894.18	16,853,488.87
Various taxes paid	12,331,745.43	8,620,041.58
Other cash payment relating to operating activities	970,661,663.27	20,083,193.31
Subtotal of cash outflows from operating activities	1,008,276,504.14	495,866,432.84
Net cash flows from operating activities	278,614,538.74	507,354,183.62
II. Cash flows from investing activities:		
Cash received from retraction of investments		512,174.81
Cash received from return on investments	46,868,931.45	22,592,670.23
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,220.00	1,280.00
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	46,871,151.45	23,106,125.04
Cash paid to acquire fixed assets, intangible assets and other long-term assets	9,689,947.61	534,622.00
Cash paid for investment		525,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	9,689,947.61	525,534,622.00
Net cash flows from investing activities	37,181,203.84	-502,428,496.96
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings		
Cash received from issuance of		

bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit		
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities		
Net cash flows from financing activities		
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-125.07
V. Net increase in cash and cash equivalents	315,795,742.58	4,925,561.59
Add: Opening balance of cash and cash equivalents	83,846,009.34	78,920,447.75
VI. Closing balance of cash and cash equivalents	399,641,751.92	83,846,009.34

7. Consolidated statement of changes in owners' equity

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

Reporting period

Unit: RMB Yuan

Item	Reporting period									
	Equity attributable to owners of the Company								Minority interests	Total owners' equity
	Paid-up capital (or share capital)	Capital reserve	Less: treasury stock	Specific reserve	Surplus reserve	General risk reserve	Retained profit	Others		
I. Balance at the end of the previous year	595,979,092.00	64,020,275.72			69,712,050.51		406,422,741.94	-5,890,286.25	862,087.06	1,131,105,960.98
Add: change of accounting policy										
Correction of errors in										

previous periods										
Other		13,800,000.00			656,810.44		-3,240,025.58			11,216,784.86
II. Balance at the beginning of the year	595,979,092.00	77,820,275.72			70,368,860.95		403,182,716.36	-5,890,286.25	862,087.06	1,142,322,745.84
III. Increase/ decrease of amount in the year (“-” means decrease)		-14,037,256.69					375,422,129.64	7,383.80		361,392,256.75
(I) Net profit							375,422,129.64			375,422,129.64
(II) Other comprehensive incomes								7,383.80		7,383.80
Subtotal of (I) and (II)							375,422,129.64	7,383.80		375,429,513.44
(III) Capital paid in and reduced by owners										
1. Capital paid in by owners										
2. Amounts of share-based payments recognized in owners' equity										
3. Others										
(IV) Profit distribution										
1. Appropriations to surplus reserves										
2. Appropriations to general risk provisions										
3. Appropriations to owners (or shareholders)										
4. Other										
(V) Internal carry-forward of owners' equity										
1. New increase of capital (or share capital) from capital public reserves										
2. New increase of capital (or share capital) from surplus reserves										
3. Surplus reserves for										

making up losses										
4. Other										
(VI) Specific reserve										
1. Withdrawn for the period										
2. Used in the period										
(VII) Other		-14,037,256.69								-14,037,256.69
IV. Closing balance	595,979,092.00	63,783,019.03			70,368,860.95		778,604,846.00	-5,882,902.45	862,087.06	1,503,715,002.59

Last year

Unit: RMB Yuan

Item	Last year									
	Equity attributable to owners of the Company								Minority interests	Total owners' equity
	Paid-up capital (or share capital)	Capital reserve	Less: treasury stock	Specific reserve	Surplus reserve	General risk reserve	Retained profit	Others		
I. Balance at the end of the previous year	595,979,092.00	64,020,275.72			69,712,050.51		148,961,664.40	-4,487,460.75	862,087.06	875,047,708.94
Add: retrospective adjustments due to business combinations under the same control		13,800,000.00			398,328.48		10,081,140.34			24,279,468.82
Add: change of accounting policy										
Correction of errors in previous periods										
Other							-16,709,947.04			-16,709,947.04
II. Balance at the beginning of the year	595,979,092.00	77,820,275.72			70,110,378.99		142,332,857.70	-4,487,460.75	862,087.06	882,617,230.72
III. Increase/ decrease of amount in the year ("-" means decrease)					258,481.96		260,849,858.66	-1,402,825.50		259,705,515.12
(I) Net profit							261,108,340.62			261,108,340.62

(II) Other comprehensive incomes								-1,402,825.50		-1,402,825.50
Subtotal of (I) and (II)							261,108,340.62	-1,402,825.50		259,705,515.12
(III) Capital paid in and reduced by owners										
1. Capital paid in by owners										
2. Amounts of share-based payments recognized in owners' equity										
3. Others										
(IV) Profit distribution					258,481.96		-258,481.96			
1. Appropriations to surplus reserves					258,481.96		-258,481.96			
2. Appropriations to general risk provisions										
3. Appropriations to owners (or shareholders)										
4. Other										
(V) Internal carry-forward of owners' equity										
1. New increase of capital (or share capital) from capital public reserves										
2. New increase of capital (or share capital) from surplus reserves										
3. Surplus reserves for making up losses										
4. Other										
(VI) Specific reserve										
1. Withdrawn for the period										
2. Used in the period										
(VII) Other										
IV. Closing balance	595,979	77,820,2			70,368,		403,182,	-5,890,2	862,087.0	1,142,322,

	,092.00	75.72			860.95		716.36	86.25	6	745.84
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8. Statement of changes in owners' equity of the Company

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

Reporting period

Unit: RMB Yuan

Item	Reporting period							
	Paid-up capital (or share capital)	Capital reserve	Less: treasury stock	Specific reserve	Surplus reserve	General risk reserve	Retained profit	Total owners' equity
I. Balance at the end of the previous year	595,979,092.00	38,914,227.99			69,712,050.51		-50,242,146.85	654,363,223.65
Add: change of accounting policy								
Correction of errors in previous periods								
Other								
II. Balance at the beginning of the year	595,979,092.00	38,914,227.99			69,712,050.51		-50,242,146.85	654,363,223.65
III. Increase/ decrease of amount in the year ("-" means decrease)		-1,159,995.71					375,378,858.88	374,218,863.17
(I) Net profit							375,378,858.88	375,378,858.88
(II) Other comprehensive incomes								
Subtotal of (I) and (II)							375,378,858.88	375,378,858.88
(III) Capital paid in and reduced by owners								
1. Capital paid in by owners								
2. Amounts of share-based payments recognized in owners' equity								
3. Others								
(IV) Profit distribution								
1. Appropriations to surplus reserves								

2. Appropriations to general risk provisions								
3. Appropriations to owners (or shareholders)								
4. Other								
(V) Internal carry-forward of owners' equity								
1. New increase of capital (or share capital) from capital public reserves								
2. New increase of capital (or share capital) from surplus reserves								
3. Surplus reserves for making up losses								
4. Other								
(VI) Specific reserve								
1. Withdrawn for the period								
2. Used in the period								
(VII) Other		-1,159,995.71						-1,159,995.71
IV. Closing balance	595,979,092.00	37,754,232.28			69,712,050.51		325,136,712.03	1,028,582,086.82

Last year

Unit: RMB Yuan

Item	Last year							
	Paid-up capital (or share capital)	Capital reserve	Less: treasury stock	Specific reserve	Surplus reserve	General risk reserve	Retained profit	Total owners' equity
I. Balance at the end of the previous year	595,979,092.00	38,914,227.99			69,712,050.51		-12,849,343.46	691,756,027.04
Add: change of accounting policy								
Correction of errors in previous periods								
Other								
II. Balance at the beginning of	595,979,092.00	38,914,227.99			69,712,050.51		-12,849,343.46	691,756,027.04

the year	2.00	.99			.51		3.46	7.04
III. Increase/ decrease of amount in the year (“-” means decrease)							-37,392,80 3.39	-37,392,80 3.39
(I) Net profit							-37,392,80 3.39	-37,392,80 3.39
(II) Other comprehensive incomes								
Subtotal of (I) and (II)							-37,392,80 3.39	-37,392,80 3.39
(III) Capital paid in and reduced by owners								
1. Capital paid in by owners								
2. Amounts of share-based payments recognized in owners’ equity								
3. Others								
(IV) Profit distribution								
1. Appropriations to surplus reserves								
2. Appropriations to general risk provisions								
3. Appropriations to owners (or shareholders)								
4. Other								
(V) Internal carry-forward of owners’ equity								
1. New increase of capital (or share capital) from capital public reserves								
2. New increase of capital (or share capital) from surplus reserves								
3. Surplus reserves for making up losses								
4. Other								
(VI) Specific reserve								
1. Withdrawn for the period								
2. Used in the period								

(VII) Other								
IV. Closing balance	595,979,092.00	38,914,227.99			69,712,050.51		-50,242,146.85	654,363,223.65

III. Company Profile

Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as “company ” or “the 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.

1. Registered capital of the Company

The registered capital of the Company was RMB 541, 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 RMB 595,979,092 after bonus issue of shares on the basis of one share for every existing 10 shares based on previous paid-in capital of RMB 541,799,175 in 2009.

2. Registered office, organization form and headquarter address of the Company

Registered office: Shenzhen Municipal, Guangdong Province, PRC

Organization form: joint-stock company with limited liability

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

3. Nature of the business and main business scope of the Company

The business scope of the Company and its subsidiaries includes development and sale of commodity premises, construction and management of buildings, lease of properties, supervision of construction, domestic trading and materials supply and marketing (excluding exclusive dealing and monopoly sold products and commodities under special control to purchase).

4. About the controlling shareholder of the Company and the Group

By the end of the reporting period, the controlling shareholder of the Company is still Shenzhen Construction Investment Holdings in register book. In 2004, People’s Government of Shenzhen Municipality incorporated Shenzhen Construction Investment Holdings with the other two municipal asset management companies, namely Shenzhen Investment Management Corporation and Shenzhen Trade and Business Holding Company, and established Shenzhen Investment Holdings Co., Ltd. Thus, the Company’s actual controlling shareholder is Shenzhen Investment Holdings Co., Ltd., a sole state-funded limited company, who was established in Oct. 13, 2004; its legal representative is Mr. Chen Hongbo and the registered capital is RMB 5.6 billion. Its main business scope is providing guarantee to municipal state-owned enterprises, management of state-owned equity, assets reorganization, reformation, capital operation, and equity investment of enterprises and etc. 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 Bureau.

5. Authorization and date of issuing the financial statements

The financial statements were approved and authorized for issue by the 12th session of the 7th board of directors of the Company on 28 Mar. 2013.

IV. Main accounting policies, accounting estimates and corrections of prior accounting errors

1. Basis for preparation of financial statements

The company recognizes and measures transactions occurred according to Chinese Accounting Standards – Basic standard and other related accounting standards, prepares the financial statements based on accrual accounting and the underlying assumption of going concern.

2. Statement of compliance with Enterprise accounting standards

The company's financial statements comply with the requirements of Accounting Standards; the company's financial position, operating results, changes in shareholder's equity and cash flow, and other relevant information are truly and completely disclosed in financial statements.

3. Fiscal year

The Company adopts the Gregorian calendar for its accounting period, starting on January 1 and ending on December 31 of the year.

4. Recording currency

Renminbi (RMB) is used as the recording currency.

5. Accounting method of business combination under the common control and not under the common control

(1) Business combination under the same control

The Company adopts equity method for business combination under common control. The assets and liabilities that the combining party obtained in a business combination shall be measured on their carrying amount in the combined party on the combining date. The difference between the carrying amount of net assets acquired by the combining party and the carrying amount of the consideration paid by it (or the total par value of the shares issued) shall be adjusted to capital surplus. If the capital surplus is not sufficient for adjustment, retained earning is adjusted respectively. The business combination costs that are directly attributable to the combination, such as audit fees, valuation fees, legal service fees and so on are recognized in profit or loss during the current period when they occurred. The bonds issued for a business combination or the handling fees, commissions and other expenses for bearing other liabilities shall be recorded in the amount of initial measurement of the bonds or other debts. The handling fees, commissions and other expenses for the issuance of equity securities for the business combination shall be credited against the surplus of equity securities; if the surplus is not sufficient, the retained earnings shall be offset. Where a relationship between a parent company and a subsidiary company is formed due to a business combination, the parent company shall, on the combining date, prepare consolidated financial statements according to the accounting policy of the Company.

(2) Business combination not under the same control

The Company adopts acquisition method for business combination not under common control. The acquirer shall recognize the initial cost of combination under the following principles:

① When business combination is achieved through a single exchange transaction, the cost of a business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree;

② For the business combination involved more than one exchange transaction, accounting treatments will be carried out separately on individual and consolidated financial statements as the followings:

A. In the individual financial statements, the initial investment cost of the particular project will be the sum of book value of equity in the entity before the date of acquisition and the newly added investment cost; When the share equity before the date of acquisition involves with other integrated gains, such gains (such as the part of fair value of the sellable financial assets accounted into capital reserves, same for the followings) are transferred into current investment income account.

B. In the consolidated financial statements, the share equity in the acquired entity before the date of acquisition is recalculated upon the fair value of the equity at the date of acquisition. The balance between the fair value and book value shall be accounted into current investment income account; when the share equity before the date of acquisition involves with other integrated gains, such gains are transferred into investment income account of the period when it occurred. Within the notes of financial statement, the acquirer shall be disclosed the fair value (on the merger date) of the shareholdings of the bargainor hold and profits or losses recognized by the revaluation.

③Agency expenses and other administrative expenses such as auditing, legal consulting, or appraisal services occurred relating to the merger of entities are accounted into current income account when occurred; the transaction fees of equity certificates or liability certificates issued by the purchaser for payment for the acquisition are accounted at the initial amount of the certificates.

④Where a business combination contract or agreement provides for a future event which may adjust the cost of combination, the Company shall include the amount of the adjustment in the cost of the combination at the acquisition date if the future event leading to the adjustment is probable and the amount of the adjustment can be measured reliably.

The acquirer shall, on the acquisition date, measure the assets given and liabilities incurred or assumed by an enterprise for a business combination in light of their fair value, and shall record the balances between them and their carrying amounts into the profits and losses at the current period.

The acquirer shall distribute the combination costs on the acquisition date, and shall recognize all identifiable assets, liabilities and contingent liabilities it obtains from the acquiree. (1) the acquirer shall recognize the difference that the combination costs are over the fair value of the identifiable net assets obtained from acquiree as goodwill; (2) if the combination costs are less than the fair value of the identifiable net assets obtained from acquiree, the acquirer shall reexamine the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities obtained from the acquiree as well as the combination costs; and then after the reexamination, the result is still the same, the difference shall be recorded in the profit and loss of the current period.

Where a relationship between a parent company and a subsidiary company is formed due to a business combination, the parent company shall prepare accounting books for future reference, which shall record the fair value of the identifiable assets, liabilities and contingent liabilities obtained from the subsidiary company on the acquisition date. When preparing consolidated financial statements, it shall adjust the financial statements of the subsidiary company on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities determined on the acquisition date according to the Company's accounting policy of "Consolidated financial statement".

6. Preparation methods for consolidated financial statements

(1) Preparation methods for consolidated financial statements

1) Consolidated scope

Consolidated financial statements are included all subsidiaries of the parent.

When the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of the investee company, the investee company is regarding as subsidiary and included in the consolidated financial statements. If the parent owns half or less of the voting power of an entity when there is any following condition incurred, the investee company is regarding as subsidiary and included consolidated financial statements.

A. power over more than half of the voting rights by virtue of an agreement with other investors;

- B. power to govern the financial and operating policies of the entity under a statute or an agreement;
- C. power to appoint or remove the majority of the members of the board of directors or equivalent governing body;
- D. power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

If there is evidence suggesting that no control of the investee company exists, the investee company does not be included in the consolidated financial statements.

2) Preparation methods for consolidated financial statements

The consolidated financial statements are based on the financial statements of individual subsidiaries which are included in the consolidation scope and prepared after adjustment of long-term equity investment under equity method and elimination effect of intragroup transaction.

3) Statement of minority interests and profits or losses

The portion of the equity of the subsidiaries that are not owned by the parent is presented as minority interest in the consolidated balance sheet.

The portion of the profit or loss of the subsidiaries that are not owned by the parent is presented as minority interest in the consolidated income statement.

4) Accounting treatment of excess losses

When the share of losses attributable to the minor shareholders has exceeded their shares in the shareholders' equity at the beginning of term, the shareholders' equity shall be deducted thereof.

5) Accounting treatment on increase or decrease of the subsidiaries during the reporting period

For any subsidiary acquired by the Company through business combination under the common control, when the consolidated balance sheet for the current period are being prepared, the amount at the beginning of the period in the consolidated balance sheet is made corresponding modification. For addition business combination not under common control during the reporting period, the Company makes no adjustment for the amount at the beginning of the period in the consolidated balance sheet. When disposing subsidiary during the reporting period, the Company makes no adjustment for the amount at the beginning of the period in the consolidated balance sheet.

For any subsidiary acquired by the Company through business combination under the common control, when the consolidated income statement for the current period are being prepared, revenue, expense and profit for the period from the beginning of the consolidated period to the year end of the reporting period are included in the consolidated income statement. For addition business combination not under common control during the reporting period, revenue, expense and profit for the period from acquisition date to the year end of the reporting period is included in the consolidated income statement. When disposing subsidiary during the reporting period, revenue, expense and profit for the period from the beginning to the disposal date are included in the consolidated income statement.

For any subsidiary acquired by the Company through business combination under the common control, when the consolidated cash flow statement for the current period are being prepared, cash flow for the period from the beginning of the consolidated period to the year end of the reporting period is included in the consolidated cash flow statement. For addition business combination not under common control during the reporting period, cash flow for the period from acquisition date to the year end of the reporting period is included in the consolidated cash flow

statement. When disposing subsidiary during the reporting period, cash flow for the period from the beginning to the disposal date is included in the consolidated cash flow statement.

(2) As for the event about purchasing and then selling (or selling and then purchasing) equities of the same subsidiary, the Company shall disclose relevant accounting treatment methods.

7. Recognition standards for cash and cash equivalents

Cash equivalent is defined as the short-term (normally matured within three months after purchased date), highly-liquid investment which is easily transferred into cash and has low risk of change of value.

8. Foreign currency and accounting method for foreign currency

(1) Foreign currency business

Any transaction is converted into the accounting standard currency according to the approximate exchange rate of the sight rate on the occurrence date of the transaction. The Company adopts the middle exchange rate announced by the People's Bank of China at last year end as current exchange rate.

Treatment of foreign currency exchange difference: On balance sheet date, the Company accounts for monetary and non-monetary items denominated in foreign currencies as follows: a) monetary items denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and losses arising from the difference between the balance sheet date exchange rate and the exchange rate ruling at the time of initial recognition or the exchange rate ruling at the last balance sheet date are recognized in income statement; b) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the current exchange rates ruling at the transaction dates. Non-monetary items denominated in foreign currencies that are stated at fair value are translated using the current exchange rates ruling at the dates the fair value was determined, the difference between the amount of functional currency after translation and the original amount of functional currency is treated as part of change in fair value (including change in exchange rate) and recognized in income statement. During the capitalization period, exchange differences arising from foreign currency borrowings are capitalized as part of the cost of the capitalized assets.

(2) Translations of financial statements in foreign currencies

The Company translates the financial statements of its foreign operation in accordance with the following provisions: a) the asset and liability items in the balance sheets shall be translated at a spot exchange rate ruling at the balance sheet date. Among the owner's equity items, except the ones as "retained earnings", others shall be translated at the spot exchange rate ruling at the time when they occurred; b) The income and expense items in the income statements shall be translated at an exchange rate which is determined in a systematic and reasonable way and is approximate to the spot exchange rate (calculated by the average of starting rate and closing rate on the reporting period) ruling at the transaction date. The foreign exchange difference arisen from the translation of foreign currency financial statements shall be presented separately under the owner's equity in the balance sheet. The translation of comparative financial statements shall be subject to the aforesaid provisions.

9. Financial instruments

(1) Category of financial instruments

The Company recognises a financial asset or financial liability on its balance sheet when, and only when, the Company becomes a party to the contractual provisions of the instrument.

The Company classifies the financial assets into the following four categories: a) financial assets at fair value through profit or loss; b) held-to-maturity investments; c) loans and receivables; and d) available-for-sale financial assets.

The Company's financial liabilities are classified as financial liabilities at fair value through profit or loss, and other financial liabilities.

(2) Recognition and measurement of financial liabilities

The Company recognises a financial asset or financial liability on its balance sheet when, and only when, the Company becomes a party to the contractual provisions of the instrument.

The financial assets are initially recognized at fair value. Gains or losses arising from a change in the fair value of a financial asset at fair value through profit or loss is recognized in profit or loss when it incurred and relevant transaction costs are recognized as expense when it incurred. For other financial assets, the transaction costs are recognized as costs of the financial assets.

Subsequent measurement of financial assets

A. A financial asset at fair value through profit or loss includes financial assets held for trading and financial assets designated by the Company as at fair value through profit or loss. The Company subsequently measures the financial asset at fair value through profit or loss at fair value and recognises the gain or loss arising from a change in the fair value of a financial asset at fair value through profit or loss as profit or loss in the current period.

B. Held-to-maturity investments are measured at amortized cost using the effective interest method. A gain or loss is recognized in profit or loss during the current period when the financial asset is derecognized or impaired and through the amortization process.

C. Loans and receivables are measured at amortized cost using the effective interest method. A gain or loss is recognized in profit or loss during the current period when the financial asset is derecognized or impaired and through the amortization process.

D. Available-for-sale financial assets are measured at fair value and the gain or loss arising from a change in the fair value of available-for-sale financial assets is recognized as capital reserve which is transferred into profit or loss when it is impaired or derecognized. Interests or cash dividends during the holding period are recognized in profit or loss for the current period.

Financial liabilities are initially measured at fair value. For the financial liability at fair value through profit or loss at its fair value, relevant transaction costs are recognized as expense when it incurred. For the other financial liabilities, relevant transaction costs are recognized as costs.

Subsequent measurement of financial liabilities

A. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial assets designated by the Company as at fair value through profit or loss. The Company recognises a financial liability at fair value through profit or loss at its fair value. A gain or loss of change in fair value is recognized in the profit or loss of the current period.

B. Other financial liabilities are measured by amortized cost using effective interest rate.

(3) Recognition and accounting method for transfer of financial assets

The Company derecognizes financial assets when the Company transfers substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset in its entirety, the difference between the follows is recognized in profit or loss of the current period.

①the carrying amount of transferring financial assets;

②the sum of the consideration received and any cumulative gain or loss that had been recognized directly in equity (including financial assets transferred to available for sale category).

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts on the date of the transfer. The difference between the follows is recognized in profit or loss of the current period.

- ① the carrying amount allocated to the part derecognized;
- ② the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to it that had been recognized directly in equity (including financial assets transferred to available for sale category).

A cumulative gain or loss that had been recognized in equity is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts.

If a transfer does not qualify for derecognition, the Company continues to recognize the transferred asset in its entirety and shall recognize a financial liability for the consideration received.

When the Company continues to recognize a financial asset to the extent of its continuing involvement, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(4) Derecognition conditions of financial liabilities

The derecognition of financial liabilities refers to the financial liabilities are written off in the company account and balance sheet. When the prevailing obligations of a financial liability are relieved in all or in part may the recognition of the financial liability be terminated in all or partly.

(5) Recognition method for fair value of financial assets and financial liabilities

A. If there is an active market for the financial instrument, the fair value is quoted prices in the active market.

B. If the market for a financial instrument is not active, the Company establishes fair value by using a valuation technique.

(6) Withdrawal of impairment provision for financial assets (excluding accounts receivable)

A. The Company assesses the carrying amount of the financial assets except the financial asset at fair value through profit or loss at each balance sheet date, if there is any objective evidence that a financial asset or group of financial assets is impaired, the Company shall recognize impairment loss.

B. The objective evidences that the Company uses to determine the impairment are as follows:

- a) significant financial difficulty of the issuer or obligor;
- b) a breach of contract, such as a default or delinquency in interest or principal payments;
- c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- d) it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- e) the disappearance of an active market for that financial asset because of financial difficulties;
- f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including: (i) Adverse changes in the payment status of borrowers in the group or (ii) an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area, or adverse changes in industry conditions that affect the borrowers.

g) significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the borrower operates, and indicates that the cost of the investment in the equity instrument may not be recovered;

h) a significant or non-temporary decrease in fair value of equity investment instruments;

i) other objective evidences showing the impairment of the financial assets.

C. Measurement of impairment loss of financial assets

a) held-to-maturity investments, loans and receivables

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the loss is recognized in profit or loss of the current period.

The Company assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The Company performs impairment test for receivables and provide bad debt provisions at the balance sheet date. For the individually significant receivables and not individually significant receivables, the impairment tests are both carried on individually. If there is objective evidence that an impairment loss on loans and receivables, the Company provides provision for impairment loss for the amount which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss of financial asset measured at amortized cost is be reversed. The amount of the reversal is recognized in profit or loss of the current period.

b) Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity, the cumulative loss that had been recognized directly in equity is removed from equity and recognized in profit or loss even though the financial asset has not been derecognized.

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment

losses are recognized in the profit or loss of the current period.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed, with the amount of the reversal recognized in profit or loss of the current period.

Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss. For impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the impairment loss is not reversed through profit or loss.

(7) As for event about reclassifying the undue held-to-maturity investment into available-for-sale financial assets, the Company shall state the basis of changes in holding purpose or ability

A. No available financial resources continuously providing the funds support for the financial assets to make them hold to maturity;

B. It's hard for the Company to hold the financial assets to maturity due to the restriction of laws and administrative regulations;

C. Other situations showing that the Company has not the ability to hold the financial assets with fixed term to maturity.

10. Recognition criteria and withdrawal methods for bad debts provision of accounts receivable

(1) Bad debt provision for individually significant accounts receivable

Judgement basis or monetary standards of provision for bad debts of the individually significant accounts receivable	Amount of individual receivable is greater than RMB 2 millions (and including 2 millions)
Method of individual provision for bad debts of the individually significant accounts receivable	On balance sheet day, the impairment test is carried on individually for the individually significant receivables; if it is impaired after the impairment test, the Company provides provision for impairment loss for the amount which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, and withdraws relevant bad debt provision.

(2) Accounts receivable for which bad debt provisions are made on the group basis

Name of group	Withdrawal method of bad debt provision on the group basis	Recognition basis of group
Group 1	Other method	Receivables among the Company and its subsidiaries within the consolidation scope which prove not impaired after individual tests
Group 2	Aging analysis method	As for other receivables which prove not impaired after individual tests than those in Portfolio 1, considering the current situation, the Company determines the bad-debt provisions ratio

		for them based on the actual loss ratio of the receivable portfolio in previous years with the same or similar account age or the similar credit risk.
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In the groups, adopting aging analysis method to withdraw bad debt provision:

√ Applicable □ Inapplicable

Age	Withdrawal proportion for accounts receivable (%)	Withdrawal proportion for other accounts receivable (%)
Within 1 year (including 1 year)	3%	3%
1-2 years	10%	10%
2-3 years	30%	30%
3-4 years	50%	50%
4-5 years	80%	80%
Over 5 years	100%	100%

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

□ Applicable √ Inapplicable

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

√ Applicable □ Inapplicable

Name of group	Note of method
Group 1	Receivables among the Company and its subsidiaries within the consolidation scope which prove not impaired after individual tests. Such group shall not be withdrawn bad debts provision.

(3) Accounts receivable with an insignificant single amount but for which the bad debt provision is made individually

Reason of individually withdrawing bad debt provision	The receivable which is individually insignificant but the credit risk is high, objective evidence to indicate impairment.
Withdrawal method for bad debt provision	The impairment test is carries out individually, the Company recognizes provision for impairment loss for the amount which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, and withdraws relevant bad debts provision.

11. Inventory

(1) Classification

Inventories of the Company include raw materials, finished goods, low-value consumption goods, land use right

held for real estate development, properties under development and completed properties for sale.

(2) Pricing method for outgoing inventories

Pricing method: Specific identification method

Property inventories are measured at actual cost incurred, comprising the borrowing cost designated for real estate development before completion of developing properties. Completed saleable property inventories are measured using average unit area cost method. Other kinds of inventories are measured at actual cost incurred, and when the inventories are transferred out or issued for use, cost of the inventories is determined using weighted average cost method.

(3) Recognition basis of net realizable value and withdrawal method of depreciation reserves for inventories

Inventories shall be measured at the lower of cost and net realizable value at the balance sheet date. Where the net realizable value is lower than the cost, the difference shall be recognized as provision for impairment of inventories and charged to profit or loss.

① Estimation of net realizable value

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize. These estimates take into consideration the purpose for which the inventory is held and the influence of post balance sheet events.

Materials and other supplies held for use in the production are measured at cost if the net realizable value of the finished goods in which they will be incorporated is higher than their cost. However, when a decline in the price of materials indicates that the cost of the finished products will exceed their net realizable value, the materials are measured at net realizable value.

The net realizable value of inventories held to satisfy sales or service contracts is generally based on the contract price.

If the quantity specified in sales contracts is less than the inventory quantities held by the Company, the net realizable value of the excess shall be based on general selling prices.

② The Company generally provides provision for impairment of inventory individually.

For large quantity and low value items of inventories, cost and net realizable value are determined based on categories of inventories.

Where certain items of inventory have similar purposes or end uses and relate to the same product line produced and marketed in the same geographical area, and therefore cannot be practicably evaluated separately from other

items in that product line, costs and net realizable values of those items may be determined on an aggregate basis.

(4) Inventory system for inventories

Inventory system for inventories: Perpetual inventory system

The inventory system for inventories is perpetual inventory system.

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

Low-value consumption goods

Amortisation method: one-off amortization method

Packing articles

Amortisation method:

Inapplicable

12. Long-term equity investment

(1) Recognition of initial investment cost

The Company initially measures long-term equity investments under two conditions:

① For long-term equity investment arising from business combination, the initial cost is recognized under the following principles.

A. If the business combination is under the common control and the acquirer obtains long-term equity investment in the consideration of cash, non-monetary asset exchange or bearing acquiree's liabilities, the initial cost is the carrying amount of the proportion of the acquiree's owner's equity at the acquisition date. The difference between cash paid, the carrying amount of the non-monetary asset exchanged and the acquiree's liabilities beard and the initial cost of the long-term equity investment should be adjusted to capital surplus. If the capital surplus is not sufficient for adjustment, retained earning is adjusted respectively. The business combination costs that are directly attributable to the combination, such as audit fees, valuation fees, legal service fees and so on are recognized in profit or loss during the current period when they occurred.

If the acquirer issuing equity securities as consideration, the initial cost is the carrying amount of the proportion of the acquiree's owner's equity at the acquisition date. Amount of share capital equal to the par value of the shares issued. The difference between initial cost of the long-term equity investment and the par value of shares issued is adjusted to capital surplus. If the capital surplus is not sufficient for adjustment, retained earning is adjusted respectively. The costs of issuing equity securities occurred in business combination such as charges of security issuing and commissions are deducted from the premium of equity securities. If the premium is not sufficient for deducting, retained earning is adjusted respectively.

B. If the business combination is not under the common control, the acquirer recognizes the initial cost of combination under the following principles.

- a) When business combination is achieved through a single exchange transaction, the cost of a business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree;
- b) For a business combination that involves more than one exchange transaction, the initial investment cost is the summation of the book value of the equity interests of the acquiree held by the Company before the acquisition date and the new investment cost on the acquisition date;
- c) The fees incurred for audit, legal consultation, valuation services and other management expenses are to be recognized in profit or loss at the time such costs incurred. The transaction costs incurred by the acquirer for issuing equity securities or debt securities as the consideration of the acquisition are to be recognized as the initial amount of such equity security or debt security.
- d) Where a business combination contract or agreement provides for a future event which may adjust the cost of combination, the Company shall include the amount of the adjustment in the cost of the combination at the acquisition date if the future event leading to the adjustment is probable and the amount of the adjustment can be measured reliably.

②For long-term equity investment obtained in any method other than business combination, the initial cost is recognized under the following principles.

- A. If the long-term equity investment is acquired in cash consideration, the initial cost is the actual payment which includes direct expenses paid to acquire the long-term equity investment, taxes and other necessary expense.
- B. If the long-term equity investment is acquired by issuing equity securities, the initial cost is the fair value of the equity securities issued. However, cash dividends or profits that are declared but unpaid shall not be included in the initial cost. Direct costs attributed to issue equity securities such as handling charges and commissions paid to securities underwriting agencies are deducted from premium of equity securities. If the premium is not sufficient for deduction, reserved fund and retained earnings is adjusted respectively.
- C. For the long-term equity investment invested by investors, the initial cost is the agreed value prescribed in the investment contract or agreement unless the agreed value is not fair.
- D. For the long-term equity investment acquired through non-monetary asset exchange, the initial cost is recognized according to “Accounting Standards for Business Enterprises No. 7-Non-monetary transactions”.
- E. For the long-term equity investment acquired through debt restructuring, the initial cost is recognized according to “Accounting Standards for Business Enterprises No. 12-Debt restructuring”.

③If there are cash dividends or profits that are declared but unpaid included in the consideration paid, the cash dividends or profits declared but unpaid shall be recognized as receivables separately rather than as part of initial cost of long-term equity instruments no matter through which method the long-term equity investment is acquired.

(2) Subsequent measurement and recognition of profits or losses

The Company adopts either cost method or equity method for the long-term equity investment hold according to the extent of influence, existence of active market and availability of fair value. The equity method is used when the Company has joint control or significant influence over the investee enterprise. The cost method is used when the Company has the control or does not have joint control or significant influence over the investee enterprise and there is no quote price in active market or there is no reliable fair value.

① For the long-term equity investment under cost method, and except from cash dividends or profits distributed are declared but unpaid included in the consideration paid, the other declared cash dividends or profits are normally recognized as investment income for the current period when it incurred. The net profits are no longer divided into the pre-investment profits and after-investment profits.

The Company recognizes the receivable cash dividends or profits according to above regulations, and the impairment test is needed to be concerned. To indicate the evidence of impairments, it should be concerned about whether the carrying amount of the long-term equity investments is greater than the book value of net assets that have been acquired (including the related goodwill) or other similar situations. When these situations occur, the impairment test of long-term equity investments should be performed according to “Chinese Accounting Standard No.8 - Impairment of assets”, Where the carrying amount of long-term equity investment exceeds the recoverable amount, the difference shall be recognized as impairment loss, and a provision for impairment loss should be made.

②For long-term equity investment under equity method, the Company adjusts carrying amount of the long-term equity investment and recognizes investment income according to the proportion of net profit or loss realized by the investee enterprise after acquisition. The Company reduces carrying amount of the long-term equity investment by the proportion of declared cash dividend or profit which shall be distributed to the Company.

For long-term equity investment under equity method, the Company recognizes net losses incurred by the investee enterprise to the extent that the carrying amount of the long-term equity investment and other long-term equities that are in substance treated as net investment in the investee enterprise is reduced to zero except there is further obligation of the excess losses. If the investee enterprise makes net profits in subsequent periods, the Company shall continue to recognize investment income after using its share of net profits of the investee enterprise to cover

its unrecognized losses.

③ The Company adopts the same manner of financial instrument for the impairment of long-term equity investment which is measured under cost method and there is no quote price in active market or there is no reliable fair value. Impairment of long-term equity investments other than above refers to accounting policy “Impairment of assets” of the Company.

④ On disposal of a long-term equity investment, the difference between the carrying amount of the investment and the sale proceeds actually received is recognized as an investment gain or loss for the current period. Where the equity method is adopted, when a long-term equity investment is disposed, the amount of change in owner’s equity of the investee enterprise other than net profit or loss which is previously recorded in owner’s equity of the Company shall be transferred to profit or loss for the current period according to corresponding proportion.

(3) The basis for determination of joint control or significant influence over investee enterprise

A joint control over investee enterprise is established when the investment of the Company satisfied the following conditions:

- ① Any Joint ventures party cannot control the operating activities of Joint ventures individually;
- ② Decisions regarding the basic operating activities of Joint ventures shall be agreed by all Joint ventures parties;
- ③ All Joint ventures parties may appoint one of them to manage the operating activities of Joint ventures, and the management over the financial and operating policies exercised by the Joint ventures party appointed shall be limited to the extent agreed by all Joint ventures parties.

A significant influence over investee enterprise is established when the investment of the Company satisfied the following conditions:

- ① The Company has representation on the board of directors or equivalent governing body of the investee.
- ② The Company participates in policy-making processes, including participation in decisions about dividends or other distributions.
- ③ Material transactions occur between the Company and the investee enterprise.
- ④ The Company dispatches managerial personnel to the investee enterprise.
- ⑤ The Company provides essential technical information to the investee enterprise. If the Company holds, directly or indirectly (e.g. through subsidiaries), 20 percent or more but less than 50 percent of the voting power of the investee enterprise, it is presumed that the Company has significant influence over the investee enterprise.

(4) Impairment test and method of provision for impairment loss

The Company adopts the same manner of financial instrument for the impairment of long-term equity investment which is measured under cost method and there is no quoted price in active market or there is no reliable fair value. Impairment of long-term equity investments other than above refers to accounting policy “Impairment of assets” of the Company.

13. Investment properties

(1). Investment properties of the Company are properties held to earn rentals or for capital appreciation or both, mainly comprising:

- ① Land use right which has already been rented;
- ② Land use right which is held for transfer out after appreciation;
- ③ Property that has already been rented.

(2). Investment property shall be recognized as an asset when the following conditions are satisfied:

- ① It is probable that the future economic benefits that are associated with the investment property will flow to the Company;
- ② The cost of the investment property can be measured reliably.

(3). Initial measurement

An investment property is measured initially at its cost.

- ① The cost of a purchased investment property comprises its purchase price, related tax expenses and any directly attributable expenditure.
- ② The cost of a self-constructed investment property comprises all necessary construction expenditures incurred before the property is ready for its intended use.
- ③ The cost of a property acquired by other means shall be recognized according to relevant accounting standards.

(4). Subsequent measurement

After initial recognition, the Company adopts the cost model to measure its investment properties.

The Company amortizes or depreciates its investment properties measured using cost model in the same way as fixed assets and intangible assets.

The Company values the investment property measured using cost model at the lower of its cost and its

recoverable amount at the end of the period. Where the cost exceeds the recoverable amount, the difference shall be recognized as impairment loss. Once a provision for impairment loss is made, it cannot be reversed.

14. Fixed assets

(1) Recognized standard of fixed assets

Fixed assets are tangible assets that: 1) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and 2) have useful life more than one year.

A fixed asset shall be initially recognized at cost when the following conditions are satisfied:

- ① It is probable that future economic benefits associated with the assets will flow to the Company;
- ② The cost of the assets can be measured reliably.

(2) Recognition basis and pricing method of fixed assets by finance lease

The Company identifies a lease of asset as finance lease when substantially all the risks and rewards incidental to legal ownership of the asset are transferred.

A fixed asset acquired under finance lease shall be valued at the lower of the fair value of the leased asset and the present value of the minimum lease payments at the inception of lease.

The depreciation method of fixed assets acquired under finance lease is consistent with that for depreciable assets owned by the Company. If the Company can reasonably confirm that it will obtain the ownership of leased asset at the end of lease term, the leased asset shall be depreciated during the useful life of the leased asset. If the Company cannot reasonably confirm that it will obtain the ownership of leased asset at the end of lease term, the leased asset shall be depreciated during shorter of the useful life of the leased asset and the lease term.

(3) Depreciation methods of fixed assets

The depreciation method adopted by the Company is straight-line method.

The estimated useful lives, residual value and annual depreciation rate of fixed assets are shown as follows:

Category of fixed assets	Useful life (Y)	Expected net salvage value	Annual depreciation
Housing and building	25	10%	4.5%
Machinery equipments	10	5%	9.5%
Electronic equipments	5	5%	19%
Transportation vehicle	5	5%	19%
Other equipments	5	5%	19%
Decoration of fixed assets	5		20%

(4) Testing method of impairment and withdrawal method of provision for impairment on fixed assets

Impairment of fixed asset refers to accounting policy “Impairment of assets” of the Company.

(5) Other explanations

Subsequent expenditure relating to a fixed asset shall be added to the carrying amount of the asset when the expenditure qualifies for capitalization. Subsequent expenditure that does not qualify for capitalization shall be recognized as an expense for the current period.

The Company reviews the useful life, estimated residual value and depreciation method of a fixed asset at the end of each financial year. If expectations are significantly different from previous estimates, the useful life shall be revised accordingly. If expectations are significantly different from previous estimates, the estimated residual value also shall be revised accordingly. If there has been a significant change in the expected realization pattern of economic benefits from those assets, the depreciation method shall be changed accordingly. The changes in useful life, estimated residual value and depreciation method shall be treated as change in accounting estimates.

The useful life of the housing and building of the Company is 20 to 25 five years, with the expected net salvage value of 5% to 10% and the annual depreciation ratio of 3.8% to 4.5%.

15. Construction in progress

(1) Categories of construction in progress

The construction in progress includes the construction work, installation work, technical reformation work, overhaul work during the preparation period and the construction period. Relevant construction costs are recognized with the total expenses actually occurred.

(2) Standards and time of transferring construction in progress into fixed asset

Construction in process is transferred to fixed assets with the total expenses actually occurred when the construction in progress are ready for their intended use.

(3) Impairment test method and withdrawal method for impairment provision of construction in progress

Impairment of construction in progress refers to accounting policy “Impairment of assets” of the Company.

16. Borrowing costs

(1) Recognition principles for capitalization of borrowing costs

The costs of borrowings designated for acquisition or construction of qualifying assets should be capitalized as part of the cost of the assets. Capitalization of borrowing costs starts when

- ① The capital expenditures have incurred;
- ② The borrowing costs have incurred;
- ③ The acquisition and construction activities that are necessary to bring the asset to its expected usable condition have commenced.

Other borrowing costs that do not qualify for capitalization should be expensed off during current period.

(2) Capitalization period of borrowing costs

The capitalization period shall refer to the period from the commencement to the cessation of capitalization of the borrowing costs, excluding the period of suspension of capitalization of the borrowing costs.

(3) Period of suspension of capitalization of borrowing costs

Capitalization of borrowing costs should be suspended during periods in which the acquisition or construction is interrupted abnormally, and the interruption period is three months or longer. These borrowing costs should be recognized directly in profit or loss during the current period. However, capitalization of borrowing costs during the suspended periods should continue when the interruption is a necessary part of the process of bringing the asset to working condition for its intended use.

Capitalization of borrowing costs ceases when the qualifying asset being acquired or constructed is substantially ready for its intended use. Subsequent borrowing costs should be expensed off during the period in which they are incurred.

(4) Calculation method of capitalized amount of borrowing costs

To the extent that funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of the borrowing.

To the extent that funds are borrowed generally and used for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the weighted average of excess of accumulated expenditures on qualifying asset over that on specific purpose borrowing. The capitalization rate is the weighted average rate of the general borrowings.

17. Biological assets

Inapplicable

18. Oil-gas assets

Inapplicable

19. Intangible assets**(1) Pricing method of intangible assets**

Intangible assets are identifiable non-monetary asset that are owned or controlled by the Company and are without physical substance.

Recognition of intangible asset:

The Company recognizes an intangible asset when that intangible asset fulfills both of the following conditions:

- ① It is probable that the economic benefits associated with that asset will flow to the Company; and
- ② The cost of that asset can be measured reliably.

Measurement of intangible assets

- ① An intangible asset is measured initially at its cost.
- ② Subsequent measurement of intangible assets: For an intangible asset with finite useful life, the Company estimates its useful life at the time of acquisition and amortizes it during its useful life in a reasonable and systematic way. The amount of amortization is allocated to relevant costs and expenses according to the nature of beneficial items. The Company does not amortize intangible asset with infinite useful life.

(2) Estimated useful life of intangible assets with limited useful life

If an intangible asset is gained from contractual rights or other legal rights, its useful life shall not exceed the power limit of contractual rights or other legal rights. If the estimated useful life of an intangible asset is shorter than the period stipulated under the contractual rights or other legal rights, it shall use the estimated useful life to determine the useful life of intangible assets.

Item	Estimated useful life	Basis
Taxi operating license plate	50 years, 12 years	Period stipulated in the contractual rights

(3) Judgment basis of intangible assets with uncertain useful life

If it is unable to forecast the period when the intangible asset can bring economic benefits to the enterprise, it shall be regarded as an intangible asset with uncertain service life, which shall not be amortized.

(4) Withdrawal of impairment provision of intangible assets

Impairment of intangible assets refers to accounting policy "Impairment of assets" of the Company.

(5) Criteria of separating the research phase and development phase of internal R&D project

The term "research" refers to the creative and planned investigation to acquire and understand new scientific or technological knowledge.

The term "development" refers to the application of research achievements and other knowledge to a certain plan or design, prior to the commercial production or use, so as to produce any new material, device or product, or substantially improved material, device and product.

(6) Calculation of the expenditures of internal R&D project

Expenditures incurred during the research phase of an internal project shall be recognized as expenses in the period in which they are incurred. Expenditures incurred during the development phase of an internal project shall be recognized as an intangible asset if, and only if, the Company can demonstrate all of the following:

- ① The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ② Its intention to complete the intangible asset and use or sell it;
- ③ The method that the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- ④ The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- ⑤ It's able to reliably measure the expenditure attributable to the intangible asset during its development.

20. Amortization method of long-term deferred expenses

The Company recognizes all expenses which have occurred during the period but shall be amortized beyond one year, such as improvement expenditures of operating leased fixed assets, as long-term deferred expenses. The Company amortizes long-term deferred expenses using straight-line method according to relevant beneficial periods.

21. Assets transfer with repurchasing conditions

Buy-back after the sale: It is a sale means which the seller during selling goods agrees to buy back the same or similar goods at the later date. Under such mode, the seller shall make judgment in whether selling goods satisfies the recognition of revenue in accordance to the contract or agreement. Normally, the transaction of repurchase after sale belongs to a financial transaction, the main risk and rewards of the goods ownership has not been transferred. The enterprise shall not recognize the revenue. For the amount which the repurchase price greater than the original sale price, the enterprise shall accrue the interest fees to the financial fees within the repurchase period.

For the property transfer with repurchase conditions, in consideration of the economic substance of transactions, the accounting method shall be disclosed.

22. Estimated liabilities**(1) Recognition criteria of estimated liabilities**

The company should recognize the related obligation as a provision for liability when the obligation meets the following conditions:

- ① That obligation is a present obligation of the enterprise;
- ② It is probable that an outflow of economic benefits from the enterprise will be required to settle the obligation;
- ③ A reliable estimate can be made of the amount of the obligation.

(2) Measurement of estimated liabilities

To fulfill the present obligations, which initially measured by the best estimate of the expenditure required to settle the liability. Where there is a continuous range of possible amounts of the expenditure required to settle the liability, as all kinds of possibilities are at same level, the best estimate should be determined according to the average of the lower and upper limit of the range. In other cases, the best estimate should be determined in

accordance with the following methods:

- ① Where the contingency involves a single item, the best estimate involves a single item, the best estimate should be determined according to the most likely outcome;
- ② Where the contingency involves several items; the best estimate should be determined by weighting all possible outcomes by their associated probabilities of occurrence.

To determine the best estimate, it should be considered with factors such as: related contingency risks, uncertain matters and time value of currency. If time value of currency has a significant impact, the best estimate should be measured at its converted present value through the relevant future cash outflows.

Where some or all of the expenditures are expected to be reimbursed by a third party, the reimbursement should be separately recognized as an asset only when it is virtually received. The amount of the reimbursement should not exceed the carrying amount of the liability recognized.

At balance sheet date, the Company should review book value of provision for liabilities. If there is strong evidence that the book value does not truly indicate the current best estimate, it should be adjusted in accordance with the current best estimate.

23. Share-based payment and equity instruments

(1) Categories of share-based payment

Recognition and measurement of share-based payment are based on true, complete and valid share-based payment agreement. Share-based payment transaction comprises equity-settled share-based payment transactions and cash-settled share-based payment transactions.

(2) The measures for the recognition of the fair value of the equity instrument

For the shares granted to the employees, its fair value shall be measured in accordance to the market price of the entity stocks, and at the same time it shall make adjustment in the consideration of the relative terms and conditions which the stocks are granted (excluding the vesting conditions besides the market conditions). If the entity is not traded publicly, it should be measured in accordance to the estimated market prices and it shall make adjustment in the consideration of the relative terms and conditions which the stocks are granted.

For the stock options granted to the employees, if there is no similar terms and conditions for the option trade, it shall estimate the fair value of the granted option through option pricing model.

When the enterprise determines the fair value on the granting date of the equity instruments, it shall consider the influence by the market conditions of the vesting conditions and the non vesting condition in the share-based payment agreement. For the share-based payment containing non vesting conditions, as long as the employees or other party satisfy all the non-marketing conditions of the vesting conditions (such as service period, etc.), the enterprise shall confirm the relevant costs of the received service.

(3) Basis for the recognition of the best estimation of the vested equity instruments

On the balance sheet date during the waiting period, the company shall make the best estimate based on the subsequent information regarding the number of employees who newly obtains the vest; revise the quantity of the predicted vested equity instruments in order to make the best estimate of vested equity instruments.

(4) Relevant accounting treatment on the implementation, revision and termination of share-based payment plan

Equity-settled share-based payment transactions in which the Company receives employee's services as consideration for equity instruments of the Company are measured as fair value of the equity instrument granted to the employees. As to an equity-settled share-based payment in return for services of employees, if the right may be exercised immediately after the grant, the fair value of the equity instruments shall, on the date of the grant, be

included in the relevant cost or expense and the capital surplus shall be increased accordingly. As to a equity-settled share-based payment in return for employee services, if the right cannot be exercised until the vesting period comes to an end or until the prescribed performance conditions are met, then on each balance sheet date within the vesting period, the services obtained during the current period shall, based on the best estimate of the number of vested equity instruments, be included in the relevant costs or expenses and capital surplus at the fair value of the equity instruments on the date of the grant.

Cash-settled share-based payment is measured in accordance with the fair value of liability undertaken by the Company that is calculated based on the shares or other equity instruments. As to a cash-settled share-based payment, if the right may be exercised immediately after the grant, the fair value of the liability undertaken by the Company, on the date of the grant, is included in the relevant costs or expenses, and the liabilities shall be increased accordingly. As to a cash-settled share-based payment, if the right may not be exercised until the vesting period comes to an end or until the specified performance conditions are met, on each balance sheet date within the vesting period, the services obtained during the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the enterprise.

If the modification increases the fair value of the equity instruments granted, the entity shall include the incremental fair value granted in the measurement of the amount recognized for services received as consideration for the equity instruments granted; similarly, if the modification increases the number of equity instruments granted, the entity shall include the fair value of the additional equity instruments granted, measured at the date of the modification, in the measurement of the amount recognized for services received as consideration for the equity instruments granted; if the entity modifies the vesting conditions in a manner that is beneficial to the employee, the entity shall take the modified vesting conditions into account when applying the requirements of a vesting condition.

If the modification reduces the fair value of the equity instruments granted, the entity shall not take into account that decrease in fair value and shall continue to measure the amount recognized for services received as consideration for the equity instruments based on the grant date fair value of the equity instruments granted; if the modification reduces the number of equity instruments granted to an employee, that reduction shall be accounted for as a cancellation of that portion of the grant; if the entity modifies the vesting conditions in a manner that is not beneficial to the employee, the entity shall not take the modified vesting conditions into account when applying the requirements of a vesting condition.

If a grant of equity instruments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied): as an acceleration of vesting, and shall therefore recognize immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

24. Repurchase of shares of the Company

Following the legally approved procedures, the company reduces its capital by repurchasing the company's stocks. The owners' equity shall be adjusted by the difference between the total of the cancelled share equity and capital stock, the cost to repurchase the stocks (including trading fees) and stock equity. For the amount exceed the total of the par value of shares, it shall reduce the capital reserve (capital premium), surplus reserve, and undistributed profits; for the amount less than the total of the par value of shares, the capital reserve (capital premium) should be increased for the amount less than corresponding equity cost.

The repurchasing shares shall be managed as treasury shares before they are cancelled or transferred. The total

cost to repurchase shares shall be transferred to the cost of the treasury shares.

During the transfer of the treasury shares, when the transfer income is greater than the cost of treasury shares, the capital reserve (capital premium) should be increased; when the transfer income is less than the cost of treasury shares, capital reserve (capital premium), surplus reserve, and undistributed profits should be written-down in turns.

Repurchasing stocks in purpose of equity incentives, the value of treasury stocks is measured at all the actual cost relating to repurchasing stocks, and the details should be taken reference to the registration.

25. Revenue

(1) Criteria for recognition time of revenue from selling goods

Revenue from the sale of goods is recognized when all of the following conditions have been satisfied: The Company has transferred to the buyer the significant risks and rewards of ownership of the goods; The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; The economic benefits associated with the transaction will flow to the Company; and the relevant amount of revenue and costs can be measured reliably.

Revenue from the sale of properties is recognized upon a) final acceptance of the construction of property is completed and the property is transferred to buyer, b) buyer receives and accepts the settlement billing and c) the Company receives all considerations of sale of property (down payment and mortgage received from bank for property purchasing by installments) and the conditions for obtaining certificate of title to house property are satisfied.

Revenue from leasing of property is recognized when a) the economic benefits associated with leasing of property will flow to the Company and b) the amount of revenue can be measured reliably. If lessor provides rent-free period, lessor shall allocate total rental by straight-line method or other reasonable method during entire lease term without deducting rent-free period. Lessor shall recognize rental income during rent-free period.

(2) Recognition basis of revenue from transferring use right of asset

Revenue arising from the Company's assets used by others is recognized when (a) it is probable that the economic benefits associated with the transaction will flow to the Company and (b) the amount of the revenue can be measured reliably. Interest revenue should be measured based on the length of time for which the Company's cash is used by others and the applicable interest rate. Royalty revenue should be measured in accordance with the period and method of charging as stipulated in the relevant contract or agreement.

(3) Recognition basis of revenue from rendering of services

The revenue from rendering of services is by reference to the percentage of completion of the service at closing date when the outcome of transaction can be reliably estimated. The outcome of transaction can be reliably estimated when a) the total revenue and cost can be reliably measured, b) the percentage of completion can be determined reliably and c) the economic benefit pertaining to the service will flow to the Company. If the outcome of transaction cannot be reliably estimated, the Company shall recognize revenue to the extent of costs incurred that are expected to be recoverable and charge an equivalent amount of cost to profit or loss.

(4) Recognition basis and method for the schedule of contracted project when recognizing the revenue from providing labor services and construction contract by percentage-of-completion method

Revenue from rendering of services (excluding long-term contract) is by reference to the percentage of completion of the service at closing date when the outcome of transaction can be reliably estimated. The outcome of transaction can be reliably estimated when a) the total revenue and cost can be reliably measured, b) the percentage of completion can be determined reliably and c) the economic benefit pertaining to the service will flow to the Company. If the outcome of transaction cannot be reliably estimated, the Company shall recognize revenue to the extent of costs incurred that are expected to be recoverable and charge an equivalent amount of cost to profit or loss.

Recognition of construction contract revenue

A. When the outcome of a construction contract can be reliably estimated, construction contract revenue is recognized by reference to the percentage of completion of the contract activity at closing date. The outcome of a construction contract can be reliably estimated when a) total contract revenue and contract costs incurred can be measured reliably, b) both the contract costs to complete the contract and the percentage of completion can be

measured reliably and c) it is probable that the economic benefits associated with the contract will flow to the Company. The percentage of completion of a contract is determined as the proportion that actual contract costs incurred to date bears to the estimated total contract costs.

B. When the outcome of a construction contract cannot be estimated reliably, contract revenue should be recognized to the extent of contract costs that can be recovered and contract costs should be recognized as expense in the period in which they are incurred.

C. If total estimated contract costs will exceed total contract revenue, the estimated loss should be recognized immediately as an expense during the current period.

26. Government subsidies

(1) Types

The Company's government grants which including monetary assistance or non-monetary grants at fair value, shall not be recognized until there is reasonable assurance that:

① The entity will comply with the condition attaching to them;

② The grants will be received from government.

(2) Accounting treatment method

① 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.

② The Capital approach for government grants, the grant is recognized as deferred income when it is acquired. Since the related assets achieve its intended using status, the deferred income is amortized and recognized in profit and loss during asset's using period. If related assets were disposed before using period ended, undistributed deferred income shall be shift to current profit and loss at once.

The Income approach for government grants, to retrieve expense or loss of the Company in further period, the government grants is recognized as deferred income, and shall be recorded in profit and loss when that expense or loss occurred. To retrieve expense or loss of the Company in current period, the government grants shall be recorded directly in current profit and loss.

③ Confirmed repayment of government grants

A. When deferred income exists, the repayment write-downs closing balance of deferred income, and the exceed part shall be recognized in current profit and loss;

B. When no deferred income exists, the repayment shall be recognized directly in current profit and loss.

27. Deferred income tax assets and deferred income tax liabilities

(1) Recognition basis of deferred income tax assets

The Company adopts the balance sheet liability method for income tax expenses.

① Where there are deductible temporary differences between the carrying amount of assets or liabilities in the balance sheet and their tax bases, a deferred tax asset shall be recognized for all those deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax assets arising from deductible temporary differences should be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

② At the balance sheet date, where there is strong evidence showing that sufficient taxable profit will be available against which the deductible temporary difference can be utilized, the deferred tax asset unrecognized in prior period shall be recognized.

③ The Company assesses the carrying amount of deferred tax asset at the balance sheet date. If it's probable that

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

(2) Recognition basis of deferred income tax liabilities

A deferred tax liability shall be recognized for all taxable temporary differences, which are differences between the carrying amount of an asset or liability in the balance sheet and its tax base, and measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

28. Operating lease and financial lease

(1) Accounting treatments of operating lease

Lessee in an operating lease shall treat the lease payment under an operating lease as a relevant asset cost or the current profit or loss on a straight-line basis over the lease term. The initial direct costs incurred shall be recognized as the current profit or loss; Contingent rents shall be charged as expenses in the periods in which they are incurred.

Lessors in an operating lease shall present the assets subject to operating leases in the relevant items of their balance sheet according to the nature of the asset. Lease income from operating leases shall be recognized as the current profit or loss on a straight-line basis over the lease term; Initial direct costs incurred by lessors shall be recognized as the current profit or loss; Lessors shall apply the depreciation policy for the similar assets to depreciate the fixed assets in the operating lease; For other assets in the operating lease, lessors shall adopt a reasonable systematical method to amortize; Contingent rents shall be charged as expenses in the periods in which they are incurred.

(2) Accounting treatments of financial lease

For the lessee, a fixed asset acquired under finance lease shall be valued at the lower of the fair value of the leased asset and the present value of the minimum lease payments at the inception of lease. The minimum lease payments as the entering value in long-term account payable, the difference as unrecognized financing charges; The initial direct costs identified as directly attributable to activities performed by the lessee during the negotiation and signing of the finance lease such as handling fees, legal fees, travel expenses, stamp tax shall be counted as lease asset value; the unrecognized financing charges shall be apportioned at each period during the lease term and adopt the effective interest rate method to calculate and confirm the current financing charge; Contingent rents shall be charged as expenses in the periods in which they are incurred.

When the lessee calculates the present value of the minimum lease payments, for that lessee who can obtain the interest rate implicit in the lease, the discount rate shall be the interest rate implicit in the lease; otherwise the discount rate shall adopt the interest rate specified in the lease agreement. If the lessee can not get the interest rate implicit in the lease and there is no specified interest rate in the lease agreement, the discount rate shall adopt the current bank loan interest rate.

Lessees shall depreciate the leased assets with the depreciation policy which is consistent with the normal depreciation policy for similar assets. If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the depreciation shall be allocated to the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be depreciated over the shorter of the lease term and its useful life.

On the initial date of financial lease, lessee of the financial lease shall record the sum of the minimum lease payments and initial direct costs as the financing lease accounts receivable, and also record the non-guaranteed residual value; recognize the difference between the total minimum lease payments, initial direct costs, non-guaranteed residual value and sum of the present value as the unrealized financing income; the unrealized financing income shall be distributed to each period over the lease term; adopt the actual interest rate to calculate the current financial income; Contingent rents shall be charged as expenses in the periods in which they are incurred.

(3) Accounting treatment for those sale and lease-back

Inapplicable

29. Assets held for sale

(1) Recognition criteria of the assets held for sale

The Non-Current Assets which meet the following conditions will be classified as assets held for sales by the company:

- ①The entity has made the resolution in disposing the non-current assets.
- ②The entity has signed the irrevocable transfer agreement with the assignee.
- ③The sale transaction is highly probable to be completed within one year.

(2) Accounting treatments of the assets held for sale

For the fixed assets held for sales, the entity shall adjust the predicted net residual value of this fixed asset to make the predicted net residual value of this fixed asset to reflect the amount of its fair value less costs to sell, but it shall not exceed the original book value of fixed assets at the time when it meets the conditions of held for sales. The difference between the original book value and the adjusted predicted net residual value shall be treated as loss in assets and presented in profit or loss of current period. The fixed assets held for sales shall not count the depreciation but shall be measured at the lower of its carrying amount and the fair value less costs to sell.

The other non-current assets such as impairment assets which meet the conditions of held for sales shall be treated in accordance to the above principles.

30. Capitalization of assets

Inapplicable

31. Hedging accounting

Inapplicable

32. Changes in main accounting policies and estimates

Were the main accounting policies or estimates changed during the report period?

☐Yes ☒No

(1) Change of accounting policies

Were the main accounting policies changed during the report period?

☐Yes ☒No

(2) Change of accounting estimates

Were the main accounting estimates changed during the report period?

☐ Yes ☒ No

33. Correction of previous accounting errors

Was any accounting error made in previous periods discovered in the report period?

☐ Yes ☒ No

(1) Retrospective restatement method

Was any previous accounting error adopting retrospective restatement method discovered in the report period?

☐ Yes ☒ No

(2) Prospective application method

Was any previous accounting error adopting prospective application method discovered in the report period?

☐ Yes ☒ No

34. Other main accounting policies and estimates as well as compilation method of financial statements

Accounting policy for impairment of assets of the Company:

It suggests that an asset may be impaired if there are any of the following indications

(1) in the period, an asset's market value has declined significantly more than it would be expected as a result of the passage of time or normal use during the current period;

(2) significant changes with an adverse effect on the Company have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Company operates or in the market to which an asset is dedicated;

(3) market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially;

(4) evidence is available of obsolescence or physical damage of an asset;

(5) the asset becomes idle, or the Company plans to discontinue or to dispose of an asset before the previously expected date;

(6) evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected, for example, the net cash flow generated from assets or the operating profit (or loss) realized by assets is lower (higher) than the expected amount, etc.; and

(7) Other evidence indicates that assets may be impaired.

The Company assesses long-term equity investment, fixed assets, construction materials, constructions in progress and intangible assets (except for those with uncertain useful life) that apply Accounting Standard for Business Enterprises No. 8 - Impairment of assets at the balance sheet date. If there is any indication that an asset may be impaired, the Company should assess the asset for impairment and estimate the recoverable amount of the impaired asset. Recoverable amount is measured as the higher of an asset's fair value less costs to sell and the present value of estimated future cash flows from continuing use of the asset. If carrying amount of an asset is higher than its recoverable amount, the carrying amount of this asset should be written down to its recoverable amount with the difference recognized as impairment loss and charged to profit or loss accordingly. Simultaneously a provision for impairment loss should be made.

There is any indication that an asset may be impaired, the Company usually estimates its recoverable amount on

an individual item basis. However if it's not possible to estimate recoverable amount of the individual asset, the Company should determine the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's cash-generating unit is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Identification of cash-generating unit is based on whether the cash inflows generated by the cash-generating unit are largely independent of the cash inflows from other assets or groups of assets.

The Company assesses goodwill acquired in a business combination and intangible assets with uncertain useful life for impairment each year no matter whether indication that an asset may be impaired exists or not. Impairment assessment of goodwill is carried together with the impairment assessment of related cash-generating unit or group of cash-generating units.

Once impairment loss is recognized, it cannot be reversed in subsequent financial period.

(V) Taxation

1. Main taxes and tax rate

Category of taxes	Tax basis	Tax rate
VAT	Operating revenue	3%, 6%, 17%
Business tax	Operating revenue	3%, 5%
Urban maintenance and construction tax	Turnover tax payable	1%, 7%
Enterprise income tax	Taxable income	25%
Education surtax	Turnover tax payable	3%
Local education surtax	Turnover tax payable	2%
Levee fee	Operating revenue	0.01%
Land value appreciation tax	Added amount from transfer of real property	Four progressive levels with the tax rate ranging from 30% to 60%.

The income tax rates adopted by each subsidiary and branch factory

Note: The applicable income tax rate of the subsidiaries located in main land China is 25%; the applicable income tax rate of the subsidiaries located in Hongkong is 16.5%.

2. Tax preference and approval

3. Other explanations

In accordance with the Notice on the Tax Payers Dealing with the Tax Business upon the Pilot of Changing Business Taxes for VAT (SGSG [2012] No. 11) issued by Shenzhen Municipal Office of SAT and Administration of Local Taxation of Shenzhen Municipality and the Notice on Renewing the Administrative Methods of Taxes Preference for VAT and Consumption Taxes ([2012] No. 10) issued by Shenzhen Municipal Office of SAT, the Company's subsidiaries—Shenzhen GUOMAO Vehicles Industry Co., Ltd., Shenzhen GUOMAO Motor Rent Co., Ltd. and Shenzhen Shenxin Taxi Co., Ltd. started the pilot of changing the business taxes for VAT from 1 Nov. 2012 by collecting the VAT with an easy charging percentage of 3%.

VI. Business combination and consolidated financial statement

1. Subsidiaries

(1) Subsidiaries obtained by establishment and investment

Unit: RMB Yuan

Subsidiaries	Type	Registered place	Business nature	Registered capital	Business scope	Actual amount of investments at the period-end	Other essential investment	The proportion of holding shares (%)	The proportion of voting rights (%)	Included in consolidated statement	Minority interest	Deductible minority interests	Balance of parent company's equity after deducting the difference that loss of minority interests exceed equity obtained by minority shareholders
Shenzhen Huangceng Real Estate Co., Ltd.	Wholly-owned subsidiary	Shenzhen	Real estate development	30,000,000.00	Development, construction, operation and management of commercial service facilities relevant to Huanggang port	30,000,000.00		100%	100%	Yes			

Shenzhen Property and Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Shenzhen	Real estate development	30,950,000.00	Land development, real estate management; construction supervision; property management	30,950,000.00		100%	100%	Yes			
PRD Group Xuzhou Dapeng Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Xuzhou	Real estate development	50,000,000.00	Development and sale of real estate, construction management, lease of properties, commodity sales	50,000,000.00		100%	100%	Yes			
Dongguan Guomao Changsheng Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Dongguan	Real estate development	20,000,000.00	Development and sale of real estate, lease of properties	20,000,000.00		100%	100%	Yes			
PRD Yangzhou	Wholly-owned	Yangzhou	Real estate	50,000,000.00	Development	50,000,000.00		100%	100%	Yes			

ou Real Estate Development Co., Ltd.	subsidiary		development		and sale of real estate, construction management, purchase of materials								
Hainan Xinda Development Co., Ltd	Wholly-owned subsidiary	Haikou	Real estate development	20,000,000.00	Real estate development, decoration engineering,; planting ; import & export practice	20,000,000.00		100%	100%	Yes			
Shenzhen GUOMAO Property Management Co., Ltd.	Wholly-owned subsidiary	Shenzhen	Property management	20,000,000.00	Property rent and management	20,000,000.00		100%	100%	Yes			
Shenzhen Huangcheng Real Estate Management Co.,	Wholly-owned subsidiary	Shenzhen	Property management	5,000,000.00	Property management; court virescence and cleansing services	5,000,000.00		100%	100%	Yes			

Ltd.													
Shandong Shenzhen GUOM AO Property Management Co., Ltd.	Wholly-owned subsidiary	Jinan	Property management	5,000,000.00	Property management; housekeeping services, property sales and agency and catering services	5,000,000.00		100%	100%	Yes			
Chongqing Shenzhen GUOM AO Property Management Co., Ltd.	Wholly-owned subsidiary	Chongqing	Property management	5,000,000.00	Property management and agency	5,000,000.00		100%	100%	Yes			
Chongqing Ao'bo Elevator Co., Ltd.	Wholly-owned subsidiary	Chongqing	Service	2,000,000.00	Installing, reconstructing and repairing the elevator ; sales of elevator and accessories	2,000,000.00		100%	100%	Yes			
Shenzhen Tianque Elevator	Wholly-owned subsidiary	Shenzhen	Service	5,000,000.00	Maintenance of elevator and air	5,000,000.00		100%	100%	Yes			

Technology Co., Ltd.					condition								
Shenzhen GUOMAO Property Management Engineering Equipment Co., Ltd.	Wholly-owned subsidiary	Shenzhen	Service	1,200,000.00	Domestic commerce; material supply; maintenance and repair of electric equipment	1,200,000.00		100%	100%	Yes			
Shenzhen GUOMAO Food Co., Ltd.	Wholly-owned subsidiary	Shenzhen	Catering service	2,000,000.00	Retail sales of Chinese meal, western-style food and wine	2,000,000.00		100%	100%	Yes			
Shenzhen Property Construction Supervision Co., Ltd.	Wholly-owned subsidiary	Shenzhen	Construction Supervision	3,000,000.00	Supervision of general industrial and civil construction engineering	3,000,000.00		100%	100%	Yes			
Shenzhen Real Estate Exchange	Wholly-owned subsidiary	Shenzhen	Service	1,380,000.00	Providing property information, property agency and	1,380,000.00		100%	100%	Yes			

					evaluation								
Shenzhen GUOM AO Vehicles Industry Co., Ltd.	Wholly-owned subsidiary	Shenzhen	Service	29,850,000.00	Motor transport and motor rent	29,850,000.00		100%	100%	Yes			
Shenzhen GUOM AO Motor Rent Co., Ltd.	Wholly-owned subsidiary	Shenzhen	Service	16,000,000.00	Motor transport and motor rent	16,000,000.00		100%	100%	Yes			
Shenzhen Tesu Vehicle Driver Training Center Co., Ltd.	Wholly-owned subsidiary	Shenzhen	Service	2,000,000.00	Driver training	2,000,000.00		100%	100%	Yes			
Shenzhen Internati onal Trade Plaza	Wholly-owned subsidiary	Shenzhen	Trading	12,000,000.00	Investing in commercial, material and supplying company	12,000,000.00		100%	100%	Yes			
Sichuan Tianhe Industry Co., Ltd	Wholly-owned subsidiary	Chengdu	Trading	8,000,000.00	Wholesale in domestic market	8,000,000.00		100%	100%	Yes			
Zhanjia ng	Wholly-owned	Zhanjia ng	Real estate	2,530,000.00	Real estate	2,530,000.00		100%	100%	Yes			

Shenzhen Real Estate Development Co., Ltd.	subsidiary		development		development and sales of commodity premises								
Shum Yip Properties Development Co., Ltd.	Wholly-owned subsidiary	Hongkong	Real estate development	20,000,000.00	Property agency and investment	20,000,000.00	99,803,433.85	100%	100%	Yes			
Wayhan Development Co., Ltd.	Wholly-owned subsidiary	Hongkong	Real estate development	2.00	Property development	2.00		100%	100%	Yes			
Chief Link Properties Co., Ltd.	Wholly-owned subsidiary	Hongkong	Real estate development	100.00	Property agency and investment	100.00		70%	70%	Yes	862,087.06		
Syndis Investment Co., Ltd.	Wholly-owned subsidiary	Hongkong	Real estate development	4.00	Property investment	4.00		100%	100%	Yes			

Other notes to subsidiaries obtained by establishment and investment:

Syndis Investment Co., Ltd. is the wholly owned subsidiary of Chief Link Properties Co., Ltd..

(2) Subsidiaries obtained by business combination under the same control

Unit: RMB Yuan

Subsidiaries	Type	Registered place	Business nature	Registered capital	Business scope	Actual amount of investments at	Other essential investment	The proportion of holding shares	The proportion of voting rights	Included in consolidated statement	Minority interest	Deductible minority interests	Balance of parent company's
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						the period-e nd		(%)	(%)	nt			equity after deductin g the differen ce that loss of minority interests exceed equity obtained by minority sharehol ders
Shenzhe n Shenxin Taxi Co., Ltd.	Wholly owned subsidia ry	Shenzhe n	Service	13,800, 000.00	Operati on of taxi and property manage ment	33,195, 948.77		100%	100%	Yes			

Other explanation on subsidiaries obtained by business combination under same control

(3) Subsidiaries obtained by business combination not under the same control

Unit: RMB Yuan

Subsidiaries	Type	Registered place	Business nature	Registered capital	Business scope	Actual amount of investments at the period-end	Other essential investment	The proportion of holding shares (%)	The proportion of voting rights (%)	Included in consolidated statement	Minority interest	Deductible minority interests	Balance of parent company's equity after deducting the difference that loss of minority interests exceed equity
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													obtained by minority sharehol ders
--	--	--	--	--	--	--	--	--	--	--	--	--	--

Other explanation on subsidiaries obtained by business combination not under same control

The Company had no subsidiaries obtained by business combination not under same control.

2. Special purpose entities or operating entities with control right formed by entrusted operation or lease

Unit: RMB Yuan

Name	Main business dealt with the Company	Closing balance of main assets & liabilities recognized within the consolidated statements
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Other explanation on special purpose entities or operating entities with control right formed by entrusted operation or lease:

The Company and controlling shareholders in Shenzhen Investment Holdings Co., Ltd. (hereinafter referred to as “SIH”) entered into Asset Replacement Agreement in September 2010, agreeing that the Company replaces Moon Bay T102-0237 land and 100% equity of Shenzhen Shenxin Taxi Co., Ltd. (hereinafter referred to as “SX Company”) possessed by SIH with parts of house property owned by the Company and wholly-owned subsidiary Shenzhen Huangcheng Real Estate Co., Ltd. In order to optimize structure of replaced asset, SIH agrees that assets and liabilities which are not suitable to be included into the listed company such as non-market commodity house and non-performing loans and debts owned by SX Company and shown in No. [2010] 103 file of SIH (hereinafter referred to as “Divestiture Assets of SX Company” or “Divestiture Assets”) will not be incorporated into scope of replacement and will be divested. In principle, Divestiture Assets shall handle procedures of registration of transfer and transfer of credit and debt.

SIH, Shenzhen Foreign Economy & Trade Investment Co., Ltd. (hereinafter referred to as FET Company”) and SX Company signed Contract on Transfer of Divestiture Assets in June 2012. According to agreement of the Contract, SIH requires SX Company to transfer Divestiture Assets to FET Company for management.

Since there are legal impediments in partial transfer of Divestiture Assets, FET Company and SX Company concluded and signed Contract on Entrusted Management of Divestiture Assets and Liabilities, promising that FET Company has entrusted SX Company to liquidate, manage and dispose of Divestiture Assets. The entrusted period ends on December 31, 2014. SX Company paid for FET Company with 313,000 yuan income obtained from assets operation from June 1, 2012 to December 31, 2012. Since then SX Company will pay 626,000 yuan to FET Company each year and the remaining incomes gained from assets operation will be possessed by SX Company.

Divestiture Assets as of May 31, 2012 (the beginning date of entrusted management) are as follows:

Item	Amount	Item	Amount
Monetary capital	1,306,441.05	Tax payable	100,983.72
Account receivable	193,011.05	Other payables	790,951.81
Other receivables	56,353.90	Total liabilities	891,935.53

Investing real estate	11,231,600.79	Capital reserve	103,770.03
Fixed assets	12,353,947.30	Surplus reserves	10,290,753.74
Project under construction	57,000.00	Undistributed profit	15,047,526.32
Long-term unamortized expenses	1,135,631.53	Total owners' equity	25,442,050.09
Total assets	26,333,985.62	Total liabilities and owners' equity	26,333,985.62

Balance of Divestiture Assets as of December 31, 2012 in consolidated statements is as follows:

Item	Amount	Item	Amount
Monetary capital	53,346.40		100,983.72
Accounts receivable	193,011.05	Other payables	790,951.81
Other receivable	56,353.90	Other non-current liabilities	23,101,930.71
Investing real estate	10,894,186.92		
Fixed assets	11,884,861.77		
Project under construction	57,000.00		
Long-term unamortized expenses	855,106.20		
Total assets	23,993,866.24	Total liabilities and equity	23,993,866.24

Notes: other non-current liabilities shall belong to equity of SIH Divestiture Assets.

Through the above Contract on Entrusted Management of Divestiture Assets and Liabilities, the Company has actually controlled SX Company's Divestiture Assets which become a business entity with control rights by entrusted business mode.

3. Explanations on changes of consolidation scope

Explanations on changes of scope of consolidated statements

(1) According to Asset Replacement Agreement signed between the Company and SIH in September 2010, the Company replaces Moon Bay T102-0237 land and 100% equity of SX Company possessed by SIH with parts of house property owned by the Company and wholly-owned subsidiary Shenzhen Huangcheng Real Estate Co., Ltd. The two parties have completed delivery of all replaced assets and procedures on equity transfer of SX Company. The Company has actually taken over SX Company which therefore is incorporated into consolidation scope.

(2) In accordance with the above 2 special purpose entity or business entity which forms control rights by entrusted operation or via leasing, the Company can actually control Divestiture Assets of SX Company and therefore such assets are incorporated into consolidation scope.

☐Applicable ☐ Inapplicable

4. Main entities which are newly included into or are not included into consolidation scope during the reporting period

Subsidiary, special purpose entity and business entity which forms control rights through entrusted operation or via leasing that are

newly included into consolidation scope in current period

Unit: RMB Yuan

Name	Net assets at the end of period	Net profits in current period
Shenzhen Shenxin Taxi Co., Ltd.	12,473,773.99	1,256,989.13
Divestiture Assets of SX Company	200,485.17	200,485.17

Subsidiary, special purpose entity and business entity which forms control rights through entrusted operation or via leasing that are not included into consolidation scope in current period

Unit: RMB Yuan

Name	Net assets on disposal date	Net profits from the beginning of the year to disposal date
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Other explanations on main entities which are newly included into or are not included into consolidation scope

Net assets at the end of the period and net profits in current period of Divestiture Assets are only the parts belonging to the Company.

None subsidiary, special purpose entity and business entity which forms control rights through entrusted operation or via leasing that are not included into consolidation scope in current reporting period

5. Business combination under the same control during the reporting period

Unit: RMB Yuan

The party to be combined	Judgment criterion of business combination under the same control	Actual controller under the same control	Income from the beginning of combination period to combination date	Net profits from current combination period to combination date	Cash flow of operating activities from current combination period to combination date
Shenzhen Shenxin Taxi Co., Ltd.	The combined two parties are controlled by SIH during a continuous period of over 12 months	Shenzhen Investment Holdings Co., Ltd.	7,215,746.00	1,659,816.93	2,060,484.57
Divestiture Assets of SX Company	The combined two parties are controlled by SIH during a continuous period of over 12 months	Shenzhen Investment Holdings Co., Ltd.			

Other explanations of business combination under the same control

Both incomes from the beginning of current combination period to combination date and net profits from current combination period to combination date related to Divestiture Assets are possessed by SIH.

6. Business combination not under same control during the reporting period

Unit: RMB Yuan

The combined party	Amount of goodwill	Calculation method of goodwill
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Other notes to business combination not under same control:

Naught

7. Subsidiaries reduced by selling equities without control right during the reporting period

Name of subsidiaries	Disposal date	Recognition method of gains and losses
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Other notes to subsidiaries reduced by selling equities without control right during the reporting period:

Naught

8. The counter purchases in the reporting period

The backdoor party	Judgment basis of counter purchase	Recognition method of combination costs	Calculation method of goodwill recognized or included into current gains and losses in the combination
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Other notes to counter purchases:

Naught

9. Mergers in the reporting period

Unit: RMB Yuan

Type of merger	Main assets merged in		Main liabilities merged in	
Mergers under the same control	Item	Amount	Item	Amount
Mergers not under the same control	Item	Amount	Item	Amount

Other notes to mergers:

Naught

10. Exchange rates of major items in financial statements for foreign entities

For Hongkong registered subsidiaries included in consolidated scope, such as Shum Yip Properties Development

Co., Ltd., Wayhang Development Co., Ltd., Chief Link Properties Co., Ltd., and Syndis Investment Co., Ltd. The exchange rates of currencies are as follows:

- (1) For assets and liabilities, using the spot exchange rate of HKD against RMB (1: 0.8109) on the balance sheet date;
- (2) For the paid-in capital, using the spot exchange rate of HKD against RMB (1: 0.7917) when obtained;
- (3) For the income statement, using the average exchange rate of HKD against RMB (1: 0.8108) when trade occurred.

VII. Notes on major items in consolidated financial statements of the Company

1. Monetary funds

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Cash:	--	--	197,165.38	--	--	280,115.14
RMB	--	--	196,113.48	--	--	278,422.35
HKD	1,297.20	81.09%	1,051.90	2,088.06	81.07%	1,692.79
Bank deposit:	--	--	793,456,036.83	--	--	464,486,960.65
RMB	--	--	788,676,797.01	--	--	460,015,126.75
HKD	5,893,747.47	81.09%	4,779,239.82	5,516,015.66	81.07%	4,471,833.90
Other monetary funds:	--	--	4,071,109.16	--	--	4,546,665.78
RMB	--	--	4,071,109.16	--	--	4,546,665.78
Total	--	--	797,724,311.37	--	--	469,313,741.57

Special explanation shall be made for the accounts limited by being mortgaged, pledged or frozen, deposited overseas or with potential collecting risks:

- (1) The Company has no such accounts limited by being mortgaged, pledged or frozen, deposited overseas or with potential collecting risks during the reporting period.
- (2) The closing amount of monetary funds increased by 69.98% over the opening amount, mainly because the sales funds from the property projects increased over last period.

2. Trading financial assets

(1) Trading financial assets

Unit: RMB Yuan

Item	Closing fair value	Opening fair value
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(2) Trading financial assets with realizable limit

Unit: RMB Yuan

Item	Trading restriction or other significant limits in realization	Closing balance
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(3) Hedging instruments and notes to relevant hedging transaction**3. Notes receivable****(1) Category of notes receivable**

Unit: RMB Yuan

Category	Closing balance	Opening balance
Bank acceptance bill		200,000.00
Total		200,000.00

(2) Notes receivable pledged at period-end

Unit: RMB Yuan

Issuing entity	Date of issuance	Expiring date	Amount	Remark
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(3) Notes transferred to accounts receivable because drawer of the notes fails to execute the contract or agreement, and undue notes endorsed to other parties at the end of the period

Notes transferred to accounts receivable because drawer of the notes fails to execute the contract or agreement

Unit: RMB Yuan

Issuing entity	Date of issuance	Expiring date	Amount	Remark
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Notes:

Inapplicable

Undue notes endorsed to other parties by the Company

Unit: RMB Yuan

Issuing entity	Date of issuance	Expiring date	Amount	Remark
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Note:

Inapplicable

Notes of bank acceptance bill that already discounted or pledged:

Inapplicable

4. Dividends receivable

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Unrecovered reason	Impairment of relevant accounts or not
Including:	--	--	--	--	--	--
Including:	--	--	--	--	--	--

Note:

5. Interest receivable**(1) Interest receivable**

Unit: RMB Yuan

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
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(2) Overdue interest

Unit: RMB Yuan

Borrowing entity	Overdue days (day)	Amount of overdue interest
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(3) Notes to interest receivable**6. Accounts receivable****(1) Accounts receivable listed by categories**

Unit: RMB Yuan

Category	Closing balance				Opening balance			
	Book balance		Bad debt provision		Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable with significant single amount and individually withdrawn bad debt provision	107,016,173.89	80.31%	51,016,173.89	47.67%	107,016,173.89	84.75%	51,016,173.89	47.67%
Accounts receivable for which bad debt provisions are made on the group basis								
Group 2	22,907,922.62	17.19%	2,323,913.94	10.14%	15,700,265.53	12.44%	1,765,426.15	11.24%
Subtotal of the groups	22,907,922.	17.19%	2,323,913.9	10.14%	15,700,26	12.44%	1,765,426.15	11.24%

	62		4		5.53			
Accounts receivable with insignificant single amount and individually withdrawn bad debt provision	3,328,980.05	2.5%	3,328,980.05	100%	3,551,562.98	2.81%	2,928,708.65	82.46%
Total	133,253,076.56	--	56,669,067.88	--	126,268,002.40	--	55,710,308.69	--

Notes to category of accounts receivable:

Accounts receivable with significant single amount and individually withdrawn bad debt provision

√ Applicable □ Inapplicable

Unit: RMB Yuan

Content of accounts receivable	Book balance	Provision for bad debt	Withdrawing proportion (%)	Reason
Shenzhen Jiyong Properties & Resources Development Company	98,611,328.05	42,611,328.05	43.21%	Involved in lawsuit, referring to Note XI.1 of the "Section X. Financial Report"
Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	2,836,561.00	100%	Uncollectible for a long period
Shenzhen Lunan Industry Development Co., Ltd.	2,818,284.84	2,818,284.84	100%	Poor operational status
Zhou Tanjin	2,750,000.00	2,750,000.00	100%	Uncollectible for a long period
Total	107,016,173.89	51,016,173.89	--	--

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

√ Applicable □ Inapplicable

Unit: RMB Yuan

Aging	Closing balance			Opening balance		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Proportion		Amount	Proportion	
Within 1 year						
Including:	--	--	--	--	--	--
Within 1 year (including 1 year)	18,822,782.16	82.17%	564,683.46	12,011,655.38	76.51%	360,349.66
Subtotal of within 1 year	18,822,782.16	82.17%	564,683.46	12,011,655.38	76.51%	360,349.66

1-2 years	1,626,810.61	7.1%	162,681.06	794,149.48	5.06%	79,414.95
2-3 years	70,733.43	0.31%	21,220.03	1,314,269.42	8.37%	394,280.83
Over 3 years	2,387,596.42	10.42%	1,575,329.39	1,580,191.25	10.06%	931,380.71
3 to 4 years	1,314,269.42	5.74%	657,134.71	1,282,525.85	8.17%	641,262.93
4 to 5 years	775,661.60	3.38%	620,529.28	37,738.10	0.24%	30,190.48
Over 5 years	297,665.40	1.3%	297,665.40	259,927.30	1.65%	259,927.30
Total	22,907,922.62	--	2,323,913.94	15,700,265.53	--	

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

☐Applicable ☒ Inapplicable

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

☐Applicable ☒ Inapplicable

Other closing individually insignificant but provisions for bad debts individually accounts receivable:

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Content of accounts receivable	Book balance	Provision for bad debt	Withdrawing proportion (%)	Reason
Shenzhen Prince Restaurant	1,248,639.52	1,248,639.52	100%	Unlikely to be recovered due to disputes
Zhanjiang Haihu Real Estate Co., Ltd	700,000.00	700,000.00	100%	With a long age that was unrecoverable
Shenzhen Shengfenglu, GUOMAO Jewel & Gold Co., Ltd.	498,681.65	498,681.65	100%	With a long age that was unrecoverable
Huidong CarsCo., Ltd.	250,000.00	250,000.00	100%	With a long age that was unrecoverable
Zhanjiang SpecialCement Plant	135,972.00	135,972.00	100%	With a long age that was unrecoverable
Hainan Meijia Tea House	126,318.15	126,318.15	100%	With a long age that was unrecoverable
Other	369,368.73	369,368.73	100%	With a long age that was unrecoverable
Total	3,328,980.05	3,328,980.05	--	--

(2) Accounts receivable reversed or collected in the reporting period

Unit: RMB Yuan

Content of accounts receivable	Reversed or collected reason	Recognition basis of original bad debt	Reversed or collected amount of the accrued	Reversed or collected amount
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		provision	bad debt provision	
Shenzhen Luohu District Construction Works Bureau	Recovery	Predicted to be irrecoverable	222,750.75	222,750.75
Total	--	--	222,750.75	--

The withdrawal of bad debt provision of accounts receivable with significant single amount or insignificant single amount but individually made impairment test at the end of reporting period:

Unit: RMB Yuan

Content	Book balance	Bad debt amount	Withdrawing proportion (%)	Reason
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Notes to accounts receivable with insignificant single amount but large risks of groups after grouping by credit risks characteristics:

(3) The write-off accounts receivable

Unit: RMB Yuan

Name of entity	Nature of accounts receivable	Write-off time	Write-off amount	Write-off reason	Whether arising from related party transaction or not?
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Notes to write off of accounts receivable:

Naught

(4) Particulars about accounts receivable due to shareholders holding 5% (including 5%) voting rights of the Company

Unit: RMB Yuan

Name of entity	Closing balance		Opening balance	
	Book balance	Withdrawal amount	Book balance	Withdrawal amount
Shenzhen Investment Holdings Co., Ltd.	415,302.14	12,459.06	156,217.34	4,686.52
Total	415,302.14	12,459.06	156,217.34	4,686.52

(5) Information of top 5 accounts receivable:

Unit: RMB Yuan

Name of entity	The relationship with the Company	Amount	Aging	Proportion
Shenzhen Jiyong Properties & Resources Development Company	Non-related-party	98,611,328.05	Over five years	74%
Huwei Technologies Co.,	Non-related-party	9,548,705.35	Within one year	7.17%

Ltd.				
Shenzhen Tewe Industry Co., Ltd.	Non-related-party	2,836,561.00	Over five years	2.13%
Shenzhen Lunan Industry Development Co., Ltd.	Non-related-party	2,818,284.84	Over five years	2.11%
Zhou Tanjin	Non-related-party	2,750,000.00	Over five years	2.06%
Total	--	116,564,879.24	--	87.47%

(6) The amounts due from related parties

Unit: RMB Yuan

Name of entity	The relationship with the Company	Amount	Proportion
Shenzhen Investment Holdings Co., Ltd.	Controlling shareholder	415,302.14	0.31%
Total	--	415,302.14	0.31%

(7) Information of accounts receivable that terminated recognition

Unit: RMB Yuan

Item	Amount of termination	Gains or losses related to the termination of recognition
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(8) If securitization is carried out on accounts receivable as the underlying assets, please list amount of assets and liabilities arising from further involvement

Unit: RMB Yuan

Item	Period-end
Assets:	
Liabilities:	

7. Other accounts receivable**(1) Other accounts receivable disclosed by type:**

Unit: RMB Yuan

Category	Closing balance				Opening balance			
	Balance		Provision for bad debts		Balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other accounts	92,670,839.6	76.86%	92,670,839.6	100%	92,900,407.6	72.46%	92,900,407.68	100%

receivable that is individually significant and provisions for bad debts individually	8		8		8			
Other accounts receivable that provisions for bad debts by group								
Group 2	17,971,840.96	14.91%	11,600,151.62	64.55%	25,190,013.60	19.64%	21,761,671.21	86.39%
Subtotal of group	17,971,840.96	14.91%	11,600,151.62	64.55%	25,190,013.60	19.64%	21,761,671.21	86.39%
Other accounts receivable that is individually insignificant but provisions for bad debts individually	9,925,245.51	8.23%	9,925,245.51	100%	10,125,581.51	7.9%	10,125,581.51	100%
Total	120,567,926.15	--	114,196,236.81	--	128,216,002.79	--	124,787,660.40	--

Notes for categories of other accounts receivable:

Other closing accounts receivable that is individually significant and provisions for bad debts individually.

√ Applicable □ Inapplicable

Unit: RMB Yuan

Content of other accounts receivable	Book balance	Bad debt amount	Withdrawing proportion (%)	Reason
Gintian Industry (Group) Co., Ltd	56,600,000.00	56,600,000.00	100%	Payment for discharging of guaranty responsibility that was difficult to be recollect
Anhui Nanpeng Papermaking Co., Ltd	7,648,160.00	7,648,160.00	100%	Uncollectible for a long period
Shenzhen Shengfenglu, GUOMAO Jewel & Gold Co., Ltd	6,481,353.60	6,481,353.60	100%	There is no asset to execute the verdict, thus lead to uncollectibility
Shanghai Yutong Real estate development Co., Ltd	5,676,000.00	5,676,000.00	100%	Uncollectibility for the reason of verdict
Wuliangye Restaurant	5,523,057.70	5,523,057.70	100%	Has been liquidated
HongKong Yueheng Development Co., Ltd	3,271,837.78	3,271,837.78	100%	Has been liquidated
Dameisha Tourism	2,576,445.69	2,576,445.69	100%	Suspended project

Center				
Shenzhen GUOMAO Industrial Development Co., Ltd	2,351,652.48	2,351,652.48	100%	The company is insolvent
Elevated Train Project	2,542,332.43	2,542,332.43	100%	Suspended project
Total	92,670,839.68	92,670,839.68	--	--

In the group, other accounts receivable that provisions for bad debts by aging analysis:

√ Applicable □ Inapplicable

Unit: RMB Yuan

Aging	Period-end			Period-begin		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Proportion		Amount	Proportion	
Within 1 year						
Including:						
Within 1 year (including 1 year)	5,907,685.35	32.87%	177,230.56	2,329,457.87	9.25%	69,883.74
Subtotal of within 1 year	5,907,685.35	32.87%	177,230.56	2,329,457.87	9.25%	69,883.74
1-2 years	528,158.03	2.94%	52,815.80	151,914.64	0.6%	15,191.46
2-3 years	33,129.44	0.18%	9,938.83	822,345.71	3.26%	246,703.71
Over 3 years	11,502,868.14	64.01%	11,360,166.43	21,886,295.38	86.89%	21,429,892.30
3 to 4 years	3,596.51	0.02%	1,798.26	704,517.32	2.8%	352,258.66
4 to 5 years	704,517.32	3.92%	563,613.86	520,722.10	2.07%	416,577.68
Over 5 years	10,794,754.31	60.07%	10,794,754.31	20,661,055.96	82.02%	20,661,055.96
Total	17,971,840.96	--	11,600,151.62	25,190,013.60	--	21,761,671.21

In the group, other accounts receivable that provisions for bad debts by balance percentage:

□ Applicable √ Inapplicable

In the group, other accounts receivable that provisions for bad debts by other methods:

□ Applicable √ Inapplicable

Other closing individually insignificant but provisions for bad debts individually accounts receivable:

√ Applicable □ Inapplicable

Unit: RMB Yuan

Content of other accounts receivable	Book balance	Provision for bad debts	Withdrawal proportion	Reason
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	1,747,264.25	1,747,264.25	100%	Poor operation status

Liang Weimin	1,357,137.11	1,357,137.11	100%	Unrecoverable due to retirement of employee
Shenzhen Guesthouse	909,960.40	909,960.40	100%	Unrecoverable
Chongqing Hua'er Decorations Co., Ltd.	799,163.50	799,163.50	100%	Owner unable to repay the loan
Compensation for Shidai new residence mortgage guarantee in ABC	601,762.21	601,762.21	100%	Unrecoverable due to disappearance of the debtor
Chen Liangfang	500,000.00	500,000.00	100%	Unrecoverable for a long term
Yan Kunping	496,307.77	496,307.77	100%	Unrecoverable for a long term
Fang Bijia	344,134.00	344,134.00	100%	Unrecoverable
Shenzhen Property Architectural Design Company	335,828.92	335,828.92	100%	Unrecoverable
Other	2,833,687.35	2,833,687.35	100%	Unrecoverable
Total	9,925,245.51	9,925,245.51	--	--

(2) Information of other accounts receivable reversed or recovered in the reporting period

Unit: RMB Yuan

Content of other accounts receivable	Reason for reversed or recovered	Basis for determination of bad debts provision	Accrued amount before reversal or recovery	Amount of reversed or recovered
Shenzhen GUOMAO Industrial Development Co., Ltd	Offset of the creditor's rights and liabilities for the original Longhua property projects	Estimated to be unrecoverable	2,551,652.48	200,000.00
Longhua real estate project receivable	Offset of the creditor's rights and liabilities for the original Longhua property projects	Estimated to be unrecoverable	200,000.00	200,000.00
Mailbox expense receivable from owners	Recover	Estimated to be unrecoverable	336.00	336.00

Total	--	--	2,751,988.48	--
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Withdrawal of closing individually significant or insignificant but provisions for bad debts individually accounts receivable:

Unit: RMB Yuan

Content of other accounts receivable	Book balance	Amount of bad debts	Withdrawal percentage	Reason
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Notes of individually insignificant but was of big risk after grouped by credit risk other accounts receivable:

(3) Information of other accounts receivable written off in the reporting period

Unit: RMB Yuan

Name of company	Nature of other accounts receivable	Write off date	Write off amount	Write off reason	Whether arising from related party transactions or not
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Notes of written-off of other accounts receivable:

Naught

(4) Other accounts receivable is due from shareholders with more than 5% (including 5%) of the voting shares of the Company

Unit: RMB Yuan

Name of entity	Closing balance		Opening balance	
	Book balance	Withdrawal amount of bad debts	Book balance	Withdrawal amount of bad debts

(5) Nature or details of other significant accounts receivable

Unit: RMB Yuan

Name of entity	Amount	Nature or details of the amount	Proportion of the total (%)
Gintian Industry (Group) Co., Ltd.	56,600,000.00	Executed amount of guarantee	46.94%
Anhui Nanpeng Papermaking Co., Ltd	7,648,160.00	Operating turnover funds	6.34%
Shenzhen Shengfenglu, GUOMAO Jewel & Gold Co., Ltd	6,481,353.60	Current account	5.38%
Shanghai Yutong Real estate development Co., Ltd	5,676,000.00	Current account	4.71%
Wuliangye Restaurant	5,523,057.70	Current account	4.58%

HongKong Yueheng Development Co., Ltd	3,271,837.78	Current account	2.71%
Dameisha Tourism Center	2,576,445.69	Current account	2.14%
Shenzhen GUOMAO Industrial Development Co., Ltd	2,351,652.48	Current account	1.95%
Elevated Train Project	2,542,332.43	Current account	2.11%
Total	92,670,839.68	--	76.86%

Note:

(6) Information of top five other accounts receivable

Unit: RMB Yuan

Name of entity	Relationship with the Company	Amount	Aging	Proportion of the total (%)
Gintian Industry (Group) Co.,Ltd.	Non-related-party	56,600,000.00	Over five years	46.94%
Anhui Nanpeng Papermaking Co., Ltd	Joint venture	7,648,160.00	Over five years	6.34%
Shenzhen Shengfenglu, GUOMAO Jewel & Gold Co., Ltd	Non-related-party	6,481,353.60	Over five years	5.38%
Shanghai Yutong Real estate development Co., Ltd	Non-related-party	5,676,000.00	Over five years	4.71%
Wuliangye Restaurant	Non-related-party	5,523,057.70	Over five years	4.58%
Total	--	81,928,571.30	--	67.95%

(7) Information of the amounts due from related parties

Unit: RMB Yuan

Name of entity	Relationship with the Company	Amount	Proportion (%)
Anhui Nanpeng Papermaking Co., Ltd	Associated enterprise	7,648,160.00	6.34%
Shenzhen GUOMAO Industrial Development Co., Ltd	Associated enterprise	2,351,652.48	1.95%
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	Associated enterprise	1,747,264.25	1.45%
Shenzhen Guesthouse	With the same controller of the	909,960.40	0.75%

	parent company of the Company		
Total	--	12,657,037.13	10.5%

(8) Information of other accounts receivable that terminated recognition

Unit: RMB Yuan

Item	Amount of termination	Gains or losses related to the termination of recognition
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(9) If securitization is carried out on other accounts receivable as the underlying assets, please list amount of assets and liabilities arising from further involvement

Unit: RMB Yuan

Item	Closing balance
Assets:	
Liabilities:	

8. Prepayment**(1) List by aging analysis:**

Unit: RMB Yuan

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	55,422,464.21	85.64%	472,521,763.10	99.62%
1 year to 2 years	8,839,702.60	13.66%	108,805.50	0.02%
2 years to 3 years	72,805.50	0.11%	1,586,058.25	0.33%
Over 3 years	380,017.80	0.59%	138,121.54	0.03%
Total	64,714,990.11	--	474,354,748.39	--

Notes of aging of prepayment:

The closing amount of the prepayment decrease by 86.36% over the opening amount, which mainly due to the prepaid transfer fee for Yangzhou land was transferred to the inventories during the reporting period.

(2) Information of the top 5 prepayment

Unit: RMB Yuan

Name of entity	Relationship with the Company	Amount	Aging	Reason for unsettled
Prepayment of taxes	Non-related-party	48,597,463.86	1 Jan. 2012	Refer to the notes to the prepayment
Prepayment of social security charges in building industry	Non-related-party	5,925,702.60	22 Jul. 2011	Refer to the notes to the prepayment
Zhanjiang Yuexi Construction Engineering Co., Ltd	Non-related-party	5,850,000.00	3 Mar. 2012	Not reaching the settlement conditions for projects
Shenzhen Ailite Mechanical and Electrical Equipment Co., Ltd.	Non-related-party	1,504,000.00	5 Apr. 2012	Not reaching the settlement conditions for projects
Chongqing Guangtian Metal Products Co., Ltd.	Non-related-party	292,879.20	6 Jul. 2012	Not reaching the settlement conditions for projects
Total	--	62,170,045.66	--	--

Notes of important companies of prepayment:

All the companies of prepayment during the reporting period had no relationship with the Company.

(3) Information about amount due from shareholders with more than 5% (including 5%) of the voting shares of the Company in prepayment

Unit: RMB Yuan

Name of entity	Closing balance		Opening balance	
	Book balance	Amount of provision for bad debts	Book balance	Amount of provision for bad debts

(4) Notes of prepayment

Note 1: According to “Provisional Regulations on Business Tax Business tax”, transfer of land use right or real estate sales, using method of pre-collection (including deposit in advance), and the obligation for tax occurs on pre-collection date. The balance of pre-paid the taxes and fees refer to the prepaid business tax, education surtax and other tax fees, basing on pre-sale income of commercial housing sales.

Note 2: Prepayment of social security charges in building industry was prepaid in accordance with requirements of Temporary Method on Management of Prepayment of Social Security Charges in Building Industry of Xuzhou (XZBF (2009) No. 113). Social security charges in building industry refer to charges in aspects of social securities the building enterprises contributed for employees such as endowment insurance, medical insurance, unemployment insurance, insurance against injury at work, maternity insurance etc. (including part of personnel contribution). This charge is base on engineer project, conducting unity measure basis that charge from building entities in unity and making final settlement with building enterprises in unity.

9. Inventory**(1) Category**

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment of inventories	Book value	Book balance	Impairment of inventories	Book value
Raw materials	1,902,535.57	506,522.30	1,396,013.27	1,908,615.92	538,069.88	1,370,546.04
Inventory goods	43,286.70		43,286.70	37,356.20		37,356.20
Turnover material	515,562.10		515,562.10	589,437.96		589,437.96
Products held for real estate development	1,054,626,950.28	32,647,460.45	1,021,979,489.83	652,893,160.93	36,911,568.66	615,981,592.27
Properties under development	736,298,555.66		736,298,555.66	684,087,366.66		684,087,366.66
Completed properties for sale	540,441,643.58		540,441,643.58	512,926,330.21		512,926,330.21
Total	2,333,828,533.89	33,153,982.75	2,300,674,551.14	1,852,442,267.88	37,449,638.54	1,814,992,629.34

(2) Provision for falling price of inventories

Unit: RMB Yuan

Category	Opening book balance	Increase	Decease		Closing book balance
			Reversal	Write-off	
Raw materials	538,069.88			31,547.58	506,522.30
Land to be developed	36,911,568.66		4,264,108.21		32,647,460.45
Total	37,449,638.54		4,264,108.21	31,547.58	33,153,982.75

(3) Details of provision for falling price of inventories

Item	Basis on provision for falling price of inventories	Reasons for reversal	Proportion of reversal of provision for impairment of inventories to closing balance
Raw materials	The estimated net realizable value is lower than the book value		
Land to be developed	The estimated net realizable value is lower than the book value	The net realizable value	13.08%

	value	resumed to increase	
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Notes of inventory:

(4) Particulars about the capitalization amount of borrowing costs in the closing balance of inventory

Category of inventory	Project	Closing balance	Increase for the year	Decrease for the year	Closing balance
Completed properties	Xinhua City	6,222,040.71		3,348,534.75	2,873,505.96
	Shengang No.1	20,512,106.56		13,243,238.62	7,268,867.94
	Langqiao Gardern	51,689,147.66	31,388,555.29	24,648,257.11	58,429,445.84
Properties under development	Caitianyise	6,023,792.66	6,264,615.79		12,288,408.45
	Banshanyujing Phase I		7,367,181.38		7,367,181.38
	Songhulangyuan		1,520,319.93		1,520,319.93
Total		84,447,087.59	46,540,672.39	41,240,030.48	89,747,729.50

10. Other current assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Notes of other current assets:

11. Available-for-sale financial assets

(1) Information of available-for-sale financial assets

Unit: RMB Yuan

Item	Closing fair value	Opening fair value
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In the reporting period, the Company reclassified the held-to-maturity investment into available-for-sale financial assets, a total of RMB* was reclassified, which takes *% of total matured investment before reclassification.

Notes of available-for-sale financial assets

(2) Long-term liability investment of available-for-sale financial assets

Unit: RMB Yuan

Item	Category	Balance	Initial investment cost	Matured date	Opening balance	Interest in the reporting period	Accrued accounts receivable or received interest	Closing balance
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Notes of long-term liability investment of available-for-sale financial assets:

12. Held-to-maturity investment**(1) Information**

Unit: RMB Yuan

Item	Closing book balance	Opening book balance
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Notes of held-to-maturity investment:

(2) Information of held-to-maturity investment sold in the reporting period but was not matured

Unit: RMB Yuan

Item	Amount	Percentage of the investment amount before sales
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Notes of undue held-to-maturity investment sold in the reporting period:

13. Long-term accounts receivable

Unit: RMB Yuan

Category	Closing balance	Opening balance
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14. Investment to joint ventures and associated enterprises

Unit: RMB Yuan

Name of investee	Percentage of holding shares of the Company	Voting percentage of the Company in investee	Total closing assets	Total closing liabilities	Net closing assets	Total operation revenue of the reporting period	Net profit of the reporting period
I. Joint ventures							
Shenzhen Jifa Warehouse Co., Ltd	50%	50%	59,038,833.28	2,702,691.32	56,336,141.96	6,999,762.65	1,622,013.88
Shenzhen GUOMAO Tian'an Properties Co., Ltd	50%	50%	117,024,039.13	42,528,265.04	74,495,774.09	19,834,382.07	3,688,160.44
Shenzhen Tian'an	50%	50%	35,843,829.64	28,781,445.39	7,062,384.25	17,641,222.90	981,445.18

International Building Property Management Co., Ltd							
II. Associated enterprises							
Shenzhen GUOMAO Industrial Development Co., Ltd	38.33%	38.33%					
Anhui Nanpeng Papermaking Co., Ltd	30%	30%					
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	26%	26%					

Notes if significant differences exist between the important accounting policies and accounting estimations of joint ventures, associated enterprises and the Company:

15. Long-term equity investment

(1) List of long-term equity investment

Unit: RMB Yuan

Investee	Accounting method	Initial investment cost	Opening balance	Increase/decrease	Closing balance	Share holding percentage in investee	Voting percentage in investee	Explanation for differences between the share holding percentage and voting percentage in investee	Impairment provision	Withdrawn impairment provision in the reporting period	Cash bonus in the reporting period
Shenzhen Jifa Warehouse Company Limited	Equity method	30,645,056.04	27,357,064.04	811,006.94	28,168,070.98	50%	50%				
Shenzhen GUOMA O Tian'an Properties Co., Ltd	Equity method	23,186,124.00	35,403,806.83	1,844,080.22	37,247,887.05	50%	50%				
Shenzhen Tian'an International Building Property Management Co., Ltd	Equity method	1,500,000.00	3,040,469.53	490,722.59	3,531,192.12	50%	50%				
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	Cost method	18,983,614.14	18,983,614.14		18,983,614.14	26%	26%		18,983,614.14		

Shenzhen GUOMA O Industrial Develop ment Co., Ltd	Cost method	20,154,84 0.79	3,682,972 .55		3,682,972 .55	38.33%	38.33%		3,682,972 .55		
Anhui Nanpeng Papermak ing Co., Ltd	Cost method	13,824,00 0.00	13,824,00 0.00		13,824,00 0.00	30%	30%		13,824,00 0.00		
China T.H. Co., Ltd.	Cost method	2,962,500 .00	2,962,500 .00		2,962,500 .00	0.33%	0.33%		2,160,300 .45		
North Machiner y (Group) Co., Ltd.	Cost method	3,465,000 .00	3,465,000 .00		3,465,000 .00	12.66%	12.66%		3,465,000 .00		
Guangdo ng Huayue Real Estate Co., Ltd.	Cost method	8,780,645 .20	8,780,645 .20		8,780,645 .20	8.47%	8.47%		8,780,645 .20		
Shenzhen GUOMA O Petroleu m Company Limited	Cost method	8,500,000 .00	8,500,000 .00		8,500,000 .00	100%	100%				
Guangzh ou Lishifeng Automobi le Co., Ltd.	Cost method	6,000,000 .00	6,000,000 .00		6,000,000 .00	30%	30%				
Sanya East Travel Co., Ltd.	Cost method	1,350,000 .00	1,350,000 .00		1,350,000 .00	0.28%	0.28%		1,350,000 .00		

Shensan Co., Ltd.	Cost method	17,695.09	17,695.09		17,695.09				17,695.09		
Macao Huashen Enterprise Co., Ltd.	Cost method	85,621.36	78,708.74	19.42	78,728.16	10%	10%		78,728.16	19.42	
Chongqing Guangfa Real estate development Co., Ltd.	Cost method	2,598,061.52	2,418,523.82	-29,627.02	2,388,896.80	27.25%	27.25%		2,388,896.80	-29,627.02	
Saipan Project	Cost method	1,935,184.04	1,748,731.17	30,655.08	1,779,386.25	30%	30%		1,779,386.25	30,655.08	
Total	--	143,988,342.18	137,613,731.11	3,146,857.23	140,760,588.34	--	--	--	56,511,238.64	1,047.48	

(2) Information of the limitation on the capability to transfer capital to investee

Unit: RMB Yuan

Item that with limitation on the capability to transfer capital to investee	Reason for limitation	Investment losses unrecognized in current period
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Notes of long-term equity investment:

Note 1: In Jan. 2008, Shenzhen GUOMAO Vehicle Industry Co., Ltd. (hereinafter as the “Vehicles Company”) signed a gas station lease contract with Shenzhen Guanghong Investment Company Limited., which promises that Shenzhen Guanghong Investment Co., Ltd rents the assets and rights such as the land of gas station, the gas station, business occupancy, dormitory, equipments and facilities, as well as business management right from Shenzhen Guomao Oil Co., Ltd (Shenzhen Guomao Automobile Industry Co., Ltd holds 100% equity of the company) and takes over the operation and management, with a lease term of 15 years. Since the date of operating lease, the Company no longer exerts actual control on Shenzhen Guomao Oil Co., Ltd, therefore, included in the consolidation scope, according to the Accounting Standard for Enterprises.

Note 2: The decreased balance of investment and impairment provision of Macao Huashen Enterprise Co., Ltd., Saipan Project, Chongqing Guangfa Real estate development Co., Ltd., which was due to translation of financial statements in foreign currencies.

16. Investment property**(1) Investment property calculated by cost**

Unit: RMB Yuan

Item	Opening book balance	Increase	Decrease	Closing book balance
I. Total cost	477,601,561.00	23,533,501.17	30,359,709.98	470,775,352.19
1. Property and buildings	469,631,606.60	23,533,501.17	30,359,709.98	462,805,397.79
2. Land use right	7,969,954.40			7,969,954.40
II Accumulated depreciation and amortization	174,969,042.45	18,282,603.49	7,734,897.92	185,516,748.02
1. Property and buildings	171,636,360.26	17,773,458.37	7,734,897.92	181,674,920.71
2. Land use right	3,332,682.19	509,145.12		3,841,827.31
III. Total net book value of investment real estate	302,632,518.55	5,250,897.68	22,624,812.06	285,258,604.17
1. Property and buildings	297,995,246.34	5,760,042.80	22,624,812.06	281,130,477.08
2. Land use right	4,637,272.21	-509,145.12		4,128,127.09
V. Total book value of investment real estate	302,632,518.55	5,250,897.68	22,624,812.06	285,258,604.17
1. Property and buildings	297,995,246.34	5,760,042.80	22,624,812.06	281,130,477.08
2. Land use right	4,637,272.21	-509,145.12		4,128,127.09

Unit: RMB Yuan

	The reporting period
Amount of amortization and depreciation in the reporting period	17,492,026.14
Withdrawal amount of provision for impairment of investment real estate in the reporting period	0.00

(2) Investment real estate measured by fair value

Unit: RMB Yuan

Item	Opening fair value	Increase for the year			Decrease for the year		Closing fair value
		Acquisition	Transfer of	Gains and	Disposal	Transfer to	

			self-occu- pied property or inventories	losses from changes in fair value		self-occu- pied property	
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Explanation on investment real estates that changed the measurement method and have not completed to handle the property right certificate during the reporting period, and relevant explanation on the reason for failing to complete to handle the property right certificate and the expected completion time:

The housing and building increased for the year mainly due to leasing the investment real estates transferred from inventories and fixed assets.

The housing and building decreased for the year mainly due to the decrease in completion of assets replacement and the leased properties transferred to fixed assets.

17. Fixed assets

(1) Fixed assets details

Unit: RMB Yuan

Item	Opening book balance	Increase in the reporting period		Decrease in the reporting period	Closing book balance
I. Total original book value	213,214,030.40	16,446,190.37		21,770,990.73	207,889,230.04
Including: Property and building	120,984,990.42	5,805,252.26		9,936,695.53	116,853,547.15
Machineries	9,096,738.14	177,770.08		187,123.00	9,087,385.22
Vehicles	55,190,657.69	9,260,390.00		10,997,240.00	53,453,807.69
Electrical and other equipments	23,248,233.56	1,165,009.65		649,932.20	23,763,311.01
Decoration of fixed assets	4,693,410.59	37,768.38			4,731,178.97
--	Opening book balance	Increase in the reporting period	Withdrawal in the reporting period	Decrease in the reporting period	Closing book balance in current period
II. Accumulated depreciation	126,283,023.98	350,456.50	15,596,141.06	13,237,276.87	128,992,344.67
Including: Property and building	66,428,477.27	350,456.50	4,117,540.36	1,986,293.68	68,910,180.45
Machineries	6,374,435.96		112,728.87	158,196.29	6,328,968.54
Vehicles	30,870,888.51		9,642,389.00	10,476,205.00	30,037,072.51
Electrical and other equipments	18,537,928.01		1,544,411.80	607,129.40	19,475,210.41
Decoration of fixed assets	4,071,294.23		179,071.03	9,452.50	4,240,912.76

--	Opening book balance	--	Closing balance in current period
III. The net book value of fixed assets	86,931,006.42	--	78,896,885.37
Including: Property and building	54,556,513.15	--	47,943,366.70
Machineries	2,722,302.18	--	2,758,416.68
Vehicles	24,319,769.18	--	23,416,735.18
Electrical and other equipments	4,710,305.55	--	4,288,100.60
Decoration of fixed assets	622,116.36	--	490,266.21
IV. Total impairment provision	75,717.16	--	75,717.16
Including: Property and building	75,717.16	--	75,717.16
Decoration of fixed assets		--	
V. Total book value of fixed assets	86,855,289.26	--	78,821,168.21
Including: Property and building	54,556,513.15	--	47,943,366.70
Machineries	2,722,302.18	--	2,758,416.68
Vehicles	24,319,769.18	--	23,416,735.18
Electrical and other equipments	4,634,588.39	--	4,212,383.44
Decoration of fixed assets	622,116.36	--	490,266.21

Depreciation amount of this reporting period was RMB 15,596,141.06, RMB 0.00 was transferred into fixed assets from construction project.

(2) Temporary idle fixed assets

Unit: RMB Yuan

Item	Original book value	Accrued depreciation	Impairment provision	Net book value	Note
Property and building	4,059,207.77	1,692,842.88		2,366,364.89	

(3) Fixed assets leased in from financing lease

Unit: RMB Yuan

Item	Original book value	Accrued depreciation	Net book value
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(4) Fixed assets leased out from operation lease

Unit: RMB Yuan

Category	Closing book value
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(5) Information of hold-for-sale fixed assets at period-end

Unit: RMB Yuan

Item	Book value	Fair value	Estimated disposal cost	Estimated settle date
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(6) Information of fixed assets failed to accomplish certification of property

Item	Reason for failing to accomplish certification of property	Estimated time of completing the certification of property
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Notes of fixed assets:

The housing and building decreased in the reporting period mainly due to the leased properties transferred from fixed assets to investment properties and the decrease of assets replacement.

The vehicles decreased during the reporting period mainly due to the taxi subsidiaries changed the operating vehicles.

18. Construction in progress**(1)**

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Smoke emission renovation for Shenxin Building	57,000.00		57,000.00	57,000.00		57,000.00
Total	57,000.00		57,000.00	57,000.00		57,000.00

(2) Significant changes in construction in progress

Unit: RMB Yuan

Name of project	Budget	Opening balance	Increase	Transferred to fixed assets	Other decrease	Project input percentage of budget	Project process	Accumulative amount of capitalization of	Including: amount of capitalization of	Capitalization ratio of interest in the reporting	Source of funding	Closing balance
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								interest	interest in the reporting period	period (%)		
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Notes to change in construction in progress

(3) Impairment provision of construction in progress

Unit: RMB Yuan

Item	Opening amount	Increase in the reporting period	Decrease in the reporting period	Closing balance	Reason for withdrawal
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(4) Information of procedures of significant construction in progress

Item	Project process	Note
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(5) Notes of construction in progress**19. Engineering materials**

Unit: RMB Yuan

Item	Opening balance	Increase in the reporting period	Decrease in the reporting period	Closing balance
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Notes of engineering materials:

20. Clearance of fixed assets

Unit: RMB Yuan

Item	Opening book value	Closing book value	Reason for transferring to clearance
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Notes of clearance process of fixed assets with a clearance term of over 1 year since the transfer into fixed assets:

21. Productive biological assets**(1) Measured by cost**

Unit: RMB Yuan

Item	Opening book balance	Increase	Decrease	Closing book balance
I. Crop farming industry				
II. Animal husbandry and aquaculture industry				
III. Forest industry				

IV. Aquatic products industry

(2) Measured by fair value

Unit: RMB Yuan

Item	Opening book balance	Increase	Decrease	Closing book balance
J. Crop farming industry				
II. Animal husbandry and aquaculture industry				
III. Forest industry				
IV. Aquatic products industry				

Notes to productive biological assets:

22. Oil and gas assets

Unit: RMB Yuan

Item	Opening book balance	Increase	Decrease	Closing book balance
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Notes of oil and gas assets:

23. Intangible assets

(1) Information

Unit: RMB Yuan

Item	Opening book balance	Increase in the reporting period	Decrease in the reporting period	Closing book balance
I. Total original book value	170,884,406.80			170,884,406.80
Taxi operating licenses	170,866,146.80			170,866,146.80
Official software	18,260.00			18,260.00
II. Total accrued amortization	49,630,150.65	7,156,103.04		56,786,253.69
Taxi operating licenses	49,616,050.65	7,152,203.04		56,768,253.69
Official software	14,100.00	3,900.00		18,000.00
III. Total net book value of intangible assets	121,254,256.15	-7,156,103.04		114,098,153.11
Taxi operating licenses	121,250,096.15	-7,152,203.04		114,097,893.11
Official software	4,160.00	-3,900.00		260.00
Taxi operating licenses				
Official software				
Total book value of	121,254,256.15	-7,156,103.04		114,098,153.11

intangible assets				
Taxi operating licenses	121,250,096.15	-7,152,203.04		114,097,893.11
Official software	4,160.00	-3,900.00		260.00

Amortization was of RMB 7,156,103.04 in the reporting period

(2) Company development expense

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease		Closing balance
			Recognized into current gains/losses	Recognized as intangible assets	

The percentage of development expense in the total expenditure of R&D projects in the reporting period:

The percentage of the value of intangible assets formed from the internal R&D of the Company in the closing book value of intangible assets:

Notes of the developed projects of the Company, including the projects with individual value more than RMB 1 million and recorded with the assessed value, relevant assessment agency and method shall be disclosed:

24. Goodwill

Unit: RMB Yuan

Name of investee or event that generated goodwill	Opening balance	Increase in the reporting period	Decrease in the reporting period	Closing balance	Impairment provision at period-end
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Notes of test method of goodwill impairment and impairment withdrawal method:

25. Long-term amortization expense

Unit: RMB Yuan

Item	Opening balance	Increase	Amortization balance	Other decrease	Closing balance	Reason for other decrease
Reformation project for Tianhong Subway No. 3	1,989,226.53		172,976.28		1,816,250.25	
Fire-fighting renovation of Shenxin Building	1,184,186.48		177,070.28		1,007,116.20	
Renovation for repair shops		820,921.95			820,921.95	
Total	3,173,413.01	820,921.95	350,046.56		3,644,288.40	--

Notes of long-term amortization expense:

26. Deferred tax assets and liabilities

(1) Deferred tax assets and liabilities are not listed as the net value after offset

Deferred tax assets and liabilities that already recognized

Unit: RMB Yuan

Item	Closing balance	Opening balance
Deferred income tax assets::		
Provision for impairment of assets	335,764.51	378,187.84
Deductible losses	11,495,872.46	6,392,371.80
Accrued land VAT	140,731,876.12	105,073,836.93
Accrued unpaid dismiss welfare	788,140.00	32,314.75
Transferred employee education fee pay deductible in the following year	1,140.51	4,878.12
Transferred advertisement fee deductible in the following year	664,109.00	206,936.50
Unrealized internal sales gain and loss	7,828,210.75	2,662,855.97
Estimated profit calculated at pre-sale revenue of property enterprises	32,662,711.15	9,350,820.50
Subtotal	194,507,824.50	124,102,202.41
Deferred income tax liabilities		
Prepaid land VAT	2,739,089.94	
Subtotal	2,739,089.94	

List of unrecognized deferred income tax assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Deductible losses of unrecognized deferred income tax assets will due in the following years

Unit: RMB Yuan

Year	Closing balance	Opening balance	Remark
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List of taxable differences and deductible differences items

Unit: RMB Yuan

Item	Temporary differences amount
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	As at period-end	As at period-begin
Taxable differences items		
Prepaid land VAT	10,956,359.77	
Subtotal	10,956,359.77	
Deductible difference projects		
Assets impairment provision	1,343,057.99	1,512,751.31
Accrued land VAT	562,927,504.45	420,295,347.70
Deductible losses	45,983,489.80	25,569,487.18
Transferred advertisement fee deductible in the following year	2,656,436.00	827,746.00
Transferred employee education fee pay deductible in the following year	4,562.04	19,512.47
Accrued unpaid dismiss welfare	3,152,560.00	129,259.00
Estimated profit calculated at pre-sale revenue of property enterprises	130,650,844.60	37,403,282.01
Unrealized internal sales gain and loss	31,312,842.98	10,651,423.89
Subtotal	778,031,297.86	496,408,809.56

(2) Deferred income tax assets and liabilities are listed as the net value after offset

Notes of deferred income tax assets and liabilities after offset with each other

Unit: RMB Yuan

Item	Deferred income tax assets and liabilities after offset with each other at period-end	Deductible or taxable temporary differences after offset at period-end	Deferred income assets or liabilities after offset at period-begin	Deductible or taxable temporary differences after offset at period-begin
Deferred income tax assets	194,507,824.50		124,102,202.41	
Deferred income tax liabilities	2,739,089.94			

Details about the deferred income tax assets and liabilities offset with each other

Unit: RMB Yuan

Item	Offset amount at the reporting period
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Explanation on deferred income tax assets and liabilities

27. List of provision for assets impairment

Unit: RMB Yuan

Item	Opening book	Increase	Decrease	Closing book
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	balance		Reversal	Written off	balance
I. Provision for bad debt	180,497,969.09	-8,980,020.32	652,644.08		170,865,304.69
II. Provision for inventory falling price	37,449,638.54		4,264,108.21	31,547.58	33,153,982.75
V. Impairment provision of long-term equity investment	56,510,191.16	1,047.48			56,511,238.64
VII. Impairment provision of fixed assets	75,717.16				75,717.16
Total	274,533,515.95	-8,978,972.84	4,916,752.29	31,547.58	260,606,243.24

Notes of the list of assets impairment:

28. Other non-current assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Notes of other non-current assets

29. Short-term loan

(1) Category

Unit: RMB Yuan

Category	Closing balance	Opening balance
Mortgage loan	220,000,000.00	40,000,000.00
Guarantee loan	60,000,000.00	41,495,212.00
Credit loan		490,000,000.00
Guarantee loan + mortgage loan		30,000,000.00
Guarantee loan + pledge loan	40,000,000.00	
Mortgage loan + pledge loan	40,000,000.00	
Total	360,000,000.00	601,495,212.00

Notes:

(2) List of unsettled mature short-term loan

Unit: RMB Yuan

Name of creditor	Amount of loan	Rate of loan	Usage	Reason for unsettlement	Estimated settle date
Total	0.00	--	--	--	--

RMB000 was paid back after the Balance Sheet Date.

Notes of short-term loan, for those gaining extended term, notes term of extension and new mature date:

A. The short-term loan of RMB 0.2 billion was the entrusted loan that Shenzhen Investment Holdings Co., Ltd. entrusted Shenzhen Jingtian Sub-branch of China Everbright Bank to borrow, which was the credit loan. After the expiry on 39 Mar. 2012, the Company extent the period of the entrusted loan by mortgaging the five houses

located at Guomao Plaza (Phase II), Nanhu Road, Luohu District, Shenzhen; 105 houses located at Guomao Commercial Building, Nanhu Road, Luohu District, Shenzhen; 19/F Tian'an International Building, Renmin South Road, Luohu District, Shenzhen; 7 houses located at Small Commodity Market, Peace New Home, Chuanbu Street, Heping Road, Luohu District, Shenzhen and 1-7/F, Peace Hotel, Heping Road, Luohu District, Shenzhen, so the due date extended to 28 Mar. 2013, and the annual loan interest rate increased from 5.7767% to 6.9554%.

B. The short-term loan of RMB 40 million was the entrusted loan that Shenzhen Investment Holdings Co., Ltd. entrusted Shenzhen Jingtian Sub-branch of China Everbright Bank to borrow, which was the credit loan. After the expiry on 39 Mar. 2012, Shenzhen GUOMAO Vehicles Industry Co., Ltd. extend the period of the entrusted loan by mortgaging its Room 2701, Huangcheng Plaza Building and Room 2901 and 3101, Huangcheng Plaza Building owned by the Company's subsidiary of Shenzhen Huangcheng Real Estate Co., Ltd. as well as pledging 120 Taxi Operating Licenses owned by the Company's subsidiary of Shenzhen Shenxin Taxi Co., Ltd., and the annual loan interest rate increased from 5.7767% to 6.9554%.

30. Trading financial liabilities

Unit: RMB Yuan

Item	Closing fair value	Opening fair value
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Notes of trading financial liabilities:

31. Notes payable

Unit: RMB Yuan

Category	Closing balance	Opening balance
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RMB000 will be due in next fiscal period.

Notes of notes payable:

32. Accounts payable

(1)

Unit: RMB Yuan

Item	Closing balance	Opening balance
Accounts payable	298,525,752.32	187,093,587.42
Total	298,525,752.32	187,093,587.42

(2) The accounts payable to shareholders with more than 5% (including 5%) of the voting shares of the Company

Unit: RMB Yuan

Name of entity	Closing balance	Opening balance
Shenzhen Investment Holdings Co., Ltd.		703,821.38
Total		703,821.38

(3) Notes of the significant accounts payable aging over one year:

The Company's accounts payable aging over one year are mainly the unpaid construction payment and pledged

amount, etc.

The closing amount of accounts payable increased by 59.56% over the period-begin, which mainly due to the unpaid construction payment for the property projects at the end of reporting period increased.

There was no accounts payable due to other related parties during the reporting period.

33. Advance from customers

(1)

Unit: RMB Yuan

Item	Closing balance	Opening balance
Advance from customers	678,075,291.01	208,655,909.41
Total	678,075,291.01	208,655,909.41

(2) Advanced from customers from shareholders with more than 5% (including 5%) of the voting shares of the Company

Unit: RMB Yuan

Name of entity	Closing balance	Opening balance
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(3) Notes of significant advance from customers aging over one year:

The significant advance from customers aged over one year mainly due to the accounts received had not transferred to income for not reaching the recognition conditions of income.

The closing amount of the accounts advance from customers increased by 224.97% over that of period-begin, which mainly due to many sales accounts received in advance of the property projects during the reporting period hadn't been transferred to income for not reaching the recognition conditions of income.

There was no advance from customers due to the shareholders holding over 5% (including 5%) voting rights of the Company and other related parties.

34. Payroll payable

Unit: RMB Yuan

Item	Opening book balance	Increase	Decrease	Closing book balance
I. Salary, bonus, allowance, subsidy	40,057,771.77	197,075,052.17	192,174,363.92	44,958,460.02
II. Employee welfare		11,531,536.53	11,531,536.53	
III. Social insurance	83,997.89	26,214,476.54	25,884,020.81	414,453.62
Including: Medical insurance premiums	33,090.94	5,660,368.68	5,610,157.75	83,301.87
Basic pension benefits	33,182.60	13,638,889.02	13,482,257.98	189,813.64
Annuity	2,520.00	4,750,713.19	4,643,113.19	110,120.00
Unemployment insurance	8,688.19	731,402.45	723,226.13	16,864.51

Work-related injury insurance	3,475.30	705,276.73	701,292.29	7,459.74
Maternity insurance	3,040.86	508,280.83	504,427.83	6,893.86
Other social insurance		219,545.64	219,545.64	
IV. Housing fund	1,415,088.34	7,410,068.17	7,269,142.26	1,556,014.25
V. Redemption for terminations of labor contract	1,129,832.80	4,633,370.00	1,776,991.00	3,986,211.80
VI. Others	3,668,292.07	6,213,506.51	6,075,321.36	3,806,477.22
Of which: labor union budget and employee education budget	3,668,292.07	6,213,506.51	6,075,321.36	3,806,477.22
Total	46,354,982.87	253,078,009.92	244,711,375.88	54,721,616.91

RMB 0.00 is the amounts in arrears in the payroll payable.

The labor union budget and employee education budget is RMB 3,806,477.22, and the non-monetary benefits are RMB 0.00, as well as the compensation for terminating the labor contract is RMB 1,776,991.00.

The estimated distribution date and amount as well as other arrangements for payroll payable:

35. Taxes payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Value-added tax	160,057.44	-10,022.86
Business tax	7,085,925.17	4,993,024.88
Corporate income tax	160,519,629.84	71,331,210.33
Personal income tax	762,203.88	393,853.77
Urban maintenance and construction tax	505,130.58	336,526.08
Stamp duty	-10,066.15	-10,903.55
Education surtax	219,588.15	154,901.24
Local education surtax	146,185.40	62,430.77
Land VAT	562,927,504.45	421,667,014.45
Property tax	980,346.47	1,007,885.90
Leeve fee	6,945.79	23,510.98
Other	356,228.69	7,655.37
Total	733,659,679.71	499,957,087.36

Notes of taxes payable: for the taxable income of branch companies and factories approved to be inter-adjusted by

their local tax authorities, the Company shall specified their calculation procedure.

The closing balance of taxes payable increased by 46.74% over the period-begin mainly due to accrued land VAT increased at the period-end and the balance of the total amount of profits over the accrued enterprise income taxes for last period increased.

36. Interest payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Notes:

37. Dividends payable

Unit: RMB Yuan

Name of company	Closing balance	Opening balance	Reason for unsettlement over 1 year
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Notes:

38. Other accounts payable

(1)

Unit: RMB Yuan

Item	Closing balance	Opening balance
Other accounts payable	195,045,649.98	480,433,469.91
Total	195,045,649.98	480,433,469.91

(2) Other accounts payable from shareholders with more than 5% (including 5%) of the voting shares of the Company

Unit: RMB Yuan

Name of entity	Closing balance	Opening balance
Shenzhen Investment Holdings Co., Ltd.		271,065,981.63
Total		271,065,981.63

(3) Notes of the other large amount accounts payable aging over 1 year.

The Company's other large amount accounts payable aging over 1 year are mainly the accrued land VAT and various deposits, etc..

(4) Notes of other accounts payable with significant amount

The Company's other accounts payable with significant amount are as follows:

Item	Amount	Nature or content
Accrued land VAT	56,303,627.40	Accrued land VAT
Rental deposit	30,860,222.04	Deposit
Shenzhen Jifa Warehouse Co., Ltd	19,545,808.00	Current accounts

Guangzhou Lishifeng Automobile Co., Ltd.	15,344,017.08	Current accounts
Shenzhen GUOMAO Tian'an Properties Co., Ltd	13,500,000.00	Current accounts
Total	135,553,674.52	

39. Estimated liabilities

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
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Notes:

40. Non-current liabilities due within 1 year

(1)

Unit: RMB Yuan

Item	Closing balance	Opening balance
Long-term loan due within 1 year	12,216,666.68	215,666,666.68
Long-term accounts payable due within 1 year	2,693,221.64	2,693,221.64
Total	14,909,888.32	218,359,888.32

(2) Long-term loan due within 1 year

Long-term loan due within 1 year

Unit: RMB Yuan

Item	Closing balance	Opening balance
Pledge loan	12,216,666.68	3,666,666.68
Mortgage loan		200,000,000.00
Guarantee loan		12,000,000.00
Total	12,216,666.68	215,666,666.68

RMB000 of long-term loan due within 1 year was of mature loan with extended term.

Top five long-term loans due within 1 year

Unit: RMB Yuan

Creditor	Starting date	Ending date	Currency	Rate (%)	Closing balance		Opening balance	
					Foreign currency balance	RMB balance	Foreign currency balance	RMB balance
Shenzhen Branch of Ping An Bank	11 Jan. 2012	10 Jan. 2015	RMB Yuan	6.77%	0.00	8,550,000.00		
Shenzhen Shangbu Sub-branch of Shenzhen	23 Nov. 2011	23 Nov. 2014	RMB Yuan	6.77%	0.00	3,666,666.68	0.00	3,666,666.68

Development Bank								
Shenzhen Eastern Sub-branch of Agricultural Bank of China	31 Mar. 2009	30 Mar. 2012	RMB Yuan	4.86%			0.00	200,000,000.00
Shenzhen Branch of Ping An Bank	10 Mar. 2010	10 Mar. 2012	RMB Yuan	5.4%	0.00	0.00	0.00	12,000,000.00
Total	--	--	--	--	--	12,216,666.68	--	215,666,666.68

Mature loan of long-term loan due within 1 year:

Unit: RMB Yuan

Creditor	Amount of loan	Overdue date	Annual rate (%)	Usage	Reason for unsettlement	Estimated settle date
Total	0.00	--	--	--	--	--

RMB 2,716,700.00 was paid back after Balance Sheet Date:

Notes of long-term borrowings due within 1 year:

(3) Bonds payable due within 1 year

Unit: RMB Yuan

Name	Par value	Issuance date	Term	Issuing amount	Opening interest payable	Accrued interest in current period	Interest paid in the reporting period	Closing interest payable	Closing balance

Notes:

(4) Long-term accounts payable due within 1 year

Unit: RMB Yuan

Creditor	Term	Initial amount	Rate (%)	Accrued interest	Closing balance	Conditions
To be transferred income from renting operating license plate		1,293,221.64	0%	0.00	1,293,221.64	
To be transferred income from renting Shenzhen GUOMAO		1,400,000.00	0%	0.00	1,400,000.00	

Petroleum Co., Ltd						
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Notes of long-term accounts payable due within 1 year:

41. Other current liabilities

Unit: RMB Yuan

Item	Closing book balance	Opening book balance
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Notes of other non-current liabilities:

42. Long-term loan

(1) Category of long-term loan

Unit: RMB Yuan

Item	Closing balance	Opening balance
Pledge loan	19,316,666.64	7,333,333.32
Total	19,316,666.64	7,333,333.32

Notes:

(2) The top five long-term loans

Unit: RMB Yuan

Creditor	Starting date	Ending date	Currency	Rate (%)	Closing balance		Opening balance	
					Foreign currency amount	RMB amount	Foreign currency amount	RMB amount
Shenzhen Branch of Ping An Bank	11 Jan. 2012	10 Jan. 2015	RMB Yuan	6.77%	0.00	15,650,000.00		
Shenzhen Shangbu Sub-branch of Shenzhen Development Bank	23 Nov. 2011	23 Nov. 2014	RMB Yuan	6.77%	0.00	3,666,666.64	0.00	7,333,333.32
Total	--	--	--	--	--	19,316,666.64	--	7,333,333.32

Notes of long-term loan: for the long-term loans arising from mature loans with extended term, the Company shall explain the conditions of extension, principal, interest, expected repayment arrangement:

43. Bonds payable

Unit: RMB Yuan

Name	Par value	Issuance date	Term	Issuing amount	Opening interest	Accrued interest in	Interest paid in the	Closing interest	Closing balance
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					payable	the reporting period	reporting period	payable	
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Notes of bonds payable, including the conditions and date of conversion of the convertible corporate bonds:

44. Long-term payable

(1) The top five long-term payable

Unit: RMB Yuan

Company	Term	Initial amount	Rate (%)	Accrued interest	Closing balance	Conditions of loan
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(2) List of the financing lease payable under the long-term loan

Unit: RMB Yuan

Company	Closing balance		Opening balance	
	Foreign currency	RMB	Foreign currency	RMB

RMB000 was guarantee for the Company's financing lease provided by the independent third party.

Notes of the long-term payable:

45. Specific payable

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Note
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Notes of specific payable:

46. Other non-current liabilities

Unit: RMB Yuan

Item	Closing book balance	Opening book balance
Utility specific fund	2,088,759.35	9,676,157.29
Housing principle fund	14,502,134.27	13,339,582.42
House warming deposit	8,229,980.31	7,806,572.95
Electric Equipment Maintenance fund	4,019,415.44	4,069,140.20
Deputed Maintenance fund	28,128,684.34	27,646,929.23
Taxi Deposit	40,620,500.00	44,286,458.90
To be transferred income from renting operating license plate	11,389,068.33	12,682,289.97
To be transferred income from renting Shenzhen GUOMAO Petroleum Co., Ltd	13,070,000.00	14,470,000.00
Equity of stripped assets attributable to investment holding	23,101,930.71	26,042,027.32

Other	846,828.56	
Total	145,997,301.31	160,019,158.28

Notes of other non-current liabilities, including each government grants relevant to assets and income received in the reporting period and their closing amounts:

The other non-current liabilities were mainly the drivers mutual aid money charged for the drivers by the taxi company.

47. Share capital

Unit: RMB Yuan

	Opening balance	Increase/Decrease (+/-)					Closing balance
		Issuing new shares	Bonus shares	Capitalization of public reserves	Other	Subtotal	
Total shares	595,979,092.00						595,979,092.00

Notes of changes in share capital, for those action of increasing capital or decreasing capital in the reporting period, the Company shall disclose the name of the accounting firm executing the capital verification and document number of the capital verification report; for joint-stock companies running for less than three years, only the net assets shall be specified for particulars before establishment; while for case of totally changing the limited liability companies into joint-stock companies, capital verification on the establishment shall be specified:

48. Treasury stock

Notes of treasury stock:

49. Special reserves

Notes of special reserves:

50. Capital reserves

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (share capital premium)	52,487,344.20	922,739.02	14,959,995.71	38,450,087.51
Other capital reserves	25,332,931.52			25,332,931.52
Total	77,820,275.72	922,739.02	14,959,995.71	63,783,019.03

Note:

A. The increase of capital reserves in the reporting period arised from the business combination under the same control, at which Shenzhen Shenxin Taxi Co., Ltd. transferred RMB 922,739.02 of the losses of retained income attributable to the Company realized before the combination from the capital reserves to retained income.

B. The decrease of capital reserves in the reporting period mainly included (1) RMB 13,800,000.00 from Shenzhen Shenxin Taxi Co., Ltd. gained by the business combination under the same control adjusting the opening capital reserves during the reporting period, and (2) RMB 1,159,995.71 from Shenzhen Shenxin Taxi Co., Ltd. gained by the business combination under the same control paying the balance of the consideration over the

net assets.

51. Surplus reserves

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Legal surplus reserves	70,368,860.95			70,368,860.95
Total	70,368,860.95			70,368,860.95

Notes of surplus reserves: for surplus reserves transferred to share capital, compensating losses and distributed as dividends, relevant resolutions shall be explained.

52. Provision for general risk

Notes of provision for general risk:

53. Retained profits

Unit: RMB Yuan

Item	Amount	Withdrawal or distributed proportion
Opening balance of retained profits before adjustments	406,422,741.94	--
Adjustments of opening balance of retained profits ("+" means add, "-" means reduce)	-3,240,025.58	--
Opening balance of retained profits after adjustments	403,182,716.36	--
Add: Net profit attributable to owners of the Company	375,422,129.64	--
Closing retained profits	778,604,846.00	--

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

2) RMB0.00 of opening retained profits was affected by changes on accounting policies.

3) RMB0.00 of opening retained profits was affected by correction of significant accounting errors.

4) RMB-3,240,025.58 opening retained profits was affected by changes in combination scope arising from same control.

5) RMB0.00 of opening retained profits was affected totally by other adjustments.

Notes: as for IPO companies, if the accumulated profits were enjoyed by new and original shareholders according to the resolutions made at the shareholders' general meeting before public offering, the Company shall explain clearly; if the accumulated profits were distributed before public offering and enjoyed by the original shareholders according to the resolutions made at the shareholders' general meeting, the Company shall clearly disclose the audited profits of dividends payable enjoyed by the original shareholders.

54. Revenue and Cost of Sales

(1) Revenue, Cost of Sales

Unit: RMB Yuan

Item	Reporting period	Same period of last year
Sales of main business	1,827,263,066.87	1,399,216,328.14
Other operating income	34,035,764.12	30,995,605.61
Cost of sales	841,932,253.07	568,646,701.95

(2) Main business (Classified by industry)

Unit: RMB Yuan

Industry	Reporting period		Same period of last year	
	Revenue of sales	Costs of sales	Revenue of sales	Costs of sales
Sale of properties	1,429,818,416.04	529,936,876.93	1,039,983,994.06	283,518,049.86
Property rental and management services income	284,730,882.17	240,033,558.66	249,854,476.48	223,785,969.04
Transportation services	71,332,140.87	36,881,838.97	72,474,745.27	32,344,262.61
Catering services	25,909,847.37	21,782,438.16	22,254,535.68	17,990,260.81
Other	15,471,780.42	5,257,045.72	14,648,576.65	3,614,782.57
Total	1,827,263,066.87	833,891,758.44	1,399,216,328.14	561,253,324.89

(3) Main business (Classified by product)

Unit: RMB Yuan

Product	Reporting period		Same period of last year	
	Revenue of sales	Costs of sales	Revenue of sales	Costs of sales
Property	1,429,818,416.04	529,936,876.93	1,039,983,994.06	283,518,049.86
Property rental and management services	284,730,882.17	240,033,558.66	249,854,476.48	223,785,969.04
Transportation	71,332,140.87	36,881,838.97	72,474,745.27	32,344,262.61
Catering services	25,909,847.37	21,782,438.16	22,254,535.68	17,990,260.81
Other	15,471,780.42	5,257,045.72	14,648,576.65	3,614,782.57
Total	1,827,263,066.87	833,891,758.44	1,399,216,328.14	561,253,324.89

(4) Main business (Classified by area)

Unit: RMB Yuan

Area	Reporting period		Same period of last year	
	Revenue of sales	Costs of sales	Revenue of sales	Costs of sales

Revenue of Shenzhen area	1,714,040,958.25	733,366,869.03	1,294,668,449.85	471,862,306.80
Revenue of other area	113,222,108.62	100,524,889.41	104,547,878.29	89,391,018.09
Total	1,827,263,066.87	833,891,758.44	1,399,216,328.14	561,253,324.89

(5) The revenue of sales from the top five customers

Unit: RMB Yuan

Customer	Main business revenue	Proportion of total business revenue (%)
Shenzhen Investment Holdings Co., Ltd.	286,024,220.45	15.37%
Natural person	13,073,842.00	0.7%
Natural person	10,357,958.00	0.56%
Tianhong Shopping Plaza Co., Ltd.	9,368,289.92	0.5%
Feiran Technology Development Co., Ltd.	7,547,531.00	0.41%
Total	326,371,841.37	17.53%

Note:

The amount of revenue of sales in the reporting period increased by 30.14% over the same period of last year, which mainly due to the revenue of the property projects carried forward in the reporting period increased over the same period of last year; the amount of costs of sales increased by 48.06% over the same period of last year, which mainly due to the gross profit margin of the carried forward partial property projects decreased over the same period of last year. And other revenue were mainly the revenue from construction supervision, elevator maintenance and auto repair, etc.. Besides, the revenue of sales included RMB 280,484,029.00 from assets replaced with Shenzhen Investment Holdings Co., Ltd.

55. Revenue from the construction contracts

Unit: RMB Yuan

Fixed price contract	Contract project	Amount	Accumulated costs	Accumulated gross profits ("-" means losses)	Settled amount
Cost-plus contract	Contract project	Amount	Accumulated costs	Accumulated gross profits ("-" means losses)	Settled amount

Notes of construction contracts

56. Business tax and surcharges

Unit: RMB Yuan

Item	Reporting period	Same period of last year	Calculation and payment standard
Business tax	95,453,743.31	71,350,239.20	3%, 5% of revenue of sales

Urban maintenance and construction tax	6,621,819.90	2,889,371.77	1%, 7% of taxable turnover tax
Education surtax	2,746,629.49	2,117,119.73	3% of taxable turnover tax
Local education surtax	1,814,176.79	489,453.51	2% of taxable turnover tax
Land VAT	288,711,440.64	266,319,269.78	Four progressive levels with the tax rate ranging from 30% to 60% of the added value from properties transfer.
Property tax	2,743,585.68	2,663,246.52	1.2% of the 70% cost of property per year
Leeve fee	181,348.52	63,820.50	0.01% of revenue of sales
Other	586,993.34	26,312.08	
Total	398,859,737.67	345,918,833.09	--

Note:

57. Selling expenses

Unit: RMB Yuan

Item	Reporting period	Same period of last year
Employee's remuneration	5,483,080.09	2,247,819.53
Office expenses of the business organization	7,210,378.11	3,314,675.51
Sales agents fees, advertising fees and promotional expenses	29,022,570.25	23,881,333.13
Other	2,235,146.15	3,348,457.99
Total	43,951,174.60	32,792,286.16

58. Administrative expenses

Unit: RMB Yuan

Item	Reporting period	Same period of last year
Employee's remuneration	64,668,597.75	56,577,069.14
Administrative office expenses	26,036,025.42	23,644,489.81
Assets amortization and depreciation expenses	6,177,229.63	7,885,279.36
Lawsuit expenses	1,891,251.70	3,273,700.30
Taxes	1,763,772.44	1,988,020.81
Other	9,143,670.76	10,541,311.54
Total	109,680,547.70	103,909,870.96

59. Financial expenses

Unit: RMB Yuan

Item	Reporting period	Same period of last year
Interest expenditures	3,590,492.70	15,551,421.36
Interest income	-6,735,176.98	-3,878,151.12
Net losses of foreign currency exchange	1,432.52	-301,011.16
Other	1,638,662.10	1,080,232.23
Total	-1,504,589.66	12,452,491.31

60. Gains and losses from changes in fair value

Unit: RMB Yuan

Source	Reporting period	Same period of last year
Trading financial assets		-3,364.50
Total		-3,364.50

Notes:

61. Investment income**(1) List of investment income**

Unit: RMB Yuan

Item	Reporting period	Same period of last year
Long-term equity investment income accounted by equity method	3,145,809.75	-286,648.25
Investment income received from holding of trading financial assets		3,364.50
Investment income received from disposal of trading financial assets		240,074.81
Total	3,145,809.75	-43,208.94

(2) Long-term equity investment income accounted by cost method

Unit: RMB Yuan

Name of investee	Reporting period	Same period of last year	Reason for increase/decrease
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(3) Long-term equity investment income accounted by equity method

Unit: RMB Yuan

Name of investee	Reporting period	Same period of last year	Reason for increase/decrease
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Shenzhen Jifa Warehouse Co., Ltd	811,006.94	743,887.08	Increase of realized profits
Shenzhen GUOMAO Tian'an Properties Co., Ltd	1,844,080.22	-1,506,674.53	Increase of realized profits
Shenzhen Tian'an International Building Property Management Co., Ltd	490,722.59	476,139.20	Increase of realized profits
Total	3,145,809.75	-286,648.25	--

Notes of investment income: make notes if there is significant limitation for recovery of investment income. If there isn't the said limitation, notes too:

The Company's recovery of investment income exist no significant limitation.

62. Impairment losses

Unit: RMB Yuan

Item	Reporting period	Same period of last year
I. Bad debts losses	-9,603,107.07	22,270,720.66
II. Inventory falling price losses	-4,269,593.10	79,500.00
Total	-13,872,700.17	22,350,220.66

63. Non-operating revenue

(1)

Unit: RMB Yuan

Item	Reporting period	Same period of last year	Amount recorded in current non-operating gains and losses
Total gains from disposal of non-current assets	592,927.50	351,626.69	592,927.50
Including: Gains from disposal of fixed assets	592,927.50	351,626.69	592,927.50
Government grants	1,726,600.00		1,726,600.00
Other	1,705,683.98	1,283,320.35	1,705,683.98
Total	4,025,211.48	1,634,947.04	

(2) List of government grants

Unit: RMB Yuan

Item	Reporting period	Same period of last year	Note
Compensation for external wall renovation	1,726,600.00		
Total	1,726,600.00		--

Notes

64. Non-operating expenses

Unit: RMB Yuan

Item	Reporting period	Same period of last year	Amount recorded in current non-operating gains and losses
Loss on disposal of non-current assets	58,269.77	28,235.97	58,269.77
Including: Loss on disposal of fixed assets	58,269.77	28,235.97	58,269.77
Loss on exchange of non-monetary assets	1,382,794.36		1,382,794.36
Taxes overdue payment fines and other fines		133,502.29	
Other	934,221.86	2,608,055.41	934,221.86
Total	2,375,285.99	2,769,793.67	2,375,285.99

Notes:

65. Income tax expense

Unit: RMB Yuan

Item	Reporting period	Same period of last year
Current income tax expense accounted by tax and relevant regulations	179,892,522.76	123,807,573.01
Adjustment of income tax	-67,666,532.15	-40,893,360.59
Total	112,225,990.61	82,914,212.42

63. Calculation procedure of basic earnings per share and diluted earnings per share

Calculation procedure of basic earnings per share and diluted earnings per share is as follows:

Item	The reporting period	Same period of last year
Basic Earnings Per Share	0.63	0.44
Diluted Earnings Per Share	0.63	0.44

Calculation of earnings per share is as following:

Basic Earnings Per Share = $375,422,129.64 \div 595,979,092.00 = 0.63$ Diluted Earnings Per Share = $375,422,129.64 \div 595,979,092.00 = 0.63$

Recalculation of earnings per share of last year is as following:

Basic Earnings Per Share = $261,108,340.62 \div 595,979,092.00 = 0.44$ Diluted Earnings Per Share = $261,108,340.62 \div 595,979,092.00 = 0.44$

Note: The method of basic earnings per share and diluted earnings per share calculation

A. Basic Earnings Per Share = $P_0 \div S$ $S = S_0 + S_1 + S_i \times M_i \div M_0 - S_j \times M_j \div M_0 - S_k$ P₀ represents the amounts attributable to ordinary equity holders of the Company in respect of:

(a) Profit or loss attributable to the Company; and

(b) Profit or loss after deducting extraordinary gain or loss attributable to the Company.

S represents the weighted average number of ordinary shares outstanding during the period. S0 represents the number of ordinary shares at the beginning of the period. S1 represents the number of additional ordinary shares issued on capital surplus transfer or share dividends appropriation; Si represents the number of ordinary shares issued in exchange for cash or issued as a result of the conversion of a debt instrument to ordinary shares during the period. Sj represents reduced number of ordinary shares such as shares buy back. Sk represents the number of a reverse share split. Mo represents the months during the period. Mi represents the months from the following month after issuing incremental shares to the end of the period. Mj represents the months from the following month after reducing shares to the end of the period.

B. Diluted Earnings Per Share = $P1 / (S0 + S1 + Si \times Mi \div M0 - Sj \times Mj \div M0 - Sk + \text{The weighted average number of incremental ordinary shares on warrants, options, convertible debt and so on})$

P1 represents the amounts attributable to ordinary equity holders of the Company in respect of: (a) Profit or loss attributable to the Company; and (b) Profit or loss after deducting extraordinary gain or loss attributable to the Company, adjust according to the accounting standards for enterprises and other relevant provisions. The Company considered in sequence from dilutive potential ordinary shares to get the lowest earnings per share.

67. Other comprehensive income

Unit: RMB Yuan

Item	Reporting period	Same period of last year
4. Converted amount of foreign currency financial statements	7,383.80	-1,402,825.50
Subtotal	7,383.80	-1,402,825.50
Total	7,383.80	-1,402,825.50

Notes:

68. Notes of Cash Flow Statement

(1) Other cash received relevant to operating activities

Unit: RMB Yuan

Item	Amount
Large current funds received	19,000,000.00
Interest income	6,735,176.98
Net margins, security deposit and various special funds received	1,908,936.39
Government grants	1,726,600.00
Other small receivables	8,334,871.23
Total	37,705,584.60

Notes

(2) Other cash paid relevant to operating activities

Unit: RMB Yuan

Item	Amount
Paying administration expenses in cash	37,070,947.88
Paying sales expenses in cash	30,749,811.66
Collecting and paying net current account of Hainan Yirun Real Estate Co., Ltd.	28,402,434.10
Large current funds paid	3,999,000.00
Other small receivables	4,715,734.33
Total	104,937,927.97

Notes

(3) Other cash received relevant to investment activities

Unit: RMB Yuan

Item	Amount
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Notes of other cash received relevant to investment activities:

(4) Other cash paid relevant to investment activities

Unit: RMB Yuan

Item	Amount
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Notes of other cash paid relevant to investment activities:

(5) Other cash received relevant to financing activities

Unit: RMB Yuan

Item	Amount
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Notes of other cash received relevant to financing activities:

(6) Other cash paid relevant to financing activities

Unit: RMB Yuan

Item	Amount
Handling charges of significant loans	1,584,500.00
Total	1,584,500.00

Notes of other cash paid relevant to financing activities:

69. Supplemental information for Cash Flow Statement**(1) Supplemental information for Cash Flow Statement**

Unit: RMB Yuan

Supplemental information	Reporting period	Same period of last year
1. Reconciliation of net profit to net cash flows generated from operations:	--	--

Net profit	374,822,152.41	260,045,897.13
Add: Provision for assets impairments	-13,872,700.17	22,350,220.66
Depreciation of fixed assets, oil-gas assets and productive biological assets	33,088,167.20	32,564,407.60
Amortization of intangible assets	7,156,103.04	7,231,006.41
Amortization of long-term deferred expense	593,793.54	479,457.80
Losses/gains on disposal of property, intangible asset and other long-term assets (gains: negative)	-536,128.03	-323,390.72
Losses/gains on scrapped of fixed assets (gains: negative)	1,470.30	
Losses/gains from variation of fair value (gains: negative)		3,364.50
Financial cost (income: negative)	50,502,740.42	45,480,247.58
Investment loss (gains: negative)	-3,145,809.75	43,208.94
Decrease in deferred tax assets (increase: negative)	-70,405,622.09	-40,892,553.10
Increase in deferred tax liabilities (decrease: negative)	2,739,089.94	-807.48
Decrease in inventory (increase: negative)	-462,135,380.57	-237,806,367.80
Decrease in accounts receivable from operating activities (increase: negative)	400,796,829.31	-418,204,813.77
Increase in accounts payable from operating activities (decrease: negative)	486,109,491.83	-25,053,798.88
Net cash flows generated from operating activities	805,714,197.38	-354,083,921.13
2. Significant investing and financing activities without involvement of cash receipts and payments	--	--
3. Change of cash and cash equivalent:	--	--
Closing balance of Cash	797,724,311.37	469,313,741.57
Less: opening balance of cash	469,313,741.57	545,466,594.53
The net increase in cash and cash equivalents	328,410,569.80	-76,152,852.96

(2) Relevant information of acquisition or disposal of subsidiaries and other operation entities in the reporting period

Unit: RMB Yuan

Supplemental information	Reporting period	Same period of last year
I. Relevant information on acquisition of subsidiaries and other operation entities:	--	--
II. Relevant information on disposal of subsidiaries and other operation entities	--	--

(3) Composition of cash and cash equivalents

Unit: RMB Yuan

Item	Reporting period	Same period of last year
I. Cash	797,724,311.37	469,313,741.57
Including: Cash on hand	197,165.38	280,115.14
Bank deposit on demand	793,456,036.83	464,486,960.65
Other monetary funds on demand	4,071,109.16	4,546,665.78
III. Closing balance of cash and cash equivalents	797,724,311.37	469,313,741.57

Notes

70. Notes to statement of changes in owners' equity

Notes on the items under "Other" for adjusting the opening balance and the relevant adjusted amounts as well as retrospective adjustment arising from business combination under the same control, etc.:

The adjustment of the opening balance of "Other" item under the Statement on changes in consolidated owners' equity for the reporting period is the retrospective adjustment arising from business combination under the same control, for details please refer to (VI) Business Combination of Section X. Financial Report.

VIII. Accounting treatment of assets securitization business

1. Notes of main trade arrangement and its accounting treatment of assets securitization business as well as articles of bankruptcy remote

2. Main information about the special purpose entities in which the Company has no control right but bears relevant risks:

Unit: RMB Yuan

Name	Total closing assets	Total closing liabilities	Net closing assets	Revenue of sales in the reporting period	Net profit in the reporting period	Note
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IX. Related Parties and Related-party Transactions

1. Information of the parent company of the Company

Unit: RMB Yuan

Parent company	Relationship	Business Type	Registered place	Legal Representative	Business nature	Registered Capital	The parent company's shareholding (%)	The parent company's voting right (%)	The ultimate controlling party of the Company	Organization Code
Shenzhen Investment Holdings Co., Ltd.	Controlling shareholder	Limited liability company (state-owned)	Shenzhen	Fan Mingchun	Managing state-owned assets	5600000000	63.81%	63.81%	Shenzhen State-owned Assets Administration and Supervision	767566421

Note:

By the end of reporting period, the controlling shareholder of the Company is still Shenzhen Construction Investment Holdings Corporation (“the holding company”) in register book. In 2004, Shenzhen Municipal Government incorporated Shenzhen Construction Investment Holdings Corporation with the other two municipal assets operation and management companies, namely Shenzhen Investment Management Corporation and Shenzhen Trade and Business Holdings Corporation to establish Shenzhen Investment Holdings Co., Ltd.. Therefore, the Company’s actual controlling shareholder is Shenzhen Investment Holdings Co., Ltd., a sole state-funded limited company, who was established in Oct. 13, 2004 with the registered capital of RMB 5.6 billion and Mr. Fan Mingchun as its legal representative. Main business scope: providing guarantee to municipal state-owned enterprises, management of state-owned equity, assets reorganization and reformation of enterprises, assets operation and equity investment and etc.. As a government department, State-owned Assets Supervision and Administration Commission of Shenzhen implemented management for Shenzhen Investment Holdings Co., Ltd. on behalf of Shenzhen municipal government.

2. Information of subsidiaries of the Company

Unit: RMB Yuan

Full name	Type	Business type	Registered place	Legal representative	Business nature	Registered capital	Percentage of Shareholding (%)	Percentage of voting right (%)	Organization code
Shenzhen Huangcheng Real Estate Co., Ltd.	Controlled subsidiary	Limited Liability Company	Shenzhen	Li Zipeng	Property development	300000000	100%	100%	192184835
Shenzhen Property and Real Estate Development Co., Ltd.	Controlled subsidiary	Limited Liability Company	Shenzhen	Li Zipeng	Property development	309500000	100%	100%	192174565
PRD Group Xuzhou Dapeng Real Estate Development Co., Ltd.	Controlled subsidiary	Limited Liability Company	Xuzhou	Li Zipeng	Property development	500000000	100%	100%	552525454
Dongguan Guomao Changsheng Real Estate Development Co., Ltd.	Controlled subsidiary	Limited Liability Company	Dongguan	Lu Xia	Property development	200000000	100%	100%	562562654
PRD	Controlled	Limited	Yangzhou	Zhang	Property	500000000	100%	100%	573842934

Yangzhou Real Estate Development Co., Ltd.	subsidiary	Liability Company		Bangwen	development				
Hainan Xinda Development Co., Ltd	Controlled subsidiary	Limited Liability Company	Haikou	Liu Yinhua	Property development	20000000	100%	100%	201264619
Shenzhen GUOMAO Property Management Co., Ltd.	Controlled subsidiary	Limited Liability Company	Shenzhen	Wang Hangjun	Property management	20000000	100%	100%	192174549
Shenzhen Huangcheng Real Estate Management Co., Ltd.	Controlled subsidiary	Limited Liability Company	Shenzhen	Wang Hangjun	Property management	5000000	100%	100%	757601334
Shandong Shenzhen GUOMAO Property Management Co., Ltd.	Controlled subsidiary	Limited Liability Company	Jinan	Wang Zhiyong	Property management	5000000	100%	100%	684815947
Chongqing Shenzhen GUOMAO Property Management Co., Ltd.	Controlled subsidiary	Limited Liability Company	Chongqing	Zeng Xiangrong	Property management	5000000	100%	100%	202853028
Chongqing Ao'bo Elevator Co., Ltd.	Controlled subsidiary	Limited Liability Company	Chongqing	Zeng Xiangrong	Service	2000000	100%	100%	66085719X
Shenzhen Tianque Elevator Technology Co., Ltd.	Controlled subsidiary	Limited Liability Company	Shenzhen	Wang Zhiyong	Service	5000000	100%	100%	192277759
Shenzhen GUOMAO	Controlled subsidiary	Limited Liability	Shenzhen	Bao Gang	Service	1200000	100%	100%	192332519

Property Management Engineering Equipment Co., Ltd.		Company							
Shenzhen GUOMAO Food Co., Ltd.	Controlled subsidiary	Limited Liability Company	Shenzhen	Fan Weiping	Catering service	2000000	100%	100%	738842749
Shenzhen Property Construction Supervision Co., Ltd.	Controlled subsidiary	Limited Liability Company	Shenzhen	Li Zipeng	Project supervision	3000000	100%	100%	279383351
Shenzhen Real Estate Exchange	Controlled subsidiary	Limited Liability Company	Shenzhen	Yao Chengxin	Service	1380000	100%	100%	192177790
Shenzhen GUOMAO Vehicles Industry Co., Ltd.	Controlled subsidiary	Limited Liability Company	Shenzhen	Fan Weiping	Service	29850000	100%	100%	19217731X
Shenzhen GUOMAO Motor Rent Co., Ltd.	Controlled subsidiary	Limited Liability Company	Shenzhen	Fan Weiping	Service	16000000	100%	100%	192267331
Shenzhen Tesu Vehicle Driver Training Center Co., Ltd.	Controlled subsidiary	Limited Liability Company	Shenzhen	Xiao Dejun	Service	2000000	100%	100%	192325669
Shenzhen International Trade Plaza	Controlled subsidiary	Limited Liability Company	Shenzhen	Luo Junde	Trading	12000000	100%	100%	19218224X
Sichuan Tianhe Industry	Controlled subsidiary	Limited Liability Company	Chengdu	Li Jun	Trading	8000000	100%	100%	754748621

Co., Ltd									
Zhanjiang Shenzhen Real Estate Development Co., Ltd.	Controlled subsidiary	Limited Liability Company	Zhanjiang	Duan Zuoping	Property development	2530000	100%	100%	194351406
Shum Yip Properties Development Co., Ltd.	Controlled subsidiary	Limited Liability Company	Hongkong	Inapplicable	Property development	HKD2000000	100%	100%	Inapplicable
Wayhang Development Co., Ltd.	Controlled subsidiary	Limited Liability Company	Hongkong	Inapplicable	Property development	HKD2	100%	100%	Inapplicable
Chief Link Properties Co., Ltd.	Controlled subsidiary	Limited Liability Company	Hongkong	Inapplicable	Property development	HKD100	70%	70%	Inapplicable
Syndis Investment Co., Ltd.	Controlled subsidiary	Limited Liability Company	Hongkong	Inapplicable	Property development	HKD4	100%	100%	Inapplicable

3. Information of joint ventures and associated enterprises

Unit: RMB Yuan

Name of investee	Business type	Registered address	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Percentage of voting rights (%)	Relationship	Organization code
I. Joint ventures									
Shenzhen Jifa Warehouse Co., Ltd	Limited Liability Company	Shenzhen	Wang Hangjun	Shenzhen Jifa Warehouse Co., Ltd	HKD5415000	50%	50%	Joint venture	618847828
Shenzhen GUOMAO Tian'an Properties Co., Ltd	Limited Liability Company	Shenzhen	Wang Hangjun	Shenzhen GUOMAO Tian'an Properties Co., Ltd	USD8880000	50%	50%	Joint venture	618845152
Shenzhen Tian'an International Building Property Management	Limited Liability Company	Shenzhen	Zhang Changsheng	Shenzhen Tian'an International Building Property Management	3000000	50%	50%	Joint venture	618930517

t Co., Ltd				t Co., Ltd					
II. Associated enterprises									
Shenzhen GUOMAO Industrial Development Co., Ltd	Limited Liability Company	Shenzhen	Zha Shengming	Shenzhen GUOMAO Industrial Development Co., Ltd	HKD32800000	38.33%	38.33%	Associated enterprise	
Anhui Nanpeng Papermaking Co., Ltd	Limited Liability Company	Huainan	Wang Yizhong	Anhui Nanpeng Papermaking Co., Ltd	USD8000000	30%	30%	Associated enterprise	
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	Limited Liability Company	Shenzhen	Yan Wenbo	Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	USD12500000	26%	26%	Associated enterprise	

4. Information of other related parties of the Company

Name of other related party	Relationship	Organization code
Shenzhen Guesthouse Restaurant	Under the same control of the parent company of the Company	192197353
Shenzhen Foreign Economy & Trade Investment Co., Ltd.	Under the same control of the parent company of the Company	192210765

Notes:

5. Related-party transactions

(1) Purchase of goods and acceptance of labor service

Unit: RMB Yuan

Related party	Content of the transaction	Pricing method and decision-making procedures for the transaction	Reporting period		Same period of last year	
			Amount	Proportion (%)	Amount	Proportion (%)
Shenzhen Investment Holdings Co., Ltd.	Rental payment	Agreement pricing by reference to market price	189,544.18	100%		

Sales of goods and rendering of service

Unit: RMB Yuan

Related party	Content of the	Pricing method	Reporting period	Same period of last year
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	transaction	and decision-making procedures for the transaction	Amount	Proportion (%)	Amount	Proportion (%)
Shenzhen Investment Holdings Co., Ltd.	Collecting property management fee	Agreement pricing by reference to market price	5,540,191.45	100%	259,084.80	100%

(2) Information of related party trust/contract

Information of entrusted management/contract

Unit: RMB Yuan

Name of entrusting party/contractee	Name of trustee /contractor	Type of the entrusted/contracted assets	Initial date of being entrusted/contract	Ending date of being entrusted/contract	Pricing basis for the trust / contract income	Trust / contract income recognized in the reporting period
Shenzhen Foreign Economy & Trade Investment Co., Ltd.	Shenzhen Shenxin Taxi Co., Ltd.	Other assets trust	1 Jun. 2012	31 Dec. 2014	Detailed note as follows	200,485.17

Information of entrusting management/contracted

Unit: RMB Yuan

Name of entrusting party/contractee	Name of trustee /contractor	Type of the entrusted/contracted assets	Initial date of entrusting/ being contracted	Ending date of entrusting/ being contracted	Pricing basis for the trust / contract fee	Trust / contract fee recognized in the reporting period
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Notes of related-party trust / contract

In Nov. 2012, Shenzhen Foreign Economy & Trade Investment Co., Ltd. signed the Contract on Entrusting Management of Stripped Assets and Liabilities with the Company's subsidiary—Shenzhen Shenxin Taxi Co., Ltd., agreeing on changing to entrust Shenzhen Shenxin Taxi Co., Ltd. to clear, operate, manage and dispose the stripped assets, for details, please refer to VI.2.3 Business Combination of Section X Financial Report. According the above-mentioned contract, Shenzhen Shenxin Taxi Co., Ltd. paid RMB 313,000 of assets operating income to Shenzhen Foreign Economy & Trade Investment Co., Ltd..

During the entrusting management period from 1 Jun. 2012 to 31 Dec. 2012, the stripped assets operating situation as follows:

Item	Amount
Revenue of sales	2,652,332.93
Cost of sales	63,253.89
Business tax and surcharges	148,530.64
Administrative expenses	2,173,234.83
Total profits	267,313.57
Income taxes expenses	66,828.39
Net profits	200,485.18

Note: the administrative expenses included RMB 313,000 of assets operating income paid to Shenzhen Foreign Economy & Trade Investment Co., Ltd..

(3) Information of related-party lease

Rental situation of the Company

Unit: RMB Yuan

Name of lessor	Name of lessee	Category of the leased assets	Initial date	Ending date	Pricing basis for the rental income	Rental income recognized in the reporting period
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Lease situation of the Company

Unit: RMB Yuan

Name of lessor	Name of lessee	Category of the leased assets	Initial date	Ending date	Pricing basis for the rental income	Rental income recognized in the reporting period
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Notes of related-party lease

(4) Information of related-party guarantee

Unit: RMB Yuan

Guarantor	Secured party	Guarantee amount	Initial date	Due date	Whether the guarantee was accomplished or not
ShenZhen Properties & Resources Development (Group) Ltd.	Shenzhen Huangcheng Real Estate Co., Ltd.	200,000,000.00	29 Mar. 2012	29 Mar. 2013	No
ShenZhen Properties & Resources Development (Group) Ltd.	Shenzhen GUOMAO Vehicles Industry Co., Ltd.	60,000,000.00	28 Apr. 2012	28 Apr. 2013	No
ShenZhen Properties & Resources Development (Group) Ltd.	Shenzhen GUOMAO Vehicles Industry Co., Ltd.	20,000,000.00	11 May 2012	11 May 2013	No
Shenzhen Huangcheng Real Estate Co., Ltd., Shenzhen Shenxin Taxi Co., Ltd.	Shenzhen GUOMAO Vehicles Industry Co., Ltd.	40,000,000.00	29 Mar. 2012	29 Mar. 2013	No
Shenzhen GUOMAO Motor	Shenzhen GUOMAO Vehicles	24,200,000.00	11 Jan. 2012	10 Jan. 2015	No

Rent Co., Ltd.	Industry Co., Ltd.				
Shenzhen GUOMAO Vehicles Industry Co., Ltd.	Shenzhen GUOMAO Motor Rent Co., Ltd.	40,000,000.00	27 Jul. 2012	18 Apr. 2013	No

Notes:

The Company and its subsidiaries didn't provide guarantees for other companies beyond the range of consolidated financial statements. The above guarantees are those the Company and its subsidiaries provided to each other.

(5) Related-party call loan

Unit: RMB Yuan

Related party	Amount of call loan	Initial date	Due date	Note
Loan from banks and other financial institutions				
Lending to banks and other financial institutions				

(6) Information about assets transfer, debt reorganization of related parties

Unit: RMB Yuan

Related party	Type of related party transaction	Content of the transaction	Pricing method and decision-making procedures for the related-party transaction	Reporting period		Same period of last year	
				Amount	Proportion (%)	Amount	Proportion (%)

(7) Other related-party transaction

A. Entrusted loans of related parties

Unit: RMB Ten Thousand

Name of entrusting party	Name of entrusted party	Borrower	Annual interest rate (%)	Closing amount of loan	Amount of loan borrowed in the reporting period	Amount of payment in the reporting period	Closing amount of loan	Interest paid in the reporting period
Shenzhen Investment Holdings Co., Ltd.	Shenzhen Jingtian Sub-branch of China Everbright Bank	Shenzhen GUOMAO Vehicles Industry Co., Ltd.	6.9544	4,000.00			4,000.00	269.73
Shenzhen Investment Holdings Co., Ltd.	Shenzhen Jingtian Sub-branch of China	Shenzhen Huangcheng Real Estate Co., Ltd.	6.9544	25,000.00		25,000.00		1,644.27

	Everbright Bank							
Shenzhen Investment Holdings Co., Ltd.	Shenzhen Jingtian Sub-branch of China Everbright Bank	Shenzhen Huangcheng Real Estate Co., Ltd.	6.9544	20,000.00			20,000.00	1,348.63
Total			—	49,000.00		25,000.00	24,000.00	3,262.63

Note 1: The entrusted loan of RMB 40 million for Shenzhen GUOMAO Vehicles Industry Co., Ltd. was the credit loan originally. After the expiry on 39 Mar. 2012, Shenzhen GUOMAO Vehicles Industry Co., Ltd. extent the period of the entrusted loan by mortgaging Room 2701, Huangcheng Plaza Building and Room 2901 and 3101, Huangcheng Plaza Building owned by the Company's subsidiary of Shenzhen Huangcheng Real Estate Co., Ltd. as well as pledging 120 Taxi Operating Licenses owned by the Company's subsidiary of Shenzhen Shenxin Taxi Co., Ltd., and the annual loan interest rate increased from 5.7767% to 6.9554%.

Note 2: The entrusted loan of RMB 0.2 billion for Shenzhen Huangcheng Real Estate Co., Ltd. was the credit loan originally. After the expiry on 39 Mar. 2012, the Company extent the period of the entrusted loan by mortgaging the five houses located at Guomao Plaza (Phase II), Nanhu Road, Luohu District, Shenzhen; 105 houses located at Guomao Commercial Building, Nanhu Road, Luohu District, Shenzhen; 19/F Tian'an International Building, Renmin South Road, Luohu District, Shenzhen; 7 houses located at Small Commodity Market, Peace New Home, Chuanbu Street, Heping Road, Luohu District, Shenzhen and 1-7/F, Peace Hotel, Heping Road, Luohu District, Shenzhen, and the annual loan interest rate increased from 5.7767% to 6.9554%.

B. Assets replacement

In Sept. 2010, in order to perform the commitments made in the equity splitting reform, the Company signed the Agreement on Assets Replacement with the controlling shareholder Shenzhen Investment Holdings Co., Ltd., at which the Company swapped in No. T102-0237 land in Moon Bay held by the Shenzhen Investment Holdings Co., Ltd. and 100% equities of Shenxin Taxi Co., Ltd. (hereinafter referred to as "Shenxin Company") (the equity of Shenxin Company after stripping partial assets and liabilities in accordance with STKH [2010] No. 103) with part of properties (hereinafter referred to as "swap-out assets") held by the Company and its wholly-owned subsidiary Shenzhen Huangcheng Real Estate Co., Ltd..

As of 31 May 2012, except for the stripped assets had not stripped out from Shenxin Company substantially (for details about the stripped assets, please refer to the VI. Business Combination of Section X. Financial Report), the other assets involved in the assets replacement had been completed the delivery and transfer procedures, with the details as follows:

1. The Company delivered the swap-out assets on 31 May 2012 to Shenzhen Investment Holdings Co., Ltd., with relevant situation as follows:

No.	Name of asset	Construction area (m ²)	Accounting account		Appraisal value on the base date of replacement	31 May 2012	
			Statement item	Sub-item		Original book value	Book value
1	Annex property of Huangcheng	18,838.14	Inventories	Completed development	206,155,646.00	168,382,821.16	168,382,821.16

	Plaza			products			
2	Annex property of Huangyuyuan Area A	2,703.04	Investment property	Housing and building	36,491,040.00	26,154,921.97	19,473,956.81
3	Annex property of Huangyuyuan Area B	3,133.27	Inventories	Completed development products	37,837,343.00	15,346,340.13	15,346,340.13
4	Property of Danshui Property Town	8,735.97	Fixed assets	Housing and building	15,357,630.00	5,552,847.49	4,357,131.16
		5,139.63	Investment property	Housing and building	10,721,620.00	3,266,903.01	2,563,426.76
					306,563,279.00	218,703,833.76	210,123,676.02

Note: The appraisal value was made on the base date of replacement as 31 May 2010.

1. The appraisal value of the swap-in asset T102-0237 Land in Moon Bay on the base date of replacement was RMB 270,894,484.00, which had been transferred to the Company by Shenzhen Investment Holdings in Jul. 2011; and the appraisal value of the stripped 100% equity of Shenxin Company on the base date of replacement was RMB 33,195,948.77, which had been transferred to the Company by Shenzhen Investment Holdings on 25 May 2012, so the Company decided 31 May 2012 as the combination date, and the net asset of Shenxin Company after stripping out on the combination date was RMB 12,877,260.98.

2. The difference of consideration between the swap-in asset and the swap-out asset was RMB 2,472,846.23, which had been paid to the Company by Shenzhen Investment Holdings Co., Ltd..

3. The items added in the Income Statement for the reporting period due to assets replacement are as follows:

Item of the Income Statement	Amount
Revenue of sales	280,484,029.00
Cost of sales	203,235,723.63
Business taxes and surcharges	28,421,402.65
Non-operating expenses	1,382,794.36
Total profits	47,444,108.36
Income taxes expenses	12,448,068.19
Net profits	34,996,040.17

Then the implementation work on assets replacement & significant related-party transactions had been totally completed.

C. Remuneration of key management staffs

The total remuneration (including personal income taxes) paid for the key management staffs in the reporting period was RMB 6,120,300; while the total remuneration (including personal income taxes) paid for the key management staffs in last period was RMB 6,016,000.

6. Amounts due from/to related parties

Amount due from related parties

Unit: RMB Yuan

Item	Related party	Closing balance	Opening balance
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		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other accounts receivable	Shenzhen GUOMAO Tian'an Properties Co., Ltd			9,705,931.45	9,705,931.45
Other accounts receivable	Anhui Nanpeng Papermaking Co., Ltd	7,648,160.00	7,648,160.00	7,677,728.00	7,677,728.00
Other accounts receivable	Shenzhen GUOMAO Industrial Development Co., Ltd	2,351,652.48	2,351,652.48	2,551,652.48	2,551,652.48
Other accounts receivable	Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	1,747,264.25	1,747,264.25	1,747,264.25	1,747,264.25
Other accounts receivable	Shenzhen Guesthouse Restaurant	909,960.40	909,960.40	909,960.40	909,960.40
Accounts receivable	Shenzhen Investment Holdings Co., Ltd.	415,302.14	12,459.06	156,217.34	4,686.52

Amount due to related parties

Unit: RMB Yuan

Item	Related party	Closing balance	Opening balance
Other payables	Shenzhen Jifa Warehouse Co., Ltd	19,545,808.00	15,545,808.00
Other payables	Shenzhen Tian'an International Building Property Management Co., Ltd	1,500,000.00	
Other payables	Shenzhen GUOMAO Tian'an Properties Co., Ltd	13,500,000.00	
Other payables	Shenzhen Investment Holdings Co., Ltd.		271,065,981.63
Accounts payable	Shenzhen Investment Holdings Co., Ltd.		703,821.38
Short-term borrowings	Shenzhen Investment Holdings Co., Ltd.	240,000,000.00	490,000,000.00

X. Share-based Payment

1. Overview of share-based payment

Unit: RMB Yuan

Note:

2. Information of equity-settled share-based payment

Unit: RMB Yuan

Note:

3. Information of cash-settled share-based payment

Unit: RMB Yuan

Note:

4. Information of share-based payment service

Unit: RMB Yuan

5. Modification, termination of share-based payment**XI. Contingency****1. Contingent liabilities and its financial effect arising from unsettled litigation or arbitration**

(1) In 1993, the Company signed Right of Development Transfer Contract of Jiabin Building (name of Jiabin Building has been changed to Jinlihua Commercial Plaza) with Shenzhen Haibin Property Development Co., Ltd. (name of which has been changed to Shenzhen Jiyong Property Development Co., Ltd., hereinafter referred to as Jiyong Company). In January 1999, Jiyong Company sued the company to Guangdong Higher People's Court (hereinafter referred to as "Guangdong Higher Court") for termination of the transfer contract and refund of the transfer consideration and construction payment paid on the ground that the area of premises was in discrepancy with the contract. With respect to this, the Company counterclaimed the opposing party to pay back the rest transfer consideration and applied for sealing up their property with an area of 28,000 square meters.

On July 29, 2001, Guangdong Higher Court issued *Civil Court Judgment* YGFM (1999) No. 3 (hereinafter referred to as Judgment No. 3) to judge that ① the Company should transfer the title of land use right specified in the transfer contract to Jiyong Company within 30 days from the date the judgment taking into effect and ② Jiyong Company should pay off the transfer consideration amounting to RMB143, 860,000.00 within 60 days from the date the Company transferred the title of land use right. On November 27, 2001, the Company applied to Guangdong Higher Court for forcible execution, however Guangdong Higher Court adjudicated to release the sealing property of Jiyong Company approximately 10,000 square meters since Industrial & Commercial Bank of China Zhejiang Branch disagree to seal the properties.

In January 2006, Guangdong Higher Court issued *Civil Court Judgment* YGFZ (2002) No. 1 and adjudicated because that ① the Company has not yet transferred the title of land use right specified in the transfer contract to Jiyong Company and ② Jiyong Company cannot provide other properties available for execution and the Company also cannot provide the property available for execution, the second judgment of the Judgment No. 3 - "Jiyong Company should pay off the transfer consideration amounted RMB143,860,000 within 60 days from the date the Company transferred the title of land use right" is terminated for execution. When the conditions causing termination for execution of the second judgment are eliminated, the second judgment should still be executed.

In March 2006, according to the ordain of Guangdong Higher People's Court, the properties in Jiabin Building that have been sealed up in this case have been released automatically. On September 2009, company received YGFZ (2002) No. 1-1 Resume Execution Notice from Guangdong Province Higher Court claimed to resume execution the case that the transfer money owed by Jiyong company about Jiabin building project.

In October 2009, the Company received (Verdict YGFZ (2002) No. 1-2) from Guangdong Higher Court. The verdict claimed: The resume execution of this case is according to the "The requirements for the Guangdong Higher Court to concentrate the implementation of accumulated cases" Through the investigation conducted by Guangdong Higher Court to Shenzhen department of motor vehicles, Shenzhen Securities Registration and Settlement Organizations, Shenzhen Land resources and real estate administration and the opening bank of the executed party, the executed party – Jiyong Company does not have any executable property. For these, Guangdong Higher Court adjudicated : ① Terminate the executive procedure of Verdict YGFZ (2002) No. 1; ② When the execution conditions are satisfied, the applicant can apply for resume execution.

In April 2012, the Company raised the subrogation right lawsuit to Shenzhen Luohu District People's Court, based on the creditor's right for Jiyong Company decided by the Civil Ruling Paper YGFMC (1999) No. 3, prosecuting the obligor of Jiyong Company—Shenzhen Zongli Investment Co., Ltd. (hereinafter referred to as "Zongli Company"), which was required to compensate for the Company within its debt range for Jiyong Company. Meanwhile, due to it was highly similar in the management level of Shenzhen Huaneng-Jindi Property Co., Ltd. (hereinafter referred to as "Huaneng-Jindi Company") and Zongli Company, the Company believed that there was significant related-party relationship between Huaneng-Jindi Company and Zongli Company, therefore, the Company also prosecuted Huaneng-Jindi Company, which was required to undertake the joint liability for the debts born by Zongli Company. On 7 Jan. 2013, Luohu District People's Court open for the case, and now it is to wait for the ruling.

(2) In June 2004, Shenzhen Meisi Industrial Co., Ltd. (hereinafter referred to as "Meisi Company") prosecuted Shenzhen Luohu Economic Development Co., Ltd and the Company to Shenzhen Intermediate People's Court(hereinafter referred to as "Shenzhen Intermediate Court") for illegal use of land owned by Meisi Company and request for ceasing the infringing act and receiving a compensation amounted RMB 8 million. In March 2005, Shenzhen Intermediate Court issued Civil Ruling Paper SZFMCZ (2004) No. 108 and adjudicated that the Company should return the land with an area of 4,782 square meters to Meisi Company within 3 months and other claims of Meisi Company were overruled. The Company refused to accept the verdict and appealed to Guangdong Higher Court. On November 25, 2005, Guangdong Higher Court adjudicated that the Civil Ruling Paper SZFMCZ (2004) No. 108 issued by Shenzhen Intermediate Court should be cancelled and the prosecution of Meisi Company were overruled.

During the process of trial of second instance, Meisi Company applied to Registration Center for Property of Real Estate of Shenzhen Municipality for revoking Property Ownership Certificates SFDZ No. 3000320987 and No. 300119899 owned by the Company. On July 7, 2005, Registration Center for Property of Real Estate of Shenzhen Municipality issued the reply of SFDH (2005) No. 84 to Meisi Company and judged that aforesaid certificates are legal and effective and should not be revoked. Meisi Company disagreed with this judgment and applied the administrative reconsideration to the People's Government of Shenzhen Municipality. On October 8, 2005, the People's Government of Shenzhen Municipality issued Decision on Administrative Reconsideration SFFJ (2005) No. 294 and judged that aforesaid 2 certificates were registered illegally and should be revoked, reply of SFDH (2005) No. 84 was canceled accordingly.

The Company refused to accept Decision on Administrative Reconsideration SFFJ (2005) No. 294 and prosecuted an administrative litigation to Shenzhen Intermediate Court on October 20, 2005. Shenzhen Intermediate Court issued Administrative Judgment SZFXCZ (2005) No. 23 and adjudicated that Decision on Administrative Reconsideration SFFJ (2005) No. 294 is sustained. The Company disagreed with this administrative judgment and appealed to Guangdong Higher Court on August 2, 2006. Guangdong Higher Court issued Administrative Judgment YGFXZZ (2006) No. 154 in which the appeal was rejected and Administrative Judgment SZFXCZ (2005) No. 23 was sustained. According to this Judgment, Shenzhen Municipal Bureau of Land Resources and Housing Management would reconsider the request of Meisi Company to revoke the Property Ownership Certificates SFDZ No. 3000320987 and No. 3000119899 of the Company.

On May 15, 2007, Registration Center for Property of Real Estate of Shenzhen Municipality issued Decision on Revoking the Property Ownership Certificates SFDZ No. 3000320987 and No. 3000119899 (SFZ (2007) No. 27). Registration Center for Property of Real Estate of Shenzhen Municipality decided to revoke property ownership certificates SFDZ No. 3000320987 and No. 3000119899 owned by the Company that indicating the ownership of occupied property of Meilin Workshop, Comprehensive Building and the land use right of 11,500 square meters and restore the registration of the ownership of occupied property of Meilin Workshop, Comprehensive Building and the land use right of certificates of SFDZ No. 0103142 and No. 0103139. The Company had the ownership of occupied property of Meilin Workshop, Comprehensive Building and the land use right of 11,500 square meters according to original property ownership certificates.

On July 9, 2007, the Company applied the administrative reconsideration to the Administrative Reconsideration Office of the People's Government of Shenzhen Municipality, which considered that those action that Registration Center for Property and Real Estate of Shenzhen Municipality revoked property ownership certificate SFDZ No. 3000320987 and No. 3000119899 owned by the Company and restore the registration of Meilin Workshop, Comprehensive Building and land use right violated the provisions of the Decision on Strengthening Land Market Management and further Enlivening and Standardizing Real Estate Market (SF (2001) No. 94) promulgated by People's Government of Shenzhen Municipality, and requested People's Government of Shenzhen Municipality to rescind the Decision. On September 6, 2007, the People's Government of Shenzhen Municipality issued Decision on Administrative Reconsideration SFFJ (2007) No. 255 to sustain the administrative decision of Shenzhen Municipal Bureau of Land Resources and Housing Management.

In November 2007, Shenzhen Municipal Bureau of Land Resources and Housing Management rejected the application of Meisi Company for revoking Property Ownership Certificates SFDZ No. 0103142 and No. 0103139. Meisi Company prosecuted an administrative litigation to Shenzhen Futian People's Court (hereinafter referred as to "Futian Court") to ask for revoking the administrative decision of Shenzhen Municipal Bureau of Land Resources and Housing Management. The Company was involved as third party. Court session started on January 8, 2008 with litigation number of (2008) SFFXCZ No. 10 (hereinafter referred as to "No.10 Case"). On January 2008, Meisi Company prosecuted an administrative litigation to Futian Court for revoking the above administrative decision of Shenzhen Municipal Bureau of Land Resources and Housing Management, revoking Property Ownership Certificates SFDZ No. 0103142 and No. 0103139, and restoring the land use right to Meisi Company with the litigation number of SFFX(2008) No. 70 (hereinafter referred as to "No.70 Case"). On May 2008, the Futian Court made adjudication to No. 70 Case in which the property ownership certificates SFDZ No. 0103142 and No. 0103139 owned by the Company were revoked and Shenzhen Municipal Bureau of Land Resources and Housing Management were required to re-investigate the application of Meisi Company. The

company, the Shenzhen Municipal Bureau of Land Resources and Housing Management as well as Meisi Company refused to accept the verdict and made an appeal. On July 2008, the Company has received the Administrative Ruling Paper from Futian Court in which the trial of No. 10 Case was terminated.

On December 2008, Shenzhen Intermediate Court issued the Administrative Ruling Paper SZFXZZ (2008) No. 223, in which the final adjudication of appeal No. 70 Case was made and the original verdict was sustained. Moreover, the final adjudication stated that the controversy over the land use right in this case between Meisi Company and the Company should be settled through civil procedures; the Bureau of Land Resources and Housing Management of Shenzhen Municipality should not proceed the registration procedure until the controversy is final settled.

On February 11, 2009, the Company received the Civil Complaint from Futian Court; Meisi Company has made a civil prosecution against the Company and Shenzhen Luohu Commercial Development Co., Ltd. for the confirmation of Meisi Company's land use right and the buildings in original Property Ownership Certificates SFDZ No., 0103142 and No., 0103139. Furthermore, Meisi Company requests that return of related land use right and a compensation of RMB7.5 Million. The Company has submitted an objection to jurisdiction. On March 4, 2009, Futian Court sent the Notice to the Company to inform that this case has been transferred to Shenzhen Intermediate Court for adjudication.

On 22 December 2009, the Company received court ruling delivered by the Guangdong Higher Court. After investigated by Guangdong Higher Court, it is considered that the retrial application to Shenzhen Intermediate Court Judgment SZFZ (2008) No. 223 by the company is complied to the law, and adjudicated: ① Arraign by Guangdong Highest People's Court ② suspended the execution of the original verdict during the retrial.

On 15 Aug. 2011, the Company received the Administrative Ruling Paper (YGFSJZ Zi (2010) No. 8) from the Guangdong Higher Court, which maintained the Administrative Ruling Paper (SZFXZ Zi (2008) No. 223), and it believed that the dispute on the land ownership for both parties was civil right confirmation, and both parties should find other legal way to solve.

The Company received the ruling of Shenzhen Medium People's Court in Oct. 2012, at which the court approved legally Meisi Company's application on canceling the lawsuit towards the Company. After receiving the above ruling, due to the Administrative Ruling Paper SZFXZ Zi (2008) No. 223 had clearly ruled that the dispute on Meilin land between the Company and Meisi Company should be settled through civil law procedures, therefore, the Company raised the civil lawsuit to Meisi Company and Luoqingfa Company, requiring to recognize the ownership of the above involved land for the Company, and the court has accepted the above mentioned lawsuit. Then, Meisi Company raised the counterclaim towards the Company, requiring to recognize its ownership of the above involved land. And the two cases were combined for public trial on 1 Mar. 2013, and now it's waiting for ruling.

The Company believes that the land use right and ownership of above building should be legally confirmed to the Company. The Company will secure its own legal rights through all legal means, and the above issues do not have significant impact on the Company's financial position.

2. Contingent liabilities and its financial effect arising from loan guarantee offered to other companies

(1) The Company provided a joint-liability guarantee for the short-term loan of RMB 60 million borrowed by its subsidiary—Shenzhen ITC Vehicle Industry Co., Ltd. from Bank of Shanghai Shenzhen Branch, and the closing balance of the loan stood at RMB 60 million.

(2) The Company provided a joint-liability guarantee for the short-term loan of RMB20 million borrowed by its subsidiary—Shenzhen ITC Vehicles Industry Co., Ltd. from Bank of Beijing Shenzhen Branch, and provided the mortgage guarantee for the subsidiary by mortgaging its 39/F, 42/F and 2-07 room in Block B of Shenzhen International Trade Center Plaza located at Renmin South Road, Luohu District, Shenzhen, and the closing balance stood at RMB 20 million.

(3) Shenzhen ITC Vehicles Industry Co., Ltd., a subsidiary to the Company, obtained a long-term loan of RMB 26 million from PingAn Bank Co., Ltd. Shenzhen Branch by mortgaging 100 taxi operating license plates of Shenzhen Guomao Car Rental Co., Ltd., and the closing balance stood at RMB 24.20 million of which RMB 8.55 million will be due within one year.

(4) Shenzhen ITC Vehicles Industry Co., Ltd., Shenzhen Huangcheng Real Estate Co., Ltd., and Shenzhen Shenxin Taxi Co., Ltd., subsidiaries of the Company, asked Shenzhen Investment Holdings Co., Ltd. (trustee: China Everbright Bank Shenzhen Jingtian Sub-branch) to make a time limit extension for RMB 40 million entrust loan by mortgaging their properties, including Room 2701 in Huangcheng Plaza owned by Shenzhen ITC Vehicles Industry Co., Ltd., Room 2901 and 3101 in Huangcheng Plaza owned by Shenzhen Huangcheng Real Estate Co., Ltd. and 120 taxi operating license plates owned by Shenzhen Shenxin Taxi Co., Ltd., and the closing balance stood at RMB 40 million.

(5) Shenzhen ITC Vehicles Industry Co., Ltd. provided a joint-liability guarantee for a short-term loan of RMB 40 million from Industrial Bank Shenzhen Branch by mortgaging 33 and 93 taxi operating license plates respectively owned by Shenzhen ITC Car Rental Co., Ltd. and Shenzhen ITC Vehicles Industry Co., Ltd. which are subsidiaries of the Company, and the closing balance stood at RMB 40 million.

(6) The Company asked Shenzhen Investment Holdings Co., Ltd. (trustee: China Everbright Bank Shenzhen Jingtian Sub-branch) to make a time limit extension for trust loans borrowed by Shenzhen Huangcheng Real Estate Co., Ltd. by mortgaging the Company's properties of five houses located at ITC Plaza (Phase II), Nanhu Road, Luohu District, Shenzhen, 105 houses located at International Trade Commercial Building, Nanhu Road, Luohu District, Shenzhen, the entire 19th floor located at Tian'an International Building, Renmin South Road, Luohu District, Shenzhen, 7 houses located at Hepingxinju small commodity market, Chuanbu Street, Heping Road, Luohu District, Shenzhen and the 1st to 7th floor of Peace Hotel located at Heping Road, Luohu District, Shenzhen, and the closing balance stood at RMB 200 million.

(7) Guarantee for the proprietors: The Company and its subsidiaries provided the commodity houses purchasers with mortgage guarantee to the bank. Up to 31 Dec. 2012, the guarantee amount unsettled was RMB 25.48 million. The guarantee is that the real estate developer provides petty proprietor with guarantee for purchasing of commodity houses of the Company, which is a common phenomenon in this business.

Other contingent liabilities and its financial effect:

Particulars about contingent assets as follows:

Bureau of Foreign Trade and Economic Cooperation of Hubei province Shenzhen branch (hereinafter referred as to “Hubei FTEC Shenzhen branch”) sued the Company to Shenzhen Intermediate Court on July 2000 for termination of the agreement between the Hubei FTEC Shenzhen branch and the Company about office property of 4,000 square meters purchasing in Jiabing Building (now known as Jinlihua Commercial Plaza) and asked for refund of purchase payment of RMB10.8 million and an indemnify of RMB18.6756 million on the ground of delayed delivery. Guangdong Higher Court issued YGFMYYZ No. 90 judgment(hereinafter referred as to “No. 90 Judgement”) and adjudicated that the Company should refund the Hubei FTEC Shenzhen branch purchase payment of RMB 10.8 million and related interests.

Hubei FTEC Shenzhen branch applied for the court to implement the case. At the end of January 2005, Guangzhou Railway Transportation Intermediate Court (hereinafter referred to as “GRTIC” was appointed by Guangdong Higher Court to execute the case of Hubei FTEC suing the Company. GRTIC had sent seizure adjudication to liquidation team of Luohu Hotel to seal up the Company’s RMB 23 million of distributed obligatory right in Luohu Hotel.

The Company rejected the adjudication of Guangdong Higher People’s Court and applied for retrial to the Supreme People’s Court. In August 2005, the Supreme People’s Court issued (2004) MEJZ No.146-1 *Civil Judgment*, adjudicating that Guangdong Higher People’s Court carried out retrial for this case and the original judgment was suspended to be implemented during retrial period. On May 12, 2006, Guangdong Higher People’s Court concluded retrial of No. 90 Judgment and maintained adjudication of No. 90 Judgment. The execution of this case was resumed. Hubei FTEC Shenzhen branch asked GRTIC for payment and re-execution of interest judgment during retrial period. Meanwhile, the Company applied for temporary respite. On June 30, 2006, GRTIC issued (2004) GTZFZZ No. 225-4 *Civil Judgment*, adjudicating that: ① the application for temporary respite of the Company was not adopted due to the lack of fact and legal basis; ②the application of Hubei FTEC Shenzhen branch related to payment was in conformity with stipulations of law and GRTIC decided to remit the rest of money to the account of Hubei FTEC Shenzhen branch after deducting execution fees from RMB 23 million; ③ Hubei FTEC Shenzhen branch’s application on asking repayment of interest during retrial period was not supported; ④ Repayment duty of the Company confirmed by No. 90 Judgment was executed and finished according to law; ⑤ No. 90 Judgment was terminated and executed. The Company had confirmed losses according to the above adjudications and added the accounts receivable of Jiyong Company and withdrawn provision for bad debt. The Company considered that there were errors in identified fact and applicable law of the retrial adjudication from Guangdong Higher People’s Court and therefore applied for retrial in the Supreme People’s Court. The Supreme People’s Court issued (2004) MEJZ No. 146-3 *Civil Judgment* in October 2007, adjudicating that the Supreme People’s Court would execute retrial for this case. However, the Company revoked the retrial appeal toward the Supreme Court after comprehensive considerations, and the Supreme Court approved such cancel.

The 14th and 15th floors of Jiabin Building returned by Hubei FTEC Shenzhen branch were possessed by the Company legally after the Company had pay for housing compensation and interest. For the purpose of resolving building property right problem and through investigation the Company found that the 14th and 15th floors of Jiabin Building were registered under the name of Yinzhu Industrial Development Company of Western Zhuhai (hereinafter referred to as “Zhuhai Yinzhu Company”) by the means of filing registration. The Company submitted civil action to Luohu Court on June 2008 to prosecute Zhuhai Yinzhu Company, ask the Court to confirm that the Company was oblige of the 14th and 15th floors of Jiabin Building and judge that the 14th and 15th floors of Jiabin Building was transferred to and registered under the name of the Company. Luohu Court accepted this case

according to law with the case number of (2008) SLFMSCZ No. 1442. On July 21, 2008, the Court made public hearing and presided over mediation for this case. The Company and Zhuhai Yinzhong Company reached a settlement and Luohu Court issued *Civil Mediation Agreement* which mainly contained the following contents: ① the two parties agreed to return the 14th and 15th floors of Jiabin Building to plaintiff (the Company); ② Defendant should assist plaintiff (the Company) to handle related procedures about transferring the above house property to the name of the plaintiff. This *Civil Mediation Agreement* entered into force pursuant to the law. As of the end of reporting year, the 14th and 15th floors of Jiabin Building were registered under the name of the Company by Registration Center for Property of Real Estate of Shenzhen Municipality in the way of filing registration.

Since Shenzhen Longyuan-Kaili-Hengfeng Real Estate Co., Ltd (hereinafter as the “Longyuan-Kaili”) and Shenzhen Huaneng-Jindi Property Co., Ltd.(hereinafter as the “Huaneng Property”) attempted to reconstruct Jinlihua Commercial Plaza, the Company, the first administration directly under Shenzhen Urban Planning and Land Resources Committee (hereinafter as the “SUPLRC”), Longyuan-Kaili and Huaneng Property signed SDHZ (1992) No. 0228 *Second Supplementary Agreement of Shenzhen Grant Contract of Land Use Right* on March 3, 2011 which was shown as follows: ① SUPLRC agreed that the transferee for the right of use of the land with a land parcel No. H206-0002 and an area of 6,892 square meters was changed to Longyuan-Kaili and Huaneng Property; ② Longyuan-Kaili and Huaneng Property undertook all rights, responsibilities and liabilities of this land parcel and straightened out the relationship of the transferred property on their own and assisted to handle relevant procedures; ③ Longyuan-Kaili and Huaneng Property promised to resolve existing mortgage and pre-seizure of this project, coped with all disputes arising from changes on transferee of right of use of this land and assumed legal and economic responsibilities; ④ the property right of the 14th and 15th floors in this project which belonged to commodity houses, were owned by the Company and Longyuan-Kaili and Huaneng Property were responsible for the construction and decoration of this project according to harmonized standards on delivery of building; ⑤ the period of use of land parcel was adjusted to 50 years from February 21, 2011 to February 20, 2061.

After signing the above agreements, the Company’s right on the 14th and 15th floors at Jinlihua Commercial Plaza is affirmed. But due to the existing risks in delivery of this house property and acquisition of property ownership certificate, great uncertainties exist in whether or not it will bring economic interests to the Company. According to the related regulations of Accounting Standards for Business Enterprises, it does not match the recognition criteria.

XII. Commitments

1. Significant commitments

Inapplicable

2. Fulfillment of previous commitments

Inapplicable

XIII. Events after the Balance Sheet Date

1. Notes of significant events after the Balance Sheet Date

Unit: RMB Yuan

Item	Details	Influence number on financial	Reason for failing to estimate
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		status and operating results	the influence number
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2. Notes of profit distribution after Balance Sheet Date

Unit: RMB Yuan

3. Notes of other events after Balance Sheet Date

A. The borrowing and repayment events after the balance sheet date:

(1) The Company's subsidiary Shenzhen GUOMAO Vehicles Industry Co., Ltd. repaid the long-term loans of RMB 300,000, RMB 750,000 and RMB 750,000 to Shenzhen Branch of Ping An Bank respectively on 9 Jan. 2013, 9 Feb. 2013 and 9 Mar. 2013.

(2) The Company's subsidiary Dongguan Guomao Changsheng Real Estate Development Co., Ltd. gained the long-term loans of RMB 2,220,000 and RMB 7,570,000 from Dongguan Branch of Bank of Communications respectively on 11 Jan. 2013 and 28 Jan. 2013.

(3) The Company's subsidiary Shenzhen GUOMAO Motor Rent Co., Ltd. repaid the long-term loan of RMB 916,700 to Shenzhen Shangbu Sub-branch of Shenzhen Development Bank Co., Ltd. (now renamed as Shenzhen Fuhong Sub-branch of Ping An Bank Co., Ltd.) on 25 Feb. 2013.

(4) On 28 Mar. 2013, the Company's subsidiary Shenzhen Huangcheng Real Estate Co., Ltd. and Shenzhen GUOMAO Vehicles Industry Co., Ltd. extend the period of their entrusted loans of RMB 0.2 billion and RMB 40 million in Jingtian Sub-branch of China Everbright Bank respectively, with the due date after the extension as 27 Mar. 2014, the loan principal changed as the Company, and the entrusting party as the Company's controlling shareholder Shenzhen Investment Holdings Co., Ltd..

B. Profits Distribution Pre-plan

The Board of Directors of the Company approved its 2012 Annual Profits Distribution Pre-plan by voting on 28 Mar. 2013, at which the Company won't conduct the profits distribution nor the capitalization of capital reserves. And such pre-plan needs to be submitted to the Shareholders' General Meeting of the Company for review and approval.

XIV. Notes of other significant events**1. Exchange of non-monetary assets**

For details, please refer to IX. Related parties and related-party transactions of Section X. Financial Report.

2. Debt reorganization

Inapplicable

3. Business combination

For details, please refer to VI. Business Combination of Section X. Financial Report.

4. Lease

Inapplicable

5. Closing financial instruments that externally issued and convertible into shares

Inapplicable

6. Assets and liabilities measured at fair value

Unit: RMB Yuan

Item	Opening amount	Gains and losses from the changes in fair value in the reporting period	Accumulated changes in fair value recorded in equity	Accrued impairment in the reporting period	Closing amount
Financial assets					

7. Foreign currency financial assets and liabilities

Unit: RMB Yuan

Item	Opening amount	Gains and losses from the changes in fair value in the reporting period	Accumulated changes in fair value recorded in equity	Accrued impairment in the reporting period	Closing amount
Financial assets					

8. Main content and significant changes of annuity plan

Inapplicable

9. Other

(1) The Company has accrued expense of the Jinlihua Plaza land VAT amounting to RMB 56,303,627.40 in the previous financial year. According to the SGT (2001) No. 314 Document, unpaid or overdue land VAT could be exempted. However, as the land use right has not been transferred, the Company will proactively proceed with the exemption procedure of the Jinlihua Plaza land VAT of RMB 56,303,627.40, and will write off the accrued expense of Jinlihua Plaza land VAT of RMB 56,303,627.40 when the Company receives the approval reply.

The Company has a receivable house payment of Jinlihua Plaza from Shenzhen Jiyong Property Development Co., Ltd, which amounted to RMB 98.6113 million. For that, a bad-debt provision of RMB 42.6113 million has been made with the net amount being RMB 56 million.

(2) On 25 Nov. 2011, the proposal on liquidating Hainan Xinda Development Co., Ltd. (hereinafter referred to as "Hainan Company") was reviewed and approved at the 4th Session of the 7th Board of Directors. Hainan Company

was founded in 1988 as a wholly-owned subsidiary of the Company. At present, it has no development project or land reserve. And it has recorded deficit for years. The Board of Directors once approved the proposal to transfer Hainan Company as a whole in Jan. 2009. But the proposal could not proceed due to the policy factor and other reasons. Currently, as a creditor, the Company started a judicial proceeding to liquidate Hainan Company. As of the end of the reporting period, Hainan Company was conducting the preparatory work on bankrupt liquidation.

XV. Notes of main items in the financial statements of the Company

1. Accounts receivable

(1) Accounts receivable

Unit: RMB Yuan

Category	Closing balance				Opening balance			
	Book balance		Provision for bad debts		Balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable with significant single amount and individually withdrawn bad debt provision	101,447,889.05	98.1%	45,447,889.05	44.8%	101,447,889.05	97.45%	45,447,889.05	44.8%
Accounts receivable for which bad debt provisions are made on the group basis								
Group 2	1,908,314.21	1.85%	1,128,725.53	59.15%	2,603,890.77	2.5%	993,289.42	38.15%
Subtotal of the groups	1,908,314.21	1.85%	1,128,725.53	59.15%	2,603,890.77	2.5%	993,289.42	38.15%
Accounts receivable with insignificant single amount but individually withdrawn bad debt provision	54,380.35	0.05%	54,380.35	100%	54,380.35	0.05%	54,380.35	100%
Total	103,410,583.61	--	46,630,994.93	--	104,106,160.17	--	46,495,558.82	--

Notes to category of accounts receivable:

Accounts receivable with significant single amount and individually withdrawn bad debt provision at period-end

√ Applicable □ Inapplicable

Unit: RMB Yuan

Content of accounts receivable	Book balance	Bad debts provision	Withdrawal proportion	Withdrawal reason
Shenzhen Jiyong Properties & Resources Development Company	98,611,328.05	42,611,328.05	43.21%	Involved in lawsuit, referring to XI.1 Contingent events of Section X. Financial Report

Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	2,836,561.00	100%	Uncollectible for a long period
Total	101,447,889.05	45,447,889.05	--	--

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

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Aging	Closing balance			Opening balance		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proporti on (%)		Amount	Proporti on (%)	
Within 1 year						
Including:	--	--	--	--	--	--
Within 1 year (including 1 year)	38,135.00	2%	1,144.05	133,932.00	5.14%	4,017.96
Subtotal for those aging within 1 year	38,135.00	2%	1,144.05	133,932.00	5.14%	4,017.96
2-3 years				1,228,539.62	47.18%	368,561.89
Over 3 years	1,870,179.21	98%	1,127,581.48	1,241,419.15	47.68%	620,709.57
3-4 years	1,228,539.62	64.38%	614,269.81	1,241,419.15	47.68%	620,709.57
4-5 years	641,639.59	33.62%	513,311.67			
Total	1,908,314.21	--	1,128,725.53	2,603,890.77	--	993,289.42

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

☐ Applicable ☒ Inapplicable

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

☐ Applicable ☒ Inapplicable

Accounts receivable with insignificant single amount but individually withdrawn bad debt provision at period-end:

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Content of accounts receivable	Book balance	Bad debts provision	Withdrawal proportion	Withdrawal reason
Luohu Economic Development Company	54,380.35	54,380.35	100%	Uncollectible for a long period
Total	54,380.35	54,380.35	--	--

(2) Information of accounts receivable reversed or recovered in the report period

Unit: RMB Yuan

Content of accounts receivable	Reason for reversal or recovery	Basis on recognition of provision for bad debts	Withdrawal amount of bad debt provision before the reversal or recovery	Reversed or recovered amount
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The withdrawal of bad debt provision of accounts receivable with significant single amount or insignificant single amount but individually made impairment test at the end of report period:

Content of accounts receivable	Book balance	Amount of bad debts	Withdrawal proportion (%)	Reason
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Notes to accounts receivable with insignificant single amount but large risks of groups after grouping by credit risks characteristics:

(3) Information of accounts receivable that written off in the report period

Unit: RMB Yuan

Name of company	Nature	Date	Amount	Reason	Whether arising from related-party transaction or not
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Notes:

There was no accounts receivable that written off in the report period.

(4) Information of shareholders with more than 5% (including 5%) of the voting shares of the Company in accounts receivable in report period

Unit: RMB Yuan

Name of entity	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts

(5) Nature or content of other accounts receivable with significant amount

The other accounts receivable with significant amount was mainly RMB 98,611,328.05 of project accounts receivable due from Shenzhen Jiyong Properties & Resources Development Company

(6) Top five accounts receivable

Unit: RMB Yuan

Name of company	Relationship	Amount	Term	Proportion (%)
Shenzhen Jiyong Properties & Resources Development Company	Non-related party	98,611,328.05	Over five years	95.36%
Shenzhen Tewe Industry Co., Ltd.	Non-related party	2,836,561.00	Over five years	2.74%
Tianhong Shopping Plaza Co., Ltd.	Non-related party	1,870,179.21	3-4 years	1.81%

Total	--	103,318,068.26	--	99.91%
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(7) Accounts receivable due from related parties

Unit: RMB Yuan

Name of entity	Relationship	Amount	Proportion (%)
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(8)

RMB 000 was transferred from the accounts receivable not meeting the conditions of termination recognition.

(9) If securitization is carried out on accounts receivable as the underlying asset, please brief on the arrangement of relevant transactions.

2、Other accounts receivable**(1) Other accounts receivable**

Unit: RMB Yuan

Category	Closing balance				Opening balance			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other accounts receivable with significant single amount and individually withdrawn bad debt provision	236,213,999.72	23.9%	182,918,860.23	77.44%	235,934,964.21	84.94%	188,864,152.75	80.05%
Other accounts receivable for which bad debt provisions are made on the group basis								
Group 1	739,478,916.64	74.82%			19,553,302.91	7.04%		
Group 2	10,179,715.93	1.03%	9,889,835.47	97.15%	19,873,081.80	7.15%	19,595,836.60	98.6%
Subtotal of the groups	749,658,632.57	75.85%	9,889,835.47	1.32%	39,426,384.71	14.19%	19,595,836.60	49.7%
Other accounts receivable with insignificant single amount but individually withdrawn bad debt provision	2,421,326.23	0.25%	2,421,326.23	100%	2,421,326.23	0.87%	2,421,326.23	100%

Total	988,293,958.52	--	195,230,021.93	--	277,782,675.15	--	210,881,315.58	--
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Notes of category:

Other accounts receivable with significant single amount and individually withdrawn bad debt provision at period-end:

√Applicable □Inapplicable

Unit: RMB Yuan

Content of other accounts receivable	Book balance	Bad debt amount	Withdrawing proportion (%)	Reason
Shum Yip Properties Development Co., Ltd.	99,803,433.49	46,508,294.00	46.6%	Uncollectible for a long period
Gintian Industry (Group) Co., Ltd	56,600,000.00	56,600,000.00	100%	Payment for discharging of guaranty responsibility that was difficult to be recollect
Hainan Xinda Development Co., Ltd	49,262,784.25	49,262,784.25	100%	Uncollectible for a long period
Anhui Nanpeng Papermaking Co., Ltd	7,648,160.00	7,648,160.00	100%	Uncollectible for a long period
Shenzhen Shengfenglu, GUOMAO Jewel & Gold Co., Ltd	6,481,353.60	6,481,353.60	100%	There is no asset to execute the verdict, thus lead to uncollectibility
Shanghai Yutong Real estate development Co., Ltd	5,676,000.00	5,676,000.00	100%	Uncollectibility for the reason of verdict
HongKong Yueheng Development Co., Ltd	3,271,837.78	3,271,837.78	100%	Has been liquidated
Dameisha Tourism Center	2,576,445.69	2,576,445.69	100%	Suspended project
Shenzhen GUOMAO Industrial Development Co., Ltd	2,351,652.48	2,351,652.48	100%	The company is insolvent
Elevated Train Project	2,542,332.43	2,542,332.43	100%	Suspended project
Total	236,213,999.72	182,918,860.23	--	--

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

√Applicable □Inapplicable

Unit: RMB Yuan

Aging	Closing balance		Opening balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision

	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year						
Including:	--	--	--	--	--	--
Within 1 year (including 1 year)	290,732.42	2.86%	8,721.97	276,670.84	1.39%	8,300.12
Subtotal for those aging within 1 year	290,732.42	2.86%	8,721.97	276,670.84	1.39%	8,300.12
1-2 years	8,037.68	0.08%	803.77	5,058.09	0.03%	505.81
2-3 years	458.09	0%	137.43	5,310.25	0.03%	1,593.08
Over 3 years	9,880,487.74	97.06%	9,880,172.30	19,586,042.62	98.55%	19,585,437.59
3-4 years	310.25	0%	155.13	801.57	0%	400.79
4-5 years	801.57	0.01%	641.25	1,021.23	0.01%	816.98
Over 5 years	9,879,375.92	97.05%	9,879,375.92	19,584,219.82	98.54%	19,584,219.82
Total	10,179,715.93	--	9,889,835.47	19,873,081.80	--	19,595,836.60

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

☐ Applicable ☒ Inapplicable

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

☐ Applicable ☒ Inapplicable

Other accounts receivable with insignificant single amount but individually withdrawn bad debt provision at period-end:

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Content of other accounts receivable	Book balance	Bad debts provision	Withdrawal proportion	Withdrawal reason
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	1,747,264.25	1,747,264.25	100%	Poor operation status
Compensation for Shidai new residence mortgage guarantee in ABC	601,762.21	601,762.21	100%	Owner unable to repay the loan
Zhanjiang Shenzhen Real Estate Development Co., Ltd.	53,478.77	53,478.77	100%	Insolvency thus uncollectible
Meilin Synthetic Fibre Company	11,000.00	11,000.00	100%	Uncollectible for a long period
Others	7,821.00	7,821.00	100%	Uncollectible for a long

				period
Total	2,421,326.23	2,421,326.23	--	--

(2) Information of other accounts receivable reversed or recovered in the reporting period

Unit: RMB Yuan

Content of other accounts receivable	Reason for reversal or recovery	Basis on recognition of provision for bad debts	Withdrawal amount of bad debt provision before the reversal or recovery	Reversed or recovered amount
Shenzhen GUOMAO Industrial Development Co., Ltd	Offset of the creditors' right and liabilities for Longhua property project	Estimated to be uncollectible	2,551,652.48	200,000.00
Shum Yip Properties Development Co., Ltd.	Increase of the value of land to be developed	Uncollectible for a long period	52,708,792.73	6,200,498.73
Total	--	--	55,260,445.21	--

The withdrawal of bad debt provision of other accounts receivable with significant single amount or insignificant single amount but individually made impairment test at the end of report period:

Unit: RMB Yuan

Content of other accounts receivable	Book balance	Amount of bad debts	Withdrawal proportion (%)	Reason
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Notes to other accounts receivable with insignificant single amount but large risks of groups after grouping by credit risks characteristics:

(3) Information of the write-off other accounts receivable

Unit: RMB Yuan

Name of company	Nature	Date of written off	Amount	Reason	Whether arising from related-party transactions
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Notes:

There was no write-off other accounts receivable during the reporting period.

(4) The other accounts receivable due from shareholders with more than 5% (including 5%) of the voting shares of the Company in the reporting period

Unit: RMB Yuan

Name of entity	Closing balance		Opening balance	
	Book balance	Withdrawal amount of bad debts	Book balance	Withdrawal amount of bad debts

(5) Nature or content of other accounts receivable with significant amount

The Company's other accounts receivable with significant amount are mainly the current accounts receivable due from subsidiaries and RMB 56,600,000.00 of guarantee litigation accounts receivable due from Gintian Industry (Group) Co., Ltd..

(6) Top five other accounts receivable

Unit: RMB Yuan

Name of company	Relationship	Amount	Term	Proportion (%)
PRD Yangzhou Real Estate Development Co., Ltd.	Subsidiary	633,632,910.60	Within one year	64.11%
Shum Yip Properties Development Co., Ltd.	Subsidiary	99,803,433.49	Over five years	10.1%
PRD Group XuzhouDapeng Real Estate Development Co., Ltd	Subsidiary	61,732,422.13	Within one year	6.25%
Gintian Industry (Group) Co., Ltd	Non-related party	56,600,000.00	Over five years	5.73%
Hainan Xinda Development Co., Ltd	Subsidiary	49,262,784.25	Within three years	4.98%
Total	--	901,031,550.47	--	91.17%

(7) Other account receivable due from related parties

Unit: RMB Yuan

Name of company	Relationship	Amount	Proportion (%)
PRD Yangzhou Real Estate Development Co., Ltd.	Subsidiary	633,632,910.60	64.11%
Shum Yip Properties Development Co., Ltd.	Subsidiary	99,803,433.49	10.1%
PRD Group XuzhouDapeng Real Estate Development Co.,Ltd	Subsidiary	61,732,422.13	6.25%
Hainan Xinda Development Co., Ltd	Subsidiary	49,262,784.25	4.98%
Shenzhen GUOMAO Property Management Co., Ltd.	Subsidiary	37,283,443.62	3.77%
Anhui Nanpeng Papermaking Co., Ltd	Associated enterprise	7,648,160.00	0.77%
Shenzhen GUOMAO Food	Subsidiary	4,183,868.40	0.42%

Co., Ltd			
Shenzhen GUOMAO Industrial Development Co., Ltd	Associated enterprise	2,351,652.48	0.24%
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	Subsidiary	1,902,094.59	0.19%
Shenzhen International Trade Plaza	Associated enterprise	1,747,264.25	0.18%
Zhanjiang Shenzhen Real Estate Development Co., Ltd	Subsidiary	744,177.30	0.08%
Shenzhen GUOMAO Industrial Development Co., Ltd	Subsidiary	53,478.77	0.01%

(8)

RMB000 was transferred from the other accounts receivable not meeting the conditions of termination recognition.

(9) If securitization is carried out on the other accounts receivable as the underlying asset, please brief on the arrangement of relevant transactions.

3. Long-term equity investments

Unit: RMB Yuan

The investee	Accounting method	Initial investment cost	Opening balance	Increase/decrease	Closing balance	Shareholding Proportion	Voting right Proportion	Explanations on differences between shareholding proportion and voting right proportion	Provision for impairment loss	Withdrawal amount of impairment provision in the reporting period	Cash bonus in the reporting period
Shenzhen Jifa Warehouse Co., Ltd	Equity method	30,645,056.04	27,357,064.04	811,006.94	28,168,070.98	50%	50%				
Shenzhen GUOMA O Tian'an Properties	Equity method	23,186,124.00	35,403,806.83	1,844,080.22	37,247,887.05	50%	50%				

Co., Ltd											
Shenzhen Tian'an Internatio nal Building Property Managem ent Co., Ltd	Equity method	1,500,000 .00	3,040,469 .53	490,722.5 9	3,531,192 .12	50%	50%				
Shenzhen GUOMA O Vehicles Industry Co., Ltd.	Cost method	29,850,00 0.00	29,850,00 0.00		29,850,00 0.00	90%	90%				
Hainan Xinda Develop ment Co., Ltd	Cost method	20,000,00 0.00	20,000,00 0.00		20,000,00 0.00	100%	100%		20,000,00 0.00		
Shenzhen Property and Real Estate Develop ment Co., Ltd.	Cost method	30,950,00 0.00	30,950,00 0.00		30,950,00 0.00	100%	100%				
Shenzhen Huangche ng Real Estate Co., Ltd.	Cost method	28,500,00 0.00	28,500,00 0.00		28,500,00 0.00	95%	95%				
Shenzhen GUOMA O Property Managem ent Co., Ltd.	Cost method	20,000,00 0.00	20,000,00 0.00		20,000,00 0.00	95%	95%				
Shenzhen Shenxin	Cost method	33,195,94 8.77		12,877,26 0.98	12,877,26 0.98	100%	100%				

Taxi Co., Ltd.											
Shenzhen GUOMA O Food Co., Ltd	Cost method	1,600,000.00	1,600,000.00		1,600,000.00	80%	80%		1,600,000.00		
Shenzhen Property Construction Supervision Co., Ltd	Cost method	3,000,000.00	3,000,000.00		3,000,000.00	100%	100%				
Shenzhen International Trade Plaza	Cost method	12,000,000.00	12,000,000.00		12,000,000.00	100%	100%		12,000,000.00		
Shenzhen Real Estate Exchange	Cost method	1,380,000.00	1,380,000.00		1,380,000.00	100%	100%				
Shensan Co., Ltd.	Cost method	17,695.09	17,695.09		17,695.09				17,695.09		
Zhanjiang Shenzhen Real Estate Development Co., Ltd	Cost method	2,530,000.00	2,530,000.00		2,530,000.00	100%	100%		2,530,000.00		
Shum Yip Properties Development Co., Ltd.	Cost method	15,834,000.00	15,834,000.00		15,834,000.00	100%	100%		15,834,000.00		
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	Cost method	18,983,614.14	18,983,614.14		18,983,614.14	26%	26%		18,983,614.14		

Shenzhen GUOMA O Industrial Develop ment Co., Ltd	Cost method	20,154,84 0.79	3,682,972 .55		3,682,972 .55	38.33%	38.33%		3,682,972 .55		
Anhui Nanpeng Papermak ing Co., Ltd	Cost method	13,824,00 0.00	13,824,00 0.00		13,824,00 0.00	30%	30%		13,824,00 0.00		
China T.H. Co.,Ltd.	Cost method	2,962,500 .00	2,962,500 .00		2,962,500 .00	0.33%	0.33%		2,160,300 .45		
North Machiner y (Group) Co., Ltd.	Cost method	3,465,000 .00	3,465,000 .00		3,465,000 .00	12.66%	12.66%		3,465,000 .00		
Guangdo ng Huayue Real Estate Co., Ltd.	Cost method	8,780,645 .20	8,780,645 .20		8,780,645 .20	8.47%	8.47%		8,780,645 .20		
PRD Group XuzhouD apeng Real Estate Develop ment Co., Ltd	Cost method	50,000,00 0.00	50,000,00 0.00		50,000,00 0.00	100%	100%				
Donggua n Guomao Changshe ng Real Estate Develop ment Co.,	Cost method	20,000,00 0.00	20,000,00 0.00		20,000,00 0.00	100%	100%				

Ltd.											
PRD Yangzhou Real Estate Develop ment Co., Ltd.	Cost method	50,000,00 0.00	50,000,00 0.00		50,000,00 0.00	100%	100%				
Sanya East Travel Co., Ltd.	Cost method	230,500.0 0	230,500.0 0		230,500.0 0	0.28%	0.28%				
Total	--	442,589,9 24.03	403,392,2 67.38	16,023,07 0.73	419,415,3 38.11	--	--	--	102,878,2 27.43		

Notes:

4. Revenue and Cost of Sales**(1) Revenue, Cost of Sales**

Unit: RMB Yuan

Item	Reporting period	Same period of last year
Main business revenue	48,210,057.27	48,557,559.48
Total	48,210,057.27	48,557,559.48
Cost of sales	20,151,948.72	35,318,571.13

(2) Main business (Classified by industry)

Unit: RMB Yuan

Industry	Reporting period		Same period of last year	
	Revenue of sales	Costs of sales	Revenue of sales	Costs of sales
Property			6,337,155.01	6,387,356.92
Property rental and management	48,210,057.27	20,151,948.72	42,220,404.47	28,931,214.21
Total	48,210,057.27	20,151,948.72	48,557,559.48	35,318,571.13

(3) Main business (Classified by product)

Unit: RMB Yuan

Name of products	Reporting period		Same period of last year	
	Revenue of sales	Costs of sales	Revenue of sales	Costs of sales

Property			6,337,155.01	6,387,356.92
Property rental and management services	48,210,057.27	20,151,948.72	42,220,404.47	28,931,214.21
Total	48,210,057.27	20,151,948.72	48,557,559.48	35,318,571.13

(4) Main business (Classified by area)

Unit: RMB Yuan

Name of area	Reporting period		Same period of last year	
	Revenue of sales	Costs of sales	Revenue of sales	Costs of sales
Shenzhen Area	48,210,057.27	20,151,948.72	48,557,559.48	35,318,571.13
Total	48,210,057.27	20,151,948.72	48,557,559.48	35,318,571.13

(5) Revenue of sales from the top five customers

Unit: RMB Yuan

Customers	Total revenue of sales	Proportion of total revenue of sales (%)
Tianhong Shopping Plaza Co., Ltd.	9,368,289.92	19.43%
Shenzhen Branch of China Pacific Property Insurance Co., Ltd.	4,909,644.00	10.18%
Shenzhen Jindu Wedding Etiquette Co., Ltd.	2,236,289.00	4.64%
Seven Days Hotel (Shenzhen) Co., Ltd.	1,963,494.00	4.07%
Shenzhen Branch of Bank of China Limited	1,746,420.00	3.62%

Notes:

5. Investment income**(1) List of investment income**

Unit: RMB Yuan

Item	Reporting period	Same period of last year
Long-term equity investment income accounted by cost method	341,500,000.00	
Long-term equity investment income accounted by equity method	3,145,809.75	-286,648.25
Investment income received from holding of trading financial assets		3,364.50
Investment income received from disposal of trading financial assets		240,074.81
Other	37,162,941.77	17,592,670.23
Total	381,808,751.52	17,549,461.29

(2) Long-term equity investment income accounted by cost method

Unit: RMB Yuan

Name of investee	Reporting period	Same period of last year	Reason for increase/decrease YoY
Shenzhen Huangcheng Real Estate Co., Ltd.	341,500,000.00	0.00	No profits were distributed at the end of last period
Total	341,500,000.00	0.00	--

(3) Long-term equity investment income accounted by equity method

Unit: RMB Yuan

Name of investee	Reporting period	Same period of last year	Reason for increase/decrease YoY
Shenzhen Jifa Warehouse Co., Ltd	811,006.94	743,887.08	Increase of realized profits
Shenzhen GUOMAO Tian'an Properties Co., Ltd	1,844,080.22	-1,506,674.53	Increase of realized profits
Shenzhen Tian'an International Building Property Management Co., Ltd	490,722.59	476,139.20	Increase of realized profits
Total	3,145,809.75	-286,648.25	--

Notes of investment income:

The Company's recovery of investment income exist no significant limitation.

6. Supplemental information of Cash Flow Statement

Unit: RMB Yuan

Supplemental information	Reporting period	Same period of last year
1. Reconciliation of net profit to net cash flows generated from operations:	--	--
Net profit	375,378,858.88	-37,392,803.39
Add: Provision for assets impairments	-15,500,366.74	20,832,527.84
Depreciation of fixed assets, oil and gas assets and productive biological assets	15,995,267.74	15,694,741.33
Amortization of long-term deferred expense	172,976.28	172,976.28
Losses/gains on disposal of property, intangible asset and other long-term assets (gains: negative)		1,546.50
Losses/gains on scrapped of fixed assets (gains: negative)	1,470.30	
Losses/gains from variation of fair value (gains: negative)		3,364.50
Financial cost (income: negative)		-125.07
Investment loss (gains: negative)	-381,808,751.52	-17,549,461.29
Increase in deferred tax liabilities (decrease: negative)		-807.48
Decrease in inventory (increase: negative)	-1,056,345.00	-266,870,821.10

Decrease in accounts receivable from operating activities (increase: negative)	-284,117,822.66	32,637,652.81
Increase in accounts payable from operating activities (decrease: negative)	569,549,251.46	759,825,392.69
Net cash flows generated from operating activities	278,614,538.74	507,354,183.62
2. Significant investing and financing activities without involvement of cash receipts and payments	--	--
3. Change of cash and cash equivalent:	--	--
Closing balance of cash	399,641,751.92	83,846,009.34
Less: opening balance of cash	83,846,009.34	78,920,447.75
The net increase in cash and cash equivalents	315,795,742.58	4,925,561.59

7. Information of assets and liabilities recognized by evaluation value from the counter purchase

Information of assets and liabilities recognized by fair value from the counter purchase

Unit: RMB Yuan

Item	Fair value	Recognition method of fair value	Calculation process of fair value	Original book value
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Information of long-term investment formed by counter purchase

Unit: RMB Yuan

Item	Amount of long-term investment formed by counter purchase	Calculation process Of long-term equity investment
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XVI. Supplemental information

1. Return on equity and earnings per share

Unit: RMB Yuan

Profit in the reporting period	The weighted average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to the Company's common stock shareholders	28.43%	0.63	0.63
Net profit attributable to shareholders of the Company's common stock after deducting non-recurring gains and losses	25.62%	0.56	0.56

2. Particulars on the abnormal conditions of main items in the financial statements of the Company and relevant reasons

Movement in the main items of the financial statements of the Company and relevant reasons are as follows:

Item	Closing balance	Opening balance	Movement	Reasons for movement
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Monetary fund	797,724,311.37	469,313,741.57	69.98%	Increase of the funds recovered from sales projects
Prepayment	64,714,990.11	474,354,748.39	-86.36%	The prepayment for Yangzhou land was transferred to inventories.
Other accounts receivable	6,371,689.34	3,428,342.39	85.85%	The unsettled accounts paid in advance by the subsidiaries increased.
Inventories	2,300,674,551.14	1,814,992,629.34	26.76%	The prepayment for Yangzhou land was transferred in and the project input increased
Deferred income tax assets	194,507,824.50	124,102,202.41	56.73%	Increase of the accrued to-be-deducted land VAT
Short-term loan	360,000,000.00	601,495,212.00	-40.15%	Returned for expiry
Accounts payable	298,525,752.32	187,093,587.42	59.56%	Tentative estimated costs for completing the projects increased
Accounts received in advance	678,075,291.01	208,655,909.41	224.97%	Sales of project increased
Taxes payable	733,659,679.71	499,957,087.36	46.74%	The accrued land VAT for carrying forward the projects to revenue increased
Other accounts payable	195,045,649.98	480,433,469.91	-59.40%	The original moon bay land on account was transferred out
Non-current liabilities due within one year	14,909,888.32	218,359,888.32	-93.17%	Returned for expiry
Long-term loan	19,316,666.64	7,333,333.32	163.41%	Increase of loan
Retained profits	778,604,846.00	403,182,716.36	93.11%	Increase of profits realized in the reporting period
Item	Reporting period	Same period of last year		
Revenue of sales	1,861,298,830.99	1,430,211,933.75	30.14%	The project income carried forward during the reporting period increased over the same period of last year
Costs of sales	841,932,253.07	568,646,701.95	48.06%	The project income carried forward during the reporting period increased over the same period of last year
Selling expenses	43,951,174.60	32,792,286.16	34.03%	The sales projects increased and thus relevant expenses increased for reinforcing the sales
Financial expenses	-1,504,589.66	12,452,491.31	-112.08%	Increase of capitalization of interest
Assets impairment losses	-13,872,700.17	22,350,220.66	-162.07%	Increase of recovery of accounts receivable and reversal of provision for falling price of inventories
Investment income	3,145,809.75	-43,208.94	7380.46%	Realized revenue of joint ventures increased
Operating profits	485,398,2	344,094,956.1	41.07%	Increase of income and reversal of impairment

	17.53	8		
Total profits	487,048,143.02	342,960,109.55	42.01%	Increase of income and reversal of impairment
Net profits	374,822,152.41	260,045,897.13	44.14%	Increase of income and reversal of impairment
Net cash flow from operating activities	805,714,197.38	-354,083,921.13	327.55%	Increase of funds returned from selling the houses
Net cash flow from investment activities	6,158,784.80	-10,021,360.77	161.46%	Increase of cash gained from receiving the investment income
Net cash flow from financing activities	-483,463,515.74	288,170,314.47	-267.77%	Decrease of loans gained and increase of loans returned back

XI. Documents Available for Reference