



Shenzhen Properties Group

深房集团

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

ANNUAL REPORT 2020

2021-007

March 2021

Part I Important Notes, Table of Contents and Definitions

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

Liu Zhengyu, chairman of the Company’s Board, Zhao Zhongliang, the Company’s Chief Financial Officer, and Qiao Yanjun, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.

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

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

The Company is subject to the Guideline No. 3 of the Shenzhen Stock Exchange on Information Disclosure by Industry—for Listed Companies Engaging in Real Estate.

Risks facing the Company have been explained in detail in “IX Prospects” in “Part IV Operating Performance Discussion and Analysis” herein.

The Board has approved a final dividend plan as follows: based on the total share capital of 1,011,660,000 shares on 31 December 2020, a cash dividend of RMB0.87 (tax inclusive) per 10 shares is to be distributed to the shareholders, with no bonus issue from either profit or capital reserves.

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

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Definitions

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

Part II Corporate Information and Key Financial Information

I Corporate Information

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

II Contact Information

	Board Secretary	Securities Representative
Name	Luo Yi	Hong Lu
Address	47/F, SPG Plaza, Renmin South Road, Shenzhen, Guangdong, P.R.China	47/F, SPG Plaza, Renmin South Road, Shenzhen, Guangdong, P.R.China
Tel.	(86 755) 82289517	(86 755) 82297977
Fax	(86 755) 82294024	(86 755) 82294024
Email address	spg@163.net	spg@163.net

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

Newspapers designated by the Company for information disclosure	Domestic: Securities Times and China Securities Journal Overseas: Ta Kung Pao (HK)
Website designated by CSRC for publication of this Report	http://www.cninfo.com.cn
Place where this Report is lodged	47/F, SPG Plaza, 3005 Renmin South Road, Luohu District, Shenzhen, Guangdong, P.R.China

IV Change to Company Registered Information

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

V Other Information

The independent audit firm hired by the Company:

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

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

Period:

Applicable Not applicable

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

Reporting Period:

Applicable Not applicable

VI Key Financial Information

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

Yes No

	2020	2019	2020-over-2019 change (%)	2018
Operating revenue (RMB)	1,615,009,713.88	2,548,740,319.49	-36.63%	2,175,187,242.60
Net profit attributable to the listed company's shareholders (RMB)	290,229,772.23	552,452,307.59	-47.47%	503,498,831.60
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	253,595,334.11	524,204,812.66	-51.62%	490,490,702.80
Net cash generated from/used in operating activities (RMB)	285,164,013.17	603,607,724.75	-52.76%	1,062,567,405.59
Basic earnings per share (RMB/share)	0.2869	0.5461	-47.46%	0.4977
Diluted earnings per share (RMB/share)	0.2869	0.5461	-47.46%	0.4977
Weighted average return on equity (%)	7.81%	15.90%	-8.09%	16.35%

	31 December 2020	31 December 2019	Change of 31 December 2020 over 31 December 2019 (%)	31 December 2018
Total assets (RMB)	4,936,916,746.74	4,909,669,536.09	0.55%	4,665,891,514.25
Equity attributable to the listed company's shareholders (RMB)	3,797,512,488.22	3,666,874,569.99	3.56%	3,332,259,641.39

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

Yes No

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

Yes No

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

1. Net Profit and Equity under CAS and IFRS

Applicable Not applicable

Unit: RMB

	Net profit attributable to the listed company's shareholders		Equity attributable to the listed company's shareholders	
	2020	2019	Ending amount	Beginning amount
Under CAS	290,229,772.23	552,452,307.59	3,797,512,488.22	3,666,874,569.99
Adjusted as per IFRS				
Under IFRS	290,229,772.23	552,452,307.59	3,797,512,488.22	3,666,874,569.99

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

Applicable Not applicable

No difference for the Reporting Period.

3. Reasons for Accounting Data Differences Above

Applicable Not applicable

VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	256,842,391.67	339,416,103.73	621,402,307.38	397,348,911.10
Net profit attributable to the listed company's shareholders	28,114,908.77	69,160,076.95	101,565,292.91	91,389,493.60
Net profit attributable to the listed company's shareholders before exceptional gains and losses	28,075,623.63	57,108,647.36	101,225,798.44	67,185,264.68
Net cash generated from/used in operating activities	-435,258,963.67	223,016,165.08	309,652,617.04	187,754,194.72

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

Yes No

IX Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	2020	2019	2018	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	11,429.23		-69,739.73	
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	3,370,769.21	1,168,127.90	10,243.00	
Gain or loss on assets entrusted to other entities for investment or management	15,217,058.60	31,425,651.98	16,347,157.53	Income from mature structured deposits
Non-operating income and expense other than the above	29,009,657.60	1,118,861.69	891,652.84	
Other gains and losses that meet the definition of exceptional gain/loss	1,237,002.86			
Interest income from undue structured deposits		3,950,685.00		
Less: Income tax effects	12,211,479.38	9,415,831.64	4,171,184.84	
Total	36,634,438.12	28,247,494.93	13,008,128.80	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

No such cases for the Reporting Period.

Part III Business Summary

I Principal Activity of the Company in the Reporting Period

In 2020, the central government continued to stabilize land and housing prices as well as market expectations.

Upholding the principle that housing is for living in and not for speculation, the central government adhered to the concept of taking a differential approach in regulating the housing market for different places. The differentiation among cities and urban regions intensified. To be specific, the first-tier cities led the way, and the city clusters in the Pearl River Delta and Yangtze River Delta performed brilliantly. At the same time, while maintaining the continuity, consistency and stability of real estate financial policies, the central government accelerated the establishment of a long-term mechanism for real estate finance. In the second half of the year, the overall real estate financial supervision was gradually tightened.

The Company primarily develops and sells residential properties in two cities, Shenzhen and Shantou. In Shenzhen, the Chuanqi Donghu Mingyuan project saw the completion of construction in late 2019 and has started the hand-over and move-in process, which is cumulatively around 80% sold; and regarding the Cuilinyuan project, it is approximately 95% sold. In Shantou, Tianyuewan Phase II was topped out in late June 2020, with the decoration for its public space almost fully completed; and Tianyuewan Phase I is around 70% sold cumulatively.

II Significant Changes in Major Assets

1. Significant Changes in Major Assets

Major assets	Main reason for significant changes
Equity assets	The ending amount was down by RMB92,349.00 (or 19.66%) from the beginning amount, primarily driven by the share of profits of associates measured at the equity method.
Fixed assets	The ending amount was down by RMB2,482,056.68 (or 8.13%) from the beginning amount, primarily driven by the depreciation allowance.
Intangible assets	No significant change
Construction in progress	No significant change
Accounts payable	The ending amount was down by RMB67,297,864.18 (or 27.56%) from the beginning amount, primarily driven by the payments made for construction.
Advances from customers	The ending amount was down by RMB153,542,418.28 (or 96.28%) from the beginning amount, primarily driven by the reclassification to contract liabilities

	and other current liabilities pursuant to the new accounting standard governing revenue.
Short-term borrowings	The ending amount was up by RMB25,246,735.77 (or 48.88%) from the beginning amount, primarily driven by the increased borrowings of Shenzhen Zhentong Engineering Co., Ltd. through discounting and pledging accounts receivable.
Taxes and levies payable	The ending amount was down by RMB125,991,168.41 (or 21.51%) from the beginning amount, primarily driven by the payment of various taxes.

2. Major Assets Overseas

Applicable Not applicable

III Core Competitiveness Analysis

As a pioneer of real estate development enterprises in Shenzhen, the Company has created a number of "first places" in the history of real estate development in China. For example, the first to use the paid state-owned land, the first to introduce the foreign investment for the cooperative land development, the first to raise development funds by means of pre-sale of buildings, the first to carry out public bidding for construction projects in accordance with international practices, the first to set up a property management company to the buildings and residences developed in an all-rounded manner, the first to win the bid in the auction of land use rights held in the Shenzhen Special Economic Zone, etc.

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

In 2020, the company was awarded "Industry-Leading Enterprise and Top 20 Enterprise in terms of Comprehensive Strength in Shenzhen Real Estate Development Industry" by Shenzhen Real Estate Association (SREA).

Part IV Operating Performance Discussion and Analysis

I Overview

Since the abrupt occurrence at the beginning of 2020, COVID-19 has continued to spread throughout the whole world, dragging global economy into the most severe recession since the Great Depression. The real estate market as a whole kept its promise that houses are for living in and not for speculation on. In face of the complex severe macro-economic situation and fierce market competition, the Company's management team met the challenges and moved forward under pressure with the support from the controlling shareholders. Taking the pandemic prevention and business operation into consideration, the management team made overall plans, leading the working staff overcame the impact of the pandemic and the adverse effects of the termination of reorganization, and eventually made great achievements. The main achievements in the past year are as follows:

(I) Effective Pandemic Prevention and Control

After the outbreak of COVID-19, the Company took immediate action to establish a leading group for pandemic prevention and control according to the work deployment of Shenzhen Municipal Party Committee, Shenzhen Municipal Government and Shenzhen State-owned Assets Supervision and Administration Commission, fully implementing measures of the regular pandemic prevention and control and resumption of work and production. During the Reporting Period, no mass infection cases emerged among the working staff, and the 27 residential areas and other commercial properties operated and managed by the property management company and the Haiyan Hotel. At the same time, the Company's headquarters and its subordinated enterprises maintained normal production and operation throughout the year and realized the well-balanced pandemic prevention and production.

(II) Stable Core Business with Improvement

- 1. Projects were carried forward steadily.** Tianyuewan Phase II Project in Shantou was completed in June 2020, including the decoration of the public areas. The road works of Fuxian Road and Xianzhong Road for Chuanqi Shanglin Project in Shenzhen were completed and opened to traffic in December 2020. The landscaping of Chuanqi Donghu Mingyuan Project, and the civil air-raid shelter have been successfully completed.
- 2. Sales capacity was enhanced significantly.** In Shenzhen, the sales area of Chuanqi Donghu Mingyuan and Cuilinyuan project reached nearly 20,000 square meters, far exceeding the annual sales goal. In Shantou, the accumulative sales of Tianyuewan Phase I Project reached about 70% of the total. Paying close attention to the

market dynamics, the Company adjusted its marketing strategies in a timely manner in addition to innovating the marketing approaches, and thus increased its revenue while reducing the cost remarkably. Also, the Company has taken various measures to ensure the smooth development of online home-purchase contracts and filing. In the whole year, the rate of property repossession in Shenzhen reached nearly 95%, and that in Shantou was 91%.

(III) Effective Operation and Management

1. The corporate governance was more standardized. In order to clarify the legal status of the party organization in the corporate governance structure of the Company, the Company completed the revision of the Articles of Association in June 2020, and party building work was officially recorded in it. During the Reporting Period, the chairman of the Board and the chairman of the Supervisory Committee changed their role due to the expiration of the term. Four non-independent directors, two independent directors, one supervisor, the general manager, a deputy general manager, the CFO and the Board Secretary were changed. In May 2020, the Company implemented the cash dividend again, and the cash dividend became normal.

2. Standard and effective financial management. In order to withdraw funds of real estate sales effectively, the Company kept close communication with cooperative banks. Additionally, under the premise of ensuring the operating capital requirements, the Company made full use of the idle funds. Attaching great importance to budget implementation, the Company realized the decrease of key monitoring costs by 25% year-on-year.

3. Real estate rental undertook remarkable responsibilities. Under the double impact of COVID-19 and economic downturn, the Company focused on customer needs and tried its best to save, increase, and tap potential, and the rental income exceeded the annual target. During the Reporting Period, in response to the government's call for the fight against the pandemic, the Company bravely undertook its social responsibility, reducing or exempting tenants' rent by more than RMB18 million.

4. Sound achievements were made in cost control. During the Reporting Period, 43 budget plans (including the approval of them) were created, and the cumulative reduction rate of budget amount reached 19.64%. In particular, the Company completed the budgeting, auditing and contracting of two municipal projects on Fuxian Road and Xianzhong Road in Longgang Sub-district, and the reduction rate of the approved budget reached 23.30%.

5. Work safety became a hot topic. During the Reporting Period, the Company established a work safety supervision leading group to fully ensure the safety production. It also optimized the safety production management system constantly, formulated the special work plans for safety production, and investigated and treated the hidden safety hazards in a timely manner. In order to strengthen the safety awareness of employees, the

Company carried out over 500 safety production inspections, and organized more than 50 relevant trainings. Zero safety accident happened throughout the year.

(IV) Termination of Major Asset Restructuring

Due to a major asset restructuring in planning, the Company's stocks have been suspended for trading since the opening of the stock market on 14 September 2016. During the suspension period, the Company kept close communication with all trading parties, worked hard in due diligence, auditing, evaluation and other issues, and fulfilled the required decision-making procedures and information disclosure timely. In view of the current market environment and many other reasons, it was still not a good time to advance the major asset restructuring. Therefore, in order to effectively protect the interests of the Company and all shareholders, the Company decided to terminate the major asset restructuring after careful consideration. On 9 November 2020, the stock trading resumed.

(V) Strict and Pragmatic Approach in Party Building

The Company persisted in the party's requirements for managing and governing the party strictly and carried out political development comprehensively. While attaching great importance to party building, the Company promoted corporate culture development in an orderly manner. Firstly, the Company carried out the theme education. The "First Topics" learning became the theme of the Theoretical Center Team routinely. Secondly, the Company deepened the party's brand building. Through implementing the "1+6" one-core multi-linked governance mode, the Company formed a new pattern of community governance led by the party building, diversified participation, integrated and co-governance. Thirdly, the Company enhanced the employees' sense of social responsibility. The company organized the party members volunteer and mass volunteers to participate in voluntary activities in Jiabei community. Fourthly, the Company strengthened the corporate culture development. The Company organized various activities to enrich the employees' life, and thus enhanced the corporate cohesion and team spirit.

The Company is subject to the Guideline No. 3 of the Shenzhen Stock Exchange on Information Disclosure by Industry—for Listed Companies Engaging in Real Estate.

New additions to the land bank:

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

Cumulative land bank:

Name of project/area	Site area (0,000 m ²)	Floor area (0,000 m ²)	Floor area available for development (0,000 m ²)
Xinfeng Building in Shantou	0.59	2.66	2.66
Total	0.59	2.66	2.66

Development status of major projects:

City/region	Name of project	Location	Status	The Company's interest	Time for commencement of construction	% developed	% constructed	Site area (m ²)	Planned floor area with plot ratio (m ²)	Floor area completed in the Current Period (m ²)	Cumulatively completed floor area (m ²)	Expected total investment (RMB'0,000)	Cumulatively investment (RMB'0,000)
Shantou	Tianyuwan Phase II	Chaoyang District	Frame work in construction	100.00%	1 October 2018	95%	95.00%	33,362	127,770			65,485	49,829

Sales status of major projects:

City/region	Name of project	Location	Status	The Company's interest	Floor area with plot ratio (m ²)	Floor area available for sale (m ²)	Cumulatively pre-sold/sold floor area (m ²)	Floor area pre-sold/sold in the Current Period (m ²)	Pre-sale/sales revenue generate in the Current Period (RMB'0,000)	Cumulatively settled floor area (m ²)	Floor area settled in the Current Period (m ²)	Pre-sale/sales revenue settled in the Current Period (RMB'0,000)
Shenzhen	Cuilinyuan	Longgang District	Ready for sale	100.00%	60,111	56,137	52,020	1,326	4,548	51,911	3,484	11,540
Shenzhen	Chuanqi Donghu Mingyuan	Luohu District	Ready for sale	100.00%	55,727	32,857	26,169	18,647	123,429	18,866	14,116	86,001
Shantou	Tianyuwan Phase I	Chaoyang District	Ready for sale	100.00%	153,470	160,372	99,496	30,298	15,776	76,993	34,040	17,900
Shantou	Tianyuwan Phase II	Chaoyang District	On pre-sale	100.00%	127,770	137,059	1,235	1,235	746			

Rental status of major projects:

Name of project	Location	Use	The Company's interest	Rentable area (m ²)	Cumulative rented area (m ²)	Average occupancy rate
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Real Estate Mansion	Shenzhen	Commercial	100.00%	3,413.88	3,413.88	100.00%
North Block of Guoshang Mansion	Shenzhen	Commercial	100.00%	4,819.71	4,819.71	100.00%
Petrel Building	Shenzhen	Commercial	100.00%	22,475.47	22,475.47	100.00%
SPG Plaza	Shenzhen	Office building	100.00%	61005.82	37088.88	60.80%
SPG Plaza Podium	Shenzhen	Commercial	100.00%	19896.3	10327.14	51.90%
Wenjin Garden	Shenzhen	Commercial	100.00%	3,531.60	3,531.60	100.00%

Primary land development:

Applicable Not applicable

Financing channels:

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

Development strategy and operating plan for the coming year:

Please refer to “IX Prospects” in this part.

Provision of guarantees for homebuyers on bank mortgages:

Applicable Not applicable

As at 31 December 2020, the Group provided guarantees for the homebuyers of the following projects on their bank mortgages:

Project	Guarantee period	Guarantee amount (RMB'0,000)	Note
Cuilinyuan	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	8,532.86	
Chuanqi Donghu Mingyuan	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	6,056.20	
Tianyuewan Phase I	Until the property ownership certificate is registered as collateral and handed over to bank for keeping	22,546.73	
Total		37,135.79	

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

Applicable Not applicable

II Core Business Analysis

1. Overview

See “I Overview” above.

2. Revenue and Cost Analysis

(1) Breakdown of Operating Revenue

Unit: RMB

	2020		2019		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	1,615,009,713.88	100%	2,548,740,319.49	100%	-36.63%
By operating division					
Property sales	1,158,411,393.81	71.73%	2,017,872,864.14	79.17%	-42.59%
Engineering and construction	251,454,463.43	15.57%	304,837,313.46	11.96%	-17.51%
Property management	151,968,675.51	9.41%	157,665,638.01	6.19%	-3.61%
Rental service	63,254,584.48	3.92%	86,484,133.79	3.39%	-26.86%
Other	12,215,550.30	0.76%	15,337,469.10	0.60%	-20.35%
Eliminated internal transactions and accounts	-22,294,953.65	-1.38%	-33,457,099.01	-1.31%	-33.36%
By product category					
Residential units	1,157,620,917.61	71.68%	719,499,453.23	28.23%	60.89%
Shops and parking lots	790,476.20	0.05%	11,526,595.29	0.45%	-93.14%
Apartments	0.00	0.00%	1,286,846,815.62	50.49%	-100.00%
Other	478,893,273.72	29.65%	564,324,554.36	22.14%	-15.14%
Eliminated internal transactions and accounts	-22,294,953.65	-1.38%	-33,457,099.01	-1.31%	-33.36%
By operating segment					
Guangdong Province	1,613,933,749.67	99.93%	2,491,373,238.76	97.75%	-35.22%
Other regions in China	22,531,905.61	1.40%	90,235,417.77	3.54%	-75.03%
Overseas	839,012.25	0.05%	588,761.97	0.02%	42.50%
Eliminated internal transactions and accounts	-22,294,953.65	-1.38%	-33,457,099.01	-1.31%	-33.36%

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

Applicable Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Property sales	1,158,411,393.81	387,659,747.71	66.54%	-42.59%	-22.05%	-8.82%
Engineering and construction	251,454,463.43	244,511,214.58	2.76%	-17.51%	-18.04%	0.62%
By product category						
Residential units	1,157,620,917.61	387,369,116.92	66.54%	60.89%	44.37%	3.83%
Shops and parking lots	790,476.20	290,630.79	63.23%	-93.14%	-93.21%	0.38%
Apartments	0.00	0.00	0.00%	-100.00%	-100.00%	-82.54%
By operating segment						
Guangdong Province	1,613,933,749.67	799,028,972.30	50.49%	-35.22%	-12.14%	-12.96%

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

Applicable Not applicable

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

Yes No

Operating division	Item	Unit	2020	2019	Change (%)
Property sales	Sales volume	RMB'0,000	38,767	53,222	-27.16%
	Output	RMB'0,000	15,616	38,575	-59.52%
	Inventory	RMB'0,000	121,599	161,109	-24.52%

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

Applicable Not applicable

Real estate projects under development decreased.

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

Applicable Not applicable

(5) Breakdown of Cost of Sales

By operating division

Unit: RMB

Operating division	Item	2020		2019		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Property sales		387,659,747.71	48.13%	497,310,023.38	51.92%	-22.05%
Engineering and construction		244,511,214.58	30.35%	298,315,846.77	31.15%	-18.04%
Property management		139,937,487.12	17.37%	142,261,602.88	14.85%	-1.63%
Rental service		35,984,852.34	4.47%	45,173,891.05	4.72%	-20.34%
Other		11,611,768.12	1.44%	13,404,895.03	1.40%	-13.38%
Eliminated internal transactions and accounts		-14,196,621.19	-1.76%	-38,713,606.57	-4.04%	-63.33%
Total		805,508,448.68	100.00%	957,752,652.54	100.00%	-15.90%

Note:

The operating divisions as percentages of the total cost of sales are stable, with insignificant changes on a year-on-year basis.

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

Yes No

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

Applicable Not applicable

(8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	105,366,757.84
Total sales to top five customers as % of total sales of the Reporting Period (%)	6.52%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0.00%

Information about top five customers:

No.	Customer	Sales revenue contributed	As % of total sales revenue (%)
-----	----------	---------------------------	---------------------------------

		for the Reporting Period (RMB)	
1	Legal person A	41,660,432.53	2.58%
2	Legal person B	30,587,155.87	1.89%
3	Legal person C	17,880,165.06	1.11%
4	Legal person D	7,963,269.65	0.49%
5	Legal person E	7,275,734.73	0.45%
Total	--	105,366,757.84	6.52%

Other information about major customers:

Applicable Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	285,468,647.66
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	66.78%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	42.81%

Information about top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Legal person A	182,994,620.79	42.81%
2	Legal person B	41,003,278.66	9.59%
3	Legal person C	30,099,448.05	7.04%
4	Legal person D	17,616,816.55	4.12%
5	Legal person E	13,754,483.61	3.22%
Total	--	285,468,647.66	66.78%

Other information about major suppliers:

Applicable Not applicable

3. Expense

Unit: RMB

	2020	2019	Change (%)	Reason for any significant change
Selling expense	55,989,397.22	79,480,254.02	-29.56%	Sales were limited for a certain period of time due to the pandemic.
Administrative expense	93,616,226.75	68,854,618.70	35.96%	As projects were completed, the relevant engineering, construction, and labor costs were expensed.
Finance costs	-21,505,685.05	-20,906,149.20	-2.87%	

4. R&D Investments

Applicable Not applicable

5. Cash Flows

Unit: RMB

Item	2020	2019	Change (%)
Subtotal of cash generated from operating activities	1,783,707,997.05	2,728,276,550.05	-34.62%
Subtotal of cash used in operating activities	1,498,543,983.88	2,124,668,825.30	-29.47%
Net cash generated from/used in operating activities	285,164,013.17	603,607,724.75	-52.76%
Subtotal of cash generated from investing activities	1,019,824,221.85	2,237,622,620.55	-54.42%
Subtotal of cash used in investing activities	749,215.31	2,321,918,490.62	-99.97%
Net cash generated from/used in investing activities	1,019,075,006.54	-84,295,870.07	-1,308.93%
Subtotal of cash generated from financing activities	76,893,995.94	43,741,293.64	75.79%
Subtotal of cash used in financing activities	218,571,160.17	204,370,642.51	6.95%
Net cash generated from/used in financing activities	-141,677,164.23	-160,629,348.87	11.80%
Net increase in cash and cash equivalents	1,161,914,166.47	358,667,324.42	223.95%

Explanation of why any of the data above varies significantly:

Applicable Not applicable

Cash generated from and used in operating activities both decreased year-on-year, primarily because property sales and development both decreased.

Cash generated from and used in investing activities both decreased year-on-year, primarily driven by a decrease in the acquisition of wealth management products.

Net increase in cash and cash equivalents increased year-on-year, primarily driven by the disinvestment in structured deposits upon maturity.

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

Applicable Not applicable

III Analysis of Non-Core Businesses

Applicable Not applicable

IV Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Indicate whether the Company has adopted the new accounting standards governing revenue and leases since 2020 and restated the beginning amounts of relevant financial statement line items in the year.

Applicable.

Unit: RMB

	31 December 2020		1 January 2020		Change in percentage (%)	Reason for any significant change
	Amount	As a % of total assets	Amount	As a % of total assets		
Monetary assets	2,687,465,070.01	54.44%	2,511,140,445.35	51.15%	3.29%	Settlement of sales
Accounts receivable	59,590,944.06	1.21%	62,059,055.68	1.26%	-0.05%	
Inventories	1,220,464,112.56	24.72%	1,462,229,048.18	29.78%	-5.06%	Sales and decrease in real estate projects
Investment property	616,365,621.53	12.48%	632,241,900.20	12.88%	-0.40%	
Long-term equity investments	377,489.65	0.01%	469,838.65	0.01%	0.00%	
Fixed assets	28,039,978.43	0.57%	30,522,035.11	0.62%	-0.05%	
Short-term borrowings	76,893,995.94	1.56%	51,647,260.17	1.05%	0.51%	

2. Assets and Liabilities at Fair Value

√ Applicable □ Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes charged to equity	Impairment allowance for the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
Investments in other equity instruments	33,126,730.04	4,384,130.47						37,510,860.51
Subtotal of financial	33,126,730.04	4,384,130.47						37,510,860.51

assets								
Total of the above	33,126,730.04	4,384,130.47						37,510,860.51
Financial liabilities	0.00							0.00

Other change

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

Yes No

3. Restricted Asset Rights as at the Period-End

Assets to which the Company's ownership or right of use was restricted:

Item	Ending carrying value	Reasons for restriction
Accounts receivable	49,686,095.76	Put in pledge for short-term borrowings
Notes receivable	30,068,561.31	Undue endorsed or discounted trade acceptance notes
Total	79,754,657.07	

V Investments Made

1. Total Investment Amount

Applicable Not applicable

2. Major Equity Investments Made in the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

4. Financial Investments

(1) Securities Investments

Applicable Not applicable

No such cases in the Reporting Period.

(2) Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

5. Use of Funds Raised

Applicable Not applicable

No such cases in the Reporting Period.

VI Sale of Major Assets and Equity Interests

1. Sale of Major Assets

Applicable Not applicable

No such cases in the Reporting Period.

2. Sale of Major Equity Interests

Applicable Not applicable

VII Major Subsidiaries

Applicable Not applicable

Major fully/majority-owned subsidiaries and those minority-owned subsidiaries with an over 10% effect on the Company's net profit:

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen SPG Longgang Development Co., Ltd.	Subsidiary	Real estate development	30,000,000.00	391,925,441.93	114,508,136.12	116,934,253.32	44,837,691.98	28,784,548.48
Shantou SEZ, Wellam FTY, Building Development, Co., Ltd.	Subsidiary	Real estate development	91,226,120.44	193,640,070.89	122,390,746.58	4,715,303.36	1,519,810.51	-2,215,913.28
Shantou Huafeng Real Estate Development Co., Ltd.	Subsidiary	Real estate development	80,000,000.00	977,898,211.50	20,641,603.93	179,004,829.03	410,646.55	-672,511.21
Great Wall Estate Co.,	Subsidiary	Real estate development	2,051,146.00	18,163,906.02	-83,658,196.85	839,012.25	-774,074.99	-774,074.99

Inc. (U.S.)									
Shenzhen Zhentong Engineering Co., Ltd.	Subsidiary	Installation and maintenance	10,000,000.00	148,187,525.32	24,609,352.65	252,712,482.88	636,053.15	323,798.26	
Shenzhen Property Management Co., Ltd.	Subsidiary	Property management	7,250,000.00	103,605,217.56	31,817,548.93	151,546,323.15	5,371,989.51	3,798,588.64	
Shenzhen Petrel Hotel Co., Ltd.	Subsidiary	Hotel service	30,000,000.00	52,342,468.40	42,149,488.13	14,314,081.68	-5,361,133.28	-4,071,603.65	
Shenzhen Huazhan Construction Supervision Co., Ltd.	Subsidiary	Supervisor	8,000,000.00	10,525,484.45	9,936,185.34	3,308,507.75	380,114.01	523,887.40	
Xin Feng Enterprise Co., Ltd.	Subsidiary	Investment and management	502,335.00	417,274,010.65	-132,534,436.59		6,632,667.60	6,632,667.60	

Subsidiaries obtained or disposed in the Reporting Period:

Applicable Not applicable

Information about major majority- and minority-owned subsidiaries:

1. Except the Company, the subordinate subsidiaries engaged in real estate development mainly include: Shenzhen SPG Longgang Development Co., Ltd., Shantou SEZ, Wellam FTY, Building Development, Co., Ltd., Shantou Huafeng Real Estate Development Co., Ltd. The Cuilinyuan project developed by Shenzhen SPG Longgang Development Co., Ltd. brought forward RMB115 million in 2020 (the percentage of accumulative sales carried forward was 93%), accounting for 10% of the Company's real estate sector income, 7.15% of the Company's operating revenue and 11% of the group's combined profits. Jinyedao and YuejingDongfang developed by Shantou SEZ, Wellam FTY, Building Development, Co., Ltd. left a few amount of remaining buildings for sale. And Shantou Huafeng Real Estate Development Co., Ltd. was responsible for the development of Tianyuewan project (divided into Phase I and Phase II). Tianyuewan Phase I was opened for sale in October 2016 and completed in December 2017. The Phase II started construction in November 2018 and was completed at the end of 2019. As of 2020, the sales progress of the Phase I was relatively slow with an accumulated sales rate of about 62%.
2. Shenzhen Zhentong Engineering Co., Ltd. was engaged in the business of building installation and maintenance with the 2020 operating revenues of RMB253 million and of 15.65% to the operating revenues of the Company.
3. Shenzhen Property Management Co., Ltd was engaged in the industry of property management, and the business was steady. The 2020 operating revenues was of RMB152 million that was of 9.38% to the operating revenues of the Company.
4. The 2020 net profits of Xin Feng Enterprise Co., Ltd. was of RMB6.63 million which mainly due to the changes of exchange rate and it conducts no business.

5. The 2020 net profits of Shenzhen Petrel Hotel Co., Ltd. was of RMB-4.07 million which mainly due to the epidemic.

VIII Structured Bodies Controlled by the Company

Applicable Not applicable

IX Prospects

(I) Industrial Pattern and Trend

Upholding the principles that houses are for living and not for speculation on, the Company fully implemented a long-term management and regulation mechanism through taking a differential approach in different places, stabilizing the land prices, the housing prices, and the expectations to ensure sound development of the real estate market. Under the continuous control of multiple financial regulatory policies, development goals of real estate enterprises were shifted from growth of scale to growth of quality. The top enterprises with high qualities, as a result, were easy to get more resources, and the industry concentration was further improved.

(2) Development Strategies of the Company

The Company will earnestly implement the instructions of the Fifth Plenary Session of the 19th Central Committee of the Communist Party of China, the Central Economic Work Conference, Secretary General Xi Jinping's speech at the 40th Anniversary of the Establishment of the Shenzhen Special Economic Zone, and the important speeches during his visits to Guangdong. Embracing the strategic opportunities of Shenzhen "Dual Zone" construction and the reform of state-owned assets and enterprises, the Company will take actions according to the decisions of the Municipal Party Committee and Municipal Government, the Municipal State-owned Assets Supervision and Administration Commission and the Shenzhen Investment Holdings Co., Ltd., moving forward steadily and bravely, and plotting out the project reserves. While stabilizing operation and management, the Company assiduously innovated profit models and explored new areas so as to further improve the quality of the Company. Taking into account the overall situation, the Company are in full confidence to win the battle in the first year of the "14th Five-Year Plan", and make SPG a respected listed company.

(III) Potential Risks

1. Macroeconomic risks. In 2021, the world economic situation remains complicated and severe. Since the recovery is precarious, the various derivative risks caused by the impact of the pandemic cannot be ignored.

2. Industrial regulation risks. The government revealed many policies in terms of real estate market, such as "houses are for living in, not for speculation on", encouraging house renting and purchasing, taking different approaching in different cities, etc. The Company will meet huge challenges in future.

3. Business operation risks. Since the reserves of existing development land resource are limited, the competition in the open land market will become quite intense in the future, which accordingly will endanger the Company's sustainable development.

4. The risk of brain drain. The restructuring has been suspended for many years, resulting in the loss of the professional technical talents and key managers. At the same time, the unfavorable talent structure and professional capabilities need further improvement.

(IV) Operation Plan

In 2021, the Company made an overall operation plan. The Company will stabilize the operation on the basis of safety management, expand the projects while strengthening the implementation. At the same time, the Company will make efforts in key tasks such as project developments and constructions, sales, asset management, and internal control. Additionally, the Company will explore new growth areas vigorously, gather all the possible efforts, and accomplish more achievements in the reform and development of the company.

1. Focus on the stable operations. The Company will push forward the construction of projects in progress, check the schedules, and guarantee the quality and safety of the projects. Besides, the Company will put more efforts in project marketing campaign to ensure the smooth completion of the annual sales target. Furthermore, great attention will be paid to lease of property to achieve an effective increase in occupancy rate.

2. Forge ahead bravely, exploring areas of growth. The Company will increase new lands and projects through acquisitions, cooperative development, open market "bidding, auction and listing" and other ways. Exploring new growth areas proactively, the Company will strive to reshape a new pattern of profit growth, and eventually improve the quality.

3. Pay constant attention to the prevention and control of pandemic and safe production. The Company will undertake full responsibility in pandemic prevention and control, normalizing its publicity and education. Optimizing the safety production management system will also be put on agenda. Boosting the standardization of safety production and "dual" prevention mechanism, the Company plans to identify and eliminate the potential risks, and intensify the safety management in important areas to ensure the smooth progress of production and operation.

X Communications with the Investment Community such as Researches, Inquiries and Interviews

1. During the Reporting Period

√ Applicable □ Not applicable

Date of visit	Place of visit	Way of visit	Type of visitor	Visitor	Contents and materials provided	Index to main inquiry information
2020-01-13	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the sales of project development, and didn't offer written materials	N/A
2020-01-22	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and fundamentals of the Company, and didn't offer written materials	N/A
2020-03-02	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and annual operation and expected disclosure time of annual report, and didn't offer written materials	N/A
2020-03-05	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and share trading resumption time of the Company, and didn't offer written materials	N/A
2020-03-16	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and share trading resumption time of the Company, and didn't offer written materials	N/A
2020-03-19	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and fundamentals of the Company, and didn't offer written materials	N/A
2020-03-26	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and plan arrangement of the Company, and didn't offer written materials	N/A
2020-03-31	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and reasons for the long suspension of trading and share trading resumption time of the	N/A

					Company, and didn't offer written materials	
2020-04-10	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-04-29	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-05-08	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-05-13	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-05-28	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-06-03	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the impact of the 40th anniversary of the establishment of the Shenzhen Special Economic Zone, and didn't offer written materials	N/A
2020-06-15	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-06-29	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and business situation and expected disclosure time of interim report, and didn't offer written materials	N/A
2020-07-01	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A

2020-07-02	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring, and didn't offer written materials	N/A
2020-07-06	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and reasons for the long suspension of trading and share trading resumption time of the Company, and didn't offer written materials	N/A
2020-07-09	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring, and expected disclosure time of third quarter report, and didn't offer written materials	N/A
2020-07-15	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-07-23	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring, the project development and business condition of the Company, and annual operations, without written materials, and didn't offer written materials	N/A
2020-08-06	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and fundamentals of the Company, and didn't offer written materials	N/A
2020-08-12	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-08-18	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and plan arrangement of the Company, and didn't offer written materials	N/A
2020-08-26	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-09-07	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and fundamentals of the	N/A

					Company, and didn't offer written materials	
2020-09-11	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring, and didn't offer written materials	N/A
2020-09-14	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-09-15	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring of the Company, and expected disclosure time of third quarter report, and didn't offer written materials	N/A
2020-09-21	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and reasons for the long suspension of trading of the Company, and didn't offer written materials	N/A
2020-09-22	The Company	In writing	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-09-24	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and plan arrangement of the Company, and its business conditions in the third quarter, and didn't offer written materials	N/A
2020-09-25	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and reasons for the long suspension of trading of the Company, and didn't offer written materials	N/A
2020-09-28	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-09-30	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and reasons for the long suspension of trading of the Company, and didn't offer written materials	N/A

2020-10-13	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and fundamentals of the Company, and didn't offer written materials	N/A
2020-10-14	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-10-16	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and project development and sales and operation of the Company, and didn't offer written materials	N/A
2020-10-19	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and fundamentals of the Company, and didn't offer written materials	N/A
2020-10-20	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and reasons for the long suspension of trading of the Company, and didn't offer written materials	N/A
2020-10-22	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and fundamentals of the Company, and didn't offer written materials	N/A
2020-10-26	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and reasons for the long suspension of trading of the Company, and didn't offer written materials	N/A
2020-10-28	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-10-29	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and fundamentals of the Company, and didn't offer written materials	N/A
2020-10-30	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A

2020-11-02	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and project development and sales and operation of the Company, and didn't offer written materials	N/A
2020-11-03	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and reasons for the long suspension of trading of the Company, and didn't offer written materials	N/A
2020-11-04	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-11-05	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and project development and sales and operation of the Company, and didn't offer written materials	N/A
2020-11-06	The Company	By telephone	Individual	Individual investor	Inquired of the progress of assets restructuring and the expected time for stock trading resumption, and didn't offer written materials	N/A
2020-11-09	The Company	By telephone	Individual	Individual investor	Inquired of the reasons for the terminations of asset restructuring, and didn't offer written materials	N/A
2020-11-10	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
2020-11-11	The Company	By telephone	Individual	Individual investor	Inquired of business situations of the Company, and did not offer written materials	N/A
2020-11-12	The Company	By telephone	Individual	Individual investor	Inquired of the reasons for the terminations of asset restructuring, and didn't offer written materials	N/A
2020-11-13	The Company	By telephone	Individual	Individual investor	Inquired of the land reserves and projects progress of the Company, and didn't offer written materials	N/A
2020-11-16	The Company	By telephone	Individual	Individual investor	Inquired of the reasons for the terminations of asset restructuring, and didn't offer written	N/A

					materials	
2020-11-17	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
2020-11-19	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
2020-11-24	The Company	By telephone	Individual	Individual investor	Inquired of the land reserves and projects progress of the Company, and didn't offer written materials	N/A
2020-11-26	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
2020-11-30	The Company	By telephone	Individual	Individual investor	Inquired of the land reserves and projects progress of the Company, and didn't offer written materials	N/A
2020-12-04	The Company	By telephone	Individual	Individual investor	Inquired of business situations and strategic planning of the Company, and didn't offer written materials	N/A
2020-12-09	The Company	By telephone	Individual	Individual investor	Inquired of business situation, and didn't offer written materials	N/A
2020-12-21	The Company	By telephone	Individual	Individual investor	Inquired of project sales of the Company, and didn't offer written materials	N/A
2020-12-28	The Company	By telephone	Individual	Individual investor	Inquired of the future development plan of the Company, and didn't offer written materials	N/A
Times of communications			66			
Number of institutions communicated with			0			
Number of individuals communicated with			66			
Number of other communication parties			0			
Tip-offs or leakages of substantial supposedly-confidential information during communications			None			

Part V Significant Events

I Profit Distributions to Ordinary Shareholders (in the Form of Cash and/or Stock)

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

Applicable Not applicable

The profit distributions to ordinary shareholders, either in the form of cash or stock, in the past three years (including the Reporting Period) are summarized as follows:

The profit distribution strictly observe regulations of the Articles of Association, and the specific cash dividend plan is worked out after the approval of the board meeting and general meeting. Independent directors played their roles with due diligence.

For 2018, based on the total 1,011,660,000 shares of the Company as at 31 December 2018, a cash dividend of RMB2.00 (tax included) was distributed to the A-share and B-share holders for every 10 shares they hold without bonus share (tax included), and no share capital increase from capital reserve would be conducted.

For 2019, based on the total 1,011,660,000 shares of the Company as at 31 December 2019, a cash dividend of RMB1.65 (tax included) was distributed to the A-share and B-share holders for every 10 shares they hold without bonus share (tax included), and no share capital increase from capital reserve would be conducted.

For 2020, based on the total 1,011,660,000 shares of the Company as at 31 December 2020, a cash dividend of RMB0.87 (tax included) was distributed to the A-share and B-share holders for every 10 shares they hold without bonus share (tax included), and no share capital increase from capital reserve would be conducted.

Cash dividend for ordinary shareholders in the past three years (including the Reporting Period):

Unit: RMB

Year	Cash dividends (tax inclusive) (A)	Net profit attributable to ordinary shareholders of the listed company in consolidated statements for the year (B)	A as % of B (%)	Cash dividends in other forms (such as share repurchase) (C)	C as % of B (%)	Total cash dividends (including those in other forms) (D)	D as % of B (%)
2020	88,014,420.00	290,229,772.23	30.33%	0.00	0.00%	88,014,420.00	30.33%
2019	166,923,900.00	552,452,307.59	30.22%	0.00	0.00%	166,923,900.00	30.22%
2018	202,332,000.00	503,498,831.60	40.19%	0.00	0.00%	202,332,000.00	40.19%

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

Applicable Not applicable

II Final Dividend Plan for the Reporting Period

Applicable Not applicable

Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB) (tax inclusive)	0.87
Total shares as the basis for the profit distribution proposal (share)	1,011,660,000
Cash dividends (RMB) (tax inclusive)	88,014,420.00
Cash dividends in other forms (such as share repurchase) (RMB)	0.00
Total cash dividends (including those in other forms) (RMB)	88,014,420.00
Distributable profit (RMB)	1,360,786,232.53
Total cash dividends (including those in other forms) as % of total profit distribution	100%
Cash dividend policy	
It's not easy to distinguish in the Company's development stage. While, when there is a major capital spending, the percentage of cash dividends to the profit distribution shall be 20% at least when conducting the profit distribution.	
Details about the proposal for profit distribution and converting capital reserve into share capital	
The Profit Distribution Plan of 2020 was reviewed and approved by the 60 th Meeting of the 7 th Board of Directors held on 19 March 2021, and intended to be submitted to The 2020 Annual General Meeting for review. Based on the total 1,011,660,000 shares of the Company as at 31 December 2020, a cash dividend of RMB0.87 (tax included) will be distributed to the A-share and B-share holders for every 10 shares they hold without bonus share (tax included), and no share capital increase from capital reserve would be conducted. The profit distribution plan can be implemented upon review and approval of the Shareholders' General Meeting of the Company.	

III Fulfillment of Commitments

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

Applicable Not applicable

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfillment
Commitments made in time of asset restructuring	The Company	Asset restructuring	The Company's major asset restructuring was terminated, and trading of the stocks was resumed on 9 November 2020. The Company promises that it	9 November 2020	Two months	Completed

			will not initiate the major asset restructuring after the announcement of termination was disclosed within at least two months.			
Fulfilled on time	Yes					
Specific reasons for failing to fulfill commitments on time and plans for next step (if any)	N/A					

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

Applicable Not applicable

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

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

VI YoY Changes to Accounting Policies, Estimates and Methods

Applicable Not applicable

Please refer to "31. Changes in Main Accounting Policies and Estimates" of "III Main Accounting Policies and Estimates" in "Part XII Financial Statements" for details.

VII Retrospective Restatements due to Correction of Material Accounting Errors in the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

VIII YoY Changes to the Scope of the Consolidated Financial Statements

Applicable Not applicable

No such cases in the Reporting Period.

IX Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	Grant Thornton China (LLP)
The Company's payment to the domestic independent auditor (RMB'0,000)	53
How many consecutive years the domestic independent auditor has provided audit service for the Company	2
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Zhao Juanjuan, Jiang Xiaoming
How many consecutive years the certified public accountants from the domestic independent auditor have provided audit service for the Company	2

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

Yes No

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

Applicable Not applicable

The Company hired Grant Thornton China (LLP) to provide internal control audit service for this Reporting Period at the cost of RMB0.23 million.

X Possibility of Listing Suspension or Termination after Disclosure of this Report

Applicable Not applicable

XI Insolvency and Reorganization

Applicable Not applicable

No such cases in the Reporting Period.

XII Major Legal Matters

Applicable Not applicable

General information	Involved amount (RMB'0,000)	Provision	Progress	Decisions and effects	Execution of decisions	Disclosure date	Index to disclosed information
Xi'an Project Lawsuit	2,100	No	In execution	① Xi'an Business Tourism Company Limited (hereinafter referred to as "Business Company") had to pay for the compensation RMB36.62 million and the relevant interest (from 14 September 1998 to the	Shaanxi High People's Court Sold all assets of Business Company by auction in accordance with	19 August 2020	Interim Report 2020 (full text) on www.cninfo.com.cn

				payment day) to Xi'an Fresh Peak Company within one month after the judgment entering into force. If the Business Company failed to pay in time, it had to pay double debt interests to Xi'an Fresh Peak Company for the overdue period; ② Xi'an Joint Commission on Commerce had jointly and severally obligation of the interests of the compensation; ③ Business Company shall bear RMB227,500 of the acceptance fee and the security fee.	laws in 2004. The applicant has received RMB15.20 million. Now Business Company has no executable properties and Xi'an Joint Commission on Commerce has been refusing to execute the ruling. It is difficult to recover the rest.		
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XIII Punishments and Rectifications

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

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

Applicable Not applicable

No such cases in the Reporting Period.

XVI Major Related-Party Transactions

1. Continuing Related-Party Transactions

Applicable Not applicable

Related party	Relationship with the Compa	Type of transaction	Specific transaction	Pricing principle	Transaction price	Total value (RMB', 0,000)	As % of total value of all same-t	Approved transaction line	Over the approved line or not	Method of settlement	Obtainable market price for	Disclosure date	Index to disclosed inform

	ny						ype transac tions	(RMB' 0,000)			same-t ype transac tions		ation
ShenZhen Jianan (Group) Co., Ltd.	Control led by the same compa ny as the parent	Engine ering constru ction	Wholly -owned subsidi ary undert ok enginee ring constru ction of related party	Negoti ate through agreem ents	-	725.82	2.89%	725.82	Not	Bank transfer	-	14 March 2020	2019 Annual Report disclos ed on www.cninfo.com.cn
ShenZhen Jianan (Group) Co., Ltd.	Control led by the same compa ny as the parent	Engine ering constru ction	Wholly -owned subsidi ary paid total account for constru ction contract ed to related party	Negoti ate through agreem ents	-	18,299. 46	42.81%	18,299. 46	Not	Bank transfer	-	14 March 2020	2019 Annual Report disclos ed on www.cninfo.com.cn
Total				--	--	19,025. 28	--	19,025. 28	--	--	--	--	--
Large-amount sales return in detail								N/A					
Give the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period								N/A					
Reason for any significant difference between the transaction price and the market reference price (if applicable)								N/A					

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

Applicable Not applicable

No such cases in the Reporting Period.

3. Related Transactions Regarding Joint Investments in Third Parties

Applicable Not applicable

No such cases in the Reporting Period.

4. Credits and Liabilities with Related Parties

Applicable Not applicable

No such cases in the Reporting Period.

5. Other Major Related-Party Transactions

Applicable Not applicable

No such cases in the Reporting Period.

XVII Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

Applicable Not applicable

No such cases in the Reporting Period.

(2) Contracting

Applicable Not applicable

No such cases in the Reporting Period.

(3) Leases

Applicable Not applicable

No such cases in the Reporting Period.

2. Major Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

3. Cash Entrusted to Other Entities for Management

(1) Cash Entrusted for Wealth Management

Applicable Not applicable

Overview of cash entrusted for wealth management in the Reporting Period

Unit: RMB'0,000

Type	Capital resources	Amount incurred	Outstanding balance	Overdue unrevoked amount
Bank financial products	Self-owned funds	100,000	0	0
Total		100,000	0	0

High-risk entrusted wealth management with significant single amount or low security, poor liquidity and no capital preservation:

Applicable Not applicable

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

Applicable Not applicable

(2) Entrusted Loans

Applicable Not applicable

No such cases in the Reporting Period.

4. Significant Continuing Contracts

Applicable Not applicable

5. Other Major Contracts

Applicable Not applicable

No such cases in the Reporting Period.

XVIII Corporate Social Responsibility (CSR)

1. Measures Taken to Fulfill CSR Commitment

The Company has proactively fulfilled its social responsibilities. While pursuing economic benefits and protecting the interests of shareholders, it complied with the overall development of the country and society, protected the legal rights of creditors and employees positively and treated the suppliers, customers and consumers with integrity. Participating in the public welfare undertakings such as environment protection and community activities positively, the Company took efforts in keeping a harmonious development of the Company itself and the whole society. During the Reporting Period, the Company actively fought against the pandemic, which fully demonstrated the responsibility of state-owned enterprises. Also, the Company donated RMB500,000 to the “Municipal State-owned Enterprise Aiding Hubei Special Fund Raising Action”, exempted and reduced rents for tenants for about RMB18.36 million. Besides, in accordance with the idea of “creating a civilized community” in

Jiabei Community, the Company organized road traffic civilization persuasion and "creating a civilized community" voluntary activities twice with the participation of a total of 215 party members and mass volunteers. During this process, the employees' sense of social responsibility was hugely enhanced.

2. Measures Taken for Targeted Poverty Alleviation

The Company conducted no targeted poverty alleviation activities during the Reporting Period and has no subsequent plans yet.

3. Issues Related to Environmental Protection

Indicate by tick mark whether the Company or any of its subsidiaries is identified as a major polluter by the environmental protection authorities.

Yes No

XIX Other Significant Events

Applicable Not applicable

Since the planning for major asset restructuring, the Company's stocks have been suspended for trading since the opening of the stock market on 14 September 2016. During the suspension period, the Company kept close communication with all trading parties, worked hard in due diligence, auditing, evaluation and other issues, and fulfilled the required decision-making procedures and information disclosure timely. In view of the current market environment and many other reasons, it was still not a good time to advance the major asset restructuring. Therefore, in order to effectively protect the interests of the Company and all shareholders, the Company decided to terminate the major asset restructuring after careful consideration. On 9 November 2020, the stock trading resumed. For details, please refer to the *Announcement on the Termination of Planning for Major Asset Restructuring and the Stock Trading Resumption* (No. 2020-085) which was disclosed by the Company on www.cninfo.com.cn on 9 November 2020.

XX Significant Events of Subsidiaries

Applicable Not applicable

Part VI Share Changes and Shareholder Information

I. Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
1. Restricted shares	0	0.00%	0	0	0	0	0	0	0.00%
1.1 Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
1.2 Shares held by state-own Legal-person	0	0.00%	0	0	0	0	0	0	0.00%
1.3 Shares held by other domestic investors	0	0.00%	0	0	0	0	0	0	0.00%
Among which: shares held by domestic legal person	0	0.00%		0	0	0	0	0	0.00%
Shares held by domestic natural person	0	0.00%	0	0	0	0	0	0	0.00%
1.4 Oversea shareholdings	0	0.00%	0	0	0	0	0		0.00%
Among which: shares held by oversea legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by oversea natural person	0	0.00%	0	0	0	0	0	0	0.00%
2. Unrestricted shares	1,011,660,000	100.00%	0	0	0	0	0	1,011,660,000	100.00%
2.1 RMB ordinary shares	891,660,000	88.14%	0	0	0	0	0	891,660,000	88.14%
2.2 Domestically	120,000,000	11.86%	0	0	0	0	0	120,000,000	11.86%

listed foreign shares									
2.3 Oversea listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
2.4 Other	0	0.00%	0	0	0	0	0	0	0.00%
3. Total shares	1,011,660,000	100.00%	0	0	0	0	0	1,011,660,000	100.00%

Reasons for share changes:

Applicable Not applicable

Approval of share changes:

Applicable Not applicable

Transfer of share ownership:

Applicable Not applicable

Progress on any share repurchase:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Changes in Restricted Shares

Applicable Not applicable

II. Issuance and Listing of Securities

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

Applicable Not applicable

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

Applicable Not applicable

3. Existing Staff-Held Shares

Applicable Not applicable

III Shareholders and Actual Controller

1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Number of ordinary shareholders	74,276	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	74,556	Number of preferred shareholders with resumed voting rights (if any)	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0		
Shareholding of ordinary shareholders holding more than 5% shares or the top 10 of ordinary shareholders									
Name of shareholder	Nature of shareholder	Holding percentage (%)	Number of shareholding at the end of the Reporting Period	Increase and decrease of shares during Reporting Period	Number of shares held subject to trading moratorium	Number of shares held subject to trading moratorium	Pledged or frozen shares		
							Status of shares	Amount	
Shenzhen Investment Holdings Co., Ltd	State-owned legal person	63.55%	642,884,262	0		642,884,262			
Sun Longzhan	Domestic natural person	0.14%	1,464,248	1,464,248		1,464,248			
Yang Shuilian	Domestic natural person	0.14%	1,412,900	139,200		1,412,900			
Tan Shiqing	Domestic natural person	0.13%	1,286,701	0		1,286,701			
Yang Jianxiong	Domestic natural person	0.12%	1,255,750	0		1,255,750			
Shenzhen Bao'an Songgang Huamei Industry Company	Domestic non-state-owned legal person	0.12%	1,205,096	1,205,096		1,205,096			
Duan Weiping	Domestic natural person	0.12%	1,190,000	1,190,000		1,190,000			
Central Huijin Asset Management Co., Ltd.	State-owned legal person	0.12%	1,165,500	0		1,165,500			
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	0.11%	1,117,641	1,117,641		1,117,641			
Wu Haoyuan	Foreign natural person	0.11%	1,109,300	0		1,109,300			
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any) (see Note 3)		None							

Related or acting-in-concert parties among the shareholders above	Among the top 10 shareholders of the Company, SPG is neither a related party to, nor one of the persons acting in concert with other shareholders as prescribed in the <i>Administrative Measures for the Acquisition of Listed Companies</i> . The Company does not know whether there exists associated relationship among the other shareholders, or whether they are persons acting in concert as prescribed in the <i>Administrative Measures for the Acquisition of Listed Companies</i> .		
Above shareholders involved in entrusting/being entrusted with voting rights and giving up voting rights	None		
Top 10 unrestricted shareholders			
Name of shareholder	Unrestricted shares held at the period-end	Shares by type	
		Type	Shares
Shenzhen Investment Holdings Co., Ltd	642,884,262	RMB ordinary shares	642,884,262
Sun Longzhan	1,464,248	RMB ordinary shares	1,464,248
Yang Shuilian	1,412,900	RMB ordinary shares	1,412,900
Tan Shiqing	1,286,701	RMB ordinary shares	1,286,701
Yang Jianxiong	1,255,750	Domestically listed foreign shares	1,255,750
Shenzhen Bao'an Songgang Huamei Industry Company	1,205,096	RMB ordinary shares	1,205,096
Duan Weiping	1,190,000	RMB ordinary shares	1,190,000
Central Huijin Asset Management Co., Ltd.	1,165,500	RMB ordinary shares	1,165,500
Hong Kong Securities Clearing Company Ltd.	1,117,641	RMB ordinary shares	1,117,641
Wu Haoyuan	1,109,300	Domestically listed foreign shares	1,109,300
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	Among the top 10 unrestricted public shareholders of the Company, SPG is neither a related party to, nor one of the persons acting in concert with other shareholders as prescribed in the <i>Administrative Measures for the Acquisition of Listed Companies</i> . The Company does not know whether there exists associated relationship among the other shareholders, or whether they are persons acting in concert as prescribed in the <i>Administrative Measures for the Acquisition of Listed Companies</i> .		
Top 10 ordinary shareholders involved in securities margin trading (if any) (see Note 4)	Both the fourth and sixth shareholders held all their shares of the Company in their margin accounts.		

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

Yes No

No such cases in the Reporting Period.

2. Controlling Shareholder

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

Type of the controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Shenzhen Investment Holdings Co., Ltd.	Wang Yongjian	13 October 2004	767566421	Investment in equities on behalf of the government and management of those investments; development and operation of government-allocated land; and investment in and provision of services for strategic emerging industries
Controlling shareholder's holdings in other listed companies at home or abroad in the Reporting Period	339,450,000 shares in SZPRD A (000011), representing a stake of 56.96%; 234,070,000 shares in STHC (000045), representing a stake of 46.10%; 9,590,000 shares in Shenzhen Universe A (000023), representing a stake of 6.91%; 962,720,000 shares in Ping An (601318), representing a stake of 5.27%; 3,223,110,000 shares in Guosen Securities (002736), representing a stake of 33.53%; 609,240,000 of A shares and 103,370,000 of H shares in Guotai Junan (601211), representing a stake of 8%; 195,030,000 shares in Telling Holding (000829), representing a stake of 18.89%; 208,850,000 shares in Shenzhen International (00152), representing a stake of 43.91%; 604,820,000 shares in BEAUTYSTAR (002243), representing a stake of 49.96%; 2,213,450,000 shares in Bay Area Development (00737), representing a stake of 71.83%; 315,830,000 shares in Infinova (002528), representing a stake of 26.35%; 388,450,000 shares in EA (002183), representing a stake of 18.30%; 6,770,000 shares in Shenzhen Energy (000027), representing a stake of 0.14%; 9,520,000 shares in BOCOM (601328), representing a stake of 0.01%; 113,980,000 shares in Techand Ecology (300197), representing a stake of 4.84%; 77,270,000 shares in Vanke (02202), representing a stake of 0.67%.			

Change of the controlling shareholder in the Reporting Period:

 Applicable Not applicable

No such cases in the Reporting Period.

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

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

Type of the actual controller: legal person

Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
Shenzhen State-owned Assets Supervision and Administration Commission	Yu Gang	31 July 2004	K3172806-7	Perform the responsibilities of investor on behalf of the state, and supervise and manage the authorized state-owned assets legally.
Other listed companies at	In addition to the Company controlling shareholder - Shenzhen Investment Holding Co.,			

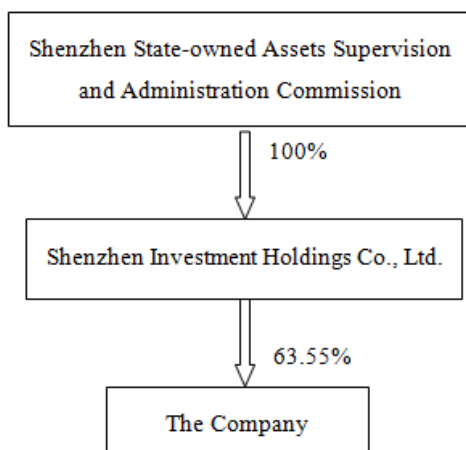
home or abroad controlled by the actual controller in the Reporting Period	Ltd. Other domestic and overseas listed companies whose equity held by the actual controllers did not rank among the top ten shareholders of the Company.
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Change of the actual controller during the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

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



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

Applicable Not applicable

4. Other 10% or Greater Corporate Shareholders

Applicable Not applicable

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

Applicable Not applicable

Part VII Preferred Shares

Applicable Not applicable

No preferred shares in the Reporting Period.

Part VIII Convertible Bonds

Applicable Not applicable

No convertible bonds in the Reporting Period.

Part IX Directors, Supervisors, Senior Management and Staff

I Change in Shareholdings of Directors, Supervisors and Senior Management

Name	Office title	Incumbent/ Former	Gender	Age	Start of tenure	End of tenure	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/ decrease (share)	Ending shareholding (share)
Liu Zhengyu	Chairman of the Board	Incumbent	Male	51	15 January 2020		0	0	0	0	0
Tang Xiaoping	Director	Incumbent	Male	51	31 December 2020		0	0	0	0	0
Tang Xiaoping	GM	Incumbent	Male	51	14 December 2020		0	0	0	0	0
Deng Kangcheng	Director	Incumbent	Male	55	17 April 2012		10,000	0	0	0	10,000
Zhao Zhongliang	Director	Incumbent	Male	51	31 December 2020		0	0	0	0	0
Zhao Zhongliang	CFO	Incumbent	Male	51	14 December 2020		0	0	0	0	0
Wen Li	Director	Incumbent	Female	52	8 September 2006		0	0	0	0	0
Sun Minghui	Director	Incumbent	Male	40	31 December 2020		0	0	0	0	0
Kang Xiaoyue	Independent director	Incumbent	Male	57	15 May 2018		0	0	0	0	0
He Zuowen	Independent director	Incumbent	Male	59	30 June 2020		0	0	0	0	0
Mi Xuming	Independent director	Incumbent	Male	46	30 June 2020		0	0	0	0	0
Li Lian	Chairman of the Supervisory Committee	Incumbent	Female	54	31 December 2020		0	0	0	0	0
Ren Wei	Supervisor	Incumbent	Male	41	15 May 2018		2,000	0	0	0	2,000
Li Yufei	Supervisor	Incumbent	Female	43	17 April 2012		0	0	0	0	0
Feng Hongwei	Supervisor	Incumbent	Male	50	2 March 2017		0	0	0	0	0

Lin Jun	Supervisor	Incumbent	Female	52	27 April 2016		0	0	0	0	0
Wei Hanping	Vice GM	Incumbent	Female	55	28 September 2012		0	0	0	0	0
Zhang Hongwei	Vice GM	Incumbent	Male	55	15 July 2020		0	0	0	0	0
Luo Yi	Secretary of the Board	Incumbent	Male	47	31 December 2020		0	0	0	0	0
Zhou Jianguo	Chairman of the Board	Former	Male	66	11 February 2009	15 January 2020	0	0	0	0	0
Zhuang Quan	Chairman of the Supervisory Committee	Former	Male	66	17 April 2012	15 January 2020	80,000	0	0	0	80,000
Chen Maozheng	General Manager and Director	Former	Male	57	17 April 2012	30 June 2020	0	0	0	0	0
Song Botong	Independent director	Former	Male	53	15 October 2010	30 June 2020	0	0	0	0	0
Zhang Shunwen	Independent director	Former	Male	55	23 April 2014	30 June 2020	0	0	0	0	0
Zhang Lei	Director	Former	Male	53	17 April 2012	31 December 2020	0	0	0	0	0
Zhang Lei	CFO	Former	Male	53	17 April 2012	14 December 2020	0	0	0	0	0
Jiang Lihua	Director	Former	Female	57	17 April 2012	31 December 2020	0	0	0	0	0
Dai Xianhua	Chairman of the Supervisory Committee	Former	Male	59	15 January 2020	31 December 2020	0	0	0	0	0
Tang Xiaoping	Secretary of the Board	Appointed and	Male	51	26 April 2018	31 Dec	0	0	0	0	0

		dismissed				ember 2020					
Tang Xiaoping	Vice GM	Appointed and dismissed	Male	51	22 October 2013	14 Dece mber 2020	0	0	0	0	0
Total	--	--	--	--	--	--	92,000	0	0	0	92,000

II Change of Directors, Supervisors and Senior Management

√Applicable □ Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Liu Zhengyu	Chairman of the Board	Elected	15 January 2020	
Dai Xianhua	Chairman of the Supervisory Committee	Elected	15 January 2020	
Zhou Jianguo	Chairman of the Board	Left	15 January 2020	Retired
Zhuang Quan	Chairman of the Supervisory Committee	Left	15 January 2020	Retired
Chen Maozheng	Director	Left	30 June 2020	Job change
Chen Maozheng	General Manager	Left	30 June 2020	Job change
Song Botong	Independent director	Left for expiration of appointment	30 June 2020	Expiration of appointment
Zhang Shunwen	Independent director	Left for expiration of appointment	30 June 2020	Expiration of appointment
He Zuowen	Independent director	Elected	30 June 2020	
Mi Xuming	Independent director	Elected	30 June 2020	
Zhang Hongwei	Vice GM	Appointed	15 July 2020	
Tang Xiaoping	GM	Appointed	14 December 2020	
Tang Xiaoping	Vice GM	Appointed	14 December 2020	Post change
Zhang Lei	CFO	Left	14 December 2020	Job change
Zhao Zhongliang	CFO	Appointed	14 December 2020	
Zhang Lei	Director	Left	31 December 2020	Job change
Jiang Lihua	Director	Left	31 December 2020	Retired
Tang Xiaoping	Director	Elected	31 December 2020	
Sun Minghui	Director	Elected	31 December 2020	
Zhao Zhongliang	Director	Elected	31 December 2020	
Dai Xianhua	Chairman of the Supervisory Committee	Left	31 December 2020	Job change
Li Lian	Chairman of the Supervisory Committee	Elected	31 December 2020	
Tang Xiaoping	Secretary of the Board	Appointed	31 December 2020	Post change
Luo Yi	Secretary of the Board	Appointed	31 December 2020	

III Biographical Information

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

1. Liu zhengyu: he once was the director of Inspection Department in State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal and Chief Accountant of Shenzhen Investment Holdings Co., Ltd. Now he acts as the vice GM and the member of CPC of Shenzhen Investment Holdings Co., Ltd., the Chairman of the Board, secretary of CPC of the Company.
2. Tang Xiaoping: he ever act as CFO and finance minister of Shenzhen HRD Assets Management Company, minister of Financial Operations Management Department of Shenzhen Foreign Labor Service Co., Ltd. and executive director of Shenzhen Foreign Affairs Service Center, Manager of Financing Plan Department, deputy GM of the Company and secretary of the Board of the Company. He is currently the director, GM and deputy secretary of the CPC of the Company.
3. Deng Kangcheng: he was once deputy director, director of the Office of Shenzhen Investment Holdings Co., Ltd., and supervisor of the Company. And now he acts as the director and Vice Secretary of CPC of the Company.
4. Zhao Zhongliang: former director and CFO of Shenzhen Rosso Pharmaceutical Co., Ltd., member of the president team and CFO of Sichuan Lisen Building Materials Group Co., Ltd., supervisor of Ningbo Haiyue New Materials Co., Ltd., director and CFO of Shenzhen Investment Control Property Management Co., Ltd., director and CFO of Shenzhen Shentou Education Co., Ltd.; currently serves as Director and CFO of the Company.
5. Wen Li: she once worked as the vice chief of the Investment and Development Department, vice director of Management Center for Construction Project and Minister of Enterprise Department I of Shenzhen Investment Holdings Co., Ltd. Now, she serves as the director, GM and vice secretary of CPC in Shenzhen Bay Technology Development Co., Ltd. and the director of the Company.
6. Sun Minghui: Former the senior director of the Finance Department and the Office of the Board of Directors of Shenzhen Investment Holdings Co., Ltd., and the deputy director of the Finance Department (Settlement Center); currently, he is the director of the Finance Department (Settlement Center) of Shenzhen Investment Holdings Co., Ltd. and a director of the Company.
7. Kang Xiaoyue: he was once the staff member of Department of Justice of Jiangxi Province, a reporter, editor and head of News Department of Shenzhen Legal Newspaper. Chief Lawyer, senior partner of Guangdong New Century Law Firm (now renamed Guangdong Wancheng Law Firm). Now he serves as a senior partner of Beijing Weiheng (Shenzhen) Law Firm and the independent director of the Company.
8. He Zuowen: formerly associate professor of accounting and director of teaching and research section of Changsha University of Science & Technology, partner and deputy director of Shenzhen Huapeng Certified Public Accountants, partner of BDO Certified Public Accountants; currently partner of Dahua Certified Public Accountants (Special General Partnership), Secretary of CPC General Branch of Shenzhen Branch, Chairman of Shenzhen Tianye Tax Agent Co., Ltd., and also served as the independent director of Shenzhen JPT Opto-Electronics Co., Ltd., Shenzhen Textile (Group) Co., Ltd., Shenzhen Bioeasy Biotechnology Co., Ltd., Shenzhen Tongyi Industry Co., Ltd. and the Company. The main social positions are: judge of the Guangdong Provincial Senior Accountant Review Committee, member of the Shenzhen Municipal Social Organization Disciplinary Inspection Committee of the Communist Party of China, deputy secretary and secretary of the Disciplinary Committee of Shenzhen CPA Industry Committee, and director of Shenzhen Certified Tax Agents Association.
9. Mi Xuming: Former lecturer at Shenzhen University, postdoctor of post-doctoral mobile station for applied economics of School of Economics of Xiamen University, visiting scholar at the University of Exeter; currently

associate professor and master tutor of Shenzhen University, and at the same time as the independent directors of ChinaLin Securities Co., Ltd., Shenzhen Farben Information Technology Co., Ltd. and the Company.

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

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

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

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

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

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

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

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

Offices held concurrently in shareholding entities:

Applicable Not applicable

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

Offices held concurrently in other entities:

√Applicable □Not applicable

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Liu Zhengyu	Shenzhen Urban Transport Planning Center Co., Ltd.	Director	17 October 2017	17 December 2019	No
Liu Zhengyu	Telling Telecommunication Holding Co., Ltd.	Director	2 March 2017	23 April 2020	No
Liu Zhengyu	China's State Owned Capital Venture Capital Fund	Director	16 August 2016		No
Liu Zhengyu	Kashi Shenzhen City Co., Ltd.	Director	8 October 2013		No
Liu Zhengyu	Shenzhen Investment Holdings Bay Area Development Co., Ltd.	Non-executive director, Chairman of the Board	14 March 2018		No
Liu Zhengyu	Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd.	Director	18 December 2017		No
Liu Zhengyu	Shenzhen Investment International Capital Holdings Co., Ltd.	Director	9 September 2016		No
Liu Zhengyu	Tsinghua Tri Shenzhen Co., Ltd.	Director	December 12, 2019		No
Liu Zhengyu	SIHC Hong Kong Investment Holdings Limited	Director	March 11, 2019		No
Liu Zhengyu	Research Institute of Tsinghua University in Shenzhen	Member of a council	April 10, 2018		No
Deng Kangcheng	Shenzhen Leaguer Co., Ltd.	Director	June 15, 2020		No
Wen Li	Shenzhen Bay Technology Development Co., Ltd.	Director, GM and Vice Secretary of CPC	December 1, 2016		Yes
Sun Minghui	Meizhou Shenmei Friendship Building Co., Ltd.	Director	January 13, 2014	June 18, 2020	No
Sun Minghui	China Nanshan Development (Group) Co., Ltd.	Supervisor	October 17, 2017		No
Sun Minghui	Shenzhen Highway Passenger Transportation Service Centre Co., Ltd.	Supervisor	June 16, 2017		No

Sun Minghui	China Science And Technology Development Co., Ltd.	Supervisor	June 27, 2017		No
Sun Minghui	ULTRARICH INTERNATIONAL LIMITED	Director	November 11, 2020		No
Sun Minghui	China Southern Fund Management Co., Ltd.	Supervisor	November 11, 2020		No
Sun Minghui	Hubei SIHC Investment Development Co., Ltd.	Director	November 11, 2020		No
Sun Minghui	Shenzhen Textile (Holdings) Co., Ltd.	Director	February 10, 2021		No
Ren Wei	Shenzhen Construction & Installation (Group) Co., Ltd.	Supervisor	October 22, 2017	July 8, 2020	No
Ren Wei	Shenzhen Sungang China Resources Land Development Co., Ltd.	Supervisor	October 17, 2017		No
Li Yufei	Shenzhen Dapengwan Huaqiao Tomb	Director	November 19, 2015		No
Li Yufei	Shenzhen Sports Center Operation Management Co., Ltd.	Supervisor	December 22, 2015	June 18, 2020	No
Kang Xiaoyue	Beijing Weiheng (Shenzhen) Law Firm	Senior partner	December 2, 2019		Yes
He Zuowen	Dahua Certified Public Accountants (Special General Partnership)	Partner	December 1, 2002		Yes
He Zuowen	Shenzhen Tianye Tax Agency Co., Ltd.	Chairman of the Board	December 1, 2008		Yes
He Zuowen	Shenzhen JPT Opto-Electronics Co., Ltd.	Independent director	June 1, 2017		Yes
He Zuowen	Shenzhen Textile (Holdings) Co., Ltd.	Independent director	July 19, 2017		Yes
He Zuowen	Shenzhen Bioeasy Biotechnology Co., Ltd.	Independent director	October 1, 2017		Yes
He Zuowen	Shenzhen Tongyi Industry Co., Ltd.	Independent director	October 11, 2018		Yes
Mi Xuming	Shenzhen University	Associate professor and master tutor	December 1, 2009		Yes
Mi Xuming	ChinaLin Securities Co., Ltd.	Independent director	April 10, 2017		Yes
Mi Xuming	Shenzhen Farben Information Technology Co., Ltd.	Independent director	January 29, 2021		Yes

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

Applicable Not applicable

IV Remuneration of Directors, Supervisors and Senior Management

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

1. The remuneration of the Company's directors, supervisors and senior managers shall be determined and implemented in accordance with the regulations of the Company's remuneration management system.
2. After the review and approval at the 2013 Annual General Meeting of Shareholders held on April 23, 2014, the allowance for independent directors has been adjusted to RMB7000 (tax included) per person per month since May 2014, and independent directors will not receive any remuneration other than it from the Company.
3. He Zuowen, an independent director, also receives the allowance of independent director in Shenzhen Textile (Group) Co., Ltd. Shenzhen textile (Group) Co., Ltd and the Company are under the control of the same dominant shareholder and are related parties of the Company.

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

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/Former	Total before-tax remuneration from the Company	Any remuneration from related party
Liu Zhengyu	Chairman of the Board	Male	51	Incumbent		Yes
Tang Xiaoping	Director and GM	Male	51	Incumbent	115.02	No
Deng Kangcheng	Director	Male	55	Incumbent	117.32	No
Zhao Zhongliang	Director and CFO	Male	51	Incumbent		Yes
Wen Li	Director	Female	52	Incumbent		Yes
Sun Minghui	Director	Male	40	Incumbent		Yes
Kang Xiaoyue	Independent director	Male	57	Incumbent	8.4	No
He Zuowen	Independent director	Male	59	Incumbent	4.2	Yes
Mi Xuming	Independent director	Male	46	Incumbent	4.2	No
Li Lian	Chairman of the Supervisory Committee	Female	54	Incumbent		Yes
Ren Wei	Supervisor	Male	41	Incumbent		Yes
Li Yufei	Supervisor	Female	43	Incumbent		Yes
Feng Hongwei	Supervisor	Male	50	Incumbent	63.93	No
Lin Jun	Supervisor	Female	52	Incumbent	63.93	No
Wei Hanping	Vice GM	Female	55	Incumbent	117.32	No
Zhang Hongwei	Vice GM	Male	55	Incumbent	80.3	No

Luo Yi	Secretary of the Board	Male	47	Incumbent	60.44	No
Zhou Jianguo	Chairman of the Board	Male	66	Former	59.44	No
Zhuang Quan	Chairman of the Supervisory Committee	Male	66	Former	46.5	No
Chen Maozheng	General Manager and Director	Male	57	Former	89.4	Yes
Song Botong	Independent director	Male	53	Former		No
Zhang Shunwen	Independent director	Male	55	Former	4.2	No
Zhang Lei	Director and CFO	Male	53	Former		Yes
Jiang Lihua	Director	Female	57	Former		Yes
Dai Xianhua	Chairman of the Supervisory Committee	Male	59	Former		Yes
Total	--	--	--	--	834.6	--

Equity incentives for directors, supervisors and senior management in the Reporting Period:

Applicable Not applicable

V Employees

1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent	100
Number of in-service employees of major subsidiaries	1,568
Total number of in-service employees	1,668
Total number of paid employees in the Reporting Period	1,665
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	0
Functions	
Function	Employees
Production	1,053
Sales	78
Technical	412
Financial	51
Administrative	74
Total	1,668
Educational backgrounds	

Educational background	Employees
Doctors	1
Masters	21
Bachelors	169
College graduates	245
Technical secondary school graduates	100
High school graduates and below	1,132
Total	1,668

2. Employee Remuneration Policy

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

3. Employee Training Plans

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

4. Labor Outsourcing

Applicable Not applicable

Part X Corporate Governance

I Basic Situation of Corporate Governance

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

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

(1) Operation of the general meeting of shareholders

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

(2) Operation of the board of directors

The preparation and holding of the board meeting of the Company and the disclosure of the resolution made at the meeting have been carried out in strict accordance with the Company Law, the Guidelines for Standardized Operation of Listed Companies of Shenzhen Stock Exchange, the Articles of Association and the Rules of Procedure of the Board Meeting of the Company. The number and manning of the board of directors have met the requirements of laws and regulations. The directors have worked diligently and responsibly, and the board of directors has worked hard in making decisions and setting the direction for the Company, and has exercised its power in accordance with the requirements for corporate governance.

(3) Operation of the supervisory committee

The number and manning of the board of supervisors have met the requirements of laws and regulations. All members of the board of supervisors of the Company have performed their duties diligently and conscientiously. They have supervised and inspected the important matters of the Company in strict accordance with the Company Law, the Guidelines for the Standardized Operation of Listed Companies of Shenzhen Stock Exchange, the Articles of Association and the Rules of Procedure of the Board of Supervisors of the Company, exercised the power of supervision effectively, gave a full play to the supervisory function, have played a substantial role in the operation and management of the Company, and have protected the legitimate rights and interests of the Company and the shareholders.

(4) Operation at manager level

The manager level of the Company has performed its duties in strict accordance with the Company Law, the Guidelines for the Standardized Operation of Listed Companies of Shenzhen Stock Exchange, the Articles of Association and the Detailed Working Rules for the General Manager of the Company. The manager level is responsible for the production, operation and management of the Company all-roundly. They have performed their duties diligently and conscientiously, and have carried out the decisions of the board of directors effectively. The members at the manager level have had a clear division of labor among them, they have worked diligently and conscientiously, and there has not existed any situation of "control under insiders".

Indicate by tick market whether there is any material incompliance with the regulatory documents issued by the CSRC governing the governance of listed companies.

Yes No

No such cases in the Reporting Period.

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

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

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

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

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

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

III Horizontal Competition

Applicable Not applicable

IV Annual and Special General Meetings Convened during the Reporting Period

1. General Meeting Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Index to disclosed information
The 1 st Extraordinary General Meeting of 2020	Extraordinary General Meeting	63.59%	15 January 2020	16 January 2020	<i>Announcement on Resolutions of the 1st Extraordinary General</i>

					Meeting of 2020 disclosed on www.cninfo.com.cn .
The 2019 Annual General Meeting	Annual General Meeting	63.60%	29 April 2020	30 April 2020	Announcement on Resolutions of 2019 Annual General Meeting disclosed on www.cninfo.com.cn .
The 2 nd Extraordinary General Meeting of 2020	Extraordinary General Meeting	63.59%	30 June 2020	1 July 2020	Announcement on Resolutions of the 2 nd Extraordinary General Meeting of 2020 disclosed on www.cninfo.com.cn .
The 3 rd Extraordinary General Meeting of 2020	Extraordinary General Meeting	63.56%	31 December 2020	4 January 2021	Announcement on Resolutions of the 3 rd Extraordinary General Meeting of 2020 disclosed on www.cninfo.com.cn .

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

Applicable Not applicable

V Performance of Duty by Independent Directors in the Reporting Period

1. Attendance of Independent Directors at Board Meetings and General Meetings

Attendance of independent directors at board meetings and general meetings							
Independent director	Total number of board meetings the independent director was eligible to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings attended through a proxy	Board meetings the independent director failed to attend	The independent director failed to attend two consecutive board meetings (yes/no)	General meetings attended
Song Botong	4	4	0	0	0	No	3
Zhang Shunwen	4	4	0	0	0	No	1
Kang Xiaoyue	11	7	4	0	0	No	4
He Zuowen	7	3	4	0	0	No	1
Mi Xuming	7	3	4	0	0	No	1

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

Not applicable

2. Objections Raised by Independent Directors on Matters of the Company

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

Yes No

No such cases in the Reporting Period.

3. Other Information about the Performance of Duty by Independent Directors

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

Yes No

Suggestions from independent directors adopted or not adopted by the Company:

In reviewing major matters concerning production and operation decision-making, nomination of directors, and appointment of senior managers, the independent directors of the Company have obtained the actual situation through on-site investigation, inquiry to relevant personnel and search for and access to information, made prudent judgments by using their own professional knowledge, and expressed independent, objective and impartial opinions, which are not affected by the Company's dominant shareholders, actual controllers or other institutions and individuals who have any interest in the Company.

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

The board of directors of the Company has a strategy committee, an audit committee, a nomination committee and a salary and assessment committee set under it. During the reporting period, the special committees have carried out their work actively and efficiently, which has effectively promoted the standardized operation and scientific decision-making of the board of directors.

1. Performance of the Strategic Committee of the Board of Directors

The strategy committee of the board of directors of the Company focuses on the development status and the trend of the industry, and studies the Company's long-term development strategy and major investment decisions.

2. Performance of the Audit Committee of the Board of Directors

The Audit Committee of the Board of Directors actively promoted the progress of the annual audit and the relevant work. It reviewed on the Company's following issues: Arrangement on the Annual Audit Work, Periodic Financial Report, Profit Distribution Plan, Renewal of CPAs Firm, Auditing of Internal Control, Fund Transfer Between Listed Companies and Related Parties and Guarantee Events, etc. Besides, it also kept full and necessary communication with the annual auditor of the Company. During the Reporting Period, the Audit Committee of the Board of Directors has convened four meetings, reviewed the Company's financial statements and the auditing result issued by the annual auditor of the Company, as well as issued their opinions after the review, and remarked for the Annual Financial Report, Provisions for Asset Impairment and Renewal of CPAs Firm.

3. Performance of the Remuneration and Appraisal Committee of the Board of Directors

During the reporting period, the remuneration and assessment committee of the board of directors has held meetings to review the remuneration of directors, supervisors and senior managers disclosed in the 2019 Annual Report carefully so as to ensure that the information disclosed is true, accurate and complete.

4. Performance of the Nomination Committee of the Board of Directors

During the reporting period, the nomination committee of the board of directors of the Company has held four meetings to review the candidates of independent directors, non-independent directors and senior managers.

VII Performance of Duty by the Supervisory Committee

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

Yes No

The Supervisory Committee raised no objections in the Reporting Period.

VIII Appraisal of and Incentive for Senior Management

The Company's board of directors assesses, evaluates and employs management teams. The Company's chairman and general manager implement the annual salary system, and the annual salary is composed of basic salary and performance compensation. The shareholder unit formulates assessment methods for assessment. The other senior management personnel's compensation is determined based on individual job performance with reference to the total salary of the Company's leader; the Company has not implemented equity incentive plan.

IX Internal Control

1. Material Internal Control Weaknesses Identified for the Reporting Period

Yes No

2. Internal Control Self-Evaluation Report

Disclosure date of the internal control self-evaluation report	20 March 2021	
Index to the disclosed internal control self-evaluation report	2020 Internal Control Self-Evaluation Report on www.cninfo.com.cn	
Evaluated entities' combined assets as % of consolidated total assets		86.88%
Evaluated entities' combined operating revenue as % of consolidated operating revenue		100.00%
Identification standards for internal control weaknesses		
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting
Nature standard	The Company in line with the actual situation, when the follows events or indications happen, which means there probably existing serious or important defects in the financial report; (1) the directors, supervisors and senior executives were fraud. (2) Certified Public Accountant find that there is a significant error in the financial report, however, the internal control did not discover it when conducting internal control; (3) The Audit Committee under the	The criterion of quality of the recognition of defects of internal control in the non-financial statements mainly were order of severity of defect involving business nature, the direct or potential negative influence nature and the influence scope and other factors. If the follows events or indicators occur, there may be serious or important defects of internal control in the non-financial statements:(1) Lack democratic decision-making

	Board and Internal Audit Service's supervision to the internal control is invalid. (4) The accounting personnel were without necessary qualities to complete the preparation of financial statements.	process, if lack significant problem decision-making, important appointment and dismissal of cadres, significant project investment decision-making; usage of large capital (three important, one large); (2) Unscientific decision-making process, such as the major decision-making errors, has caused a serious property loss to the company; (3) Seriously violating state laws and regulations; (4) Loss of key management personnel or important talent; (5) Negative news media appear frequently and widely spread; (6) The results of the internal control evaluation especially large or significant defects have not been corrected. (7) Important business systems lack control rules, or systemic failure.
Quantitative standard	Serious defects: the defects, or defect group may lead to the financial results misstatement or potential losses >3% of net assets; important defects: 1% of net assets < the defects, or defect group may lead to the financial results misstatement or potential losses ≤ 3% of net assets; General defects: the defects, or defect group may lead to the financial results misstatement or potential losses ≤ 1% of net assets. Note: Net assets in a recent issue of the audited financial report shall prevail	The criterion of quantity of the recognition of defects of internal control in the non-financial statements mainly were amount of direct economy losses, in line with the criterion of quantity of the recognition of defects of internal control in financial report of the Company.
Number of material weaknesses in internal control over financial reporting		0
Number of material weaknesses in internal control not related to financial reporting		0
Number of serious weaknesses in internal control over financial reporting		0
Number of serious weaknesses in internal control not related to financial reporting		0

X Independent Auditor's Report on Internal Control

Applicable Not applicable

Opinion paragraph in the independent auditor's report on internal control	
We believe that Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. maintained effective internal control of financial statements in all significant aspects on 31 December 2020 in accordance with Basic Standards for Internal Control and relevant regulations.	
Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	20 March 2021

Index to such report disclosed	Report on Internal Control disclosed on www.cninfo.com.cn .
Type of the auditor's opinion	Unmodified unqualified opinion
Material weaknesses in internal control not related to financial reporting	No

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

Yes No

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

Yes No

Part XI Corporate Bonds

Does the Company have any corporate bonds publicly offered on the stock exchange, which were outstanding before the date of this Report's approval or were due but could not be redeemed in full?

No

Part XII Financial Statements

Type of the audit opinion	Unmodified unqualified opinion
Date of signing this report	19 March 2021
Name of the audit institution	Grant Thornton Accounting Firm (LLP)
Number of the audit report	GTCNSZ (2021) NO.441A000013
Name of the certified public accountants	Zhao Juanjuan, Jiang Xiaoming

Auditor's Report

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

Opinion

We have audited the financial statement of **Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd** and its subsidiaries (the "Group"), which comprise the consolidated and company statement of financial position as at 31 December 2020, the consolidated and company statement of comprehensive income, the consolidated and company cash flows for the year then ended, consolidated and company statement of changes in equity and the notes to the financial statements.

In our opinion, the accompanying consolidated and company financial statements present fairly, in all material respects, the Group's consolidated and company financial position as at 31 December 2020, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with the China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement Section of our report. We are independent of the Group in accordance with the Code of Ethics for Chinese Certified Public Accountant (Ethics Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

1. Revenue recognition from sales of properties

The relevant detailed information is set out in Notes III. 23 and Note V.29.

(1) Descriptions of the matter

In 2020, the revenue from sales of properties was RMB 1.158 billion that accounted for 71.73% of total revenue of the Group.

When all of the following conditions have been met, the Group recognizes the revenue of sales of properties: ① the signed sales contract filed with the land department; ② properties have been completed and accepted; ③ fully one-off payment, or the first installment payment has been received and the bank mortgage approval procedures have been completed; ④ the procedures of housing delivery have completed in accordance with the sales contract.

Due to the importance of revenue from sales of properties, and any misstatements in revenue recognition will have a significant impact on the profit of the Group. Therefore, the revenue recognition from sales of properties is a key audit matter.

(2) How our audit addressed the Key Audit Matter

Our audit procedures for the recognition of revenue include:

① Understanding, assessing and testing the design and implementation of key internal controls about the progress of contract performance and revenue recognition.

② Examining the main clauses in sales contracts to evaluate the appropriateness of the Group's revenue recognition policy associated with the relevant accounting standards;

③ Performing tests, on a sample basis, to examine contracts of sales of properties, trace to collection of revenue and check letter of admission (elements of revenue recognition) in order to assess the compliance with the Group's revenue recognition policy.

④ Evaluating the revenue of sales of properties, on sample basis, before and after the balance sheet date by checking to sales contracts, revenue collection and the letter of admission, for the appropriateness of the period of revenue recognition

⑤ Calculating average house price and comparing it with the price from last year to analyze the reasonableness of revenue and gross profit.

⑥ Evaluating the appropriateness of accounting treatment, presentation and disclosure of the revenue recognition of sales of properties and other relevant information by the Group in the financial statements.

2. Accuracy of land appreciation tax calculations

The relevant detailed information is set out in Notes IV. tax and Note V.30.

(1) Descriptions of the matter

Land appreciation tax is the main tax category for the Group.

For the sales of properties, land appreciation tax ("LAT") is charged at a progressive tax rate of 30%-60%. At the end of reporting period, management evaluates the provision of LAT with the consideration of factors including the provisions of the relevant taxation, estimable revenue minus deductible land costs, costs of real estate development, interest expense, development expense, etc. It is possible that a significant difference exists between actual and estimated taxable amount.

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

(2) How our audit addressed the Key Audit Matter

Our audit procedures for the land appreciation tax include:

① Evaluating the design and effectiveness of key internal controls related to the measurement of LAT;

② Involved our internal tax specialists in the PRC to assess the provision of LAT on 31 December 2020 on basis of our experience, knowledge, understanding of the practical operation of relevant tax laws by local tax authorities, to evaluate the Group's assumptions and judgments;

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

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of 2020, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Management of the Group is responsible for the preparation and fair presentation of the financial statement in accordance with Accounting Standards for Business Enterprises, and for such internal control as management determines in necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Grant Thornton	Auditor's signature and stamp	
China·Beijing	Auditor's signature and stamp	
	19March 2021	

Consolidated and Company Balance Sheets

As at 31 December 2020

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

Expressed in RMB

Item	Note	As at 31/12/2020		As at 31/12/2019	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash at bank and on hand	V、 1	2,687,465,070.01	2,329,517,987.02	2,511,140,445.35	1,967,688,122.55
Financial assets at fair value through profit or loss					
Bills receivable	V、 2	35,438,045.34	-		
Accounts receivable	V、 3	59,590,944.06	5,418,024.74	62,059,055.68	156,935.84
Accounts receivable financing					
Prepayments	V、 4	3,205,534.51	200,000.00	219,948.17	200,000.00
Other receivables	V、 5	32,745,043.84	1,160,414,195.39	28,275,228.26	835,275,498.69
including: interests receivables					
dividends receivables		1,052,192.76	-	1,052,192.76	
Inventories	V、 6	1,220,464,112.56	207,606,220.98	1,462,229,048.18	419,453,091.86
Contract assets				not applicable	not applicable
Assets held for sale					
Non-current assets due within one year					
Other current assets	V、 7	102,907,134.79	945,499.13	102,781,855.48	407,560.64
Total current assets		4,141,815,885.11	3,704,101,927.26	4,166,705,581.12	3,223,181,209.58
Non-current assets:					
Investments in debt obligations					
Investments in other debt obligations					
Long-term receivables					
Long-term equity investments	V、 8	377,489.65	150,584,167.95	469,838.65	150,676,516.92
Investment in other equity instruments	V、 9	37,510,860.51	13,508,202.32	33,126,730.04	13,229,501.03
Other non-current financial assets					
Investment properties	V、 10	616,365,621.53	499,145,554.67	632,241,900.20	522,038,731.16
Fixed assets	V、 11	28,039,978.43	17,743,083.73	30,522,035.11	19,586,720.47
Construction in progress					
Productive biological assets					
Oil and gas assets					
Intangible assets	V、 12				
Development costs					
Goodwill					
Long-term deferred expenses	V、 13	61,667.53	61,667.53	162,125.72	162,125.72
Deferred tax assets	V、 14	112,745,243.98	83,740,299.64	46,441,325.25	20,975,294.54
Other non-current assets					
Total non-current assets		795,100,861.63	764,782,975.84	742,963,954.97	726,668,889.84
Total assets		4,936,916,746.74	4,468,884,903.10	4,909,669,536.09	3,949,850,099.42

Consolidated and Company Balance Sheets(continued)

As at 31 December 2020

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

Expressed in RMB

Item	Note	As at 31/12/2020		As at 31/12/2019	
		Consolidated	Company	Consolidated	Company
Current liabilities:					
Short-term loans	V、15	76,893,995.94		51,647,260.17	
Financial liabilities at fair value through profit or loss					
Bills payable					
Accounts payable	V、16	176,926,614.28	77,187,914.50	244,224,478.46	103,915,931.14
Advances from customers	V、17	5,940,092.15		159,482,510.43	59,409,454.38
Contract liabilities	V、18	196,786,977.19	172,241,938.46	not applicable	not applicable
Employee benefits payable	V、19	60,467,834.09	27,255,860.05	53,909,576.49	25,544,403.23
Taxes payable	V、20	459,709,646.95	450,281,265.17	585,700,815.36	143,434,273.95
Other payables	V、21	277,105,129.74	194,609,459.87	277,319,174.53	190,666,487.82
including: interests payables		16,535,277.94	16,535,277.94	16,535,277.94	16,535,277.94
dividends payables					
Liabilities held for sale					
Non-current liabilities due within one year					
Other current liabilities	V、22	8,917,027.07	8,612,096.92		
Total current liabilities		1,262,747,317.41	930,188,534.97	1,372,283,815.44	522,970,550.52
Non-current liabilities:					
Long-term loans					
Debentures payable					
Long-term payables	V、23	7,480,233.43		7,499,192.92	
Provisions					
Deferred income					
Deferred tax liabilities	V、14	9,601,940.74	4,812,392.47	4,903,293.58	1,295,046.51
Other non-current liabilities					
Total non-current liabilities		17,082,174.17	4,812,392.47	12,402,486.50	1,295,046.51
Total liabilities		1,279,829,491.58	935,000,927.44	1,384,686,301.94	524,265,597.03
Share capital	V、24	1,011,660,000.00	1,011,660,000.00	1,011,660,000.00	1,011,660,000.00
Capital reserve	V、25	978,244,910.11	964,711,931.13	978,244,910.11	964,711,931.13
Less: treasury shares					
Other comprehensive income	V、26	28,163,050.13	1,131,151.74	20,831,004.13	922,125.77
Specific reserve					
Surplus reserve	V、27	218,724,273.67	195,594,660.26	191,222,838.94	168,093,225.53
Retained earnings	V、28	1,560,720,254.31	1,360,786,232.53	1,464,915,816.81	1,280,197,219.96
Total equity attributable to shareholders of the Company		3,797,512,488.22	3,533,883,975.66	3,666,874,569.99	3,425,584,502.39
Non-controlling interests		-140,425,233.06		-141,891,335.84	
Total shareholders' equity		3,657,087,255.16	3,533,883,975.66	3,524,983,234.15	3,425,584,502.39
Total liabilities and shareholders' equity		4,936,916,746.74	4,468,884,903.10	4,909,669,536.09	3,949,850,099.42

Legal representative:

Person in charge of accounting:

Person in charge of accounting organ:

Consolidated and Company Income Statements

For the year ended 31 December 2020

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

Expressed
in RMB

Item	Note	Year ended 31/12/2020		Year ended 31/12/2019	
		Consolidated	Company	Consolidated	Company
I. Operating income	V、29	1,615,009,713.88	911,839,269.70	2,548,740,319.49	1,666,952,912.58
Less: operating costs	V、29	805,508,448.68	241,307,783.52	957,752,652.54	330,874,297.00
Taxes and surcharges	V、30	329,962,066.50	289,600,033.09	751,013,928.21	630,418,453.86
Selling and distribution expenses	V、31	55,989,397.22	42,814,758.60	79,480,254.02	56,146,749.47
General and administrative expenses	V、32	93,616,226.75	56,022,941.66	68,854,618.70	30,540,740.51
Research and development expenses					
Financial expenses	V、33	-21,505,685.05	-39,280,862.44	-20,906,149.20	-45,894,180.92
Including: Interest expenses				38,642.51	-
Interest income		30,130,066.10	51,099,467.08	19,686,882.13	41,049,606.12
Add: Other income	V、34	4,607,772.07	150,785.59	1,168,127.90	18,998.01
Investment income ("-" for losses)	V、35	15,724,469.63	15,724,469.63	32,429,481.23	551,129,612.87
Including: Income from investment in associates and joint ventures ("-" for losses)		-92,348.97	-92,348.97	1,003,829.25	1,003,829.25
Gains from changes in fair value ("-" for losses)					
Credit impairment loss ("-" for loss)	V、36	-358,999.15	464,438.79	-3,111,257.44	-2,029,282.38
Impairment losses ("-" for losses)	V、37			-12,166,897.84	-83,683,888.90
Gains from assets disposal ("-" for losses)	V、38	11,429.23			
II. Operating profit ("-" for losses)		371,423,931.56	337,714,309.28	730,864,469.07	1,130,302,292.26
Add: Non-operating income	V、39	30,693,761.57	30,679,050.88	1,345,428.49	1,042,266.31
Less: Non-operating expenses	V、40	1,684,103.97	106,542.24	226,566.80	64,297.33
III. Profit before income tax ("-" for losses)		400,433,589.16	368,286,817.92	731,983,330.76	1,131,280,261.24
Less: Income tax expenses	V、41	110,470,834.78	93,272,470.62	190,786,300.70	173,952,583.46
IV. Net profit for the year ("-" for net losses)		289,962,754.38	275,014,347.30	541,197,030.06	957,327,677.78
(1) Classification according to operation continuity					
Including: Net profit from continuing operations ("-" for net loss)		289,962,754.38	275,014,347.30	541,197,030.06	957,327,677.78
Net profit from discontinued operations ("-" for net loss)					
(2) Classification according to attribute					
Including: Shareholders of the company ("-" for net loss)		290,229,772.23	275,014,347.30	552,452,307.59	957,327,677.78
Non-controlling interests ("-" for net loss)		-267,017.85		-11,255,277.53	
V. Other comprehensive income, net of tax		9,065,166.63	209,025.97	-176,622.09	-50,766.47
Other comprehensive income (net of tax) attributable to shareholders of the company		7,332,046.00	209,025.97	173,182.46	-50,766.47
(1) Items that may not be reclassified to profit or loss		3,288,097.86	209,025.97	1,653,431.27	-50,766.47
Changes in the fair value of investments in other equity instruments		3,288,097.86	209,025.97	1,653,431.27	-50,766.47
(2) Items that may be reclassified to profit or loss		4,043,948.14	-	-1,480,248.81	-
Translation differences arising from translation of foreign currency financial statements		4,043,948.14		-1,480,248.81	
Other comprehensive income (net of tax) attributable to non-controlling interests		1,733,120.63		-349,804.55	
VI. Total comprehensive income for the year		299,027,921.01	275,223,373.27	541,020,407.97	957,276,911.31
Attributable to: Shareholders of the company		297,561,818.23	275,223,373.27	552,625,490.05	
Non-controlling interests		1,466,102.78		-11,605,082.08	
VII. Earnings per share:					
(1) Basic earnings per share		0.2869		0.5461	
(2) Diluted earnings per share		0.2869		0.5461	

Legal representative:

Person in charge of accounting:

Person in charge of accounting organ:

Consolidated and Company Cash Flow Statements

For the year ended 31 December 2020

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

Expressed in RMB

Item	Note	Year ended 31/12/2020		Year ended 31/12/2019	
		Consolidated	Company	Consolidated	Company
I.Cash flows from operating activities					
Proceeds from sales of goods or rendering of services		1,729,680,056.34	1,078,103,371.61	2,648,597,164.58	1,787,968,670.18
Refund of taxes		-	-	-	-
Proceeds from other operating activities	V、42	54,027,940.71	64,609,945.07	79,679,385.47	58,719,902.38
Sub-total of cash inflows		1,783,707,997.05	1,142,713,316.68	2,728,276,550.05	1,846,688,572.56
Payment for goods and services		550,912,214.50	32,909,312.44	639,208,411.38	99,847,275.06
Payment to and for employees		164,940,269.68	41,972,734.54	178,713,870.65	51,174,841.78
Payments of various taxes		708,116,426.50	183,703,076.95	1,199,806,904.82	916,815,076.44
Payment for other operating activities	V、42	74,575,073.20	388,932,614.43	106,939,638.45	79,596,205.39
Sub-total of cash outflows		1,498,543,983.88	647,517,738.36	2,124,668,825.30	1,147,433,398.67
Net cash flows from operating activities		285,164,013.17	495,195,578.32	603,607,724.75	699,255,173.89
II.Cash flows from investing activities					
Proceeds from disposal of investments		-	-	-	-
Investment returns received		19,767,503.60	19,767,503.60	37,502,720.55	143,151,908.78
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		56,718.25	-	119,900.00	-
Net proceeds from disposal of subsidiaries and other business units		-	-	-	-
Proceeds from other investing activities	V、42	1,000,000,000.00	1,000,000,000.00	2,200,000,000.00	2,200,000,000.00
Sub-total of cash inflows		1,019,824,221.85	1,019,767,503.60	2,237,622,620.55	2,343,151,908.78
Payment for acquisition of fixed assets, intangible assets and other long-term assets		749,215.31	-	21,918,490.62	20,824,023.65
Payment for acquisition of investments		-	-	-	-
Net payment for acquisition of subsidiaries and other business units		-	-	-	-
Payment for other investing activities	V、42	-	-	2,300,000,000.00	2,300,000,000.00
Sub-total of cash outflows		749,215.31	-	2,321,918,490.62	2,320,824,023.65
Net cash flows from investing activities		1,019,075,006.54	1,019,767,503.60	-84,295,870.07	22,327,885.13
III.Cash flows from financing activities					
Proceeds from investors		-	-	-	-
Including: Proceeds from non-controlling shareholders of subsidiaries		-	-	-	-
Proceeds from borrowings		76,893,995.94	-	43,741,293.64	-
Proceeds from other financing activities		-	-	-	-
Sub-total of cash inflows		76,893,995.94	-	43,741,293.64	-
Repayments of borrowings		51,647,260.17	-	2,000,000.00	-
Payment for dividends, profit distributions or interest		166,923,900.00	166,923,900.00	202,370,642.51	202,332,000.00
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		-	-	-	-
Payment for other financing activities		-	-	-	-
Sub-total of cash outflows		218,571,160.17	166,923,900.00	204,370,642.51	202,332,000.00
Net cash flows from financing activities		-141,677,164.23	-166,923,900.00	-160,629,348.87	-202,332,000.00
IV.Effect of foreign exchange rate changes on cash and cash equivalents		-647,689.01	-	-15,181.39	-
V.Net increase in cash and cash equivalents		1,161,914,166.47	1,348,039,181.92	358,667,324.42	519,251,059.02
Add: Cash and cash equivalents as at the beginning of the year		1,507,189,760.35	963,737,437.55	1,148,522,435.93	444,486,378.53
VI.Cash and cash equivalent as at the year ended		2,669,103,926.82	2,311,776,619.47	1,507,189,760.35	963,737,437.55

Legal representative:

Person in charge of accounting:

Person in charge of accounting organ:

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2020

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

Expressed in RMB

Item	Year ended 31/12/2020								Total
	Attributable to shareholders' equity of the parent company							Non-controlling interests	
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings		
I. Balance at the year ended	1,011,660,000.00	978,244,910.11	-	20,831,004.13		191,222,838.94	1,464,915,816.81	-141,891,335.84	3,524,983,234.15
Add: Changes in accounting policies									
Correction of prior period errors									
Business combination involving enterprises under common control									
Others									
II. Balance at the beginning of the year	1,011,660,000.00	978,244,910.11	-	20,831,004.13	-	191,222,838.94	1,464,915,816.81	-141,891,335.84	3,524,983,234.15
III. Changes in equity during the year("-" for decrease)	-	-	-	7,332,046.00	-	27,501,434.73	95,804,437.50	1,466,102.78	132,104,021.01
(I) Total comprehensive income				7,332,046.00			290,229,772.23	1,466,102.78	299,027,921.01
(II) Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	-	-
1. Ordinary shares by shareholders									
2. Contribution by other equity instruments holders									
3. Equity settled share-based payments									
4. Others									
(III) Appropriation of profits	-	-	-	-	-	27,501,434.73	-194,425,334.73	-	-166,923,900.00
1. Appropriation for surplus reserves						27,501,434.73	-27,501,434.73		-
2. Distributions to shareholders							-166,923,900.00		-166,923,900.00
3. Others									
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserves transfer									
2. Share capital increased by surplus reserves transfer									
3. Transfer of surplus reserve to offset losses									
4. Retained earnings transferred by other comprehensive income									
5. Others									
(V) Specific Reserve	-	-	-	-	-	-	-	-	-
1. Appropriation during the year									
2. Utilisation during the year									
(VI) Others									
IV. Balance at the year ended	1,011,660,000.00	978,244,910.11	-	28,163,050.13	-	218,724,273.67	1,560,720,254.31	-140,425,233.06	3,657,087,255.16

Legal representative:

Person in charge of accounting:

Person in charge of accounting organ:

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2020

Prepared by: SHENZHEN SPECIAL ECONOMIC ZONE REAL ESTATE & PROPERTIES (GROUP) Co., Ltd

Expressed in RMB

Item	Year ended 31/12/2019							Non-controlling interests	Total
	Attributable to shareholders' equity of the parent company								
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings		
I.Balance at the year ended	1,011,660,000.00	978,244,910.11	-	10,564,385.97	-	95,906,222.59	1,235,884,122.72	-131,524,530.88	3,200,735,110.51
Add: Changes in accounting policies	-	-	-	10,093,435.70	-	-416,151.43	-25,355,845.72	-390,720.82	-16,069,282.27
Correction of prior period errors									
Business combination involving enterprises under common control									
Others									-
II.Balance at the beginning of the year	1,011,660,000.00	978,244,910.11	-	20,657,821.67	-	95,490,071.16	1,210,528,277.00	-131,915,251.70	3,184,665,828.24
III.Changes in equity during the year("- "for decrease)	-	-	-	173,182.46	-	95,732,767.78	254,387,539.81	-9,976,084.14	340,317,405.91
(I)Total comprehensive income	-	-	-	173,182.46	-	-	552,452,307.59	-11,605,082.08	541,020,407.97
(II)Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	-	-
1.Contribution by ordinary shareholders									-
2.Capital contributed by the holders of other equity instrument									-
3. Equity settled share-based payments									-
4. Others									-
(III) Appropriation of profits	-	-	-	-	-	95,732,767.78	-298,064,767.78	-	-202,332,000.00
1. Appropriation for surplus reserves	-	-	-	-	-	95,732,767.78	-95,732,767.78	-	-
2. Appropriation for general risk reserve									-
3. Distributions to shareholders							-202,332,000.00		-202,332,000.00
4. Others									-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-
1.Share capital increased by capital reserves transfer									-
2.Share capital increased by surplus reserves transfer									-
3.Transfer of surplus reserve to offset losses									-
4.Others									-
(V)Specific Reserve	-	-	-	-	-	-	-	-	-
1. Appropriation during the year									-
2.Utilisation during the year (" - ")									-
(VI)Others								1,628,997.94	1,628,997.94
IV.Balance at the year ended	1,011,660,000.00	978,244,910.11	-	20,831,004.13	-	191,222,838.94	1,464,915,816.81	-141,891,335.84	3,524,983,234.15

Legal representative:

Person in charge of accounting:

Person in charge of accounting organ:

Company's Statement of Changes in Shareholders' Equity

For the year ended 31 December 2020

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

Expressed in RMB

Item	Year ended 31/12/2020							
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total
I.Balance at the year ended	1,011,660,000.00	964,711,931.13	-	922,125.77	-	168,093,225.53	1,280,197,219.96	3,425,584,502.39
Add: Changes in accounting policies								-
Correction of prior period errors								-
Others								-
II.Balance at the beginning of the year	1,011,660,000.00	964,711,931.13	-	922,125.77	-	168,093,225.53	1,280,197,219.96	3,425,584,502.39
III.Changes in equity during the year("- "for decrease)	-	-	-	209,025.97	-	27,501,434.73	80,589,012.57	108,299,473.27
(I)Total comprehensive income				209,025.97			275,014,347.30	275,223,373.27
(II)Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	-
1.Ordinary shares by shareholders								-
2. Contribution by other equity instruments holders								-
3. Equity settled share-based payments								-
4. Others								-
(III) Appropriation of profits	-	-	-	-	-	27,501,434.73	-194,425,334.73	-166,923,900.00
1. Appropriation for surplus reserves						27,501,434.73	-27,501,434.73	-
2. Distributions to shareholders							-166,923,900.00	-166,923,900.00
3. Others								-
(IV) Transfer within equity	-	-	-	-	-	-	-	-
1.Share capital increased by capital reserves transfer								-
2.Share capital increased by surplus reserves transfer								-
3.Transfer of surplus reserve to offset losses								-
4. Retained earnings transferred by other comprehensive income								-
5.Others								-
(V)Specific Reserve	-	-	-	-	-	-	-	-
1. Appropriation during the year								-
2.Utilisation during the year								-
(VI)Others								-
IV.Balance at the year ended	1,011,660,000.00	964,711,931.13	-	1,131,151.74	-	195,594,660.26	1,360,786,232.53	3,533,883,975.66

Legal representative:

Person in charge of accounting:

Person in charge of accounting organ:

Company's Statement of Changes in Shareholders' Equity

For the year ended 31 December 2020

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

Expressed in RMB

Item	Year ended 31/12/2019							Total
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	
I. Balance at the year ended	1,011,660,000.00	964,711,931.13				72,776,609.18	615,038,028.05	2,664,186,568.36
Add: Changes in accounting policies				972,892.24		-416,151.43	-4,072,924.18	-3,516,183.37
Correction of prior period errors								-
Others							9,969,206.09	9,969,206.09
II. Balance at the beginning of the year	1,011,660,000.00	964,711,931.13		972,892.24		72,360,457.75	620,934,309.96	2,670,639,591.08
III. Changes in equity during the year("- "for decrease)				-50,766.47		95,732,767.78	659,262,910.00	754,944,911.31
(I) Total comprehensive income				-50,766.47			957,327,677.78	957,276,911.31
(II) Shareholders' contributions and decrease of capital								-
1. Ordinary shares by shareholders								-
2. Contribution by other equity instruments holders								-
3. Equity settled share-based payments								-
4. Others								-
(III) Appropriation of profits						95,732,767.78	-298,064,767.78	-202,332,000.00
1. Appropriation for surplus reserves						95,732,767.78	-95,732,767.78	-
2. Distributions to shareholders							-202,332,000.00	-202,332,000.00
3. Others								-
(IV) Transfer within equity								-
1. Share capital increased by capital reserves transfer								-
2. Share capital increased by surplus reserves transfer								-
3. Transfer of surplus reserve to offset losses								-
4. Retained earnings transferred by other comprehensive income								-
5. Others								-
(V) Specific Reserve								-
1. Appropriation during the year								-
2. Utilisation during the year								-
(VI) Others								-
IV. Balance at the year ended	1,011,660,000.00	964,711,931.13		922,125.77		168,093,225.53	1,280,197,219.96	3,425,584,502.39

Legal representative:

Person in charge of accounting:

Person in charge of accounting organ:

Notes to the Financial Statements

I. Company general information

1. Company's profile

Shenzhen Special Economic Zone Real Estate and Properties (Group) Co., Ltd. (the "Group" or "the Company") is a listed company in main board, and was established in July 1993, as approved by the Shenzhen Municipal Government with document SFBF (1993) 724. The company was restructured on the basis of the former Shenzhen Special Economic Zone Real Estate Corporation, and has been approved and registered by the Shenzhen Municipal Administration for Industry and Commerce of Guangdong Province. The unified social credit code of the company is 91440300192179585N, and the registered capital of the Company is RMB 1,011,660,000.00. The Company issued A shares on 15 September 1993 and issued B shares on 10 January 1994. On 31 August 1994, the issued B shares were listed in the New York Exchange market as class A recommendation. The total share capital is 1,011,660,000 shares, including 891,660,000 of A shares, and 120,000,000 of B shares. The Company's headquarter is at Floor 45-48, Shen Fang Plaza, Ren Min South Road, Luo Hu District, Shen Zhen, Guang Dong province.

On 13 October 2004, according to the document No.(2004) 223 "Decision on establishing Shenzhen investment Holding Co., Ltd." issued by State-Owned Assets Supervision and Administration Commission of Shenzhen Municipal Government, former major shareholder – Shenzhen Construction Investment Holding Company with two other assets management companies merged to form the Shenzhen Investment Holding Co., Ltd. By the State-owned Assets Supervision and Administration Commission of the state council, and quasi-exempt obligations tender offer as approved by China Security Regulatory Committee with document No. (2005)116, this issue of consolidated has been authorized and the change in registration had been completed on 15 February 2006. At the end of the reporting period, Shenzhen Investment Holding Limited holds 642,884,262 shares of the Company (63.55% of the total share capital). The shares are all tradable unrestricted shares.

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

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

The consolidated and company financial statements and the notes to financial statements have been approved by the 7th Board of Directors in the 60th board meeting on 19 March 2021.

2. Scope of consolidated financial statements

For details please refer to "1. Interests in subsidiaries" in Note VII "Interests in other entities"..

In this reporting period, the change of consolidation scope is shown in Notes VI and VII for more details.

II. Basis of preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and corresponding application guidance, interpretations and other related provisions issued by the Ministry of Finance (collectively, "Accounting Standards for Business Enterprises"). In addition, the Group also discloses relevant financial information in accordance with the rules of information disclosure for publicly issued securities companies No. 15 - general provisions on financial reporting (revised in 2014) of the China securities regulatory commission.

The financial statements of the Company have been prepared on going concern basis.

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

III. Significant accounting policies and accounting estimates

The Group determines the revenue recognition policy according to its own production and operation characteristics. The specific accounting policy please refer to Note III.23 .

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

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely present the Company and consolidated financial position as at 31 December 2020 and the Company and consolidated operating results and cash flows for the year ended 31 December 2020.

2. Accounting Period

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

3. Operating Period

The operating period of the Company is 12 months.

4. Functional currency

The Company and domestic subsidiaries use Renminbi ("RMB") as their functional currency. Offshore subsidiaries, American Great Wall Co., Ltd., determine USD as their functional currency according to the primary economic environment where they operate. The financial statements of the Company have been prepared in RMB.

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

(1) Business combinations involving enterprises under common control

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

Business combinations involving enterprises under common control and achieved in stages.

In the separate financial statements, the initial investment cost is calculated based on the shareholding portion of the assets and liabilities obtained and are measured at the carrying amounts as recorded by the enterprise being combined at the combination date. The difference between the initial investment cost and the sum of the carrying amount of the original investment cost and the carrying amount of consideration paid for the combination is adjusted to the capital reserve, if the capital reserve is not sufficient to absorb the difference, the excess difference shall be adjusted to retained earning.

In the consolidated financial statements, the assets and liabilities obtained at the combination shall be measured at the carrying value as recorded by the enterprise at combination date, except for adjustments of different accounting policies. The difference between the sum of the carrying value from original shareholding portion and the new investment cost incurred at combination date and the carrying value of net assets obtained at combination date shall be adjusted to capital reserve, if the balance of capital reserve is not sufficient to absorb the differences, any excess is adjusted to retained earnings. The long-term investment held by the combination party, the recognized profit or loss comprehensive income and other change of shareholding's equity at the closer date of the acquisition date and combination date under common control shall separately offset the opening balance of retained earnings and profit or loss during comparative statements.

(2) Business combinations involving enterprises not under common control

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

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

Business combinations involving enterprises not under common control and achieved in stages

In the separate financial statements, the initial investment cost of the investment is the sum of the carrying amount of the equity investment held by the entity prior to the acquisition date and the additional investment cost at the acquisition date. The disposal accounting policy of other comprehensive income related with equity investment prior to the purchase date recognized under equity method shall be compliance with the method when the acquiree disposes the related assets or liabilities. Shareholder's equity due to the changes of other shareholder's equity other than the changes of net profit, other comprehensive income and profit distribution shall be transferred to profit or loss for current period when disposed. If the equity investment held by the entity prior to the acquisition date is measured at fair value, the cumulative changes in fair value recognized in other comprehensive income shall be transferred to profit or loss for current period when accounted for using cost method.

In the consolidation financial statements, the combination cost is the sum of consideration paid at acquisition date and fair value of the acquiree's equity investment held prior to acquisition date; the cost of equity of the acquiree held prior to acquisition date shall be re-measured at the fair value at acquisition date, the difference between the fair value and book value shall be recognized as investment income or loss for the current period. Other comprehensive income and changes of

investment equity related with acquiree's equity held prior to acquisition date shall be transferred to investment profit or loss for current period at acquisition date, besides there is other comprehensive income incurred by the changes of net assets or net liabilities due to the re-measurement of defined benefit plan.

(3) Transaction costs for business combination

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

6. Consolidated financial statements

(1) Scope of consolidated financial statements

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

(2) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. When preparing consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Company, and all significant intra-group balances and transactions are eliminated.

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

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

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

(3) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the transaction is treated as equity transaction, and the book value of shareholder's equity attributed to the

Company and to the non-controlling interest is adjusted to reflect the change in the Company's interest in the subsidiaries. The difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

(4) Disposal of subsidiaries

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

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

7. Joint arrangement classification and accounting treatment for joint operation

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

(1) Joint operations

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

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

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

(2) Joint ventures

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

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

8. Cash and cash equivalents

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

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

(1) Foreign currency transactions

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

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

(2) Translation of foreign currency financial statements

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

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

Cash flow statement of foreign operation is translated to Renminbi at the spot exchange rates [the rates determined under a systematic and rational method that approximate the spot exchange rates] at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as “Effect of foreign exchange rate changes on cash and cash equivalents” in the cash flow statement.

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

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

10. Financial instruments

Financial instruments refer to the contracts of forming enterprise financial assets and other entities' financial liabilities or equity instruments.

(1) Recognition and Derecognition of financial instruments

A financial asset or financial liability is recognised when the Group becomes one party of financial instrument contracts.

If one of the following conditions is met, the financial assets are terminated:

- ① The right of the contract to receive the cash flows of financial assets terminates

② The financial asset has been transferred, and is in accordance with the following conditions for derecognition.

If the obligations of financial liability have been discharged in total or in part, derecognize all or part of it. If the Group (debtor) makes an agreement with the creditor to replace the current financial liability of assuming new financial liability which contract provisions are different in substance, derecognize the current financial liability and meanwhile recognize as the new financial liability.

If the financial assets are traded routinely, they are recognised and derecognised at the transaction date.

(2) Classification and measurement of financial assets

Financial assets are classified into the following three categories depends on the Group's business mode of managing financial assets and cash flow characteristics of financial assets: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

Financial assets measured at amortised cost

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

- The Group's business model for managing the financial assets is to collect contractual cash flows;
- The terms of the financial asset contract stipulate that cash flows generated on a specific date are only payments of principal and interest based on the amount of outstanding principal.

After initial confirmation, the real interest rate method is used to measure the amortized cost of such financial assets. Profits or losses arising from financial assets measured at amortized costs and not part of any hedging relationship are included in current profits and losses when the recognition is terminated, amortized or impaired according to the Actual Interest Rate Law.

Financial assets at fair value through other comprehensive income

The Group shall classify financial assets that meet the following conditions and are not designated as financial assets measured at fair value and whose changes are recorded in current profits and losses as financial assets measured at fair value through other comprehensive income:

- The Group's business model for managing the financial assets is both to collect contractual cash flows and to sell the financial assets;
- The terms of the financial asset contract stipulate that cash flows generated on a specific date are only payments of principal and interest based on the amount of outstanding principal.

After initial recognition, financial assets are subsequently measured at fair value. Interest, impairment losses or gains and exchange gains calculated by the effective interest rate method are recognised in profit or loss, while other gains or losses are recognised in other comprehensive gains. When derecognized, the accumulated gains or losses previously recognised in other comprehensive gains are transferred from other comprehensive gains and recorded in current profits and losses.

Financial assets at fair value through profit or loss

In addition to the aboving financial assets which are measured at amortized cost or at fair value through other comprehensive income, the Group classifies all other financial assets as financial assets

measured at fair value through profit or loss. When initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group irrevocably designates some financial assets that should have been measured at amortized cost or at fair value through other comprehensive gains as financial assets at fair value through profit or loss.

After initial recognition, the financial assets are subsequently measured at fair value, and the profits or losses (including interest and dividend income) generated from which are recognised in profit or loss, unless the financial assets are part of the hedging relationship.

However, for non-tradable equity instrument investment, when initially recognized, the Group irrevocably designates them as financial assets at fair value through other comprehensive gains. The designation is made on the basis of individual investment, and the relevant investment conforms to the definition of equity instruments from the issuer's point of view.

After initial confirmation, financial assets are subsequently measured at fair value. Dividend income that meets the requirements is recognised in profit and loss, and other gains or losses and changes in fair value are recognised in other comprehensive gains. When derecognized, the accumulated gains or losses previously recognised in other comprehensive gains are transferred from other comprehensive gains to retained earnings.

The business model of managing financial assets refers to how the group manages financial assets to generate cash flow. The business model decides whether the source of cash flow of financial assets managed by the Group is to collect contract cash flow, sell financial assets or both of them. Based on objective facts and the specific business objectives of financial assets management decided by key managers, the Group determines the business model of financial assets management.

The Group evaluates the characteristics of the contract cash flow of financial assets to determine whether the contract cash flow generated by the relevant financial assets on a specific date is only to pay principal and interest based on the amount of unpaid principal. Among them, principal refers to the fair value of financial assets at the time of initial confirmation; interest includes the consideration of time value of money, credit risk related to the amount of unpaid principal in a specific period, and other basic borrowing risks, costs and profits. In addition, the Group evaluates the terms and conditions of the contracts that may lead to changes in the time distribution or amount of cash flow in financial asset contracts to determine whether they meet the requirements of the above contract cash flow's characteristics.

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

Financial assets are measured at fair value at initial recognition. For financial assets that are measured at fair value and whose changes are included in the current profit and loss, related transaction costs are directly included in the current profit and loss; for other types of financial assets, related transaction costs are included in the initially recognized amount. For accounts receivable arising from the sale of products or the provision of labor services that do not include or take into account significant financing components, the Group considers the amount of consideration expected to be entitled as the initial recognition amount.

(3) Classification and Measurement of financial liabilities

On initial recognition, financial liabilities are classified as: financial liabilities at fair value through profit or loss (FVTPL), and financial liabilities measured at amortized cost. For financial liabilities not

classified as at fair value through profit or loss, the transaction costs are recognised in the initially recognised amount.

Financial liabilities at fair value through profits and losses

Financial liabilities at FVTPL include transaction financial liabilities and financial liabilities designated as at fair value through profit or loss in the initial recognition. Such financial liabilities are subsequently measured at fair value, all gains and losses arising from changes in fair value and dividend and interest expense relative to the financial liabilities are recognised in profit or loss for the current period.

Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest method; gains and losses arising from derecognition or amortization is recognised in profit or loss for the current period.

Distinction between financial liabilities and equity instruments

The financial liability is the liability that meets one of following criterias:

- ① Contractual obligation to deliver cash or other financial instruments to another entity.
- ② Under potential adverse condition, contractual obligation to exchange financial assets or financial liabilities with other parties.
- ③ A contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments.
- ④ A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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

If a financial instrument must or are able to be settled by the group's own equity instrument, the group should consider whether the group's equity instrument as the settlement instrument is a substitute of cash or other financial assets or the residual interest in the assets of an entity after deducting all of its liabilities. If the former, the tool is the group's financial liability; if the latter, the tool is the equity instrument of the group.

(4) Fair value of financial instruments

The recognition of fair value of financial assets and financial liability is set out in note III.11.

(5) Impairment of financial assets

On the basis of expected credit losses, the Group performs impairment assessment on the following items and confirms the loss provision.

- financial assets measured at amortized cost;

- debt investments at fair value through other comprehensive income;
- contractual assets as defined in Enterprise Accounting Standards No. 14 - Revenue;
- lease receivables;
- Financial guarantee contract (except measured at fair value through profit or loss or formed by continuing involvement of transferred financial assets or the transfer does not qualify for derecognition).

Measurement of expected credit losses

The expected credit losses refers to the weighted average of the credit losses of financial instruments that are weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable from the contract and all cash flows expected to be received by the Group at the original effective interest rate, that is, the present value of all cash shortages.

The company considers reasonable and reliable information about past events, current conditions, future forecasts, and weights the risk of default to calculate the probability-weighted amount of the present value of the difference between the cash flow receivable under the contract and the cash flow expected to be received in recognition of the expected credit loss.

The Group separately measures the expected credit losses of financial instruments at different stages. The credit risk on a financial instrument has not increased significantly since initial recognition, which is in the first stage. The Group shall measure the loss allowance for that financial instrument at an amount equal To 12-month expected credit losses. If the credit risk of financial instruments has increased significantly since the initial recognition, but no credit impairment has occurred, which is in the second stage. The Group shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses. If the financial instrument has occurred credit impairment since initial recognition, which is in the third stage, and the Group shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

For financial instruments with lower credit risk at the balance sheet date, the Group assumes that their credit risk has not increased significantly since the initial recognition, and shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The lifetime expected credit losses, refer to the expected credit losses caused by all possible defaults during the whole expected lifetime. The 12-month expected credit losses, refer to the expected credit losses caused by all possible defaults during the 12-month after balance sheet date (if the expected duration of financial instrument is less than 12 months, then for the expected duration), which is part of the lifetime expected credit losses.

When measure the expected credit loss, the longest contract period (including the option of renewal) that the group needs to consider is the longest contract period the enterprise facing credit risk.

For financial instruments in the first stages, second stages and with lower credit risk, the Group calculates interest income on the basis of their book balances without deduction of impairment provisions and actual interest rates. For financial instruments in the third stage, the Group calculates interest income according to their book balance minus the impairment provision and the actual interest rate.

For bills receivable and accounts receivable, whether or not there are significant financing elements, the Group shall always measure the loss allowance for them at an amount equal to the lifetime expected credit losses.

When information on expected credit losses cannot be assessed for a single financial asset, in accordance with the characteristics of credit risk, the group divides and combines bills receivable, accounts receivable and leased receivables. On the basis of the combination, the group calculates the expected credit losses. The basis of determining the combination is as follows:

A、 Bills receivable

- Bill receivable group 1: Bank acceptance bills
- Bill receivable group 2: Commercial acceptance bills

B、 Accounts receivable

- Accounts receivable group 1: Amount receivables of related parties
- Accounts receivable group 2: Amount receivables of sales of properties
- Accounts receivable group 3: Amount receivables of other customers

C、 Contract Asset

- Contract Asset group 1: Product sales
- Contract Asset group 2: the Construction of the project

For the accounts receivable divided into group, the group refers to the historical credit losses, combines the current situation with the forecast of future economic situation, compiles a comparison table between the age of accounts receivable and the lifetime expected credit losses rate to calculate the expected credit losses.

For the bills receivables and contract assets divided into group, the Group refers to historical credit losses, with the current situation and the forecast of future economic situation, calculates the expected credit losses through the exposure on default and the lifetime expected credit losses rate.

Other receivables

According to the characteristics of credit risk, the group divides other receivables into group. On the basis of the combination, the group calculates the expected credit losses. The basis of determining the combination is as follows:

- Other receivables group 1: Amount receivables from government.
- Other receivables group 2: Amount receivables from petty cash.
- Other receivables group 3: Amount receivables from the collecting and paying on another's behalf.
- Other receivables group 4: Amount receivables from current accounts.
- Other receivables group 5: Amount receivables from related parties.

For other receivables a divided into group, the Group calculates the expected credit losses through the exposure on default and the lifetime expected credit losses rate or the next 12 months.

Debt investments and Other debt investments

For debt investments and other debt investments, the group calculates the expected credit losses through the exposure on default and the future 12-month or lifetime expected credit losses rate, according to the nature of the investment, the types of counterparty and risk exposure.

Assessment of Significant Increase in Credit Risk

By comparing the default risk of financial instruments on balance sheet day with that on initial recognition day, the Group determines the relative change of default risk of financial instruments during the expected life of financial instruments, to evaluate whether the credit risk of financial instruments has increased significantly since the initial recognition.

To determine whether credit risk has increased significantly since the initial recognition., the Group considers reasonable and valid information, including forward-looking information, that can be obtained without unnecessary additional costs or efforts. Information considered by the Group includes:

- The debtor can't pay principal and interest on the expiration date of the contract;
- Serious deterioration of external or internal credit ratings (if any) of financial instruments that have occurred or are expected to occur;
- Serious deterioration of the debtor's operating results that have occurred or are expected to occur;
- Changes in the existing or anticipated technological, market, economic or legal environment will have a significant negative impact on the debtor's repayment capacity.

According to the nature of financial instruments, the Group evaluates whether credit risk has increased significantly on the basis of a single financial instrument or a combination of financial instruments. When assessing on the basis of the combination of financial instruments, the Group can classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

If the delay exceeds 30 days, the Group determines that the credit risk of financial instruments has increased significantly.

The Group considers that financial assets default in the following circumstances

- The debtor is unlikely to full pay its arrears to the group, and the assessment does not take into account recourse actions taken by the group, such as liquidation of collateral (if held);
- Financial assets have delay more than 90 days.

Financial assets that have occurred credit impairment

On the balance sheet date, the Group assesses whether credit impairment has occurred in financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income. When one or more events adversely affect the expected future cash flow of a financial asset occur, the financial asset becomes a financial asset with credit impairment. Evidence of credit impairment of financial assets includes the following observable information:

- Significant financial difficulties occurs to the issuer or debtor;
- The debtor breaches any of the contractual stipulations, for example, fails to pay or delays the payment of interests or the principal, etc.;
- For economic or contractual considerations related to the financial difficulties of the debtor, the Group grants concessions to the debtor that will not be made under any other circumstances.
- The debtor is probable to go bankrupt or undergo other financial restructuring.
- Financial difficulties of issuer or debtor lead to the disappearance of financial assets active market.

Presentation of expected credit losses reserve

In order to reflect the changes happened to the credit risk of financial instruments since the initial recognition, the Group recalculates the expected credit losses on each balance sheet day. The increase or reversal of the loss provision resulting therefrom is recognised as an impairment loss or gain in the current profit or loss. For financial assets measured at amortized cost, loss provision offsets the carrying amount of the financial assets shown on the balance sheet; for debt investments measured at fair value through other comprehensive income, the Group recognizes its loss provision through other comprehensive income and does not offset the financial assets' carrying amount.

Write off

If the Group no longer reasonably expects that the financial assets contract cash flow can be recovered fully or partially, the financial assets book balance will be reduced directly. Such reduction constitute the derecognition of the financial assets. What usually occurs when the Group determines that the debtor has no assets or sources of income to generate sufficient cash flows to pay the amount to be reduced. However, in accordance with the Group's procedures for recovering due payment, the financial assets reduced may still be affected by enforcement activities.

If the reduced financial assets are recovered later, the returns as impairment losses shall be included in the profits and losses of the recovery period.

(6) Transfer of financial assets

Transfer of financial assets refers to the transference or deliverance of financial assets to the other party (the transferee) other than the issuer of financial assets.

The Group derecognizes a financial asset only if it transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; the Group should not derecognize a financial asset if it retains substantially all the risks and rewards of ownership of the financial asset.

The Group neither transfers nor retains substantially all the risks and rewards of ownership, shows as the following circumstances: if the Group has forgone control over the financial assets, derecognize the financial assets and verify the assets and liabilities; if the Group retains its control of the financial asset, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset and recognize an associated liability is recognized.

(7) Offsetting financial assets and financial liabilities

When the Group has the legal rights to offset the recognized financial assets and financial liabilities and is capable to carry it out, the Group plans to net settlement or realize the financial assets and pay

off the financial liabilities, the financial assets and financial liabilities shall be listed separately with the neutralized amount in balance sheet and are not allowed to be offset.

11. Fair value measurement

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

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

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

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

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

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

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

12. Inventories

(1) Classification

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

(2) Measurement method of cost of inventories

Inventories are initially measured at cost. The cost of product development includes land transfer fee, infrastructure expenditure, construction and installation project expenditure, borrowing expenses

incurred before the completion of the development project and other related expenses in the development process. When a product is developed and shipped, the actual cost is determined by specific identification method..

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

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

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

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

(4)Inventory count system

The Company maintains a perpetual inventory system.

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

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

13. Long-term equity investments

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

(1)Determination of initial investment cost

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

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

(2) Subsequent measurement and recognition of profit or loss

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

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

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

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

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

When the Company can no longer exercise joint control of or significant influence over an investee due to partial disposal of the equity investment or other reasons, the remaining equity investment shall be accounting for using Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, and the difference between the fair value and the carrying amount of the remaining equity investment shall be charged to profit or loss for the current period at the date of the loss of joint control or significant influence. Any other comprehensive income previously recognised under the equity method shall be accounted for on the same basis as would have been required if the Company had directly disposed of the related assets or liabilities for the current period upon discontinuation of the equity method. Other movement of owner's equity related to original equity investment is transferred to profit or loss for the current period.

When the Company can no longer exercise control over an investee due to partial disposal of the equity investment or other reasons, and the remaining equity after disposal can exercise joint control of or significant influence over an investee, the remaining equity is adjusted as using equity method from acquisition. When the remaining equity can no longer exercise joint control of or significant influence over an investee, the remaining equity investment shall be accounted for using Accounting Standard for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments, and the

difference between the fair value and the carrying amount of the remaining equity investment shall be charged to profit or loss for the current period at the date of loss of control.

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

Unrealized internal trading gains and losses between the group and associated enterprises and joint ventures shall be calculated as part of the group according to the shareholding ratio and investment gains and losses shall be recognized on an offset basis. However, unrealized internal trading losses between the group and the investee shall not be offset if they are impairment losses of the transferred assets.

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

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

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

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

(4) Method of impairment testing and impairment provision

For investments in subsidiaries, associates and joint ventures, refer to Note III. 19 for the impairment of assets..

14. Investment property

Investment properties are properties held either to earn rental income or for capital appreciation or for both. The Group's investment real estate includes leased houses, buildings and leased land use rights.

In addition, for a vacant building held by the company for operating lease, if the board of directors (or a similar institution) makes a written resolution expressly indicating that it is used for operating lease and the intention of holding does not change in the short term, it is also considered as Investment property.

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

For the impairment of the investment properties accounted for using the cost model, refer to Note III.19.

Gains or losses arising from the sale, transfer, retirement or disposal of an item of investment property are determined as the difference among the net disposal proceeds, the carrying amount of the item, related taxes and surcharges, and are recognised in profit or loss for current period.

15. Fixed assets

(1) Recognition of fixed assets

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

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

Fixed asset are initially measured at cost.

(2) Depreciation of fixed assets

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

Category	Useful life (years)	Residual value rate %	Annual depreciation rate %
Plant and buildings	30	5	3.17
Motor vehicles	6	5	15.83
Electronic equipment and others	5	5	19.00

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

(3) The impairment of the fixed assets is set out in Note III. 19.

(4) Recognition and measurement of fixed assets acquired under finance leases

Fixed assets under finance leases are recognised if they meet one or more of the following criteria:

① The ownership of leased assets is transferred to the Company by the end of the lease term.

② The Company has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date of the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised.

- ③ Even if the ownership of assets is not transferred, the lease term covers the major part of the useful life of the asset.
- ④ At the inception of lease, the present value of minimum lease payments amount to substantially all of the fair value of leased asset.
- ⑤ Leased assets are of a specialized nature that only the Company can use them without major modifications.

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

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

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

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

(6) Overhaul costs

Overhaul costs occurred in regular inspection are recognized in the cost if there is undoubted evidence to confirm that this part meets the recognition criteria of fixed assets, otherwise, the overhaul costs are recognized in profit or loss for the current period. Depreciation is provided during the period of regular overhaul.

16. Construction in progress

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

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

The impairment of construction in progress is set out in Note III. 19.

17. Borrowing costs

(1) Capitalisation criteria

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

- ① capital expenditures have been incurred, including expenditures that have resulted in payment of cash, transfer of other assets or the assumption of interest-bearing liabilities;
- ② borrowing costs have been incurred;
- ③ the activities that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Capitalisation period

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

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

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

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

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

18. Intangible assets

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

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

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

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

The impairment of intangible assets is set out in Note III. 19.

19. Impairment of assets

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured using a cost model, fixed assets, construction in progress, intangible assets, goodwill, (Excluding inventories, deferred tax assets and financial assets) is determined as follows:

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

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

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

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

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

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

20. Long-term deferred expenses

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

21. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship.

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the Company's spouse, children, dependents, family members of deceased employees or other beneficiaries are also part of the employee benefits.

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

(2) Short-term employee benefits

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

(3) Post-employment benefits

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

Defined contribution plans

Defined contribution plans include primary endowment insurance, unemployment insurance, corporation pension plan.

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

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

Defined benefit plan

For the defined benefit plan, independent actuary uses an actuarial technique, the projected unit credit method, to make a reliable estimate of the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods, on the balance sheet date. The Group set the defined benefit plan including the following components:

① Service costs, including current service costs, any past service costs and gain or loss on settlement. Among them, the current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period; the past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan).

- ② Net interest on the net defined benefit liability (asset) can be viewed as comprising interest income on plan assets, interest cost on the defined benefit obligation and interest on the effect of the asset ceiling
- ③ Re-measurements of the net defined benefit liability and assets.

The Group makes determining amounts to be recognized in profit or loss except other accounting standards stipulates or allows employee benefits recorded as asset cost. Re-measurements of the changes in the net defined benefit liability (asset) recognized in other comprehensive income shall not be reclassified to profit or loss in a subsequent period. However, the entity may transfer those amounts recognized in other comprehensive income within equity, when original defined benefit plan is terminated.

(4) Termination benefits

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

If an employee's internal retirement plan is implemented, the economic compensation before the official retirement date is a dismissal benefit. From the date when the employee stops providing services to the normal retirement date, the salary of the retired employee and the social insurance premium to be paid are included in the current period at one time profit and loss. Financial compensation after the official retirement date (such as a normal retirement pension) is treated as after-service benefits.

(5) Other long-term employee benefits

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

22. Provisions

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

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

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

The Company reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

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

23. Revenue

(1) General principle

The Group has fulfilled its contractual performance obligation to recognize revenue when the customer takes control of the goods or services in question.

If the contract contains two or more performance obligations, the Group shall, at the beginning of the contract, allocate the transaction price to each individual performance obligation in proportion to the relative selling price of the goods or services promised by each individual performance obligation and measure the income at the transaction price allocated to each individual performance obligation.

Where one of the following conditions is met, the Group is a performance obligation within a certain period of time;

① The customer obtains and consumes the economic benefits of the Group's performance at the same time as the Group performs.

② Customers are able to control the goods under construction in the performance of the Group.

③ The goods produced in the performance of the Group are of irreplaceable use and the Group has the right to receive payments for the performance portion accumulated to date throughout the contract period.

For performance obligations performed during a certain period of time, the Group recognizes revenue at the performance pace during that period. Where the performance schedule cannot be reasonably determined, if the costs already in the Group are expected to be compensated, the revenue is recognized in accordance with the amount of costs already occurring until the performance progress can be reasonably determined.

For performance obligations performed at a certain point in time, the Group recognizes revenue at the point when the customer takes control of the relevant goods or services. In determining whether a customer has taken control of goods or services, the Group considers the following signs:

① The Group has the right to collect the goods or services at present, i.e. the customer has the current obligation to pay for the goods.

② The Group has transferred the legal ownership of the commodity to the customer, i.e. the customer already owns the legal ownership of the commodity.

- ③ The Group has transferred the goods in kind to the customer, i.e. the customer has physically owned the goods.
- ④ The Group has transferred the main risks and rewards of ownership of the commodity to the customer, i.e. the main risks and rewards of the customer's ownership of the commodity.
- ⑤ The customer has accepted the goods or services.
- ⑥ Other signs that the customer has taken control of the goods.

The Group has transferred goods or services to customers and is entitled to a consideration right (and that right depends on factors other than the passage of time) as contractual assets, which are impairments based on expected credit losses (see notes III, 10 (5)). The Right of the Group to collect a bid from a customer as a receivable is owned and unconditionally (depending only on the passage of time). The Group's obligation to transfer goods or services to customers as contractual liabilities as a result of customer-to-customer prices received or receivables.

Where contract assets and contractual liabilities under the same contract are shown in net amounts, net of borrower balances, they are shown in "contract assets" or "other non-current assets" items according to their liquidity;

(2) Specific revenue recognition

Specific revenue recognition is as follows:

① Real estate development sales revenue recognition

1) the sales contract has been signed and filed with the land department; 2) the real estate has been completed and accepted; 3) fully one-off payment on the first installment payment has been received; 4) completed the procedures for entering the partnership in accordance with the requirements stipulated in the sales contract.

② Provide the specific method of property service income recognition

According to the service date agreed in the property service contract and agreement and the area and unit price corresponding to the service, during the period of service stipulated in the property service contract and agreement, the realization of the income from the provision of property services shall be confirmed according to the average number of years.

③ Rental property income recognition of the specific method

According to the lease contract, the lease date agreed upon in the agreement (with a rent-free period considered rent-free period) and the lease amount, the realization of the income from the provision of rental services shall be confirmed by the average law of the number of years during the lease term stipulated in the contract.

④ Construction income recognition methods

As the Client is able to control the assets under construction in the Group's performance process, the Group treats them as performance obligations within a certain period of time, recognizing income in accordance with the performance schedule, except the schedule cannot be reasonably determined.

The Group determines the progress of service delivery in accordance with input laws and costs that occur. Where the performance schedule cannot reasonably be determined, if the costs expected to be reimbursed by the Company are recognized in accordance with the amount already occurring, until the performance progress can be reasonably determined. If the contract cost cannot be recovered, it is recognized as the current cost immediately upon occurrence, and the contract income is not recognized. If the total cost of the contract is likely to exceed the total contract revenue, the expected loss of the contract is formed, taken into account in the projected liability and recognized as the current cost.

⑤ Other income recognition methods

Including hotel income, etc.. For hotel income, as the customer in the Group's performance at the same time to obtain and consume the Economic Benefits of the Group's performance, the Group as a performance obligation performed within a certain period of time, in the provision of services during the accounting period in accordance with the performance of the progress of the recognition of income. For other income, in accordance with the relevant contract, agreement, when the customer obtains control of the relevant goods, the relevant amount has been received or received the right to receive the recognition of income

24. Contract costs

Contract costs include incremental costs and contract performance costs for the contract.

Incremental costs to obtain a contract are costs (e.g. sales commissions, etc.) that would not have occurred if the Group had not obtained the contract. If the cost is expected to be recoverable, the Group recognizes it as an asset as a contract cost. The Group's expenses for the purpose of obtaining the contract, in addition to incremental costs expected to be recoverable, are included in the current profit and loss at the time of occurrence.

If the costs add to be costs adjobed in order to perform the contract are not covered by the accounting standards of other enterprises, such as inventory, and the following conditions are met at the same time, the Group recognizes them as an asset as contract performance costs:

- ① The cost is directly related to a current or anticipated contract, including direct labor, direct materials, manufacturing costs (or similar costs), costs expressly borne by the customer, and other costs adminonly occurring only as a result of the contract;
- ② This cost increases the Group's future resources for the performance of performance obligations;
- ③ The cost is expected to be recovered.

Assets recognized by the contract to obtain cost recognition and assets recognized at the contract performance cost ("assets related to the contract cost") are amortized on the same basis as the recognition of income from goods or services associated with the asset and are included in the current profit and loss. Amortization periods of not more than one year are included in the current profit and loss at the time of occurrence.

Where the carrying value of the assets relating to the contract cost is higher than the difference between the following two items, the Group prepares for impairment of the excess and recognizes the impairment loss of the assets:

①the remaining price that the Group is expected to be able to obtain as a result of the transfer of goods or services related to the asset;

②Estimated costs to be expected for the transfer of the relevant goods or services.

The contract performance cost recognized as an asset, the amortization period at the time of initial confirmation shall not exceed one year or a normal business cycle, shall be shown in the "inventory" item, and the amortization period at the time of initial confirmation shall exceed one year or a normal business cycle, as shown in the "other non-current assets" project.

The contract cost of obtaining the asset is recognized, the amortization period at the time of initial confirmation does not exceed one year or a normal business cycle, as shown in the "Other Current Assets" project, and the amortization period at the time of initial recognition exceeds one year or a normal business cycle, as shown in the "Other Non-Current Assets" project.

25. Government grants

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

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

The government grants relating to assets are grants that Group purchases, construction or other methods to acquire long-term assets of government grants. Exception of the above grants, others are related to gains.

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

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

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

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

26. Deferred tax assets and deferred tax liabilities

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

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

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

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

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

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

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

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

27. Operating leases and finance leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee. An operating lease is a lease other than a finance lease.

- (1) As a lessor

At the commencement of the lease term, the Company recognized the aggregate of the minimum lease receipts determined at the inception of a lease and the initial direct costs as finance lease receivable, and recognized unguaranteed residual value at the same time. The difference between the aggregate of the minimum lease receipts, the initial direct costs and the unguaranteed residual value, and the aggregate of their present value is recognized as unearned finance income. Unearned finance income is allocated to each accounting period during the lease term using the effective interest method.

Income derived from operating leases is recognized in profit or loss using the straight-line method over the lease term. Initial direct costs are charged to profit or loss immediately.

(2) As a lessee

When the Company acquires an asset under a finance lease, the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. At the commencement of the lease term, the minimum lease payments are recorded as long-term payables. The difference between the carrying amount of the leased assets and the minimum lease payments is accounted for as unrecognized financial charges. Initial direct costs attributable to a finance lease that are incurred by the Company are added to the carrying amount of the leased asset. Unrecognized finance charges arising from a finance lease are recognized using an effective interest method over the lease term. Depreciation is accounted for in accordance with the accounting policies of fixed assets.

Rental payments under operating leases are recognized as part of the cost of another related asset or as expenses on a straight-line basis over the lease term. Initial direct costs are charged to profit or loss immediately.

(3) Rental concessions caused by the COVID-19

For rental concessions such as rent remission and deferred payment reached between the Company and the lessor on the existing lease contracts directly caused by the COVID-19, and if the following conditions are met, the Company adopts a simplified method for the rental of buildings category:

- ① The lease consideration after the concession is reduced or the same from that before the concession, where the lease consideration is not discounted or discounted at the discount rate before the concession;
- ② The concession applies only to lease payments payable prior to June 30, 2021;
- ③ Taking both qualitative and quantitative factors into account, it is determined that there are no material changes to the other terms and conditions of the lease.

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

When the Group is a lessee, the Group continues to include the original contract rent in the related asset costs or expenses in accordance with the method consistent with the pre-concession for operating leases. In the event of rent relief, the Group shall write down costs or expenses during the relief period by using the rent relief as a rent, and if the rent is deferred, the Group shall recognize the rent payable as payable during the original payment period and write down the amount of payable recognized in advance at the time of actual payment. For financial leases, the Group continues to recognize unrecfined financing expenses as current financing expenses at a discount rate consistent with the pre-concession rate, and continues to provide subsequent measures such as depreciation of

financing leased assets in accordance with the method consistent with the pre-concession. In the event of rent relief, the Group shall take the rent reduction as the rent or have rent, in the event of the termination of the original rent payment obligations, such as the agreement to reduce the cost of assets or expenses, and adjust the long-term payables accordingly, in accordance with the discount rate before the discount rate discounted into the current profit and loss, should also adjust the unrefined financing costs;

When the Group is a lessor, the Group continues to recognize the original contract rent as rental income in accordance with the method consistent with the previous reduction for operating leases. In the event of rent relief, the Group shall use the reduced rent as a rent on a nature basis to reduce rental income during the relief period, and if the rent is deferred, the Group shall recognize the rent due during the original collection period as receivable and, when actually received, write down the amounts receivable recognized in the previous period. For financial leases, the Group continues to recognize unreal financial gains as lease income at the lease inclusion rate consistent with the pre-reduction rate. In the event of rent relief, the Group shall take the rent reduction as the orntance rent, and when it abandons the original rent collection right, such as reaching a reduction agreement, the portion of the original confirmed lease income shall be deducted from the investment income, and the long-term receivables shall be adjusted accordingly, and if the discount rate before the reduction is included in the current profit or loss, the unrealed financing income shall also be adjusted;

28. Maintenance funds

The Group collects the maintenance funds from owners as the certain proportion of the sales amount when selling commercial housing. It shall be included in the long-term accounts payable. The maintenance funds will reduce when it is delivered to the land and housing administration.

29. Quality deposit

The quality deposit is based on the proportion of the construction and installation and the term of payment, which is ruled in the contracts. It is deducted from the construction payables and classified as accounts payable. Maintenance costs due to quality during the warranty period are directly expensed under this account and will be eliminated when the warranty period ends.

30. Significant accounting estimates and judgments

Estimates as well as underlying assumptions involved are reviewed on an ongoing basis, based on historical experience and other factors, including reasonableness of estimation about future events. The followings are significant accounting estimations and key assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.:

(1) Classification of financial assets

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

At the level of financial asset group, the Group determines the business model for managing financial assets, taking into account factors such as the way to evaluate and report financial assets performance to key managers, the risks affecting financial assets performance and their management methods, and the way in which relevant business managers are paid.

In assessing whether the contract cash flow of financial assets is consistent with the basic lending arrangements, the Group has the following judgments: whether the principal's time distribution or

amount may change during the lifetime for early repayment and other reasons; whether the interest only includes the time value of money, credit risk, other basic lending risks and the consideration of cost and profit. For example, does the amount of advance payment only reflect the unpaid principal and interest based on the unpaid principal, and reasonable compensation paid for the early termination of the contract.

(2) Measurement of Expected Credit Loss of Account Receivable

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

(3) Deferred tax assets

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The management needs significant judgment to estimate the time and extent of the future taxable profits and tax planning strategy to recognise the appropriate amount of deferred income tax assets.

(4) The provision of land appreciation tax

The Group is subject to land appreciation tax ("LAT"). The Group recognised LAT based on management's best estimates, however, LAT is recognised by tax authorities according to the interpretation of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact tax provision in periods in which such taxes have been finalised with local tax authorities.

(5) Determination of fair value of unlisted equity investment

The fair value of an unlisted equity investment is the future cash flow discounted from the current discount rate of a project with similar terms and risks. This valuation requires the group to estimate future cash flows and discount rates. Therefore, it causes high uncertainty. In some cases, there is insufficient information to determine fair value, or the distribution of possible estimates is wide. On the contrary, the cost represents the best estimate of fair value within that range. As a whole, the cost can represent the appropriate estimate of fair value within that range.

31. Changes in significant accounting policies, accounting estimates and correction of errors in prior periods

(1) Provisions Changes in significant accounting policies

① New revenue accounting policy

In 2017, the Ministry of Finance promulgated Enterprise Accounting Standards No. 14 - Revenue (Amendment) (hereinafter referred to as the "New Revenue Standards"), which requires companies listed in China to take effect from January 1, 2020. The Group has implemented the above-mentioned new revenue standards as required from 1 January 2020, and the Group has implemented the

above-mentioned standards as of 1 January 2020, with adjustments to the relevant elements of its accounting policies.

The Group has fulfilled its contractual performance obligation to recognize revenue when the customer takes control of the goods or services in question. When certain conditions are met, the Group is performing its performance obligations within a certain period of time, otherwise it is performing its performance obligations at a certain point in time. If the contract contains two or more performance obligations, the Group shall, at the beginning of the contract, allocate the transaction price to each individual performance obligation in proportion to the relative selling price of the goods or services promised by each individual performance obligation and measure the income at the transaction price allocated to each individual performance obligation.

The Group adjusted relevant accounting policies in accordance with the specific provisions of the new revenue standards on specific matters or transactions, for example: contractual cost, quality assurance, distinction between principal and agent, sales with sales return clauses, additional purchase options, intellectual property license, repurchase arrangement, advances from customers and handling of initial fee without refund, etc.

The Group has the right to receive consideration by transferring goods to customers, and this right depends on factors other than the passage of time as contractual assets. The Group's obligation to transfer goods to customers for consideration received or receivable from customers is listed as contractual liabilities.

Based on the cumulative impact of the initial implementation of the new revenue standards, the Group adjusted its retained earnings at the beginning of 2020 and other related items in the financial statements, without adjusting for comparative financial statement data. The Group adjusts the Group's retained earnings at the beginning of 2020 and the amount of other related items in the financial statements only for cumulative impact on contracts not completed as at 1 January 2020.

The content and reason of the accounting policy change	Affected report items	Affected amount (1/1/2020)
As a result of the implementation of the new revenue guidelines, the Group reclassified the sale of goods and services-related sales and pre-receivables related to the provision of services to contractual liabilities..	Contractual liabilities	147,479,218.39
	Advance form customers	-153,363,826.53
	Other current liabilities	5,884,608.14

The impact of the implementation of the new income standards on items related to the 2020 financial statements compared to the original income standards is as follows:

Affected balance sheet items	Affected amount (31/12/2020)
Contractual liabilities	196,786,977.19
Advance form customers	-205,704,004.26
Other current liabilities	8,917,027.07

Adjustment statement

The implementation of the new revenue guidelines, with the transfer of control as the point of revenue recognition, will not result in a significant change in the way the company's revenue is recognized.

(2) The Ministry of Finance issued the "Notice on the issuance of accounting treatment of COVID-19 for Rental Concessions" (Finance and Accounting [2020] No. 10) in June 2020, with the option of adopting a simplified method in accordance with the accounting treatment of COVID-19 for rental concessions.

The Group has not chosen to adopt a simplified approach to this provision and therefore the provision has not had a material impact on the Group's financial position and results of operations.

(2) At the first implementation of the new financial instrument standards, the situation to adjust the relevant items of the financial statements at the beginning of the first implementation year is as follow:

Consolidated balance sheet

Category	As at 31/12/2019	As at 1/1/2020	Adjusted amount
Current Assests:			
Cash at bank and on hand	2,511,140,445.35	2,511,140,445.35	-
Accounts receivable	62,059,055.68	62,059,055.68	-
Prepayments	219,948.17	219,948.17	-
Other receivables	28,275,228.26	28,275,228.26	-
including: interest receivable	-	-	-
Dividends receivable	1,052,192.76	1,052,192.76	-
Inventory	1,462,229,048.18	1,462,229,048.18	-
Other current assets	102,781,855.48	102,781,855.48	-
Total current assets	4,166,705,581.12	4,166,705,581.12	-
Non-current assets:			
Long-term equity investments	469,838.65	469,838.65	-
Investment in other equity instruments	33,126,730.04	33,126,730.04	-
Investment properties	632,241,900.20	632,241,900.20	-
Fixed assets	30,522,035.11	30,522,035.11	-
Long-term deferred expenses	162,125.72	162,125.72	-
Deferred tax assets	46,441,325.25	46,441,325.25	-
Total non-current assets	742,963,954.97	742,963,954.97	-
Total assets	4,909,669,536.09	4,909,669,536.09	-
Current liabilities:			
Short-term borrowing	51,647,260.17	51,647,260.17	-
Accounts payable	244,224,478.46	244,224,478.46	-
Advances from customers	159,482,510.43	6,118,683.90	-153,363,826.53
Contractual liabilities		147,479,218.39	147,479,218.39
Employee benefits payable	53,909,576.49	53,909,576.49	-
Taxes payable	585,700,815.36	585,700,815.36	-
Other payables	277,319,174.53	277,319,174.53	-
including: interest payable	16,535,277.94	16,535,277.94	-
Dividends payable	-	-	-
Other current liabilities		5,884,608.14	5,884,608.14

Category	As at 31/12/2019	As at 1/1/2020	Adjusted amount
Total current liabilities	1,372,283,815.44	1,372,283,815.44	-
Non-current liabilities:			-
Long-term payables	7,499,192.92	7,499,192.92	-
Deferred tax liabilities	4,903,293.58	4,903,293.58	-
Total non-current liabilities	12,402,486.50	12,402,486.50	-
Total liabilities	1,384,686,301.94	1,384,686,301.94	-
Equity	1,011,660,000.00	1,011,660,000.00	-
Capital accumulation	978,244,910.11	978,244,910.11	-
Other comprehensive benefits	20,831,004.13	20,831,004.13	-
Surplus accumulation	191,222,838.94	191,222,838.94	-
Profits are not distributed	1,464,915,816.81	1,464,915,816.81	-
Total shareholders' equity attributable to the parent company	3,666,874,569.99	3,666,874,569.99	-
Minority shareholders' equity	-141,891,335.84	-141,891,335.84	-
Total shareholders' equity	3,524,983,234.15	3,524,983,234.15	-
Total liabilities and shareholders' equity	4,909,669,536.09	4,909,669,536.09	-

Balance sheet of parent company

Category	As at 31/12/2019	As at 1/1/2020	Adjustments
Current Assets:			
Cash at bank and in hand	1,967,688,122.55	1,967,688,122.55	-
Accounts receivable	156,935.84	156,935.84	-
Prepayments	200,000.00	200,000.00	-
Other receivables	835,275,498.69	835,275,498.69	-
including: interest receivable	-	-	-
Dividends receivable	-	-	-
Inventory	419,453,091.86	419,453,091.86	-
Other current assets	407,560.64	407,560.64	-
Total current assets	3,223,181,209.58	3,223,181,209.58	-
Non-current assets:			
Long-term equity investments	150,676,516.92	150,676,516.92	-
Investment in other equity instruments	13,229,501.03	13,229,501.03	-
Investment real estate	522,038,731.16	522,038,731.16	-
Fixed assets	19,586,720.47	19,586,720.47	-
Long-term deferred expenses s	162,125.72	162,125.72	-
Deferred income tax assets	20,975,294.54	20,975,294.54	-
Total non-current assets	726,668,889.84	726,668,889.84	-
Total assets	3,949,850,099.42	3,949,850,099.42	-
Current liabilities:			
Short-term borrowing	-	-	-

Category	As at 31/12/2019	As at 1/1/2020	Adjustments
Accounts payable	103,915,931.14	103,915,931.14	-
Pre-receivables	59,409,454.38	-	-59,409,454.38
Contractual liabilities		56,580,432.74	56,580,432.74
Payable to employees	25,544,403.23	25,544,403.23	-
Taxes payable	143,434,273.95	143,434,273.95	
Other payables	190,666,487.82	190,666,487.82	-
including: interest payable	16,535,277.94	16,535,277.94	-
Dividends payable	-	-	-
Other current liabilities		2,829,021.64	2,829,021.64
Total current liabilities	522,970,550.52	522,970,550.52	-
Non-current liabilities:			-
Long-term payables	-	-	-
Deferred income tax liabilities	1,295,046.51	1,295,046.51	-
Total non-current liabilities	1,295,046.51	1,295,046.51	-
Total liabilities	524,265,597.03	524,265,597.03	-
Share capital	1,011,660,000.00	1,011,660,000.00	-
Capital reserve	964,711,931.13	964,711,931.13	-
Other comprehensive income	922,125.77	922,125.77	-
Surplus reserve	168,093,225.53	168,093,225.53	-
Retained earnings	1,280,197,219.96	1,280,197,219.96	-
Total equity attributable to shareholders of the Company	3,425,584,502.39	3,425,584,502.39	-
Non-controlling interests	-	-	-
Total shareholders' equity	3,425,584,502.39	3,425,584,502.39	-
Total liabilities and shareholders' equity	3,949,850,099.42	3,949,850,099.42	-

Adjustment statement

According to the company's revenue recognition principle, the company will not form "contract assets" after the implementation of the "New Revenue accounting Policy", and the impact of the financial reporting data mainly involves the reclassification between the three accounts of "contract liabilities", "Advances from customers" and "other current liabilities".

IV. Taxation

1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate%
VAT	Taxable income	9,6,5,3
Land appreciation tax	It shall be levied on the basis of the value-added value of the real estate transferred and the prescribed tax rate and paid in advance according to the type of real estate product	Four progressive rates of excess rate : 30,40,50, 60

Property tax	The original value of house deducts 30%	1.2
City maintenance and construction tax	Turnover tax payable	7
Education surcharge	Turnover tax payable	3
Local education surcharge	Turnover tax payable	2
Corporate income tax	Taxable profits	25,16.5

Description of VAT rates for different businesses:

The group is engaged in real estate development, property management, Construction in process and other business income, "notice on the pilot of replacing business tax with VAT" (Caishui [201636]) and other relevant provisions. Since May 1, 2016, the group's VAT taxable items and tax rates are shown in the following table:

Type of revenue	Tax	Tax rate%
Sales of properties	Simply filing return	5
Construction, installation income	Simply filing return	9,3
Rental income of Property	Simply filing return	5
Income of Property Management	Filing return generally	6

Description of enterprise income tax rates of different tax payers:

The corporate income tax rate is 25% for companies incorporated in China and 16.5% for companies incorporated in Hong Kong.

2, tax concessions and approval

The Corporate income tax rate of HuaZhan Supervision and Shantou Songshan Company, the subsidiaries of the Group, shall be subject to the preferential tax rate of 20% for small micro-profit enterprises.

V. Notes to the consolidated financial statements

1. Cash at bank and in hand

Item	As at 31/12/2020			As at 31/12/2019		
	Foreign currency amount	Exchange rate	RMB equivalent	Foreign currency amount	Exchange rate	RMB equivalent
Cash in hand:	--	--	61,121.83	--	--	66,252.42
RMB	--	--	61,121.83	--	--	66,252.42
Cash at bank:	--	--	1,026,042,804.99	--	--	1,493,123,507.93
RMB	--	--	1,019,343,085.65	--	--	1,485,217,117.53
USD	20,831.05	6.5249	135,920.52	5,532.95	6.9762	38,598.97
HKD	7,798,819.95	0.84164	6,563,798.82	8,783,167.25	0.89578	7,867,791.43

Including:						
Deposits in finance company	--	--	--	--	--	--
Other monetary funds:	--	--	1,661,361,143.19	--	--	1,017,950,685.00
RMB	--	--	1,661,361,143.19	--	--	1,017,950,685.00
Total	--	--	2,687,465,070.01	--	--	2,511,140,445.35
Including: Total overseas deposits	--	--	6,699,719.34	--	--	7,936,545.69

Note: At the end of the period, RMB 1,661,361,143.19 in Other monetary funds was a seven-day notice deposit, of which the principal amount was RMB1,643,000,000.00 and interest was RMB18,361,143.19.

2. Bills receivable

Bills type	Book balance	2020.12.31		Book value	2019.12.31	
		Bad debt preparation	Book value		Book balance	Bad debt preparation
Bank Acceptance Bill	-	-	-	-	-	-
Commercial Acceptance Bill	37,303,205.62	1,865,160.28	35,438,045.34	-	-	-
Total	37,303,205.62	1,865,160.28	35,438,045.34	-	-	-

Notes:

(1) At the year ended, there is no a pledge of notes receivable.

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

Type	Amount derecognized at year end	Amount not-derecognized at year end
Bank Acceptance Bill	-	-
Commercial Acceptance Bill	-	30,068,561.31
Total	-	30,068,561.31

(3) At the year ended, there is no bills transferred to accounts receivable due to non-performance of the issuers.

(4) According to the method classification of the provision of bad debt.

Type	2020.12.31					2019.12.31				
	Book balance		Bad debt preparation		Book value	Book balance		Bad debt preparation		Book value
	Amount	Rate(%)	Amount	Expected credit loss rate (%)	Amount	Rate (%)	Amount	Expected credit loss rate (%)	Amount	value
Provision made individually	---	---	---	---	---	---	---	---	---	---
Collectively assessed for impairment based on credit risk characteristics	---	---	---	---	---	---	---	---	---	---
including:										
Bank Acceptance Bill	---	---	---	---	---	---	---	---	---	---
Commercial Acceptance Bill	37,303,205.62	100.00	1,865,160.28	5.00	35,438,045.34	--	--	--	--	--
Total	37,303,205.62	100.00	1,865,160.28	5.00	35,438,045.34	--	--	--	--	--

Collectively assessed for impairment based on credit risk characteristics:

Commercial Acceptance Bill

Category	2020.12.31			2019.12.31		
	Bill receivable	Bad debt preparation	Expected credit loss rate(%)	Bill receivable	Bad debt preparation	Expected credit loss rate(%)
Within 1 year	37,303,205.62	1,865,160.28	5.00	---	---	---
Total	37,303,205.62	1,865,160.28	5.00	---	---	---

(5) Additions, recoveries or reversals of provision for bad and doubtful debts during the year

Category	Provision of bad debt
2019.12.31	---
Additions	1,865,160.28
Recoveries	---
Written-off	---
Reversals	---
Others	---
2020.12.31	1,865,160.28

3. Accounts receivable

(1) Accounts receivable by aging

Aging	As at 31/12/2020	As at 31/12/2019
Within 1 year	61,614,768.47	65,195,782.66
1 to 2 years	---	66,518.00
2 to 3 years	66,518.00	--
More than 3 years	24,688,143.06	24,956,115.96
Subtotal	86,369,429.53	90,218,416.62
Less: provision for bad and doubtful debts	26,778,485.47	28,159,360.94
Total	59,590,944.06	62,059,055.68

(2) Accounts receivable by category

Item	As at 31/12/2020				Carrying amount
	Book balance		Provision for bad and doubtful debts		
	Book value	Proportion (%)	Book value	Expected credit loss(%)	
Provision assessed for impairment individually	24,688,143.06	28.58	24,688,143.06	100.00	-

Item	As at 31/12/2020				
	Book balance		Provision for bad and doubtful debts		Carrying amount
	Book value	Proportion (%)	Book value	Expected credit loss (%)	
Collectively assessed for impairment based on credit risk characteristics	61,681,286.47	71.42	2,090,342.41	3.39	59,590,944.06
Including:					
Accounts receivable from sales of properties	11,114,285.60	12.87	555,714.28	5.00	10,558,571.32
Accounts receivable from other customers	50,567,000.87	58.55	1,534,628.13	3.03	49,032,372.74
Total	86,369,429.53	100.00	26,778,485.47	31.00	59,590,944.06

Continued

Item	As at 31/12/2019				
	Book balance		Provision for bad and doubtful debts		Carrying amount
	Book value	Proportion (%)	Book value	Expected credit loss (%)	
Provision assessed for impairment individually	24,866,900.27	27.56	24,866,900.27	100.00	--
Collectively assessed for impairment based on credit risk characteristics	65,351,516.35	72.44	3,292,460.67	5.04	62,059,055.68
Including:					
Accounts receivable from sales of properties	10,761,284.37	11.93	538,064.22	5.00	10,223,220.15
Accounts receivable from other customers	54,590,231.98	60.51	2,754,396.45	5.05	51,835,835.53
Total	90,218,416.62	100.00	28,159,360.94	31.21	62,059,055.68

Provision assessed for impairment individually:

Item	As at 31/12/2020			
	Book balance	Provision for bad and doubtful debts	Expected credit loss (%)	Rationale of provision
Agent business payment of import and export	11,574,556.00	11,574,556.00	100.00	Expected to be not recoverable
Long-term accounts receivable from sales of properties	10,132,205.24	10,132,205.24	100.00	Expected to be not recoverable
Accounts receivable from revoked subsidiaries	2,328,158.40	2,328,158.40	100.00	Expected to be not recoverable
Other customers	653,223.42	653,223.42	100.00	Expected to be not recoverable
Total	24,688,143.06	24,688,143.06	100.00	

Continued

Item	As at 31/12/2019			Rationale of provision
	Book balance	Provision for bad and doubtful debts	Expected credit loss (%)	
Agents' payment of import and export	11,574,556.00	11,574,556.00	100.00	Expected to be not recoverable
Long-term accounts receivable from sales of properties	10,626,436.84	10,626,436.84	100.00	Expected to be not recoverable
Accounts receivable from revoked subsidiaries	2,328,158.40	2,328,158.40	100.00	Expected to be not recoverable
Other customers	337,749.03	337,749.03	100.00	Expected to be not recoverable
Total	24,866,900.27	24,866,900.27	100.00	

Collectively assessed for impairment based on credit risk characteristics:

Accounts receivable from sales of properties

Aging	2020.12.31			2019.12.31		
	Accounts receivable	Provision for bad debt	Expected credit loss(%)	Accounts receivable	Provision for bad debt	Expected credit loss(%)
Within 1 year	11,114,285.60	555,714.28	5.00	10,690,000.00	534,500.00	5.00
1-2 year	--	--	--	71,284.37	3,564.22	5.00
Total	11,114,285.60	555,714.28	5.00	10,761,284.37	538,064.22	5.00

Accounts receivable from other customers

Aging	2020.12.31			2019.12.31		
	Accounts receivable	Provision for bad debt	Expected credit loss(%)	Accounts receivable	Provision for bad debt	Expected credit loss(%)
Within 1 year	50,500,482.87	1,531,302.23	3.03	54,590,231.98	2,754,396.45	5.05
1-2 year	66,518.00	3,325.90	5.00	--	--	--
Total	50,567,000.87	1,534,628.13	3.03	54,590,231.98	2,754,396.45	5.05

(3) Additions, recoveries or reversals of provision for bad and doubtful debts during the year

Item	Provision for bad and doubtful debts
As at 31/12/2019	28,159,360.94
Adjustment amount for the first implementation of the new financial instrument accounting policy	--
As at 1/1/2020	28,159,360.94
Provision	-1,380,875.47
Recovery or reversals	--
Written-off	--
2020.12.31	26,778,485.47

(4) Top 5 entities with the largest balances of account receivables

Entity name	Book value	a percentage of the	Provision for bad
	Closing balance	total balance at the end of the accounts receivable (%)	and doubtful debts Closing balance
Wuhan 2049 Poly Real Estate Development Co., Ltd	33,009,906.00	38.22	1,650,495.30
Wuhan Yutian Xingye Land Co., Ltd	5,877,079.73	6.80	293,853.99
Hubei Chuheng Real Estate Co., Ltd	3,874,836.00	4.49	193,741.80
Wuhan Anke United Real Estate Co., Ltd	1,940,032.59	2.25	97,001.63
Daxing Auto Parts Co., Ltd	1,912,353.37	2.21	95,617.67
Total	46,614,207.69	53.97	2,330,710.38

(5) At the end of the year 2020, the group has handled the factoring of accounts receivable (RMB 49,686,095.76), corresponding to the book value of accounts receivable RMB49,686,095.76 which has not been terminated for recognition. The detail is set out in note V. 45.

4. Prepayments

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

Aging	As at 31/12/2020		As at 31/12/2019	
	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	3,004,771.47	93.74	19,398.17	8.82
1 to 2 years	213.04	0.01	200,000.00	90.93
2 to 3 years	200,000.00	6.23	--	--
More than 3 years	550.00	0.02	550.00	0.25
Total	3,205,534.51	100.00	219,948.17	100.00

(2) Top 5 entities with the largest balances of prepayment

The total amount of prepayment is RMB 3,205,534.51, accounting for 100.00% of the total amount of the closing balance of prepayment.

5. Other receivables

Item	As at 31/12/2020	As at 31/12/2019
Interest receivables	-	-
Dividend receivables	1,052,192.76	1,052,192.76
Other receivables	31,692,851.08	27,223,035.50
Total	32,745,043.84	28,275,228.26

(1) Dividend receivables

Item	As at 31/12/2020	As at 31/12/2019
Yunnan KunPeng Flight service Co., Ltd	1,052,192.76	1,052,192.76
Less: Provision for bad and doubtful debts	--	--
Total	1,052,192.76	1,052,192.76

Including: significant dividends receivable aging over 1 year:

Item	As at 31/12/2020	Aging	Reason for uncollected	Any impairment and the basis
Yunnan KunPeng Flight service Co., Ltd	1,052,192.76	5 years	Delay to issue	None

(2) Other receivables

① Other receivables by aging

Aging	As at 31/12/2020	As at 31/12/2019
Within 1 year	29,101,943.94	20,256,667.46
1 to 2 years	724,840.46	5,670,455.80
2 to 3 years	266,855.66	--
More than 3 years	196,836,127.29	196,658,114.17
Subtotal	226,929,767.35	222,585,237.43
Less: Provision for bad and doubtful debts	195,236,916.27	195,362,201.93
Total	31,692,851.08	27,223,035.50

② Other receivables by category

Item	As at 31/12/2020			As at 31/12/2019		
	Book value	Provision for bad and doubtful debts	Carrying amount	Book value	Provision for bad and doubtful debts	Carrying amount
Amount receivables from government	553,009.68	--	553,009.68	4,371,247.34	--	4,371,247.34
Amount receivables from petty cash	364,674.25	--	364,674.25	716,684.01	--	716,684.01
Amount receivables from the collecting and paying on another's behalf	665,251.08	--	665,251.08	594,012.08	--	594,012.08
Amount receivables from current account	63,398,344.58	33,288,428.51	30,109,916.07	56,713,292.62	35,639,303.91	21,073,988.71
Amount receivables from related parties	161,948,487.76	161,948,487.76	--	160,190,001.38	159,722,898.02	467,103.36
Total	226,929,767.35	195,236,916.27	31,692,851.08	222,585,237.43	195,362,201.93	27,223,035.50

③ Provision for bad and doubtful debts

As at 31/12/2020, there are the provisions for bad debts in the first stage :

Category	Book balance	12-month expected credit loss(%)	Provision for bad and doubtful debts	Carrying amount	Reasons
Collectively assessed for impairment based on credit risk characteristics					
Amount receivables from government	553,009.68	--	--	553,009.68	
Amount receivables from petty cash	364,674.25	--	--	364,674.25	
Amount receivables from the collecting and paying on another's behalf	665,251.08	--	--	665,251.08	
Amount receivables from current account	31,694,648.48	5.00	1,584,732.41	30,109,916.07	

Category	Book balance	12-month expected credit loss(%)	Provision for bad and doubtful debts	Carrying amount	Reasons
Amount receivables from related parties	--	--	--	--	
Total	33,277,583.49	4.76	1,584,732.41	31,692,851.08	

As at 31/12/2020, there is no interest receivable, dividends receivable and other receivables in the second stage.

As at 31/12/2020, there are the provisions for bad debts in the third stage :

Category	Book balance	To lifetime expected credit loss	Provision for bad and doubtful debts	Carrying amount	Reasons
Provision assessed for impairment individually					
Other receivables from revoked subsidiaries	3,275,882.44	100.00	3,275,882.44	--	Expected to be not recoverable
Other receivables from existed subsidiaries	190,376,301.42	100.00	190,376,301.42	--	Expected to be not recoverable
Including: Other receivables from related parties	161,948,487.76	100.00	161,948,487.76	--	Expected to be not recoverable
Total	193,652,183.86	100.00	193,652,183.86	--	

As at 31/12/2019, Provision for bad and doubtful debts:

There were bad debt provisions in the first stage:

Category	Book balance	12-month expected credit loss(%)	Provision for bad and doubtful debts	Carrying amount	Reasons
Collectively assessed for impairment based on credit risk characteristics					
Amount receivables from government	4,371,247.34	--	--	4,371,247.34	
Amount receivables from petty cash	716,684.01	--	--	716,684.01	
Amount receivables from the collecting and paying on another's behalf	594,012.08	--	--	594,012.08	
Amount receivables from current account	22,183,146.01	5.00	1,109,157.30	21,073,988.71	
Amount receivables from related parties	491,687.74	5.00	24,584.38	467,103.36	
Total	28,356,777.18	4.00	1,133,741.68	27,223,035.50	

As at 31 December 2019, there was no interest receivable, dividends receivable and other receivables in the second stage.

As of December 31, 2019, there were bad debt provisions in the third stage:

Category	Book balance	To lifetime expected credit loss	Provision for bad and doubtful debts	Carrying amount	Reasons
Provision assessed for impairment individually					

Category	Book balance	To lifetime expected credit loss	Provision for bad and doubtful debts	Carrying amount	Reasons
Other receivables from revoked subsidiaries	3,838,281.67	100.00	3,838,281.67	--	Expected to be not recoverable
Other receivables from existed subsidiaries	190,390,178.58	100.00	190,390,178.58	--	Expected to be not recoverable
Including: Other receivables from related parties	159,698,313.64	100.00	159,698,313.64	--	Expected to be not recoverable
Total	194,228,460.25	100.00	194,228,460.25	--	

④ Additions, recoveries or reversals of provision for bad and doubtful debts during the year

Provision for bad and doubtful	The first stage	The second stage	The third stage	Total
	To 12-month expected credit loss	To lifetime expected credit loss (no credit impairment)	To lifetime expected credit loss (has occurred credit impairment)	
Balance as at 31/12/2019	1,133,741.68	--	194,228,460.25	195,362,201.93
Balance as at 31 December 2019 in the current period	--	--	--	--
Move on to the second stage	--	--	--	--
Move on to the third stage	--	--	--	--
Turn back to the second stage	--	--	--	--
Turn back to the first stage	--	--	--	--
Provision	450,990.73	--	-576,276.39	-125,285.66
Recovery	--	--	--	--
Reversals	--	--	--	--
Other changes	--	--	--	--
Balance as at 31/12/2020	1,584,732.41	--	193,652,183.86	195,236,916.27

⑤ There were no other receivables written off in the current period.

⑥ Top 5 entities with the largest balances of other receivables

Name of Entity	Nature	Amount	Aging	Proportion of the amount to the total OR (%)	Bad debt provision
Canada Great Wall(Vancouver) Co.,Ltd	Related party transactions	89,035,748.07	More than 5 years	39.23	89,035,748.07
Paklid Limited	Related party transactions	18,870,785.54	More than 5 years	8.32	18,870,785.54
Bekaton property Limited	Related party transactions	12,559,290.58	More than 5 years	5.53	12,559,290.58
Guangdong province Huizhou Luofu Hill Mineral Water Co.,Ltd	Related party transactions	10,465,168.81	More than 5 years	4.61	10,465,168.81
Xi'an Fresh Peak Property Trading Co., Ltd	Related party transactions	8,419,205.19	More than 5 years	3.71	8,419,205.19
Total	--	139,350,198.19	--	61.40	139,350,198.19

6. Inventories

(1) Categories of inventory

Item	As at 31/12/2020			As at 31/12/2019		
	Book value	Provision for impairment of inventories	Carrying amount	Book value	Provision for impairment of inventories	Carrying amount
Real estate development projects						
Developing costs	556,589,091.25	--	556,589,091.25	400,425,673.85	--	400,425,673.85
Developed products	659,403,711.71	268,941.60	659,134,770.11	1,060,130,671.64	268,941.60	1,059,861,730.04
Subtotal	1,215,992,802.96	268,941.60	1,215,723,861.36	1,460,556,345.49	268,941.60	1,460,287,403.89
Non real estate development projects						
Raw material	873,107.59	240,000.00	633,107.59	882,857.81	240,000.00	642,857.81
Finished products	631,926.30	38,891.91	593,034.39	317,200.81	38,891.91	278,308.90
Construction in progress	3,514,109.22	-	3,514,109.22	1,020,477.58	--	1,020,477.58
Subtotal	5,019,143.11	278,891.91	4,740,251.20	2,220,536.20	278,891.91	1,941,644.29
Total	1,221,011,946.07	547,833.51	1,220,464,112.56	1,462,776,881.69	547,833.51	1,462,229,048.18

(2) Provision for impairment of inventories

Category	As at 1/1/2020	Additions during the year Provision others	Written back during the year Reversals or write-off	others	As at 31/12/2020
Real estate development projects					
Developed products	268,941.60	--	--	--	268,941.60
Non real estate development projects					
Raw material	240,000.00	--	--	--	240,000.00
Finished products	38,891.91	--	--	--	38,891.91
Total	547,833.51	--	--	--	547,833.51

Provision for impairment of inventories (continued)

Item	The basis for determining the net realizable value/residual consideration and the costs to be incurred	The cause of inventory depreciation provision for the current period
Developing costs	The estimated selling price of the inventory minus the estimated costs upon completion, the estimated selling expenses, and the related taxes	--
Developed products	The estimated selling price of the inventory less the estimated selling cost and related taxes	--
Raw materials	The estimated selling price of the inventory minus the estimated costs upon completion, the estimated selling expenses, and the related taxes	--

Item	The basis for determining the net realizable value/residual consideration and the costs to be incurred	The cause of inventory depreciation provision for the current period
Finished products	The estimated selling price of the inventory less the estimated selling cost and related taxes	--
Construction in progress	The estimated selling price of the inventory minus the estimated costs upon completion, the estimated selling expenses, and the related taxes	--

(3) Note of the capitalized amount of borrowing costs in the ending inventory balance:

As at 31/12/2020, the Group's inventory balance contains the amount capitalized on the borrowing costs with RMB 3,497,172.46 (As at 31/12/2019, RMB 4,910,251.90).

(4) Developing costs

Ttem	Starting time	Finished time	Estimated total investment	As at 31/12/2020	As at 31/12/2019	Provision for inventory devaluation
ShanTou Fresh Peak Building	--	--	--	25,291,908.11	25,291,908.11	--
TianYue Bay No.2	2015	2021	65,485.00	531,297,183.14	375,133,765.74	--
Total				556,589,091.25	400,425,673.85	--

(5) Developed products

Item	Finished time	As at 1/1/2020	Increase	Decrease	As at 31/12/2020	Provision for inventory devaluation
Jinye Island Multi-tier villa	1997	39,127,219.14	--	--	39,127,219.14	--
Jinye Island villa No.10	2010	3,527,928.93	1,923,416.41	63,968.63	5,387,376.71	--
Jinye Island villa No.11	2008	4,341,162.49	--	2,007,881.07	2,333,281.42	--
YueJing dongfang Project	2014	7,846,006.07	--	118,459.23	7,727,546.84	--
Wenjin Garden		92,212.77	--	69,014.40	23,198.37	--
HuaFeng Building		1,631,743.64	--	--	1,631,743.64	--
HuangPu XinCun		729,430.00	-	589,430.00	140,000.00	--
XingHu Garden		156,848.69	--	--	156,848.69	--
Shenfang Shanglin Garden	2014	10,206,656.46	--	--	10,206,656.46	268,941.60
Beijing Fresh Peak Building		304,557.05	--	--	304,557.05	--
TianYue Bay No.1	2017	475,748,123.14	-	140,727,414.13	335,020,709.01	--
Shengfang CuiLin Building	2018	99,946,066.54	-	44,162,300.76	55,783,765.78	--
Chuanqi Donghu	2019	416,472,716.72	-	213,123,315.79	203,349,400.93	--
Total		1,060,130,671.64	1,923,416.41	402,650,376.34	659,403,711.71	268,941.60

7、Other non-current assets

Item	As at 31/12/2020	As at 31/12/ 2019
Income tax prepaid or overpaid	68,880,760.27	84,000,516.75
VAT prepaid	25,577,294.63	10,211,601.86
Deductible input VAT	4,741,378.98	4,741,727.70
LAT prepaid	2,083,793.61	2,617,779.37
Business tax prepaid	312,287.17	353,427.19
Others	1,311,620.13	856,802.61
Total	102,907,134.79	102,781,855.48

8、 Long-term equity investments

Investee	Balance as at 31/12/2019	Additional investment	Reduce investment	Movements during the year						Balance as at 31/12/2020	Balance of provision for impairment as at 31/12/2020	
				Investment gains and losses confirmed by the equity method	Adjustment of other comprehensive income	Changes in other equity	The issuance of profit	Impairment	Other			
① Joint ventures												
Guangdong province Huizhou Luofu Hill Mineral Water Co.,Ltd	9,969,206.09	--	--	--	--	--	--	--	--	--	9,969,206.09	9,969,206.09
Fengkai Xinhua Hotel	9,455,465.38	--	--	--	--	--	--	--	--	--	9,455,465.38	9,455,465.38
Subtotal	19,424,671.47	--	--	--	--	--	--	--	--	--	19,424,671.47	19,424,671.47
② Associates												
Shenzhen Ronghua JiDian Co.,Ltd	1,546,793.29	--	--	-92,349.00	--	--	--	--	--	--	1,454,444.29	1,076,954.64
Shenzhen Runhua Automobile trading Co.,Ltd	1,445,425.56	--	--	--	--	--	--	--	--	--	1,445,425.56	1,445,425.56
Dongyi Real Estate Co., Ltd	30,376,084.89	--	--	--	--	--	--	--	--	--	30,376,084.89	30,376,084.89
Subtotal	33,368,303.74	--	--	-92,349.00	--	--	--	--	--	--	33,275,954.74	32,898,465.09
③ Other equity investments												
Paklid Limited	201,100.00	--	--	--	--	--	--	--	--	--	201,100.00	201,100.00
Bekaton Property Limited	906,630.00	--	--	--	--	--	--	--	--	--	906,630.00	906,630.00
Shenzhen Shenfeng Department Store Co. Ltd.	10,000,000.00	--	--	--	--	--	--	--	--	--	10,000,000.00	10,000,000.00
Shantou Fresh Peak Building	58,547,652.25	--	--	--	--	--	--	--	--	--	58,547,652.25	58,547,652.25

Investee	Balance as at 31/12/2019	Additional investment	Reduce investment	Movements during the year							Balance as at 31/12/2020	Balance of provision for impairment as at 31/12/2020
				Investment gains and losses confirmed by the equity method	Adjustment of other comprehensive income	Changes in other equity	The issuance of profit	Impairment	Other			
Guangdong Province Fengkai Lian Feng Cement Manufacturing Co., Ltd	56,228,381.64	--	--	--	--	--	--	--	--	--	56,228,381.64	56,228,381.64
Jiangmen Xinjiang Real Estate Co., Ltd	9,037,070.89	--	--	--	--	--	--	--	--	--	9,037,070.89	9,037,070.89
Xi'an Fresh Peak Property Trading Co., Ltd	32,840,729.61	--	--	--	--	--	--	--	--	--	32,840,729.61	32,840,729.61
Subtotal	167,761,564.39	--	--	--	--	--	--	--	--	--	167,761,564.39	167,761,564.39
Total	220,554,539.60	--	--	-92,349.00	--	--	--	--	--	--	220,462,190.60	220,084,700.95

Note:

Other equity investments are the equity of the company's subsidiaries not included in the scope of the consolidation. These subsidiaries may or have completed the cancellation procedures, but the company has not written off its long-term equity investment, or they ceased operations many years ago, and the company has no longer existed, the company has been unable to implement effective control over it. Refer to Note VII for details.

9. Other equity instrument investments

Item	As at 31/12/2020	As at 31/12/2019
Shantou Small &Medium Enterprises Financing Guarantee Co., Ltd	13,508,202.32	13,229,501.03
Yunnan KunPeng Flight service Co.,Ltd	24,002,658.19	19,897,229.01
Total	37,510,860.51	33,126,730.04

Note: Since the above equity instruments are investments that the Group plans to hold for a long time for strategic purposes, the group designates them as financial assets measured at fair value and their changes recorded in other comprehensive income.

Item	Dividend income recognized for the current period	The cumulative gains	The cumulative loss	The amount of other comprehensive reserve transferred into retained earnings	Tranfering reasons
Shantou Small &Medium Enterprises Financing Guarantee Co., Ltd	599,760.00	4,044,060.00	--	--	--
Yunnan KunPeng Flight service Co.,Ltd	--	1,653,305.67	--	--	--

10. Investment properties

(1) Investment properties measured using the cost model

Item	Buildings	Land use rights	Total
I .Cost			
1.Balance as at 31/12/2019	1,043,243,872.75	107,528,851.63	1,150,772,724.38
2.Additions during the year	11,488,020.87	-	11,488,020.87
(1) Transfers from inventory	11,488,020.87	--	11,488,020.87
(2) Others(exchange fluctuation)	--	--	--
3. Decrease during the year	--	6,956,189.72	6,956,189.72
(1) Others(exchange fluctuation)	--	6,956,189.72	6,956,189.72
4.Balance as at 31/12/2020	1,054,731,893.62	100,572,661.91	1,155,304,555.53
II .Accumulated depreciation or amortization			
1.Balance as at 31/12/2019	416,148,333.67	--	416,148,333.67
2.Charge for the year	26,117,379.30	--	26,117,379.30
(1) Depreciated or amortised	26,117,379.30	--	26,117,379.30
3. Reductions during the year	--	--	--
4.Balance as at 31/12/2020	442,265,712.97	--	442,265,712.97
III.Provision for impairment			
1.Balance as at 31/12/2019	14,128,544.62	88,253,945.89	102,382,490.51
2.Charge for the year	-	-	-
(1) Other additions(exchange fluctuation)	-	-	-
3. Reductions on disposals	-	5,709,269.48	5,709,269.48

Item	Buildings	Land use rights	Total
(1) Others(exchange fluctuation)		5,709,269.48	5,709,269.48
4.Balance as at 31/12/2020	14,128,544.62	82,544,676.41	96,673,221.03
IV.Carrying amounts			
1.As at 31/12/2020	598,337,636.03	18,027,985.50	616,365,621.53
2.As at 31/12/2019	612,966,994.46	19,274,905.74	632,241,900.20

Note: The original value of land use right and the amount of the increase of the impairment provision are caused by the exchange rate changes in the translation of foreign currency statements.

11. Fixed assets

Item	As at 31/12/2020	As at 31/12/2019
Fixed assets	28,039,978.43	30,522,035.11
Fixed assets to be disposed of	--	--
Total	28,039,978.43	30,522,035.11

(1) Fixed assets

① Fixed assets

Item	Plant & buildings	Motor vehicles	Electronic equipment & others	Total
I .Cost				
1.Balance as at 31/12/2018	107,110,751.42	10,441,067.49	13,926,522.79	131,478,341.70
2.Additions during the year	589,430.00	185,191.43	712,467.41	1,487,088.84
(1) Purchases		185,191.43	712,467.41	897,658.84
(2) Others	589,430.00	--	--	589,430.00
3. Decrease during the year	--	184,700.00	993,178.34	1,177,878.34
(1) Disposals or written-offs	--	184,700.00	993,178.34	1,177,878.34
4.Balance as at 31/12/2020	107,700,181.42	10,441,558.92	13,645,811.86	131,787,552.20
II.Accumulated depreciation:				
1.Balance as at 31/12/2019	80,644,047.51	8,945,201.13	11,367,057.95	100,956,306.59
2.Charge for the year	2,875,611.18	280,032.75	681,148.82	3,836,792.75
(1)Provision	2,875,611.18	280,032.75	681,148.82	3,836,792.75
3.Reductions for the year	--	166,230.00	879,295.57	1,045,525.57
(1)Disposal or written-offs	--	166,230.00	879,295.57	1,045,525.57
4.Balance as at 31/12/2020	83,519,658.69	9,059,003.88	11,168,911.20	103,747,573.77
III.Provision for impairment				
IV.Carrying amount				
1.As at 31/12/2020	24,180,522.73	1,382,555.04	2,476,900.66	28,039,978.43
2.As at 31/12/2019	26,466,703.91	1,495,866.36	2,559,464.84	30,522,035.11

12. Intangible assets

(1) Intangible assets

Item	Software	Total
I. Cost		
1. Balance as at 31/12/2019	2,241,800.00	2,241,800.00
2. Additions during the year	--	--
3. Decrease during the year	--	--
4. Balance as at 31/12/2020	2,241,800.00	2,241,800.00
II. Accumulative amortisation		
1. Balance as at 31/12/2019	2,241,800.00	2,241,800.00
2. Charge for the year	--	--
3. Reduction for the year	--	--
4. Balance as at 31/12/2020	2,241,800.00	2,241,800.00
III. Provision for impairment		
IV. Carrying amount		
1. As at 31/12/2020	--	--
2. As at 31/12/2019	--	--

13. Long-term deferred expenses

Item	As at 31/12/2019	Additions during the year	Decreases during the year		As at 31/12/2020
			Amortisation for the year	Others decreases	
Improvement	162,125.72	--	100,458.19	--	61,667.53
Others	--	--	-	--	--
Total	162,125.72	--	100,458.19	--	61,667.53

14. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities not offsetting

Item	As at 31/12/2020		As at 31/12/2019	
	(1) Deductible or taxable temporary differences	Deferred tax assets/ deferred tax liabilities	(2) Deductible or taxable temporary differences	Deferred tax assets/ deferred tax liabilities
Deferred tax assets:				
Provisions for impairment of assets	6,549,009.33	1,637,252.34	5,157,896.86	1,289,474.22
Deductible tax losses	48,676,321.03	12,169,080.25	46,877,417.46	11,719,354.37
Provision for land appreciation tax	334,846,723.41	83,711,680.85	83,816,495.81	20,954,123.95
Unrealized profits of intra-group transactions	40,305,039.22	10,076,259.81	29,309,607.92	7,327,401.98
Arrcual of contractual cost	20,603,882.91	5,150,970.73	20,603,882.91	5,150,970.73
Sub-total	450,980,975.90	112,745,243.98	185,765,300.96	46,441,325.25
Deferred tax liabilities:				

Item	As at 31/12/2020		As at 31/12/2019	
	(1) Deductible or taxable temporary differences	Deferred tax assets/ deferred tax liabilities	(2) Deductible or taxable temporary differences	Deferred tax assets/ deferred tax liabilities
Interest on unexpired	18,361,143.19	4,590,285.80	3,950,685.00	987,671.25
Changes in fair value of other equity instruments	20,046,619.77	5,011,654.94	15,662,489.30	3,915,622.33
Sub-total	38,407,762.96	9,601,940.74	19,613,174.30	4,903,293.58

(2) Details of unrecognized deferred tax assets

Item	As at 31/12/20	As at 31/12/19
Deductible tax losses	21,878,078.42	31,568,944.69
Bad debt provision	217,879,386.20	218,911,499.52
Provision for impairment of long-term equity investments	220,084,700.95	220,084,700.95
Provision for impairment of investment properties	96,673,221.03	102,382,490.51
Total	556,515,386.60	572,947,635.67

Note: Due to the uncertainty of whether sufficient taxable income can be obtained in the future, there is no confirmation of deductible temporary differences and deductible losses on deferred tax assets.

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

Year	As at 31/12/2020	As at 31/12/2019	Note
2020	—	9,692,495.52	
2021	11,349,323.06	11,349,323.06	
2022	5,753,184.38	5,753,184.38	
2023	4,085,485.24	4,085,485.24	
2024	688,456.49	688,456.49	
2025	1,629.25	—	
Total	21,878,078.42	31,568,944.69	

15. Short-term loans

(1) Short-term loans by category

Category	As at 31/12/2020	As at 31/12/2019
Pledged loans	76,893,995.94	51,647,260.17
Total	76,893,995.94	51,647,260.17

Note: The loan at the end of the period is the result of the Group's application for factoring borrowings with accounts receivable and the non-termination confirmation of the discount of commercial acceptance bills receivable.

16. Accounts payable

Item	As at 31/12/2020	As at 31/12/2019
Payable for construction	174,552,420.54	241,850,173.72
Others	2,374,193.74	2,374,304.74
Total	176,926,614.28	244,224,478.46

17. Advances from customers

Item	As at 31/12/2019	As at 31/12/2018
Advances for properties	—	151,031,759.13
Advances for construction	—	1,805,298.78
Advances for Import and export agent payment	4,218,370.69	4,218,370.69
Others	1,721,721.46	2,427,081.83
Total	5,940,092.15	159,482,510.43

18. Contractual liabilities

Item	2020.12.31	2020.01.01	2019.12.31
Advances from properties sales	196,619,100.77	145,206,409.25	—
Advances from room fees	167,876.42	199,135.90	—
Advances from property management fees	--	268,374.46	—
Advances from construction	--	1,805,298.78	—
Other	--	--	—
Less: Contractual liabilities that are included in other non-current liabilities	--	--	—
Total	196,786,977.19	147,479,218.39	—

19. Employee benefits payable

Item	As at 31/12/2019	Accrued during the year	Decreased during the year	As at 31/12/2020
Short-term employee benefits	53,817,671.14	166,271,915.30	159,713,901.52	60,375,684.92
Post-employment benefits - defined contribution plans	91,905.35	5,226,611.98	5,226,368.16	92,149.17
Total	53,909,576.49	171,498,527.28	164,940,269.68	60,467,834.09

(1) Short-term employee benefits

Item	As at 31/12/2019	Accrued during the year	Decreased during the year	As at 31/12/2020
Salaries, bonus, allowances	52,543,725.42	150,532,574.50	143,894,320.04	59,181,979.88
Staff welfare	37,800.00	2,643,024.26	2,643,024.26	37,800.00
Social insurances	1,578.57	4,058,527.39	4,058,255.52	1,850.44
Including: 1、 Medical insurance	1,503.22	3,700,092.71	3,700,336.53	1,259.40
2、 Work-related injury insurance	591.04	5,477.87	5,477.87	591.04
3、 Maternity insurance	-515.69	352,956.81	352,441.12	0.00
Housing Fund	583,666.83	6,050,015.37	6,050,015.37	583,666.83
Labor union fees, staff and workers'	650,900.32	2,987,773.78	3,068,286.33	570,387.77

Item	As at 31/12/2019	Accrued during the year	Decreased during the year	As at 31/12/2020
education fee				
Total	53,817,671.14	166,271,915.30	159,713,901.52	60,375,684.92

(2) Defined contribution plans

Item	As at 31/12/2019	Accrued during the year	Decreased during the year	As at 31/12/2020
Post-employment benefits	91,905.35	5,226,611.98	5,226,368.16	92,149.17
Including: 1. Basic pension insurance	75,075.11	807,634.67	807,390.85	75,318.93
2. Unemployment insurance	914.12	48,192.64	48,192.64	914.12
3. Annuity	15,916.12	4,370,784.67	4,370,784.67	15,916.12
Total	91,905.35	5,226,611.98	5,226,368.16	92,149.17

20. Taxes payable

Item	As at 31/12/2020	As at 31/12/2019
Corporate income tax	116,073,629.88	51,397,791.31
Land appreciation tax	339,492,860.89	521,540,610.07
Value-added tax	2,225,243.79	10,221,416.88
Individual Income Tax	1,067,279.80	1,049,224.90
City maintenance and construction tax	240,165.30	632,944.99
Property tax	272,984.08	262,015.56
Education surcharge	180,666.76	335,721.66
Local education surcharge	11,963.23	119,929.86
Others	144,853.22	141,160.13
Total	459,709,646.95	585,700,815.36

21. Other payables

Item	As at 31/12/2020	As at 31/12/2019
Interest payables	16,535,277.94	16,535,277.94
Dividend payables	--	--
Other payables	260,569,851.80	260,783,896.59
Total	277,105,129.74	277,319,174.53

(1) Interest payables

Item	As at 31/12/2020	As at 31/12/2019
Non-financial institution borrowing interest (interest payable to parent company)	16,535,277.94	16,535,277.94

Significant overdue interest as follows:

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

Note: The principal of the loan was fully repaid on 22 December 2016.

(2) Other payables

Item	As at 31/12/2020	As at 31/12/2019
Provision for land appreciation tax	59,789,921.48	59,710,423.57
Current account of related parties	18,119,380.19	12,549,466.41
Deposits	100,280,051.56	105,828,118.27
Others	82,380,498.57	82,695,888.34
Total	260,569,851.80	260,783,896.59

Including significant other payables aging over 1 year

Item	Amount	Reason for no repayment
Provision for land appreciation tax	59,789,921.48	Payment has not been settled

22. Other current liabilities

Item	2020.12.31	2020.1.1	Adjustments at the beginning	2019.12.31
Other	8,917,027.07	5,884,608.14	5,884,608.14	—
Total	8,917,027.07	5,884,608.14	5,884,608.14	—

Note: According to the new revenue accounting policy, the VAT in the "Advances from customers" account is recorded in the "other current liabilities" in the current period.

23. Long-term payables

Item	As at 31/12/2020	As at 31/12/2019
Long-term payables	7,480,233.43	7,499,192.92
Total	7,480,233.43	7,499,192.92

(1) Long-term payables

Item	As at 31/12/2020	As at 31/12/2019
Maintenance fund	7,480,233.43	7,499,192.92

24. Share capital (Unit: ten thousand shares)

Investor	As at 31/12/2019	Issued shares	Bonus shares	Provident fund increase shares	Others	Subtotal	As at 31/12/2020
Total number of shares	101,166.00	--	--	--	--	--	101,166.00

25. Capital reserve

Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020
Share premium	557,433,036.93	--	--	557,433,036.93
Other capital reserves	420,811,873.18	--	--	420,811,873.18
Total	978,244,910.11	--	--	978,244,910.11

26. Other comprehensive income

Item	As at 2019.12.31 (1)	Before-tax amount	Less: The current transfer of other comprehensive income into profit and loss is included in the prior period	Movements during the year			As at 2019.12.31 (3) = (1) + (2)
				Less: income tax expense	Net-of-tax amount attributable to shareholders of the Company (2)	Net-of-tax amount attributable to non-controlling interests	
I. Items that will not be reclassified to profit or loss	11,746,866.97	4,384,130.47		1,096,032.62	3,288,097.86		15,034,964.83
1. Changes in fair value of other equity instruments	11,746,866.97	4,384,130.47		1,096,032.62	3,288,097.86		15,034,964.83
II. Items that may be reclassified to profit or loss	9,084,137.16	4,043,948.14	-	-	4,043,948.14	1,733,120.63	13,128,085.30
1. Translation differences arising from translation of foreign currency financial statements	9,084,137.16	4,043,948.14			4,043,948.14	1,733,120.63	13,128,085.30
Total	20,831,004.13	8,428,078.61	-	1,096,032.62	7,332,046.00	1,733,120.63	28,163,050.13

27. Surplus reserve

Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020
Statutory surplus reserve	191,222,838.94	27,501,434.73	--	218,724,273.67
Discretionary surplus reserve	--	--	--	--
Total	191,222,838.94	27,501,434.73	--	218,724,273.67

28. Retained earnings

Item	Year ended 31/12/2020	Year ended 31/12/2019	Appropriation or distribution percentage
Retained earnings as at the beginning of the year (before adjustment)	1,464,915,816.81	1,235,884,122.72	--
Total adjustments for opening retained earnings ("+" for increase; "-" for decrease)		-25,355,845.72	--
Retained earnings as at the beginning of the year (after adjustment)	1,464,915,816.81	1,210,528,277.00	--
Add: Net profits for the year attributable to shareholders of the Company	290,229,772.23	552,452,307.59	--
Less: Appropriation for statutory surplus reserve	27,501,434.73	95,732,767.78	10.00
Dividends payable to ordinary shares	166,923,900.00	202,332,000.00	--
Retained earnings as at the year ended	1,560,720,254.31	1,464,915,816.81	--

29. Operating income and operating cost

(1) Operating income and operating cost

Item	2020		2019	
	Revenue	Cost	Revenue	Cost
Principal activities	1,602,794,163.58	793,896,680.56	2,533,402,850.39	944,347,757.51
Other operating activities	12,215,550.30	11,611,768.12	15,337,469.10	13,404,895.03
Total	1,615,009,713.88	805,508,448.68	2,548,740,319.49	957,752,652.54

(2) Operating activities (classified by industries)

Industry	2020		2019	
	Operating income	Operating cost	Operating income	Operating cost
Real estate	1,158,411,393.81	387,659,747.71	2,017,872,864.14	497,310,023.38
Construction	251,454,463.43	244,511,214.58	304,837,313.46	298,315,846.77
Property management	151,968,675.51	139,937,487.12	157,665,638.01	142,261,602.88
Lease	63,254,584.48	35,984,852.34	86,484,133.79	45,173,891.05
Sub-total	1,625,089,117.23	808,093,301.75	2,566,859,949.40	983,061,364.08
Less: internal offset	22,294,953.65	14,196,621.19	33,457,099.01	38,713,606.57
Total	1,602,794,163.58	793,896,680.56	2,533,402,850.39	944,347,757.51

(3) Operating activities(classified by geographical areas)

Region	2020		2019	
	Operating income	Operating cost	Operating income	Operating cost
Domestic:	1,624,250,104.98	807,403,891.75	2,566,271,187.43	983,061,364.08
Guangdong:	1,613,933,749.67	799,028,972.30	2,491,373,238.76	909,413,682.44
Others:	10,316,355.31	8,374,919.45	74,897,948.67	73,647,681.64
Overseas:	839,012.25	689,410.00	588,761.97	
USA	839,012.25	689,410.00	588,761.97	
Sub-total	1,625,089,117.23	808,093,301.75	2,566,859,949.40	984,319,212.90
Less: internal offset	22,294,953.65	14,196,621.19	33,457,099.01	38,713,606.57
Total	1,602,794,163.58	793,896,680.56	2,533,402,850.39	944,347,757.51

(4) the breakdown of operating income breakdown

Item	2020					total
	Real estate	Construction	Management	lease	other	
Principal operating income	1,158,411,393.81	245,494,191.09	140,961,331.35	57,927,247.33		1,602,794,163.58
among: confirm at a certain point in time	1,158,411,393.81					1,158,411,393.81
Confirm at a certain time		245,494,191.09	140,961,331.35	57,927,247.33		444,382,769.77
Other operating income					12,215,550.30	12,215,550.30
Total	1,158,411,393.81	245,494,191.09	140,961,331.35	57,927,247.33	12,215,550.30	1,615,009,713.89

30. Taxes and surcharges

Item	2020	2019
Land appreciation tax	311,880,157.14	725,378,098.62
Property tax	7,554,272.86	9,522,347.24
Urban maintenance and construction tax	5,098,758.97	8,326,655.33
Education surcharge	2,261,494.65	3,646,297.05
Local education surcharge	1,372,146.74	2,266,337.54
Embankment protection fees	1,795,236.14	1,874,192.43
Total	329,962,066.50	751,013,928.21

Note: The criteria of taxes and surcharges accrued and paid refer to Note IV. Taxation.

31. Selling and distribution expenses

Item	2020	2019
Sales agency fees and commissions	44,260,043.83	64,830,444.01
Advertising expenses	2,646,392.11	5,292,324.97
Employee benefits	6,493,766.61	4,002,688.15
Business expenses	2,131,882.24	935,889.90
Others	457,312.43	4,418,906.99
Total	55,989,397.22	79,480,254.02

32. General and administrative expenses

Item	2020	2019
Employee benefits	64,704,357.03	49,342,369.86
Depreciation	3,850,384.39	2,901,508.29
Business Hospitality	2,167,046.29	2,601,004.99
Intermediary fee	12,450,245.35	2,862,135.59
Administrative expenses	1,831,836.07	1,949,136.92
Water and electricity charges	431,830.71	412,641.47
Repair charge	717,959.58	660,950.10
Other amortization	436,258.47	486,466.27
Travel expense	297,270.72	329,477.95
Others	6,729,038.14	7,308,927.26
Total	93,616,226.75	68,854,618.70

33. Financial expenses

Item	2020	2019
Interest expenses	--	38,642.51
Less: Interest capitalized	--	--
Interest income	30,130,066.10	19,686,882.13
Exchange losses/(gains)	7,808,608.84	-1,744,304.53
Less: Exchange losses and gains capitalized	--	--
Bank charges and others	815,772.21	486,394.95
Total	-21,505,685.05	-20,906,149.20

34. Other income

Item (Source of other income)	2020	2019	Related to assets/ income
Input VAT deduction	174,534.77	1,163,713.00	Income
Subsidies of steable post	125,750.12	4,414.90	Income
Epidemic prevention subsidies	3,245,019.09	--	Income
VAT relief	1,062,301.22	--	Income
Relief of VAT from simple method	166.87	--	Income
Total	4,607,772.07	1,168,127.90	

Note:

(1) For details of government grants, please refer to Note XIII.1.

35. Investment income

Item	2020	2019
Income from long-term equity investments accounted for using the equity method	-92,348.97	75,629.25

Item	2020	2019
Dividend from investments in other equity instruments	599,760.00	928,200.00
Income from structured deposit	15,217,058.60	31,425,651.98
Total	15,724,469.63	32,429,481.23

36. Credit impairment losses ("-" for losses)

Item	2020	2019
Provision for impairment of bill receivables	-1,865,160.28	--
Provision for impairment of account receivables	1,380,875.47	-2,184,042.21
Provision for impairment of financial receivables	--	--
Provision for impairment of other receivables	125,285.66	-927,215.23
Total	-358,999.15	-3,111,257.44

37. Impairment losses ("-" for losses)

Item	2020	2019
Provision for impairment of receivables	--	--
Provision for impairment of long-term equity investments	--	-12,166,897.84
Total	--	-12,166,897.84

38. Gains from assets disposal ("-" for losses)

Item	2020	2019
Gains from disposals of fixed assets ("-" for losses)	11,429.23	--
Total	11,429.23	--

39. Non-operating income

Item	2020	2019	Amount included in non-recurring gains or losses for the year ended 31/12/2020
Gains on Compensation	30,000,000.00		30,000,000.00
Gains on penalty	670,000.10	1,152,266.31	670,000.10
Other	2,600.16	193,162.18	2,600.16
Gains on waste	21,161.31		21,161.31
Total	30,693,761.57	1,345,428.49	30,693,761.57

Note: The compensation of 30 million RMB received in the current period is for the Company to terminate the planning of major asset restructuring, in accordance with the agreement to receive compensation from the restructuring parties.

40. Non-operating expenses

Item	2020	2019	Amount included in non-recurring gains or losses for the year ended 31/12/2020
Donations	89,121.31	30,000.00	89,121.31
Loss in damage and scrap of non-current assets	69,581.08	169,935.95	69,581.08

Item	2020	2019	Amount included in non-recurring gains or losses for the year ended 31/12/2020
Fines	--	1,445.39	--
Others	1,525,401.58	25,185.46	1,525,401.58
Total	1,684,103.97	226,566.80	1,684,103.97

41. Income tax expenses

(1) Details of income tax expenses

Item	2020	2019
Current tax expense for the year based on tax law and regulations	173,172,138.96	81,384,471.24
Changes in deferred tax assets/liabilities	-62,701,304.18	109,401,829.46
Total	110,470,834.78	190,786,300.70

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

Item	2020	2019
Profits before tax	400,433,589.16	731,983,330.76
Expected income tax expenses at applicable tax rate (profits before tax 25 %)	100,108,397.29	182,995,832.69
Effect of different tax rates applied by subsidiaries	-523,491.63	5,114,261.95
Effect on income tax for previous periods	--	--
Effect of gains or losses from joint ventures and associates accounted for using the equity method	-126,852.76	-30,453,128.98
Effect of non-deductible costs, expenses and losses	15,046,324.88	21,337,044.56
Effect of using the deductible temporary differences or deductible losses for which no deferred tax asset was recognized in previous (expressed in "-")	-4,257,625.20	-661,881.43
Effect of deductible temporary differences or deductible losses for which no deferred tax asset	692,907.43	12,454,171.91
Relief on business income tax	-468,825.23	--
Income tax expenses	110,470,834.78	190,786,300.70

42. Notes to the cash flow statements

(1) Proceeds from other operating activities

Item	2020	2019
Interest income	11,768,922.91	15,906,764.91
The collecting and paying on another's behalf	--	8,051,762.09
Current account and Others	42,259,017.80	55,720,858.47
Total	54,027,940.71	79,679,385.47

(2) Payment for other operating activities

Item	2020	2019
Charges	815,772.21	682,722.12

Item	2020	2019
Cash paid expenses	72,468,127.90	97,554,049.46
Current account and Others	1,291,173.09	8,702,866.87
Total	74,575,073.20	106,939,638.45

(3) Proceeds from other investing activities

Item	2020	2019
Restricted cash recoverd in the current period – structured deposit	1,000,000,000.00	2,200,000,000.00

(4) Payment for other investing activities

Item	2020	2019
Restricted cash paid in the current period –structured deposit	--	2,300,000,000.00

43. Supplementary information on cash flow statement

(1) Supplement to cash flow statement:

Supplement information	2020	2019
1、Reconciliation of net profit/loss to cash flows from operating activities:		
Net profit	289,962,754.38	541,197,030.06
Add: Provisions for impairment of assets	--	12,166,897.84
Provisions for impairment of credit	358,999.15	3,111,257.44
Depreciation of fixed assets, depreciation of investment properties	29,954,172.05	28,907,809.32
Amortization of intangible assets	--	--
Amortization of long-term deferred expenses	100,458.19	224,941.19
Losses from disposal of fixed assets, intangible assets, and other long-term assets ("-" for gains)	-11,429.23	--
Loss from scrapping of fixed assets ("-" for gains)	69,581.08	169,935.95
Losses from changes in fair value ("-" for gains)	--	--
Financial expenses ("-" for income)	647,689.01	38,642.51
Losses arising from investment ("-" for gains)	-15,724,469.63	-32,429,481.23
Decrease in deferred tax assets ("-" for increase)	-66,303,918.73	108,102,463.55
Increase in deferred tax liabilities ("-" for decrease)	3,602,614.55	987,671.25
Decrease in inventories ("-" for increase)	231,291,659.65	190,315,523.14
Decrease in operating receivables ("-" for increase)	-54,000,863.50	-136,075,098.50
Increase in operating payables ("-" for decrease)	-134,783,233.80	-113,109,867.77
Others	--	--
Net cash flows from operating activities	285,164,013.17	603,607,724.75
2、Investing and financing activities not requiring the use of cash:		
Conversion of debt into capital	--	--
Convertible bonds due within one year	--	--

Supplement information	2020	2019
Acquisition of fixed assets under finance leases	--	--
3. Change in cash and cash equivalents:	--	--
Cash as at the year ended	2,669,103,926.82	1,507,189,760.35
Less: cash as at the beginning of the year	1,507,189,760.35	1,148,522,435.93
Add: cash equivalents as at the year ended	--	--
Less: cash equivalents as at the beginning of the year	--	--
Net increase in cash and cash equivalents	1,161,914,166.47	358,667,324.42

(2) Details of cash and cash equivalents

Item	2020	2019
1. Cash	2,669,103,926.82	1,507,189,760.35
Including: Cash on hand	61,121.83	66,252.42
Bank deposits available on demand	1,026,042,804.99	1,493,123,507.93
Other monetary funds available on demand	1,643,000,000.00	14,000,000.00
Deposits made to the central bank for payment	--	--
Deposit of funds from the same industry	--	--
Dismantling interbank payments	--	--
2. Cash equivalents	--	--
Including: bond investments due within three months	--	--
3. Cash and cash equivalents as at 31/12/2019	2,669,103,926.82	1,507,189,760.35
Including: The parent company or in-group subsidiary uses restricted cash and cash equivalents		

45. Assets with restrictive ownership title or right of use

Item	As at 31/12/2020	Reason for restriction
Accounts receivable	49,686,095.76	Short-term loan pledge
Bills receivable	30,068,561.31	Endorsement or discount of an unexposed commercial acceptance bill of exchange
Total	79,754,657.07	

46. Foreign currency translation

(1) Items in Foreign currency

Item	Original	Exchange rate	Amount (RMB)
Cash at bank and on hand			
Including: USD	20,831.05	6.5249	135,920.52
HKD	7,798,819.95	0.84164	6,563,798.82
Accounts receivable			
Including: HKD	4,905,150.10	0.84164	4,128,370.53
Other receivables			
Including: HKD	20,165,086.70	0.84164	16,971,743.57

Item	Original	Exchange rate	Amount (RMB)
Other payables			
Including: USD	722,044.70	6.5249	4,711,269.46
HKD	15,918,034.59	0.84164	13,397,254.63

47、Government subsidies

(1) The use of the total amount method to include the current period profit and loss of government subsidies

Subsidy programs	Type	Amount of profit and loss included in the last period	Amount of profit and loss included in the current period	Items reported for profit and loss	Relate to assets/ relate to income
Steady-duty subsidies	Government funding	4,414.90	125,750.12	Other income	Income
Epidemic prevention subsidies	Government funding	--	3,245,019.09	Other income	income

VI. Change of consolidation scope

There is no change in consolidation scope during the current period.

VII. Interest in other entities

1. Interests in subsidiaries

(1) Composition of the Group

Name	Principal place of business	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Shenzhen City SPG Long Gang Development Ltd.	Shenzhen	Shenzhen	Real estate development	95.00	5.00	Acquiring through establishment or investment
American Great Wall Co., Ltd	U.S.	U.S.	Real estate development	70.00	--	Acquiring through establishment or investment
Shenzhen City Property Management Ltd.	Shenzhen	Shenzhen	Property management	95.00	5.00	Acquiring through establishment or investment
Shenzhen Petrel Hotel Co. Ltd.	Shenzhen	Shenzhen	Hotel Services	68.10	31.90	Acquiring through establishment or investment
Shenzhen Zhen Tung Engineering Ltd.	Shenzhen	Shenzhen	Installation and maintenance	73.00	27.00	Acquiring through establishment or investment
Shenzhen City We Gen Construction Management Ltd.	Shenzhen	Shenzhen	Supervision	75.00	25.00	Acquiring through establishment or investment
Shenzhen Lain Hua Industry and Trading Co., Ltd.	Shenzhen	Shenzhen	Mechanical & Electrical device installation	95.00	5.00	Acquiring through establishment or investment
Fresh Peak Zhiye Co., Ltd.	Hong Kong	Hong Kong	Investment and management	100.00	--	Acquiring through establishment or investment
Xin Feng Enterprise Co., Ltd.	Hong Kong	Hong Kong	Investment and management	100.00	--	Acquiring through establishment or investment

Name	Principal place of business	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Shenzhen City Shenfang Free Trade Trading Ltd.	Shenzhen	Shenzhen	Commercial trade	95.00	5.00	investment Acquiring through establishment or investment
Shenzhen City Shenfang Investment Ltd.	Shenzhen	Shenzhen	Investment	90.00	10.00	Acquiring through establishment or investment
Shenzhen Special Economic Zone Real Estate (Group) Guangzhou Property and Estate Co., Ltd.	Shenzhen	Shenzhen	Real estate	95.00	5.00	Acquiring through establishment or investment
Beijing fresh peak property development management limited company	Beijing	Beijing	Real estate	75.00	25.00	Acquiring through establishment or investment

Note:

① In consolidation scope, there are five subsidiaries in “revoked but not cancelled” condition: Beijing SPG Property Management Limited, Guangzhou Huangpu Xizun real estate limited company, Shenzhen Special Economic Zone Real Estate (Group) Guangzhou Property and Estate Co., Ltd., Fresh Peak Real Estate Dev. Construction (Wuhan) Co. Ltd. and Beijing Shenfang Property Management Co., Ltd. They are presented on the basis of discontinued operations, these five subsidiaries have made full provision for impairment of debt for the companies outside the consolidation scope.

② The cancelled, revoked and closed subsidiaries of the Company that are not included in the scope of consolidation are as follows:

Name	Principal place of business	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Shenzhen Shenfang Department Store Co. Ltd	Shenzhen	Shenzhen	Commercial trade	95.00	5.00	Acquiring through establishment or investment
Paklid Limited	Hong Kong	Hong Kong	Commercial trade	60.00	40.00	Acquiring through establishment or investment
Bekaton Property Limited	Australia	Australia	Real estate	60.00	--	Acquiring through establishment or investment
Canada Great Wall (Vancouver)	Canada	Canada	Real estate	--	60.00	Acquiring through establishment or investment
Guangdong Fengkai County Lianfeng Cement Manufacturing Co.,Ltd.	Fengkai Guangdong	Fengkai Guangdong	Manufacturing	--	90.00	Acquiring through establishment or investment
Jiangmen Xinjiang Real Estate Co., Ltd	Jiangmen Guangdong	Jiangmen Guangdong	Real estate	--	90.91	Acquiring through establishment or investment
Xi'an Fresh Peak Property Trading Co., Ltd	Xi'an Shanxi	Xi'an Shanxi	Real estate	--	67.00	Acquiring through establishment or investment

Name	Principal place of business	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Shenxi Limited	Shenzhen	Shenzhen	Building Decoration	70.00	--	Acquiring through establishment or investment
Shenzhen Zhentong New Electromechanical Industry Development Co., Ltd.	Shenzhen	Shenzhen	Mechanical and electrical engineering	95.00	5.00	Acquiring through establishment or investment
Shenzhen Real Estate Electromechanical Management Company	Shenzhen	Shenzhen	Electromechanical Management	100.00	--	Acquiring through establishment or investment
Shenzhen Nanyang Hotel Co., Ltd.	Shenzhen	Shenzhen	Hotel Management	95.00	5.00	Acquiring through establishment or investment
Shenzhen Kangtailong Industrial Electric Cooker Co., Ltd.	Shenzhen	Shenzhen	Industrial manufacturing	--	100.00	Acquiring through establishment or investment
Shenzhen Longgang Henggang Huagang Industrial Co., Ltd.	Shenzhen	Shenzhen	Industrial Investment	--	79.92	Acquiring through establishment or investment

Note: 1. Shenzhen Shenfang Department Store Co. Ltd held a shareholders meeting on 29 October 2007, decided to terminate the business, and formed a group for liquidation. The liquidation group issued a liquidation report on 7 December, 2007.

2. Paklid Limited, Bekaton Property Limited and Canada Great Wall (Vancouver), they were companies established by the group overseas in the early years. On 13 December 2000, the group held a board of directors and decided to liquidate these three companies. Bekaton Property Limited and Canada Great Wall (Vancouver) , the cancellation procedures were completed.

3. All assets from Guangdong Fengkai County Lianfeng Cement Manufacturing Co., Ltd. (including tangible and intangible asset) was auctioned by the court on 22 January 2006, and it became a shell company.

4. Shenxi Limited was the Group's cancelled subsidiary Shenzhen Tefa Real Estate Consolidated Services Co., Ltd's subsidiary, By the Group "The notice on the merger of Shenzhen Zhen Tung Engineering Ltd and Shenxi Limited" (Shenfang [1997] No.19) announcement, all businesses form Shenxi Limited were undertaken by Shenzhen Zhen Tung Engineering Ltd and Shenxi Limited was revoked on 8 February 2002.

These invested companies that have not been included in the consolidation scope were either been cancelled or ceased operation many years ago, and the company entities were no longer exist, the Group could no longer effectively control them. According to "Accounting Standard for Business Enterprises No. 33-Consolidated Financial Statements", the above companies are not included in the consolidated scope of the group consolidated financial statement, the group already fully provision for impairment the investment or the book value of the net investment in these companies.

(2) Material non-wholly owned subsidiaries

Name	Proportion of ownership interest held by non-controlling interests %	Profit or loss allocated to non-controlling interests during the year	Dividend declared to non-controlling shareholders during the year	Balance of non-controlling interests as at 31/12/2020
Great Wall Estate Co., Inc	30.00	-232,222.50	--	-20,359,204.37
Fresh Peak Investment Ltd	45.00	-24,142.54	--	-116,179,012.28
Barenie Co. Ltd.	20.00	-10,652.81	--	-3,887,016.41

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

Name	As at 31/12/2020					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Great Wall Estate Co., Inc	135,920.52	18,027,985.50	18,163,906.02	101,822,102.87	--	101,822,102.87
Fresh Peak Investment Ltd	4,769.05	36,016.90	40,785.95	258,216,451.81	--	258,216,451.81
Barenie Co. Ltd.	985.56	--	985.56	32,895,438.31	--	32,895,438.31

Continued (1) :

Name	As at 31/12/2019					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Great Wall Estate Co., Inc	38,598.97	19,274,905.74	19,313,504.71	107,974,695.34	--	107,974,695.34
Fresh Peak Investment Ltd	4,817.49	36,016.90	40,834.39	256,573,564.93	--	256,573,564.93
Barenie Co. Ltd.	1,045.70	--	1,045.70	32,842,234.42	--	32,842,234.42

Continued (2) :

Name	2020				2019			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Great Wall Estate Co., Inc	839,012.25	-774,074.99	-774,074.99	-774,075.02	588,761.97	-273,403.83	--	-273,403.83
Fresh Peak Investment Ltd	--	-53,650.12	-53,650.12	--	--	-24,533.43	--	--
Barenie Co. Ltd.	--	-53,264.03	-53,264.03	--	--	-26,367.40	--	--

2. Interests in joint ventures or associates

(1) Summarised financial information of immaterial joint ventures and associates:

Item	As at 31/12/2020 / Year ended 31/12/2020	As at 31/12/2019 / Year ended 31/12/2019
Joint ventures:		
Aggregate carrying amount of investments	--	--
Aggregate amount of share of	--	--
Net profit	--	--
Other comprehensive income	--	--
Total comprehensive income	--	--
Associates:		
Aggregate carrying amount of investments	377,489.68	469,838.65
Aggregate amount of share of	--	--
Net profit	-92,348.97	75,629.25
Other comprehensive income	--	--
Total comprehensive income	--	--

(2) Excess loss from joint ventures or associates

Investee	Accumulated unrecognized loss in prior periods	Unrecognized loss (or share of net profit)for the year	Accumulated unrecognized loss as at 31/12/2020
Shenzhen Fresh Peak property consultant Co., Ltd	1,095,961.55	1,121,994.34	2,217,955.89

Note: Shenzhen Fresh Peak property consultant Co., Ltd was established on 15 March 1993, Registered capital of 3,000,000, the group subscribed RMB 600,000 (20% in total capital). As at 31 December 2020, the group actually contributed RMB 600,000 and already confirmed long-term equity invest lose RMB 600,000.

VIII. Financial instruments and risk management

The major financial instruments of the Group include cash at bank and on hand, bill receivable, accounts receivable, other receivable, other current assets, other equity instrument, account payables, other payables, short-term loans, and long-term payables. The details of these financial instruments are disclosed in the respective notes. The financial risk of these financial instruments and financial management policies used by the Group to minimize the risk are disclosed as below. The management manages and monitors the exposure of these risks to ensure the above risks are controlled in the limited range.

1. Objectives and policies of financial risk management

The Group's objective in risk management is to obtain an appropriate equilibrium between risk and return. It also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Based on the objectives of financial risk management, certain policies are made to recognize and analyze risk and internal control is designed according to proper acceptable in order to monitor the risk position of the Group. Both the policies and

internal control will be reviewed and revised regularly to adapt the changes of the market and business activities of the Group. The performance of internal control will be reviewed regularly or randomly in accordance with the financial management policies.

The Group's financial instrument risks mainly include credit risk, liquidity risk and market risk. (Including currency risk, interest rate risk and commodity price risk)

The board of directors is responsible for planning and establishing the risk management structure of the Group, formulating the Group's risk management policies and related guidelines, supervising the implementation of risk management measures. The Group has established risk management policies to identify and analyze the risks faced by the Group. These risk management policies clearly define specific risks, covering market risk, credit risk and liquidity risk. The Group regularly assesses changes in the market environment and the Group's operating activities to determine whether update risk management policies and systems.

The Group diversifies the risk of financial instruments through appropriate diversified investments and business combinations, and reduces the risk of concentration in a single industry, a specific region or a specific counterparty by developing appropriate risk management policies.

(1) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

Credit is managed on the grouping basis. Credit risk is mainly arising from cash at bank, accounts receivable, and other receivables.

The Group expects that there is no significant credit risk associated with cash at bank since it is deposited or will be accepted by the state-owned banks and other medium or large size listed banks.

The Group has policies to limit the credit risk exposure on bills receivables, accounts receivables and other receivables. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

The Group's debtors of account receivables are in different industries and regions, the Group continues on the evaluation of the debtor's financial status, and purchase credit guarantee insurance when appropriate.

The highest credit risk exposed to the Group is limited to the carrying amount of each financial instrument illustrated in the balance sheet. The Group would not provide any guarantee that might cause credit risk to the Group.

Among the accounts receivable of the Group, the bills receivable and accounts receivable of the top five customers accounted for 53.79% (2019:53.79%); among the other receivables of the Group, the other receivable of the top five customers accounted for 61.40% (2019:62.80%)

(2) Liquidity risk

Liquidity risk refers to the risks that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

Cash flow forecasting is performed by Group's finance department. The Group's finance management monitors cash and cash equivalents to meet operational needs and reduce the effect of floating cash flow. The department monitors the usage of bank loan so that the Group does not breach borrowing limits or covenants while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institute to meet the short-term and long-term liquidity requirements.

The Group raises working capital from its operations, bank and other borrowings. As at 31 December 2020, the amount of bank loans not yet used by the Group is RMB 0.00. (As at 31 December 2020: RMB 0.00)

The financial assets and liabilities, off-balance-sheet guarantee items of the Group at 31 December 2020 are analyzed by their maturity date below at their undiscounted contractual cash flows (RMB in ten thousand):

Item	As at 31/12/2020			Total amount
	Within 1 year	1 to 5 years	Over 5 years	
Financial liabilities:				
Short-term loans	7,689.40	--	--	7,689.40
Accounts payable	17,692.66	--	--	17,692.66
Interest payables	1,653.53	--	--	1,653.53
Other payables	26,056.99	--	--	26,056.99
Long-term payables	--	748.02	--	748.02
Guarantees for client	37,135.79	--	--	37,135.79
Total liabilities	90,228.36	748.02	--	90,976.38

The financial assets and liabilities, off-balance-sheet guarantee items of the Group at 31 December 2019 are analyzed by their maturity date below at their undiscounted contractual cash flows (RMB in ten thousand) :

Item	As at 31/12/2019			Total amount
	Within 1 year	1 to 5 years	Over 5 years	
Financial liabilities:				
Short-term loans	5,164.73	--	--	5,164.73
Accounts payables	24,422.45	--	--	24,422.45
Interest payables	1,653.53	--	--	1,653.53
Other payables	20,051.11	--	--	20,051.11
Long-term payables	--	749.92	--	749.92
Guarantees for client	47,539.67	--	--	47,539.67
Total liabilities	98,831.49	749.92	--	99,581.41

The amount of financial liabilities disclosed in the above table is undiscounted contractual cash flow and may differ from the carrying amount in the balance sheet.

The maximum guarantee contract that already signed does not represent the amount need to paid.

(3) Market risk

Market risk, includes interest rate risk and foreign currency risk, refers to the risk that the fair value or future cash flow of a financial instrument will fluctuate because of the changes in market price.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flow of a financial instrument will fluctuate because of the floating rate. Interest rate risk arises from recognized interest-bearing financial instrument and unrecognized financial instrument (e.g. loan commitments).

The Group's interest rate risk arises from long-term bank loans and other interest-bearing liabilities. Financial liabilities issued at floating rate expose the Group to cash flows interest rate risk. Financial liabilities issued at fixed rate expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. At the same time, the Group monitors and maintains the combined financial instruments of fixed rate and floating rate.

During the reporting period, the Group operates by its own working capital. As at 31 December, 2020, the Group has no financial liabilities with fixed or floating interest rate, such as bank loan. Therefore, the Group believes that the interest rate risk is insignificant.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. Foreign currency risk arises from the functional currency denominated financial instrument measured at individual entity.

The foreign currency risk is mainly comes from the group's financial position and cash flow which is affected by the fluctuations of the foreign exchange rates. As the subsidiary establish in Hong Kong SAR and U.S. are using local currency as settlement currency, other foreign currency assets and liabilities held by the Group compare with the group's total assets and liabilities are insignificant, therefore, the Company believe the foreign currency risk is insignificant.

2. Capital risk management

The objectives of the Group's capital risk management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or disposes assets to reduce its liabilities.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net liabilities divided by total capital. As at 31 December 2020, the group's debt to asset ratio is 25.92%. (As at 31 December 2019: 28.20%)

IX Fair Value

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities.

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities.

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

(1) Fair value of assets and liabilities measured at fair value

As at 31/12/2020, assets and liabilities measured at fair value are shown as follows:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I.Recurring fair value measurement				
Other Equity instruments	--	--	37,510,860.51	37,510,860.51
Total assets measured at fair value on a recurring basis	--	--	37,510,860.51	37,510,860.51

(2) Quantitative information about the unobservable inputs used in the fair value measurement that are significant and are reasonably available.

Items	Fair value As at 31/12/2020	Valuation techniques	Unobservable inputs
Unlisted equity investments	37,510,860.51	Net asset method	Book net assets, liquidity discount

(3) Fair values of assets and liabilities not measured at fair value

The financial assets and financial liabilities of the Group measured at amortized cost mainly include: cash, accounts receivable, other receivables, short-term loans, accounts payable, other payables and long-term payable.

In addition to above financial assets and liabilities, other financial asset and liabilities that not measured at fair value, the differ between book values and fair value are not significant.

X. Related parties and related party transactions

1. Information about the parent of the Company

Name	Registration place	Business nature	Registered capital (RMB in ten thousand)	Shareholding percentage %	Percentage of voting rights %
Shenzhen Invetment Holdings Co., Ltd.	Shenzhen, Guangdong province	Investment, real estate development, guarantee	2,764,900.00	63.55	63.55

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

2. Information about the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VII.1.

3. Information about joint ventures and associates of the Company

For information about the joint ventures and associates of the Company, refer to Note VII.2.

4. Information on other related parties

Name	Related party relationship
Shenzhen Jian'an Group Co., Ltd.	Same controlling shareholders
Shenzhen Dongfang New world store Co., Ltd	Participating stock companies
Shenxi Limited	Not included in Consolidated Financial Statements' Subsidiary that had been terminated its licenses by law but not cancellation
Shenzhen Zhentong New Electromechanical Industry Development Co., Ltd.	Not included in Consolidated Financial Statements' Subsidiary (Long-term without operation)
Shenzhen Nanyang Hotel Co., Ltd.	Not included in Consolidated Financial Statements' Subsidiary that had been terminated its licenses by law but not cancellation
Shenzhen Real Estate Electromechanical Management Company	Not included in Consolidated Financial Statements' Subsidiary that had been terminated its licenses by law but not cancellation
Shenzhen Longgang Henggang Huagang Industrial Co., Ltd.	Not included in Consolidated Financial Statements' Subsidiary that had been terminated its licenses by law but not cancellation
Director, Manager, Controller and Secretary of the Board of Directors	Key managers

5. Transactions with related parties

(1) Purchases/sales

① Purchase of goods/receiving of services

Related party	Nature of transaction	2020	2019
Shenzhen RongHua JiDian Co.,Ltd	Elevator maintenance	1,293,962.28	1,339,921.80

② Sales of goods/rendering of services

Related party	Nature of transaction	Year ended 31/12/2020	Year ended 31/12/2019
Shenzhen Jian'an Group Co., Ltd.	Decoration services	7,258,154.64	2,836,052.81
Shenzhen RongHua JiDian Co.,Ltd	Property Services	68,772.00	68,772.00

(2) Contracting arrangement

① Outsourcing with related parties

Name of main contractor	Name of contractor	Type of assets under outsourcing	Reception date of contracting	Expiration date of contracting	Basis of pricing of contracting income	Contracting income recognized in the current year
Shantou City Huafeng Real Estate Development Co., Ltd	Shenzhen Jian'an Group Co., Ltd.	Construction	19 October 2018	1 May 2021	Negotiations	182,994,620.79

(3) Funding from related party

Related party	Amount of funding	Reception date	Expiration date	Note
Funds received				
Shenzhen Investment Shareholding Co. Ltd	16,535,277.94	09 November 2006	22 December 2016	The principal of the loan was repaid on 22 December 2016, and the remaining amount was interest payable.

In the end of reporting period, interest payable for Shenzhen Investment Shareholding Co. Ltd is RMB 16,535,277.94.

(4) Remuneration of key management personnel

The Company has 12 key management personnel in 2020, and 11 key management personnel in 2019. Information about remuneration is as follows:

Item	2020 (RMB in ten thousand)	2019 (RMB in ten thousand)
Remuneration of key management personnel	884.86	902.08

6. Receivables from and payables to related parties

(1) Receivables from related parties

Item	Related party	As at 31/12/2020		As at 31/12/2019	
		Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Accounts receivable	Shenzhen Fresh Peak property consultant Co.,Ltd	1,144,740.49	1,144,740.49	1,205,588.76	1,205,588.76
Other receivables	Guangdong Province Huizhou Luofu Hill Mineral Water Co., Ltd	10,465,168.81	10,465,168.81	10,465,168.81	10,465,168.81
Other receivables	Shenzhen Runhua Automobile Trading Co., Ltd	3,072,764.42	3,072,764.42	3,072,764.42	3,072,764.42
Other receivables	Canada GreatWall (Vancouver) Co.,Ltd	89,035,748.07	89,035,748.07	89,035,748.07	89,035,748.07

Item	Related party	As at 31/12/2020		As at 31/12/2019	
		Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Other receivables	Bekaton Property Limited	12,559,290.58	12,559,290.58	12,559,290.58	12,559,290.58
Other receivables	Paklid Limited	18,870,785.54	18,870,785.54	19,319,864.85	19,319,864.85
Other receivables	Shenzhen Shenfeng Department Store Co. Ltd.	237,648.82	237,648.82	237,648.82	189,179.82
Other receivables	Shenzhen RongHua JiDian Co.,Ltd	475,223.46	23,761.17	475,223.46	23,761.17
Other receivables	Xi'an Fresh Peak property management& Trading Co.,Ltd	8,419,205.19	8,419,205.19	8,419,205.19	8,419,205.19
Other receivables	Shenxi Limited	7,660,529.37	7,660,529.37	7,660,529.37	7,660,529.37
Other receivables	Shenzhen Nanyang Hotel Co., Ltd.	3,168,721.00	3,168,721.00	3,168,721.00	3,168,721.00
Other receivables	Shenzhen Jian'an Group Co., Ltd.			16,464.28	823.21

(2) Payables to related parties

Item	Related party	As at 31/12/2020	As at 31/12/2019
Intrest payables	Shenzhen Investment Shareholding Co. Ltd	16,535,277.94	16,535,277.94
Accounts payable	Shenzhen Jian'an Group Co., Ltd.	54,193,856.16	68,172,202.04
Other payables	Shenzhen Dongfang New world store Co., Ltd	902,974.64	902,974.64
Other payables	Guangdong Province Fengkai Lain Feng Cement Manufacturing Co., Ltd.	1,867,348.00	1,867,348.00
Other payables	Shenzhen Real Estate Electromechanical Management Company	14,981,420.99	14,981,420.99
Other payables	Shenzhen Zhentong New Electromechanical Industry Development Co., Ltd.	8,827,940.07	8,827,940.07
Other payables	Shenzhen Shenfeng Department Store Co. Ltd.	639,360.38	639,360.38
Other payables	Shenzhen Longgang Henggang Huagang Industrial Co., Ltd.	165,481.09	165,481.09

XI. Commitments and contingencies

1. Significant commitments

(1) Capital commitments

Capital commitments have been entered into but not have not been in the financial statements	As at 31/12/2020	As at 31/12/2019
Material sales or purchases contracts	153,945,220.09	200,684,729.85

(2) Information on implementation of commitments in previous year

The detail is set out in Note X.5.(2) Associated Contracting.

As at 31 December 2020, there is no other material commitment to be disclosed.

2. Contingencies

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

Plaintiff	Defendant	Case	Appellate court	Amount of the object of action	Progress of cases
Xi'an Fresh Peak Holding limited company	Xi'an Commercial and Trade Commission Xi'an Commerce and Tourism Co., Ltd.	Investment compensation disputes	Shaanxi Higher People's Court	36.62 million yuan and interest	Pending

Note: Xi'an Fresh Peak Holding limited company (hereinafter referred to as "Fresh Peak Company") was sino-foreign joint venture set up in Xi'an city. Among them, Fresh Peak Enterprise Co., Ltd made 67% of the shares in cash. Xi'an Trade Building, a company directly under the Xi'an Commercial and Trade Commission (hereinafter referred to as "Xi'an C&T Commission"), invested 16% of the shares in land use rights. Hong Kong Dadiwang Industrial Investment Company holds 17% of the shares. The core business was property development. And the project was Xi'an Trade Building. The project was started on 28 November 1995. But the project had been stopped in 1996 because of the two parties differences on the operating policy of the project. In 1997, the Xi'an government withdrew the Xi'an Fresh Peak investment project compulsively and assigned the project to Xi'an Business Tourism Co., Ltd (hereinafter referred to as "Business Tourism Company"). But the two parties had insulted a lawsuit on compensation. The ShanXi Province High Peoples Court made a judgement "(2000) SJ-CZ No.25". The judgement was as follows: 1. Business Tourism Company had to pay for the compensation Rmb 36,620 thousand to Xi'an Fresh Peak Company after the judgment entering into force. If the Business Tourism Company failed to pay in time, it had to pay double debt interests to Xi'an Fresh Peak Company. 2. Xi'an Joint Commission on Commerce had jointly and severally obligation of the interests of the compensation.

Until 31 December 2020, the amount of RMB 15,201,000.00 had been called back. The company has obtained new property clues, submitted an application for resumption of execution, this case is still pending.

As at 31 December 2020, the book value of the long-term equity investment of Xi'an Fresh Peak Company was RMB 32,840,729.61. The book balance of assets was RMB 8,419,205.19. Both have been taken full provision for impairment loss.

(2) Contingent liabilities arising from guarantee provided to other entities and related financial effects.

As at 31 December 2020, the group has provided mortgage loan guarantee for commercial housing purchasers in accordance with real estate business rules, totaling 371,357,900 .00RMB.

Item	Duration	Amount	Note
Shengfang CuiLin Building	Until the Premises Permit mortgage registration is finished and in bank custody	8,532.86	
ChuanQi DongHu Building(Former DongHuDiJing Building)	Until the Premises Permit mortgage registration is finished and in bank custody	6,056.20	
TianYue Bay No.1	Until the Premises Permit mortgage registration is finished and in bank custody	22,546.73	
Total		37,135.79	

(3) Other contingencies

For contingent liabilities related to joint venture or associate investment, please refer to Note VII.2. (2)

As at 31 December 2020, there is no other contingency to be disclosed.

XII. Post balance sheet date events

1. Profit distribution after the balance sheet date

Based on the total share capital of 1,011,660,000 shares as of 31 December 2020, a cash dividend of RMB 0.87 (including tax) will be distributed to all shareholders for every 10 shares as total as RMB 88,014,420.00.

As of March 19, 2021, the Group has no other balance sheet dates to disclose.

XIII. Other significant items

1. Government grants

(1) Government grants recognized in profit and loss, and subsequently measured using the gross method.

Item	Type	Recognised in profit and loss for the year ended 31/12/2019	Recognised in profit and loss for the year ended 31/12/2020	Presentation item recognized in profit and loss	Related to asset/income
Stabilization allowance	Government funding	4,414.90	125,750.12	Other income	income
Epidemic prevention subsidies	Government funding	--	3,245,019.09	Other income	income

2. Others

From 14 September 2016, the Group planned the reorganization of material assets. The Group announced it intended to buy 100% stock equity of Evergrande real estate group co., LTD by issue shares or cash payment on 14 October 2016. Guangzhou Chiron real estate co., LTD will become the controlling shareholder of the company after the acquisition.

On November 8, 2020, the Company held the 57th meeting of the 7th Board of Directors to consider and pass the Bill on ending the Planning of Major Asset Reorganization Matters and other bills, agreeing to terminate this Material Asset Reorganization Matter.

XIV. Notes to the Company's financial statements

1. Accounts receivable

(1) Accounts receivable by aging

Aging	As at 31/12/2020	As at 31/12/2019
Within 1 year	5,281,165.00	4,766.37
1-2 years	-	66,518.00
2-3 years	66,518.00	--

Aging	As at 31/12/2020	As at 31/12/2019
More than 3 years	10,221,420.93	10,715,652.53
Sub-total	15,569,103.93	10,786,936.90
Less: Provision for bad and doubtful debts	10,151,079.19	10,630,001.06
Total	5,418,024.74	156,935.84

(2) Accounts receivable by category

Item	As at 31/12/2020				Carrying amount
	Book balance		Provision for bad and doubtful debts		
	Book value	Percentage of provision %	Book value	Expected credit loss(%)	
Provision assessed for impairment individually	10,132,205.24	65.08	10,132,205.24	100.00	-
Collectively assessed for impairment based on credit risk characteristics	5,436,898.69	34.92	18,873.95	0.35	5,418,024.74
Including:					
Accounts receivable from related parties in consolidated scope	5,059,419.69	32.50	-	0.00	5,059,419.69
Accounts receivable from sales of properties	-	0.00	-	-	-
Receivables from other clients	377,479.00	2.42	18,873.95	5.00	358,605.05
Total	15,569,103.93	100.00	10,151,079.19	65.20	5,418,024.74

Continued

Item	As at 31/12/2019				Carrying amount
	Book balance		Provision for bad and doubtful debts		
	Book value	Percentage of provision %	Book value	Expected credit loss(%)	
Provision assessed for impairment individually	10,626,436.84	98.51	10,626,436.84	100.00	--
Collectively assessed for impairment based on credit risk characteristics	160,500.06	1.49	3,564.22	2.22	156,935.84
Including:					
Accounts receivable from related parties in consolidated scope	89,215.69	0.83	--	--	89,215.69
Accounts receivable from sales of properties	71,284.37	0.66	3,564.22	5.00	67,720.15
Total	10,786,936.90	100.00	10,630,001.06	98.55	156,935.84

Provision assessed for impairment individually:

Category	2020.12.31			2019.12.31			Reason
	Book value	provision	Expected credit Loss rate (%)	Book value	provision	Expected credit Loss rate (%)	
Long-term accounts receivable from sales of properties	10,132,205.24	10,132,205.24	100.00	10,523,723.00	10,523,723.00	100.00	Not expected to be recovered

Collectively assessed for impairment based on credit risk characteristics:

Accounts receivable from related parties in consolidated scope

Age	2020.12.31			2019.12.31		
	Account receivables	provision	Expected credit loss(%)	Account receivables	provision	Expected credit loss(%)
Within 1 year	5,059,419.69	--	--	--	--	--
1 to 2 years	--	--	--	--	--	--
2 to 3 years	--	--	--	--	--	--
More than 3 years	--	--	--	89,215.69	--	--
Total	5,059,419.69	--	--	89,215.69	--	--

Accounts receivable from sales of properties

Age	2020.12.31			2019.12.31		
	Account receivables	provision	Expected credit loss(%)	Account receivables	provision	Expected credit loss(%)
Within 1 year	310,961.00	15,548.05	5.00	4,766.37	238.32	5.00
1-2 year	--	--	--	66,518.00	3,325.90	5.00
2-3 year	66,518.00	3,325.90	5.00	--	--	--
Total	377,479.00	18,873.95	5.00	71,284.37	3,564.22	5.00

(3) Additions, recoveries or reversals of provision for bad and doubtful debts during the year:

Item	Provision for bad and doubtful debts
As at 31/12/2019	10,630,001.06
Provision	-478,921.87
Recovery	--
Written-off	--
As at 31/12/2020	10,151,079.19

(4) Top 5 entities with the largest balances of other receivables

Name of Entity	Amount	Proportion of the amount to the total AR (%)	Bad debt provision
Shenzhen Haiyan Hotel Co., Ltd	5,059,419.69	32.50	--
Daxing Auto Parts Co., Ltd	1,912,353.37	12.28	1,912,353.37
Wang Weidong	1,200,000.00	7.71	1,200,000.00
Shenzhen Xinfeng Real Estate Consultants Co., Ltd	1,144,740.49	7.35	1,144,740.49
Cai Guangyao	876,864.11	5.63	876,864.11
Total	10,193,377.66	65.47	5,133,957.97

2. Other receivables

① Other receivable by aging

Aging	As at 31/12/2020	As at 31/12/2019
Within 1 year	342,045,464.68	91,158,862.87
1-2 years	79,875,511.65	140,372,735.75
2-3 years	140,372,735.75	73,930,238.58
More than 3 years	1,399,130,297.43	1,330,808,992.53
Sub-total	1,961,424,009.51	1,636,270,829.73
Less: Provision for bad and doubtful debts	801,009,814.12	800,995,331.04
Total	1,160,414,195.39	835,275,498.69

② Other receivables by category

Item	As at 31/12/2020			As at 31/12/2019		
	Book balance	Provision for bad and doubtful debts	Carrying amount	Book balance	Provision for bad and doubtful debts	Carrying amount
Amount receivables from government	165,460.00	--	165,460.00	721,755.80	--	721,755.80
Amount receivable from petty cash	--	--	--	182,691.21	--	182,691.21
Amount receivables of the collecting and paying on another's behalf	307.17	--	307.17	3,248.36	--	3,248.36
Amount receivables of current accounts	5,464,176.55	3,647,753.92	1,816,422.63	6,818,306.11	5,744,165.49	1,074,140.62
Amount receivables of related parties	137,211,313.52	137,211,313.52	--	135,567,522.22	135,100,418.87	467,103.35
Amount receivables in consolidated scope	1,818,582,752.27	660,150,746.68	1,158,432,005.59	1,492,977,306.03	660,150,746.68	832,826,559.35
Total	1,961,424,009.51	801,009,814.12	1,160,414,195.39	1,636,270,829.73	800,995,331.04	835,275,498.69

③ Provision for bad and doubtful debts:

As at 31/12/2020, there are the provisions for bad debts in the first stage :

Category	Book balance	To 12-month expected credit loss (%)	Provision for bad and doubtful debts	Carrying amount	Reasons
Collectively assessed for impairment based on credit risk characteristics					
Amount receivables from government	165,460.00	--	--	165,460.00	
Amount receivables from petty cash	--	--	--	--	
Amount receivables from the collecting and paying on another's behalf	307.17	--	--	307.17	
Amount receivables from current accounts	1,912,023.82	5.00	95,601.19	1,816,422.63	
Amount receivables from related parties	--	--	--	--	
Total	2,077,790.99	4.60	95,601.19	1,982,189.80	

As at 31/12/2020, there is the provision for bad debts in the second stage :

Category	Book balance	To 12-month expected credit loss (%)	Provision for bad and doubtful debts	Carrying amount	Reasons
Provision assessed for impairment individually					
Other receivables from related parties in consolidation scope	1,818,582,752.27	36.30	660,150,746.68	1,158,432,005.59	Expected to be not recoverable

As at 31/12/2020, there are the provisions for bad debts in the third stage :

Category	Book balance	12-month expected credit loss(%)	Provision for bad and doubtful debts	Carrying amount	Reasons
Provision assessed for impairment individually					
Amount receivables of current accounts	3,552,152.73	100.00	3,552,152.73	--	Expected to be not recoverable
Amount receivables of related parties	137,211,313.52	100.00	137,211,313.52	--	Expected to be not recoverable
Total	140,763,466.25	100.00	140,763,466.25	--	

④ Additions, recoveries or reversals of provision for bad and doubtful debts during the year

Provision for bad and doubtful	The first stage	The second stage	The third stage	Total
	12-month expected credit loss	Lifetime expected credit loss (no credit impairment)	Lifetime expected credit loss (has occurred credit impairment)	
As at 31/12/2019	81,118.11	660,150,746.68	140,763,466.25	800,995,331.04
Provision	14,483.08	--	--	14,483.08
Recovery	--	--	--	--
Written-off	--	--	--	--
As at 31/12/2020	95,601.19	660,150,746.68	140,763,466.25	801,009,814.12

⑤ There were no other receivables written off in the current period.

⑥ Top 5 entities with the largest balances of other receivables

Name of Entity	Relationship with the group	Amount	Aging	Proportion of the amount to the total OR (%)	Bad debt provision
Shantou Huafeng Estate Development Co., Ltd	Subsidiary	777,718,384.72	Within 1 year、1-3 years、 More than 3 years	39.65	--
Fresh Peak Enterprise Co., Ltd	Subsidiary	534,325,628.01	Within 1 year、 More than 5 years	27.24	508,377,320.74
Shenzhen ShenFang Group Longgang Development Co., Ltd	Subsidiary	234,000,000.00	Within 1 year	11.93	--
. American Great Wall Co., Ltd	Subsidiary	103,403,196.15	More than 5 years	5.27	103,403,196.15
Canada Great Wall(Vancouver) Co., Ltd	Subsidiary	89,035,748.07	More than 5 years	4.54	89,035,748.07
Total		1,738,482,956.95		88.63	700,816,264.96

3. Long-term equity investments

Item	As at 31/12/2020			As at 31/12/2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	303,045,949.42	152,839,271.15	150,206,678.27	303,045,949.42	152,839,271.15	150,206,678.27
Investment in joint ventures	9,455,465.38	9,455,465.38	--	9,455,465.38	9,455,465.38	--
Investment in associates	2,899,869.88	2,522,380.20	377,489.68	2,992,218.85	2,522,380.20	469,838.65
Total	315,401,284.68	164,817,116.73	150,584,167.95	315,493,633.65	164,817,116.73	150,676,516.92

(1) Investment in subsidiaries

Name of investee	Opening balance	Curr. year increase	Curr. year decrease	Closing balance	Curr. year impairment provision	Closing balance of impairment provision
Shenzhen City Property Management Ltd.	12,821,791.52			12,821,791.52		--
Shenzhen Petrel Hotel Co. Ltd.	20,605,047.50			20,605,047.50		--
Shenzhen City Shenfang Investment Ltd.	9,000,000.00			9,000,000.00		--
Fresh Peak Enterprise Ltd.	556,500.00			556,500.00		--
Fresh Peak Zhiye Co., Ltd.	22,717,697.73			22,717,697.73		--
Shenzhen Special Economic Zone Real Estate (Group) Guangzhou Property and Estate Co., Ltd.	19,000,000.00			19,000,000.00		19,000,000.00
Shenzhen Zhen Tong Engineering Ltd	11,332,321.45			11,332,321.45		--

Name of investee	Opening balance	Curr. year Increase	Curr. year decrease	Closing balance	Curr. year impairment provision	Closing balance of impairment provision
American Great Wall Co., Ltd	1,435,802.00			1,435,802.00		--
Shenzhen City Shenfeng Free Trade Trading Ltd.	4,750,000.00			4,750,000.00		--
Shenzhen City Hua Zhan Construction Management Ltd.	6,000,000.00			6,000,000.00		--
QiLu Co.,Ltd	212,280.00			212,280.00		--
Beijing Shenfeng Property Management Co., Ltd.	500,000.00			500,000.00		500,000.00
Shenzhen Lain Hua Industry and Trading Co., Ltd.	13,458,217.05			13,458,217.05		--
Shenzhen City SPG Long Gang Development Ltd.	30,850,000.00			30,850,000.00		--
Beijing Fresh Peak Property Development Management Limited Company	64,183,888.90			64,183,888.90		64,183,888.90
Shantou City Huafeng Real Estate Devepment Co., Ltd	16,467,021.02			16,467,021.02		--
Paklid Limited	201,100.00			201,100.00		201,100.00
Bekaton Property Limited	906,630.00			906,630.00		906,630.00
Shenzhen Shenfeng Department Store Co. Ltd.	9,500,000.00			9,500,000.00		9,500,000.00
Shantou Fresh Peak Building	58,547,652.25			58,547,652.25		58,547,652.25
Total	303,045,949.42			303,045,949.42		152,839,271.15

Note: Shenzhen Special Economic Zone Real Estate (Group) Guangzhou Property and Estate Co., Ltd., the registered capital of RMB 20 million yuan, the company subscribed for RMB 19 million(95% of total shares), another subsidiary Shenzhen City Shenfeng Investment Ltd. subscribed RMB 1.0 million(5% of total shares).

(2) Investment in associates and joint ventures

Name of investee	Opening balance	Additional investment	Reduce investment	Investment gains and losses confirmed by the equity method	Adjustment of other comprehensive income	Changes in other equity	Changes in this period			Closing balance	The ending balance of impairment
							Cash dividend or profit declared	Impairment	Others		
① Joint ventures											
Fengkai Xinghua Hotel	9,455,465.38	--	--	--	--	--	--	--	--	9,455,465.38	9,455,465.38
Subtotal	9,455,465.38	--	--	--	--	--	--	--	--	9,455,465.38	9,455,465.38
② Associates											
Shenzhen Ronghua Jidian Co., Ltd	1,546,793.29	--	--	-92,348.97	--	--	--	--	--	1,454,444.32	1,076,954.64
Shenzhen Runhua Automobile Trading Co., Ltd	1,445,425.56	--	--	--	--	--	--	--	--	1,445,425.56	1,445,425.56
Subtotal	2,992,218.85	--	--	-92,348.97	--	--	--	--	--	2,899,869.88	2,522,380.20
Total	12,447,684.23	--	--	-92,348.97	--	--	--	--	--	12,355,335.26	11,977,845.58

4、Operating income and costs

Item	2020		2019	
	Revenue	Cost	Revenue	Cost
Principal operating	911,815,174.45	241,307,783.52	1,666,904,055.40	330,874,297.00
Other operating	24,095.25	--	48,857.18	--

(1) Principal operating activities (classified by industries)

Name of industry	2020		2019	
	Operating income	Operating cost	Operating income	Operating cost
Real estate	860,010,047.62	211,257,440.88	1,599,279,513.73	304,208,253.29
Lease	51,805,126.83	30,050,342.64	67,624,541.67	26,666,043.71
Total	911,815,174.45	241,307,783.52	1,666,904,055.40	330,874,297.00

(2) Principal operating activities (classified by geographical areas)

Name of geographical area	2020		2019	
	Operating income	Operating cost	Operating income	Operating cost
Guangdong province	911,815,174.45	241,307,783.52	1,666,904,055.40	330,874,297.00

5、Investment income

Item	2020	2019
Investment income from long-term investments under cost method	--	518,700,131.64
Investment income from long-term investments under equity method	-92,348.97	75,629.25
Investment income from available-for-sale financial assets during the holding period	--	--
Investment income from other equity instrument	599,760.00	928,200.00
Investment income from structured deposit	15,217,058.60	31,425,651.98
Total	15,724,469.63	551,129,612.87

XV. Supplementary information

1. Details of non-recurring gains or losses

Item	2020	Note
Profit or loss on disposal of non-current assets	11,429.23	
Government grants recognized in profit or loss (other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard)	3,370,769.21	
Profit or loss on entrusted investments or assets management	15,217,058.60	Income from expired structured deposit
Interest on unexpired structured deposit	--	
Non-operating income/(expenses) except the above	29,009,657.60	
Other non-recurring gains or losses	1,237,002.86	

Item	2020	Note
Profit or loss on disposal of non-current assets	11,429.23	
Total non-recurring gains or losses	48,845,917.50	
Less: Effects of income tax on non-recurring gains or losses	12,211,479.38	
Net non-recurring gains or losses	36,634,438.12	
Less: Effects of non-recurring gains or losses attributable to the minority shareholders of the Company (after tax)	--	
Non-recurring gains or losses attributable to the shareholders of the Company	36,634,438.12	

2、Return on net assets and earnings per share

Profit of reporting period	Weighted average return on net assets%	Earnings per share	
		Basic earnings	Diluted earnings
Net profit attributable to the Company's ordinary equity shareholders	7.81%	0.2869	0.2869
Net profit attributable to the Company's ordinary equity shareholders after deduction of non-recurring profit or loss	6.82%	0.2507	0.2507

Part XIII Documents Available for Reference

1. The financial statements signed and sealed by the legal representative, the head of financial affairs and the head of the financial department; and
2. The original copy of the Independent Auditor's Report signed and sealed by the CPAs, as well as sealed by the CPA firm; and
3. The originals of all the Company's documents and announcements which were disclosed on Securities Time, China Securities Journal and Ta Kung Pao (HK) during the Reporting Period.