

Stock Code: 000011, 200011

Stock Name: PRD, PRD-B

Announcement No. 2022-08

# SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.

## ANNUAL REPORT 2021 (SUMMARY)

### Part I Important Notes

This Summary is based on the full Annual Report of ShenZhen Properties & Resources Development (Group) Ltd. (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires). In order for a full understanding of the Company’s operating results, financial position and future development plans, investors should carefully read the aforesaid full text, which has been disclosed together with this Summary on the media designated by the China Securities Regulatory Commission (the “CSRC”).

Except for the following directors, all the other directors attended in person the Board meeting for the review of this Report and its summary.

| Name | Office title | Reason for not attending the meeting in person | Proxy entrusted to attend the meeting |
|------|--------------|--|---------------------------------------|
|------|--------------|--|---------------------------------------|

Independent auditor’s modified opinion:

Applicable  Not applicable

Board-approved final cash and/or stock dividend plan for ordinary shareholders for the Reporting Period:

Applicable  Not applicable

Bonus issue from capital reserves:

Yes  No

The Board has approved a final dividend plan for ordinary shareholders as follows: based on the share capital of 595,979,092 shares, a cash dividend of RMB6.80 (tax inclusive) per 10 shares is to be distributed to the shareholders, with no bonus issue from either profit or capital reserves.

Board-approved final cash and/or stock dividend plan for preferred shareholders for the Reporting Period:

Applicable  Not applicable

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.

## Part II Key Corporate Information

### 1. Stock Profile

|                                  |  |  |                |
|----------------------------------|--|--|----------------|
| Stock name                       | PRD, PRD-B   | Stock code   | 000011, 200011 |
| Stock exchange for stock listing | Shenzhen Stock Exchange  |  |                |
| Contact information              | Board Secretary  | Securities Representative  |                |
| Name                             | Zhang Gejian   | Ding Minghua and Chen Qianying   |                |
| Address                          | 20/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China | 39/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China |                |
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### 2. Principal Activities or Products in the Reporting Period

#### (I) Core Business Overview

Established in 1982, the Company was originally known as "Luohu Engineering and Construction Headquarters" and renamed "Shenzhen Municipal Property Development Corporation" in August 1985. The Company was determined as the second batch of pilot units for joint-stock reform of state-owned enterprises in 1988. Approved by the municipal government, the Company renamed to ShenZhen Properties & Resources Development (Group) Ltd. in 1990. The stock of the group company (stock name: SZPRD, A/B; stock code: 000011, 200011) was officially listed in Shenzhen Stock Exchange in March 1992.

The Company contracted and built Shenzhen International Trade Center Building as Party A and created, planned, and organized the world-famous "Shenzhen Speed". The building was the place where Chairman Deng Xiaoping gave talks in his inspection to the south. SZPRD came into being because of the building and has risen amid the Reform and Opening up campaign. Emerging and growing together with Shenzhen, a city of miracles, the Company has been "a loyal practitioner of the spirit of the ox" and overcome difficulties in proposing new services in the new era. In the past four decades of trials and hardships, generations of SZPRD employees have manifested the enterprise spirit of "going ahead and reforming" and centered on the functional positioning as state assets of "serving national economic and social development, the city, the industry, and the people". The Company has adhered to the original aspiration and striven ahead to be a pioneer. Therefore, it has made remarkable achievements in development speed and quality. So far, the Company has grown into a large comprehensive industrial group from the project company that built Shenzhen International Trade Center Building. In the new era, the Company sizes up the situation, seizes the momentum and forges ahead toward the goal and vision of becoming a "leading smart operator of industry-city space in China".

The year 2021 is the opening year of the 14th Five-Year Plan. During the Reporting Period, facing the abrupt COVID-19 and deep regulation and control in real estate, the Company faced up to the difficulties and continued to make efforts in four business sectors, including industry-city space development, property management services, industrial ecosystem operation, and main business ecosystem investment in its main business. The Company endeavored to further consolidate and highlight its advantages of industry-city integration and the whole industry chain through expanding the main business and making breakthroughs.

#### 1. Industrial & urban space development

In terms of the space development segment, the Company is specialized in developing the residence, the hi-end apartment, the office building, and the industrial park and has developed a batch of brand projects, including Shenzhen International Trade Center Building, Huanggang Port, Tian'an International Building, Qianhai Gangwan Garden, and Golden Collar Holiday. Based on its present real estate development business, the Company will improve its existing portfolio and plan for new businesses. It will engage a number of subsidiaries in property development and urban renewals, including Huangcheng Real Estate, Rongyao Real Estate, the Urban Renewal Company, Dongguan Company, Xuzhou Company, and Yangzhou Company, strengthen capital operation via the listing platform, and make a reasonable layout of the city space development segment. In the Reporting Period, SZPRD made multiple efforts for this segment. For instance, it expanded its land bank, steadily advanced the project development inside and outside Shenzhen, accelerated the sales of projects in Xuzhou, and Yangzhou, and sped up the recovery of investment. Moreover, it focused on the development and construction of industry-city complexes and accelerated to create an integrated and co-existing model for the development of boutique urban residences and high-end industry space.

#### 2. Property management services

The Company's property management segment takes ITC Property Management as its platform. As China's first batch of first-class qualified enterprises in property management, ITC Property Management, after more than 30 years of development, has become a domestic first-class property service provider with diversified business capabilities and technological strength, and has been awarded "Top 100 National Property Management Enterprises" and "Excellent Enterprise of Property Management in China's Industrial Parks" for many years in a row. The projects under its management are all over the country, and its business radiates to various regions in China, such as South China, Southwest China, East China and North China, as well as the China-Vietnam Cooperation

Zone in Vietnam. The Company's existing business has covered industrial parks, cultural tourism scenic spots, government agencies, rail transportation, housing, hospitals, schools, hotels and other various business models, and is planning to develop the business of grassroots social governance. The Company collaborated with the government to create a safe, harmonious, civilized and orderly urban environment, basically forming a pattern of integrated development of multiple business models. There are more than 20 subsidiaries under ITC Property Management, and with the functional departments of the headquarters as the platform, it has actively built three centers of "market, empowerment and supervision", and formed three business centers and profit centers of specialized business model companies, specialized companies and companies in other regions, so as to continuously and effectively realize the new pattern of coordinated development of "1+1>2". During the Reporting Period, through its own marketing efforts and M&As, ITC Property Management saw an addition of over 7,000,000 square meters to its property management business, with the total managed area exceeding 30,000,000 square meters. In particular, the industrial park area has reached 10,000,000 square meters, making the company one of the top property management provider for high-end industrial parks in China.

### 3. Industrial ecosystem operation

With respect to the industrial ecosystem operation segment, the Company gave full play to its foundation in the three basic industries, namely, real estate development, property management, and leasing and the advantage of the whole industry chain, focused on the two major strategies of "value-added operation of existing assets" and "light-asset operation output", and deepened internal and external strategic cooperation. It is committed to creating a closed loop of the whole industrial ecosystem, covering project development services, park operation services, and supporting rental operations, and keeping improving the space service and rental ecosystem in the industrial park. A unique and mature business development model has been put in place with the capability and experience of the whole chain of planning, dismantling, construction control, business invitation, operation, and on-site management with respect to various assets. The Company is expediting the stock taking and assessment of its properties in stock and strengthening the management over them. In the future, it will gradually expand the scope of leasing and raise the development capability of property rental. Moreover, the Company gradually shifts the focus of industrial ecosystem operation to sci-tech parks, provides supporting services covering the whole value chain, such as the import of industrial ecosystem, project development services, and park operation services, and serves the role of "space service provider" centering on sci-tech parks.

### 4. Other business

In the Reporting Period, the Company's businesses also included catering service and project supervision service. The catering service is operated by Shenzhen Guomao Catering Co., Ltd. Guomao Catering Co., Ltd., established in 1986, became famous at home and abroad, as it was the place where President Deng Xiaoping gave talks during his inspection to the south in 1992. Since its establishment, it has received more than 600 domestic and overseas political VIPs, famous people, and numerous domestic and overseas guests, with its reputation spreading all over the world. The project supervision service is handled by the subordinated supervision company of the Group. The company has the Grade A supervision qualification of building works of the Ministry of Housing and Urban-Rural Development (MOHURD). It was originally known as Shenzhen Property Engineering Management Department, and takes part in the construction and management work of Shenzhen International Trade Center Building. It is a witness of the whole process of "Shenzhen speed", and mainly serves for the development project of the Group.

## (II) Industry Developments, Market Competition and the Company's Position in the Industry

### 1. Industry development status

In 2021, the macro-economic operation continued the development trend of overall stability and progress, leading macroeconomic indicators remained within a reasonable range and the structural reform on the supply side was continuously promoted. Besides, reform and opening up continued to deepen, people's living standards and quality kept improving and an increasing number of positive factors were driving high-quality development. Since the principle that "houses are for living in, not for speculating on" was first put forward at the Central Economic Work Conference in 2016, the central government's position on this principle has been deepened constantly. To prevent risks in the real estate sector, the real estate market has been under strict regulation over the past few years, and relevant policies have exerted a series of effects on the demand side, the supply side and the financing side of the market, posing higher challenges to the operating capabilities of real estate enterprises. During the Reporting Period, as the main stance on real estate policies, including the principle that "houses are for living in, not for speculating on" and "three stabilities", remained unchanged, the real estate market experienced a transition from the high popularity in the first half of the year to the profound adjustment in the second half, with the scale remaining high throughout the year.

#### **The year-round sales were high in the first half and low in the second and the sales in the second half continued to decline.**

According to the data from the National Bureau of Statistics, the sales area of commercial housing throughout 2021 was 1,794 million square meters nationwide, a year-on-year increase of 1.9%, and the sales amount was RMB18.19 trillion, up 4.8% from the previous year. However, such an increase was mainly attributable to the good sales in the first half of the year while sales have dropped significantly since the second half. Specifically, the sales of commercial housing continued the boom of the second half of 2020, with sustained double-digit growth in both sales amount and sales area, and the average sales price remained above RMB10,000 per square meter. The sales of the new housing market plummeted after June and the sales area and sales amount suffered double-digit negative growth from August and maintained such a trend until the end of the year.

**New starts weakened and development investment continued to fall.** The development investment completed throughout the year was RMB14.7 trillion, an increase of 4.4% year-on-year. It remained low in the second half of the year and began to show negative growth in September. The development investment completed in December saw a year-on-year decrease of 13.9%. Real estate enterprises had a low willingness to start construction due to great financial pressure and stringent regulation of advance sales. The area of new starts in 2021 was 1,989 million square meters, a decrease of 11.4% year-on-year, marking the largest drop since 2016.

**With the slowdown in land acquisition, the land market cooled rapidly in the second half of the year.** The overall land acquisition momentum of real estate enterprises slackened. Throughout the year, land transactions amounted to RMB1.78 trillion, up 2.8% from the previous year, and the land acquisition area was 216 million square meters, down 15.5% from the previous year. There was a pattern of "first hot, then cold and finally stable" in the centralized land supply of 22 cities. Due to the sales boom and loose financing environment in the first half of the year, real estate enterprises had a strong willingness to acquire land and competed fiercely for land. As a result, the overall performance of the first group of centralized land supply was fiery, and its turnover and

premium rate ranked first among the three groups of centralized land supply, much higher than the latter two. Affected by factors such as the dramatic tightening of financing regulation, the cliff-like decline in sales caused by tightening mortgage limits, as well as insufficient market confidence due to frequent credit incidents of real estate enterprises, the second group of centralized land supply encountered a cold season. Although the land supply plans were collectively halted and postponed in many places, the rates of canceled auctions and abortive auctions still increased significantly on the whole and the transaction premium rate plummeted. With the gradual loosening of central policies at the end of Q3, the slight recovery in market confidence, the moderate relaxation of land transfer rules, the third group of centralized land supply was in a stable state. The transaction premium rate was the lowest for the whole year, but the decline was not significant and the rate of abortive auctions dropped as well.

**Regulation has not been relaxed and no obvious improvement in funds has been seen.** Due to the appearance of effects from policies such as loan concentration management and the gradual exposure of credit risks in real estate enterprises, their financing channels shrank completely, the extension of mortgage loans was under negative influence, and the sales payment collection of real estate enterprises was negatively affected to varying degrees. According to the data from the National Bureau of Statistics, the amount of funds collected by real estate enterprises in the whole year was RMB20.11 trillion, up 4.2% from the previous year, bringing the scale to an all-time high. But the growth rate hit a new low in nearly six years and declined month by month. The monthly value of the collected funds showed negative growth year-on-year from the second half of 2021 and the year-on-year decline in September reached up to 11.2%. Since the end of September, the central government and ministerial departments continuously released signals of stability maintenance, the credit environment saw marginal improvements and the financing environment for real estate enterprises gradually improved. However, the growth of collected funds did not perform well at the end of the year. This is because it takes time for the marginal improvements in the credit environment to reach the market side, as well as for the extension of funds such as mortgage loans and development loans.

## 2. Policy environment of the industry

In 2021, upholding the fundamental principle that "houses are for living in, not for speculating on" and aiming at "stabilizing house prices, land prices and expectations", policy adjustments were underway depending on market popularity. When the market was high in the first half of the year, policies were comprehensively tightened and increased. After a continuous downward trend, there was marginal relaxation and the release of some benefits in the second half. From the perspective of the supply and demand sides, the demand side focused on the strengthening of credit regulation, price control and the optimization and upgrading of policies restricting housing purchases and loans; the supply side focused on land and financial control, for risk mitigation and deleveraging purposes.

More than 400 real estate regulatory policies were issued by provinces and cities nationwide in 2021. The regulation policies of the real estate market have seen constant improvements and upgrading and produced significant effects. Looking forward to 2022, the central government will still uphold the general principle that "houses are for living in, not for speculating on" and try to achieve "three stabilities". At a time when the adjustment trend of the real estate market continues to deepen, the credit environment is expected to improve significantly but is less likely to relax substantially. Moreover, the pilot work on real estate tax reform will be postponed, which will, in the short term, or further affect the expectations of house buyers, and the property market will embrace a foreseeable recovery.

## 3. Regional market pattern

From the perspective of regional markets, the Shenzhen real estate market continued to maintain the development trend of increased regulation and strengthened supervision in 2021. In February, Shenzhen issued a guide price for second-hand houses, disguised as an increase in the down payment ratio for second-hand house transactions. The second-hand house market transactions and price increases were both suppressed. In March, Shenzhen Municipal Bureau of Housing and Urban-Rural Development required all residential projects to be listed by the "iShenzhen" for registration and online house selection. At the same time, Shenzhen fully implemented the points ranking policy for new subscriptions, strictly investigated the source of funds for down payments and cracked down on acts such as crowdfunding and holding (house purchase). Additionally, business loans, mortgage loans and other illegal funds were stringently prohibited from flowing into the property market. The strict implementation of various policies reduced the financial investment attributes of real estate, and the market rapidly cooled with a strong wait-and-see mood.

## 4. Industry position of the Company

SZPRD arises together with Shenzhen's reform and opening up and devotes itself to real estate, property management and other fields for nearly four decades. It has achieved gradual improvements in its comprehensive capacity, brand influence and industry position and won many honors and awards over the years. During the Reporting Period, the Company won the title of "2021 Shenzhen Top 500 Enterprises" and ranked 170th on the list, was appraised as a Shenzhen municipal headquarters enterprise for three consecutive years and won the top award of contribution award. ITC Property Management, a subsidiary of the Company, won the following awards: "2021 Top 100 Enterprises in Property Service Capacity in the Greater Bay Area", "2021 Top 5 Enterprises in Property Service Capacity in Industrial Parks of the Greater Bay Area", "2021 Top 100 China Property Service Enterprises with Comprehensive Strength", "2021 Top 100 China Property Service Enterprises in Brand Value", "2021 Quality Benchmark Enterprise in Guangdong Province" and "2021 China Property Service Brand Characteristic Enterprise - A World-leading Property Management Ecological Operator". The Shenzhen International Trade Center Building was listed in the first group of Shenzhen historical buildings announced by the People's Government of Shenzhen Municipality. The historical exhibition of Shenzhen International Trade Center was selected as a case for the development and utilization of national economic and technological archives resources in 2021 by the National Archives Administration of China. These awards and honors demonstrated the Company's comprehensive strength and reflected the high recognition of the Company's comprehensive strength by the industry, customers and government departments.

During the Reporting Period, despite the changes in the real estate industry, the Company gained a comparative advantage with stable operation status and good financial position, seized the opportunities of the land market and won the bid for the land plots of 2021WR023 in Humen Town of Dongguan and A606-0258 in Guangming District of Shenzhen. It marked a breakthrough in the Group's acquisition of zero land resources from the secondary market over the years and provided a solid guarantee for the Group's sustainable development during the "14th Five-year Plan" period, as well as symbolized the full opening of the era of complete

marketization of the Group's development business.

### 3. Key Financial Information

#### (1) Key Financial Information of the Past Three Years

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

Yes  No

Unit: RMB

|  | 31 December 2021  | 31 December 2020  | Change of 31 December 2021 over 31 December 2020 (%) | 31 December 2019  |
|--|-------------------|-------------------|--|-------------------|
| Total assets   | 14,581,897,151.76 | 12,207,356,912.54 | 19.45%   | 10,772,491,740.53 |
| Equity attributable to the listed company's shareholders   | 4,486,110,790.39  | 3,727,917,440.03  | 20.34%   | 3,147,949,009.38  |
|  | 2021              | 2020              | 2021-over-2020 change (%)                            | 2019              |
| Operating revenue  | 4,491,965,643.71  | 4,104,374,646.02  | 9.44%  | 3,961,669,942.44  |
| Net profit attributable to the listed company's shareholders                                     | 1,003,969,842.33  | 798,572,121.74    | 25.72%   | 817,805,780.12    |
| Net profit attributable to the listed company's shareholders before exceptional gains and losses | 983,778,096.90    | 788,377,322.39    | 24.79%   | 695,675,201.19    |
| Net cash generated from/used in operating activities   | -1,813,313,008.58 | 385,497,782.12    | -570.38%   | 939,789,565.96    |
| Basic earnings per share (RMB/share)   | 1.6846            | 1.3399            | 25.73%   | 1.3722            |
| Diluted earnings per share (RMB/share)   | 1.6846            | 1.3399            | 25.73%   | 1.3722            |
| Weighted average return on equity (%)  | 24.69%            | 23.47%            | 1.22%  | 20.46%            |

#### (2) Key Financial Information by Quarter

Unit: RMB

|  | Q1             | Q2               | Q3                | Q4                |
|--|----------------|------------------|-------------------|-------------------|
| Operating revenue  | 891,026,732.66 | 1,649,838,406.59 | 640,625,548.94    | 1,310,474,955.52  |
| Net profit attributable to the listed company's shareholders                                     | 214,420,219.16 | 461,955,304.59   | 98,290,796.67     | 229,303,521.91    |
| Net profit attributable to the listed company's shareholders before exceptional gains and losses | 208,303,080.57 | 461,555,410.64   | 97,412,536.02     | 216,507,069.67    |
| Net cash generated from/used in operating activities   | 83,213,087.80  | 1,054,357,692.93 | -1,680,581,358.73 | -1,270,302,430.58 |

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

#### 4. Share Capital and Shareholder Information at the Period-End

##### (1) Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

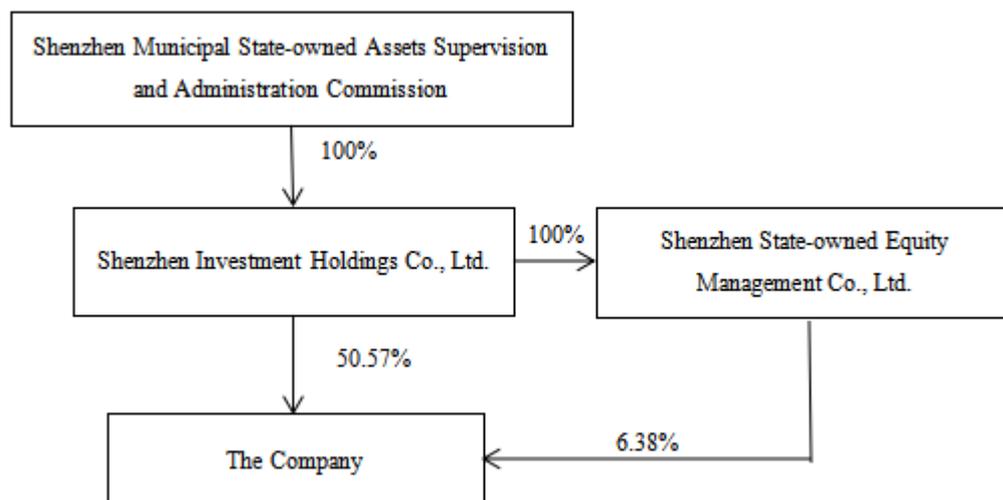
Unit: share

| Number of ordinary shareholders at the period-end                 | 47,113   | Number of ordinary shareholders at the month-end prior to the disclosure of this Report | 46,391                              | Number of preferred shareholders with resumed voting rights at the period-end | 0                                  | Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report | 0 |
|---|--|---|-------------------------------------|---|------------------------------------|---|---|
| Top 10 shareholders   |  |   |                                     |   |                                    |   |   |
| Name of shareholder   | Nature of shareholder  | Shareholding percentage   | Total shares held at the period-end | Restricted shares held  | Shares in pledge, marked or frozen |   |   |
|   |  |   |                                     |   | Status                             | Shares  |   |
| Shenzhen Investment Holdings Co., Ltd.                            | State-owned legal person   | 50.57%  | 301,414,637                         | 3,326   |                                    |   |   |
| Shenzhen State-owned Equity Management Co., Ltd.                  | Domestic non-state-owned legal person  | 6.38%   | 38,037,890                          | 0   |                                    |   |   |
| China Orient Asset Management Co., Ltd.                           | State-owned legal person   | 3.90%   | 23,236,400                          | 0   |                                    |   |   |
| Hong Kong Securities Clearing Company Ltd.                        | Foreign legal person   | 0.69%   | 4,136,333                           | 0   |                                    |   |   |
| Li Xinyi  | Domestic natural person  | 0.60%   | 3,550,100                           | 0   |                                    |   |   |
| Duan Shaoteng   | Domestic natural person  | 0.29%   | 1,755,565                           | 0   |                                    |   |   |
| Shenzhen Duty-Free Commodity Enterprises Co., Ltd.                | Domestic non-state-owned legal person  | 0.29%   | 1,730,300                           | 1,730,300   |                                    |   |   |
| Yang Yaochu   | Domestic natural person  | 0.25%   | 1,500,384                           | 0   |                                    |   |   |
| Wu Wenkai   | Domestic natural person  | 0.21%   | 1,252,800                           | 0   |                                    |   |   |
| Su Weipeng  | Domestic natural person  | 0.19%   | 1,120,300                           | 0   |                                    |   |   |
| Related or acting-in-concert parties among the shareholders above | The largest shareholder, Shenzhen Investment Holdings Co., Ltd., is the controlling shareholder of the Company and Shenzhen State-owned Equity Management Co., Ltd. And the Company does not know whether there are related parties or acting-in-concert parties among the other shareholders. |   |                                     |   |                                    |   |   |
| Shareholders involved in securities margin trading (if any)       | N/A  |   |                                     |   |                                    |   |   |

##### (2) Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable  Not applicable

No preferred shareholders in the Reporting Period.

**(3) Ownership and Control Relations between the Actual Controller and the Company****5. Outstanding Bonds at the Date when this Report Was Authorized for Issue**

Applicable  Not applicable

**Part III Significant Events****(I) Matters on the completion of registration of the subsidiary in Vietnam**

Shenzhen International Trade Center Property Management Co., Ltd., a wholly-owned subsidiary of the Company, intends to invest in and establish a wholly-owned subsidiary in China-Vietnam (Shenzhen-Haiphong) Economic and Trade Cooperation Zone in Haiphong City, Vietnam, to carry out property management services in the Park, with a registered capital of USD200,000. During the Reporting Period, the subsidiary in Vietnam completed its registration and received the Enterprise Registration Certificate from the Business Registration Office of the Haiphong Department of Planning and Investment Decision. For details, please refer to the Announcement on the Completion of Registration of the Subsidiary in Vietnam (Announcement No. 2021-01) disclosed by the Company on Cninfo (www.cninfo.com.cn) on 6 January 2021.

**(II) Matters on transfer for free of part of state-owned equity of the controlling shareholder to replenish the social security fund**

During the Reporting Period, SIHC, the controlling shareholder of the Company, transferred 38,037,890 shares of the Company in unlimited circulation (representing 6.382% of the total share capital of the Company) held by SIHC to Shenzhen State-owned Equity Management Co., Ltd. for free to replenish the social security funds. Before and after the transfer of equity, the controlling shareholder and actual controller of the Company remained unchanged. On March 15, the share transfer registration procedures for the aforementioned transfer of state-owned shares for free were completed. For more details, please refer to the Suggestive Announcement on the Free Transfer of Parts of State-owned Equity of the Controlling Shareholder to Replenish the Social Security Fund (Announcement No. 2021-02) and the Announcement on the Completion of Free Transfer Registration of Parts of State-owned Equity of the Controlling Shareholder to Replenish the Social Security Fund (Announcement No. 2021-05) disclosed by the Company on Cninfo (www.cninfo.com.cn) on 29 January and 18 March 2021, respectively.

**(III) Matters on entering into *Entrusted Operation and Management Agreement* and related party transaction**

During the Reporting Period, Shenzhen SZPRD Commercial Operation Co., Ltd., a wholly-owned subsidiary of the Company, and Shenzhen Shentou Property Development Co., Ltd., a wholly-owned subsidiary of the controlling shareholder, Shenzhen Investment Holdings Co., Ltd. (SIHC), entered into the *Entrusted Operation and Management Agreement*. Shentou Development transferred the 81,775.57 square meters of its properties entrusted by Shenzhen Investment Holdings to the commercial operation company for operation and management. The transaction will help promote the handling of historical legacy issues, improve the efficiency of the operation and management of state-owned assets, and contribute to the improvement of the Company's operation and management capabilities, which is in line with the long-term interests of the Company. For details, please refer to the *Announcement on Entering into Entrusted Operation and Management Agreement and Related Party Transactions* (Announcement No. 2021-13) disclosed by the Company on Cninfo (www.cninfo.com.cn) on 31 March 2021.

**(IV) Matters on the wholly-owned subsidiary winning the bid of the land use right**

On 27 August 2021, Shenzhen SZPRD Urban Renewal Co., Ltd., a wholly-owned subsidiary of the Company, became the selected

bidder for the construction land use right of No. 2021WR023 in Humen Town, Dongguan City in the online listing auction of state-owned construction land use right held by Dongguan City Public Resources Trading Website. On 2 September 2021, Urban Renewal signed the Confirmation of Transaction Results with Dongguan Public Resources Trading Center and won the land plot at a price of RMB2,070,606,666. For details, please refer to the Announcement on the Wholly-owned Subsidiary Winning the Bid of State-owned Land Use Right (Announcement No. 2021-27) disclosed by the Company on Cninfo (www.cninfo.com.cn) on 3 September 2021.

**(V) Matters on the controlling shareholder of the Company applying for changing the commitment to avoiding horizontal competition**

During the Reporting Period, the Company received the Letter on Changing the Commitment to Avoiding Horizontal Competition from its controlling shareholder SIHC. For more details, see the *Announcement on the Application by the Company's Controlling Shareholder for Changing the Commitment to Avoiding Horizontal Competition* (Announcement No.: 2021-32) disclosed by the Company on www.cninfo.com.cn on 11 September 2021. Such commitment change matter was approved at the first extraordinary general meeting of 2021 held on 27 September 2021.

**(VI) Matters on the completion of the general election of the Board of Directors and the Board of Supervisors**

On 27 September 2021, the Company held the First Extraordinary General Meeting of Shareholders in 2021, at which the Proposal on the Election of the Company's Ninth Board of Directors and Nomination of Non-independent Directors for the Company's Tenth Board of Directors, the Proposal on the Election of the Company's Ninth Board of Directors and Nomination of Independent Directors for the Company's Tenth Board of Directors, and the Proposal on the Election of the Company's Ninth Board of Supervisors were deliberated and approved. Meanwhile, the Company held the third meeting of the Seventh Workers and Employees' Congress on 8 September 2021 to elect the employee representative supervisors of the Tenth Board of Supervisors of the Company, and successfully completed the general election of the Tenth Board of Directors and Board of Supervisors of the Company. For details, please refer to the Announcement on the Completion of the General Election of the Board of Directors and the Board of Supervisors and the Appointment of the Secretary of the Board of Directors and the Securities Representative of the Company (Announcement No. 2021-37) disclosed by the Company on Cninfo (www.cninfo.com.cn) on 28 September 2021.

**(VII) Matters on winning the bid of the land use right**

On 25 November 2021, the Company won the state-owned land use right of Plot No. A606-0258 in Guangming, Shenzhen at RMB1,621 million in the online listing auction of state-owned construction land use right in Shenzhen. The bid winning of the land use right will effectively replenish the Company's land reserve and provide resources to further expand and strengthen the Company's main business and promote the sustainable development of the real estate business segment. For details, please refer to the Announcement on the Winning the Bid of State-owned Land Use Right (Announcement No. 2021-43) disclosed by the Company on Cninfo (www.cninfo.com.cn) on 26 November 2021.

**(VIII) Matters on acquisition by the wholly-owned subsidiary of 100% equity in Shenzhen Property Management Co., Ltd., Shenzhen Foreign Trade Property Management Co., Ltd., and three enterprises owned by Shenzhen Shenfubao (Group) Co., Ltd. and related party transactions**

During the Reporting Period, in order to effectively enhance the overall market competitiveness of the property management segment, build a benchmarking property management platform in Shenzhen, further expand and strengthen the Company's property management business and enhance the development momentum of the listed company, Shenzhen International Trade Center Property Management Co., Ltd., a wholly-owned subsidiary of the Company, intends to acquire 100% equity in Shenzhen Property Management Co., Ltd., Shenzhen Foreign Trade Property Management Co., Ltd., Shenzhen Shenfubao Property Development Co., Ltd., Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd. and Shenzhen Free Trade Zone Security Service Co., Ltd. Limited in cash. The aforementioned matters have been deliberated and approved at the Fifth Meeting of the Tenth Board of Directors and the Second Extraordinary General Meeting of Shareholders in 2021. For details, please refer to the *Announcement on the Acquisition by the Wholly-Owned Subsidiary of 100 Percent of the Equity of Shenzhen Property Management Co., Ltd. and Related Party Transactions* (Announcement No. 2021-45), *Announcement on the Acquisition by the Wholly-Owned Subsidiary of 100 Percent of the Equity of Shenzhen Foreign Trade Property Management Co., Ltd. and Related Party Transactions* (Announcement No. 2021-46), *Announcement on the Acquisition by the Wholly-Owned Subsidiary of 100 Percent of the Equity of Three Enterprises Owned by Shenzhen Shenfubao (Group) Co., Ltd. and Related Party Transactions* (Announcement No. 2021-47), *Announcement on the Progress of the Acquisition by the Wholly-Owned Subsidiary of 100 Percent of the Equity of Shenzhen Property Management Co., Ltd. and Related Party Transactions* (Announcement No. 2021-50), *Announcement on the Progress of the Acquisition by the Wholly-Owned Subsidiary of 100 Percent of the Equity of Shenzhen Foreign Trade Property Management Co., Ltd. and Related Party Transactions* (Announcement No. 2021-51), and *Announcement on the Progress of the Acquisition by the Wholly-Owned Subsidiary of 100 Percent of the Equity of Three Enterprises Owned by Shenzhen Shenfubao (Group) Co., Ltd. and Related Party Transactions* (Announcement No. 2021-52) disclosed by the Company on Cninfo (www.cninfo.com.cn) on 14 December and 24 December 2021.