



# **SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.**

## **ANNUAL REPORT 2021**

**(Announcement No. 2022-09)**

**March 2022**

## **Part I Important Notes, Table of Contents and Definitions**

**The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of ShenZhen Properties & Resources Development (Group) 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 Shengxiang, the Company’s legal representative, Cai Lili, the Company’s head of financial affairs, and Liu Qiang, 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.**

**The Company is subject to the information disclosure requirements for the real estate industry in the Self-Disciplinary and Regulatory Guideline No. 3 of the Shenzhen Stock Exchange for Listed Companies—Industry-specific Information Disclosure.**

**The Company has described in detail in this Report the possible risks facing it, along with countermeasures. Please refer to the section headed “Prospects” of “Part III Management Discussion and Analysis” of this Report.**

**The Board has approved a final dividend plan as follows: based on the share capital of 595,979,092 shares, a cash dividend of RMB6.8 (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.**

## Table of Contents

|   |            |
|---|------------|
| <b>Part I Important Notes, Table of Contents and Definitions.....</b>   | <b>1</b>   |
| <b>Part II Corporate Information and Key Financial Information.....</b> | <b>5</b>   |
| <b>Part III Management Discussion and Analysis.....</b>                 | <b>10</b>  |
| <b>Part IV Corporate Governance.....</b>                                | <b>45</b>  |
| <b>Part V Environmental and Social Responsibility.....</b>              | <b>69</b>  |
| <b>Part VI Significant Events.....</b>                                  | <b>72</b>  |
| <b>Part VII Share Changes and Shareholder Information.....</b>          | <b>88</b>  |
| <b>Part VIII Preferred Shares.....</b>                                  | <b>98</b>  |
| <b>Part IX Bonds.....</b>   | <b>99</b>  |
| <b>Part X Financial Statements.....</b>                                 | <b>100</b> |

## **Documents Available for Reference**

- I. The financial statements with the signatures and stamps of the Company's legal representative, head of financial affairs and head of the financial department;
- II. The original of the Independent Auditor's Report with the stamp of the CPA firm and the signatures and stamps of the certified public accounts; and
- III. The originals of all the Company's documents and announcements disclosed to the public in the Reporting Period.

## Definitions

| Term  | Definition   |
|---|--|
| The “Company”, the “Group”, “SZPRD” or “we” | ShenZhen Properties & Resources Development (Group) Ltd. and its consolidated subsidiaries, except where the context otherwise requires  |
| SIHC  | Shenzhen Investment Holdings Co., Ltd.   |
| Huangcheng Real Estate                      | Shenzhen Huangcheng Real Estate Co., Ltd.  |
| Dongguan Company                            | Dongguan ITC Changsheng Real Estate Development Co., Ltd.  |
| Xuzhou Company                              | SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.  |
| Yangzhou Company                            | SZPRD Yangzhou Real Estate Development Co., Ltd.   |
| Urban Renewal Company                       | Shenzhen SZPRD Urban Renewal Co., Ltd.   |
| Rongyao Real Estate                         | Shenzhen Rongyao Real Estate Development Co., Ltd.   |
| ITC Property Management                     | Shenzhen International Trade Center Property Management Co., Ltd.  |
| ITC Technology Park                         | Shenzhen ITC Technology Park Service Co., Ltd.   |
| Guomaomei Life                              | Shenzhen Guomaomei Life Service Co., Ltd.  |
| Commercial Operation Company                | Shenzhen SZPRD Commercial Operation Co., Ltd.  |
| Guomao Catering                             | Shenzhen Guomao Catering Co., Ltd.   |
| Supervision Company                         | Shenzhen Property Engineering and Construction Supervision Co., Ltd.   |
| Wuhe Company                                | Shenzhen Wuhe Industry Investment Development Co., Ltd.  |
| Shenzhen Property Management                | Shenzhen Property Management Co., Ltd.   |
| Foreign Trade Property Management           | Shenzhen Foreign Trade Property Management Co., Ltd.   |
| Shenfubao Property Development              | Shenzhen Shenfubao Property Development Co., Ltd.  |
| Hydropower Company                          | Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd.  |
| Security Service Company                    | Shenzhen Free Trade Zone Security Service Co., Ltd.  |
| FMC   | Shenzhen Facility Management Community Technology Co., Ltd.  |
| RMB, RMB’0,000, RMB’00,000,000              | Expressed in the Chinese currency of Renminbi, expressed in tens of thousands of Renminbi, expressed in hundreds of millions of Renminbi |

## Part II Corporate Information and Key Financial Information

### I Corporate Information

|                                    |   |            |                |
|------------------------------------|---|------------|----------------|
| Stock name                         | PRD, PRD-B  | Stock code | 000011, 200011 |
| Changed stock name (if any)        | N/A   |            |                |
| Stock exchange for stock listing   | Shenzhen Stock Exchange   |            |                |
| Company name in Chinese            | 深圳市物业发展(集团)股份有限公司   |            |                |
| Abbr.                              | 深物业集团   |            |                |
| Company name in English (if any)   | ShenZhen Properties & Resources Development (Group) Ltd.  |            |                |
| Abbr. (if any)                     | SZPRD   |            |                |
| Legal representative               | Liu Shengxiang  |            |                |
| Registered address                 | 39/F and 42/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China             |            |                |
| Zip code                           | 518014  |            |                |
| Past changes of registered address | N/A   |            |                |
| Office address                     | 16/F, 20/F, 39/F and 42/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China |            |                |
| Zip code                           | 518014  |            |                |
| Company website                    | www.szwuye.com.cn   |            |                |
| Email address                      | 000011touzizhe@szwuye.com.cn  |            |                |

### II 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 |
| Tel.          | 0755-82211020  | 0755-82211020  |
| Fax           | 0755-82210610 82212043   | 0755-82210610 82212043   |
| Email address | 000011touzizhe@szwuye.com.cn   | 000011touzizhe@szwuye.com.cn   |

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

|   |  |
|---|--|
| Stock exchange website where this Report is disclosed | The Shenzhen Stock Exchange: <a href="http://www.szse.cn">http://www.szse.cn</a>   |
| Media and website where this Report is disclosed      | For A-stock investors: Securities Times<br>For B-stock investors: Ta Kung Pao (HK)<br><a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> |
| Place where this Report is lodged                     | Board Office, 39/F, International Trade Center, Renmin South Road, Luohu District, Shenzhen, Guangdong Province, P.R.China                     |

### IV Change to Company Registered Information

|   |  |
|---|--|
| Unified social credit code  | No change  |
| Change to principal activity of the Company since going public (if any) | No change  |
| Every change of controlling shareholder since incorporation (if any)    | <p>On 29 September 2004, the State-Owned Assets Supervision and Administration Commission of Shenzhen Municipality (“SASAC Shenzhen”) decided to incorporate Shenzhen Investment Holdings Co., Ltd. (“SIHC”) to include Shenzhen Investment Management Co., Ltd. (“SIM”, the former controlling shareholder of the Company) and Shenzhen Construction Investment Holdings Corporation (“SCIHC”). SCIHC and SIM hold 323,796,324 and 56,582,573 shares respectively in the Company, representing a combined stake of 63.82%.</p> <p>On 19 October 2018, the Company was notified by its actual controlling shareholder SIHC that it had received the Confirmation of Securities Transfer Registration from China Securities Depository and Clearing Co., Ltd. (Shenzhen branch), marking the completion of the equity transfer to SIHC. As such, SIHC has become the controlling shareholder of the Company.</p> <p>The controlling shareholder remained unchanged during the Reporting Period.</p> |

### V Other Information

The independent audit firm hired by the Company:

|                                |  |
|--------------------------------|--|
| Name                           | Baker Tilly China Certified Public Accountants LLP   |
| Office address                 | 9/F, Zhonghe Plaza, 2002 Shennan Middle Road, Futian District, Shenzhen, Guangdong Province, China |
| Accountants writing signatures | Li Ming, Chen Zihan, and Xu Ping   |

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

|  | 2021              | 2020              | 2021-over-2020<br>change (%)                                  | 2019              |
|--|-------------------|-------------------|---|-------------------|
| Operating revenue (RMB)  | 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 (RMB)                                     | 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 (RMB) | 983,778,096.90    | 788,377,322.39    | 24.79%  | 695,675,201.19    |
| Net cash generated from/used in operating activities (RMB)   | -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%            |
|  | 31 December 2021  | 31 December 2020  | Change of 31<br>December 2021<br>over 31 December<br>2020 (%) | 31 December 2019  |
| Total assets (RMB)   | 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 (RMB)   | 4,486,110,790.39  | 3,727,917,440.03  | 20.34%  | 3,147,949,009.38  |

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

No difference for the Reporting Period.

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

Applicable  Not applicable

No difference for the Reporting Period.

## VIII 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

## IX Exceptional Gains and Losses

Applicable  Not applicable

Unit: RMB

| Item   | 2021          | 2020         | 2019         | Note                          |
|--|---------------|--------------|--------------|-------------------------------|
| Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)  | -62,170.29    | -322,603.77  | 47,015.23    |                               |
| Government subsidies charged to current profit or loss (exclusive of government subsidies consistently given in the Company's ordinary | 23,923,655.59 | 7,100,657.34 | 2,410,184.82 | Mainly government subsidy for |

|   |               |               |                |                      |
|---|---------------|---------------|----------------|----------------------|
| course of business at fixed quotas or amounts as per governmental policies or standards)  |               |               |                | Company Headquarters |
| Current profit or loss on subsidiaries obtained in business combinations involving enterprises under common control from the period-beginning to combination dates, net |               |               | 118,680,871.93 |                      |
| Gain or loss on contingencies that do not arise in the Company's ordinary course of business  |               | -2,396,947.00 |                |                      |
| Reversed portions of impairment allowances for receivables which are tested individually for impairment   |               | 19,900.00     |                |                      |
| Non-operating income and expense other than the above   | 2,915,682.88  | 9,089,508.74  | 2,048,751.21   |                      |
| Other gains and losses that meet the definition of exceptional gain/loss  | 169,262.03    | 94,284.37     | 91,337.56      |                      |
| Less: Income tax effects  | 6,749,597.21  | 3,470,226.55  | 1,146,936.51   |                      |
| Non-controlling interests effects (net of tax)  | 5,087.57      | -80,226.22    | 645.31         |                      |
| Total   | 20,191,745.43 | 10,194,799.35 | 122,130,578.93 | --                   |

Particulars about other gains and losses that meet the definition of exceptional gain/loss:

Applicable  Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No.

1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable  Not applicable

No such cases for the Reporting Period.

## Part III Management Discussion and Analysis

### I Industry Overview for the Reporting Period

The Company is subject to the information disclosure requirements for the real estate industry in the Self-Disciplinary and Regulatory Guideline No. 3 of the Shenzhen Stock Exchange for Listed Companies—Industry-specific Information Disclosure.

#### **(I) Macro-economic situation and 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.

## **(II) 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.

**The demand side focused on the strengthening of credit regulation, price control and the optimization and upgrading of policies restricting housing purchases and loans.** (1) The strengthening of credit regulation. Illegal inflows of funds into the real estate market were under scrutiny. To prevent business loans from entering the market, many cities scrutinized the use of illegal funds for down payments and mortgage loans. After the coming into force of the policy on property loan concentration management, some banks and cities suffered tight mortgage limits, the mortgage loan period of property buyers was lengthened, the mortgage loan rate rose and qualification requirements were raised. (2) Price control. "Stability" was more valued in housing price control. Firstly, popular cities extended the control of excessive price increases from new houses to second-hand ones. Cities such as Shenzhen, Shanghai, Wuxi and Shaoxing successively established a price reference mechanism for second-hand houses, which required banks to extend second-hand housing loans at the reference price. Such a mechanism was designed to restrict the surge in second-hand housing prices and to crack down on price inversion of old and new housing. Secondly, the property markets in tier-three and tier-four cities performed differentially. House prices in some cities underwent a marked drop and developers slashed prices. Following the downward trend that appeared in the market in July, Heze, Yueyang and Kunming issued executive orders to limit price declines in succession, under which most of sales shall be based on the filing price for online sales and the decline shall not be greater than 10%. (3) The optimization and upgrading of policies restricting housing purchases and loans. Popular cities tightened policies mainly through patching or restricting the entry of investment-oriented housing demands through adding conditions for house purchase. For instance, Haikou, Xi'an, Hangzhou, Dongguan, Guangzhou and Nanjing added conditions such as personal income tax or certificate of social insurance payment. Xiamen, Hefei, Chengdu, Hangzhou and Shanghai stipulated that house purchase qualifications were required to obtain houses through judicial auctions. Wuhan launched the ticket-based house purchase policy. Dongguan increased the periods of social security payment of house buyers with non-local household registration.

**The supply side focused on land and financial control.** (1) In terms of land, 22 cities started to implement the "Two Centralization" (centralized announcement and centralized transfer) policy for residential land supply from 2021, which required that, in principle,

the number of land transfers shall not exceed three times in a year. Apart from the first group of 22 pilot cities that completed centralized land supply within the year, some other cities also adopted the "Two Centralization" method for land transfer. As an important process of the long-acting real estate mechanism, centralized land supply is mainly designed to stabilize house prices by stabilizing land prices and requires real estate enterprises to raise more funds for land acquisition in a short period of time, bringing a bigger test to the capital chain of such enterprises. When the second round of centralized land supply began, private enterprises were unable to do much at the investment end due to credit challenges and financial pressures and chose not to participate. Central and state-owned enterprises predominated the market and some local state-owned enterprises also emerged from time to time. (2) In terms of financial control, policies continued to tighten before September and the financing of real estate enterprises was restricted by constant patching. On December 31, 2020, the PBOC and the China Banking and Insurance Regulatory Commission (CBIRC) issued the loan concentration assessment standards to limit the existing scale of real estate loans in banks. Real estate enterprises have found their development financing significantly restrictive since 2021. On March 22, 2021, the PBOC held a symposium on optimizing and adjusting the credit structure of 24 major banks nationwide, emphasizing "maintaining the continuity, consistency and stability of real estate financial policies and implementing the financial prudential management policy of real estate". The Asset Management Association of China (AMAC) suspended the filing of real estate supply chain products by fund subsidiaries in May and the approval and issuance of asset-backed securities (ABS) slowed down significantly after August. Since September, many real estate enterprises suffered liquidity difficulties and marginal relaxation of real estate regulation began to appear. From late September to November, the market was dominated by the relaxation of the PBOC, the CBIRC and other financial regulators, and development loans, mortgage loans and bond financing gradually recovered. Additionally, local governments and housing construction departments strengthened the regulation of advance sale funds to guarantee delivery. Since December, financial institutions, housing construction departments and local governments made a joint statement to resolve the liquidity crisis.

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.

### **(III) 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.

### **(IV) 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.

## II Principal Activity of the Company in the Reporting Period

The Company is subject to the information disclosure requirements for the real estate industry in the Self-Disciplinary and Regulatory Guideline No. 3 of the Shenzhen Stock Exchange for Listed Companies—Industry-specific Information Disclosure.

### (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) Business Review for the Company in 2021

2021 is the opening year of the comprehensive implementation of the 14th Five-Year Plan. The Company closely focused on the implementation of the key work plans formulated at the beginning of the year, based on "long-term goals, medium-term expectations, short-term results" to promote the overall efficiency of long-term sustainable development. The Real Estate Company took expansion as the goal, and made efforts to seek a breakthrough in project expansion. The Property Management Company took strategic transformation as the guide to enhance the empowerment value and brand value. The Commercial Operation Company aimed at improving quality and efficiency, and continued to innovate the operation and management mode, and each business segment has maintained a stable and healthy development trend. As at the end of the Reporting Period, the total assets of the Group stood at approximately RMB14.582 billion. During the year, the Group recorded operating revenue of approximately RMB4.492 billion and a gross profit of approximately RMB1.314 billion, up around 27.07% year on year, representing the highest levels ever since the establishment of the Group. And with respect to ROE, the Group has stayed at the forefront of A-stock real estate developers and municipal state-controlled listed companies for years.

**First, the industry-city space development segment achieved outstanding results and project expansion was fruitful.** The real estate business recorded operating revenue of RMB3,131 million, accounting for 69.70% of the total operating revenue and up 8.14% from the previous year. During the Reporting Period, firstly, the Group concentrated on the Greater Bay Area, took an active part in the competitive land auction market and seized the land auction opportunities in Dongguan and Shenzhen. With these efforts, the Group successfully won the bid for two land plots, one covering an area of approximately 52,000 square meters in Humen Town, Dongguan and one covering an area of approximately 15,000 square meters in Guangming District, 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. Secondly, the Group continued to strengthen the synergy between phased objectives and resource security to achieve the comprehensive speed-up and turnover of projects under construction. The annual sales work of the Golden Collar Holiday project was fully coordinated to control the pace of entering the market. The remaining houses of Towers B and C were sold out smoothly. When the pandemic was under stable control, Tower A was opened for sale on May 14, which produced satisfactory results and provided strong support for revenue and profit growth. Meanwhile, breakthroughs were made in the critical processes of some key and difficult projects. Specifically, the Fuchang Phase II project was capped as scheduled. The implementation entity of the Guanlan Bangling Phase II project was confirmed. The disposal of idle land was completed for the Baolu land plot and compensation in cash was confirmed. The separation plan of the Yupinluanshan project was approved by the superior property unit. The acceptance procedures for the Longyaoshanju project in Xuzhou were all completed. The relocation and renovation of the dilapidated buildings in Canteen No. 3 of Huali West Village were vigorously pushed forward to mitigate safety risks. In particular, the Guanlan Bangling project, as the Company's first industry-city complex project in the Guanlan area of Longhua District in a market-oriented manner, was included in the first group of key industrial and major livelihood projects in Longhua District in 2021, with a total planned investment exceeding RMB8 billion and a total building area of roughly 620,000 square meters. The project will introduce digital manufacturing, digital culture and education, digital health, financial services and other smart technology industries and build a large industry-city complex integrating industrial office, residential and commercial properties, boosting the Group's transformation and leapfrog development.

**Second, the property management segment grew steadily and continued to accelerate market expansion.** The operating

revenue from property management was RMB1,185 million throughout the year, accounting for 26.37% of the total operating revenue and representing a year-on-year increase of 10.70%. It remained the Group's second-largest revenue source. The gross profit margin was 18.31%, an increase of approximately 3.6 percentage points over the same period of the previous year. During the Reporting Period, five high-quality property management enterprises under SPG, China Shenzhen Foreign Trade (Group) Corp. Ltd. and Shenzhen Shenfubao (Group) Co., Ltd. were acquired, with a management area of roughly 5.68 million square meters. The total area under management exceeded 30 million square meters, including 10 million square meters of industrial park area under management. The scale of operation and management of high-end industrial parks ranked the top of domestic industrial park operation and management, which effectively enhanced the Group's overall market competitiveness in property management and had an extremely important milestone significance for the Group's strategic transformation of expanding and strengthening its property management business and cultivating its second main business. FMC, a high-end value-added service provider, was acquired for innovation purposes and will serve as an important driver for the Group's informationized, digital and intelligent transformation and development in the future. At this point, the first project of the Group's fourth-largest business segment - main business ecosystem investment - was successfully implemented. It marked a vivid practice of "expanding the main business and making breakthroughs", created an opportunity for subsequent acquisitions of similar enterprises and provided valuable experience for reference. The market-oriented expansion was promoted at the same time. The annual net increase in the property management area was approximately 1.95 million square meters, of which about 800,000 square meters were expanded by Yangzhou Jingyue Company, making outstanding contributions to the completion of the annual tasks. The Group selected CBRE Group, Inc., a giant of the international property management industry, as a strategic partner to jointly cultivate quality brands in high-end property management, asset operation and property development services.

**Third, quality and efficiency were improved and core operating capabilities were cultivated for the industrial ecological operation and other segments.** The operating revenue from property rental throughout the year was RMB176 million, accounting for 3.92% of the total operating revenue and up 26.85% from the previous year. In recent years, the Company has taken various steps to accelerate its transformation and upgrading, explored the establishment of an incremental sharing mechanism and intensified project expansion. Besides, core operating capabilities were cultivated in multiple paths and the transformation of the current simple leasing business mode to a commercial operation mode was promoted, thereby boosting the development and growth of the industrial ecological operation segment. During the Reporting Period, the Company signed agreements with SIHC and Shenzhen Shentou Real Estate Development Co., Ltd. to trust 97 properties covering about 82,000 square meters of assets, which is expected to increase the annual revenue by about RMB7 million. The Donghu Apartment project was actively expanded in a market-oriented way for the first time to nearly 10,000 square meters of asset-light projects and the occupancy rate exceeded 60% on the first day of opening. At the moment, the leasable property of the Group covers an area of about 430,000 square meters. With quality and efficiency improvements as the core, the Company is accelerating the transformation, upgrading, revitalization and utilization of assets and the disposal of inefficient assets. Industrial investment attraction started from scratch and was consolidated afterward. With the improvement of system building by issuing the *White Paper on Industrial Investment Attraction Strategies* and the *Measures for the Administration of Industrial Operations (Provisional)*, the industrial investment attraction system took shape preliminarily. Industrial planning programmes for Yangzhou, Bangling and Fuyuan projects were vigorously promoted. Besides, the Company contacted nearly 300 intended partners and reached cooperation intentions with many units. The supervision over the fine decoration of Tower A of Golden Collar Holiday, Fuchang Phase II and Guanlan Bangling projects was in orderly progress. Various work was carried out in strict accordance with the standardized procedures for supervision and the Company's relevant requirements for internal control to successfully complete the supervision of existing projects.

**New additions to the land bank:**

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

|  |   |             |           |            |             |         |         | (RMB'0,000) |
|--|---|-------------|-----------|------------|-------------|---------|---------|-------------|
| Land Lot No. A606-0258 in Guangming District, Shenzhen | Yutang Street, Guangming District       | Residential | 14,901.80 | 89,067     | Open market | 100.00% | 167,044 | 167,044     |
| Land Lot No. 2021WR023 in Humen Town, Dongguan         | Chigang Community, Humen Town, Dongguan | Residential | 51,687.93 | 113,713.44 | Open market | 100.00% | 213,376 | 213,376     |

**Cumulative land bank:**

| Name of project/area                            | Site area (0,000 m <sup>2</sup> ) | Floor area (0,000 m <sup>2</sup> ) | Floor area available for development (0,000 m <sup>2</sup> ) |
|---|-----------------------------------|------------------------------------|--|
| Yupinluanshan Garden project                    | 2.19                              | 7.89                               | 7.89   |
| Baolu project                                   | 3.24                              | 8.16                               | 8.16   |
| Land in Danshui, Huiyang District, Huizhou City | 1.77                              | 6.20                               | 6.20   |
| Land in Hongqi Town, Haikou City                | 15.8                              | -                                  | -  |
| Project at Yutang, Guangming District           | 1.49                              | 8.91                               | 8.91   |
| Project at Humen, Dongguan                      | 5.17                              | 11.37                              | 11.37  |
| <b>Total</b>                                    | <b>29.66</b>                      | <b>42.53</b>                       | <b>42.53</b>   |

**Development status of major projects**

| City/region | Name of project        | Location     | Usage       | The Company's interest | Time for commencement of construction | % developed | % that has completed construction | Site area (m <sup>2</sup> ) | Planned floor area with plot ratio (m <sup>2</sup> ) | Floor area that completed construction in the Current Period (m <sup>2</sup> ) | Cumulative floor area that has completed construction (m <sup>2</sup> ) | Estimated total investment (RMB'0,000) | Cumulative investment (RMB'0,000) |
|-------------|------------------------|--------------|-------------|------------------------|---------------------------------------|-------------|-----------------------------------|-----------------------------|--|--|---|--|-----------------------------------|
| Shenzhen    | Golden Collar's Resort | Futian Distr | Residential | 100.00%                | 2014.03                               | Completed   | 100.00%                           | 12,598                      | 133,800  | 0  | 133,800   | 138,311                                | 127,701                           |

|             |                           |                   |   |         |         |                    |   |        |         |   |   |         |         |
|-------------|---------------------------|-------------------|---|---------|---------|--------------------|---|--------|---------|---|---|---------|---------|
|             | apartments                | ict               |   |         |         |                    |   |        |         |   |   |         |         |
| Shenzhen    | Fuhui Huayuan             | Futian District   | Affordable housing                                | 100.00% | 2018.12 | Under construction | Mainframe topped out on October 8, around 80% decoration completed, and main structure completed              | 4,274  | 33,430  | 0 | 0 | 91,133  | 66,172  |
| Xuzhou City | Banshan Yujing (Phase II) | Tongshan District | Residential                                       | 100.00% | 2019.03 | Under construction | As of December 31, construction completed and going through filing formalities for completion of construction | 31,537 | 22,795  | 0 | 0 | 23,581  | 20,047  |
| Shenzhen    | Guanlan Bangling          | Longhua District  | Residential, commercial apartments and industrial | 69.00%  | 2020.10 | Under construction | 94.66% demolished, Phase II earthwork, foundation pit supporting and pile footing ongoing                     | 68,300 | 433,640 | 0 | 0 | 694,150 | 345,252 |

## Sales status of major projects

| City/region | Name of project                   | Location  | Usage   | The Company's interest | Floor area with plot ratio (m <sup>2</sup> ) | Floor area available for sale (m <sup>2</sup> ) | Cumulative pre-sold/sold floor area (m <sup>2</sup> ) | Floor area pre-sold/sold in the Current Period (m <sup>2</sup> ) | Pre-sale/sales revenue generate in the Current Period (RMB'0,000) | Cumulative settled floor area (m <sup>2</sup> ) | Floor area settled in the Current Period (m <sup>2</sup> ) | Pre-sale/sales revenue settled in the Current Period (RMB'0,000) |
|-------------|-----------------------------------|---|---|------------------------|--|---|---|--|---|---|--|--|
| Shenzhen    | Golden Collar's Resort apartments | Intersection of Futian South Road and Binhe Road in Futian District | Residential, studio apartments and commercial | 100%                   | 133,800.6                                    | 125,231.07                                      | 106,525.28  | 38,201.84  | 338,967   | 100,360.60                                      | 36,073.53  | 300,441.21   |

|                                  |                             |   |  |      |                |           |               |          |          |                |          |          |
|----------------------------------|-----------------------------|---|--|------|----------------|-----------|---------------|----------|----------|----------------|----------|----------|
| Do<br>ng<br>gu<br>an<br>Cit<br>y | Songhu<br>Langyu<br>an      | Dalang<br>Town  | Residential,<br>commercial   | 100% | 147,139.<br>96 | 140,911   | 140,911       | 240      | 207      | 149,241.<br>84 | 228      | 184.992  |
| Ya<br>ng<br>zh<br>ou<br>Cit<br>y | Hupan<br>Yujing<br>Phase I  | Intersection<br>of Shouxihu<br>Road and<br>Hangou<br>Road | Residential<br>units,<br>shops,<br>apartments,<br>parking<br>garages and<br>lots | 100% | 36,141.2<br>8  | 48,870.98 | 42,921.5<br>4 | 572.28   | 217.3    | 42,822.8<br>7  | 607.02   | 208.35   |
| Ya<br>ng<br>zh<br>ou<br>Cit<br>y | Hupan<br>Yujing<br>Phase II | Intersection<br>of Shouxihu<br>Road and<br>Hangou<br>Road | Residential<br>units,<br>shops,<br>apartments,<br>parking<br>garages and<br>lots | 100% | 56,935.7<br>5  | 73,121.96 | 69,798.5<br>2 | 2,275.15 | 3,078.69 | 68,314.8<br>6  | 4,136.97 | 5,454.09 |

**Rental status of major projects**

| Name of project                                 | Location                    | Usage                              | The<br>Company's<br>working<br>interest | Rentable area<br>(m <sup>2</sup> ) | Cumulative<br>rented area<br>(m <sup>2</sup> ) | Average<br>occupan<br>cy rate |
|---|-----------------------------|------------------------------------|---|------------------------------------|--|-------------------------------|
| Xi Apartments (Longyuan)                        | Shenzhen                    | Apartments for<br>long-term rental | 100.00%                                 | 3967                               | 3967   | 100.00%                       |
| Xi Apartments (Longhua)                         | Shenzhen                    | Apartments for<br>long-term rental | 100.00%                                 | 1609                               | 1609   | 100.00%                       |
| Xi Apartments (Xinhu)                           | Shenzhen                    | Apartments for<br>long-term rental | 100.00%                                 | 1600                               | 1600   | 100.00%                       |
| Donghu Apartments                               | Shenzhen                    | Apartments for<br>long-term rental | 100.00%                                 | 8171.72                            | 4506.14  | 55.14%                        |
| Food Court in the<br>International Trade Center | Shenzhen                    | Commercial                         | 100.00%                                 | 4049                               | 2468.4   | 60.96%                        |
| Fumin Complex                                   | Shenzhen                    | Commercial,<br>apartments          | 100.00%                                 | 6450                               | 5192.23  | 80.50%                        |
| Tower A of Wenjindu Port<br>Building            | Luohu District,<br>Shenzhen | Office building                    | 75.00%                                  | 5884                               | 5753   | 97.77%                        |
| Haiwai Lianyi Building                          | Shenzhen                    | Commercial units                   | 75.00%                                  | 9313.78                            | 9313.78  | 100.00%                       |

|  |                      |  |         |       |        |         |
|--|----------------------|--|---------|-------|--------|---------|
|  |                      | and offices                                |         |       |        |         |
| Anhua Building   | Shenzhen             | Offices                                    | 75.00%  | 1414  | 1414   | 100.00% |
| Training Building/Dormitory                                    | Shenzhen             | Residential units/offices/commercial units | 75.00%  | 4194  | 4194   | 100.00% |
| Pengfu Building  | Shenzhen             | Offices                                    | 75.00%  | 6494  | 6494   | 100.00% |
| Jinfu Building   | Shenzhen<br>Shenzhen | Commercial                                 | 75.00%  | 1702  | 1457   | 85.61%  |
| Jinfu Building   | Shenzhen<br>Shenzhen | Commercial                                 | 100.00% | 568   | 568    | 100.00% |
| Fuxing Garden  | Shenzhen             | Residential/commercial                     | 75.00%  | 5787  | 5787   | 100.00% |
| Fuxing Garden  | Shenzhen             | Commercial                                 | 100.00% | 1417  | 1417   | 100.00% |
| Plant area in Tangxia Town, Dongguan City                      | Dongguan City        | Plant                                      | 75.00%  | 22034 | 22034  | 100.00% |
| Pacific Business Building                                      | Shenzhen             | Commercial units/offices                   | 75.00%  | 3199  | 3199   | 100.00% |
| Pacific Business Building                                      | Shenzhen             | Commercial units/offices                   | 15.00%  | 14889 | 14718  | 98.00%  |
| Kangti Building  | Shenzhen             | Commercial units/offices                   | 75.00%  | 2096  | 2096   | 100.00% |
| Kangti Building  | Shenzhen             | Commercial units/offices                   | 15.00%  | 1147  | 1147   | 100.00% |
| Lyhua Building   | Shenzhen             | Commercial and residential                 | 75.00%  | 6960  | 6585   | 95.00%  |
| Shops on the ground floor of Tower 48 in Lianhua North Village | Shenzhen             | Shops                                      | 75.00%  | 1000  | 1000   | 100.00% |
| Haonianhua Building  | Shenzhen             | Apartments and commercial units            | 100.00% | 1803  | 1803   | 100.00% |
| Haonianhua Building  | Shenzhen             | Apartments and commercial units            | 75.00%  | 2278  | 2278   | 100.00% |
| Hostel 2 at Yuxin School                                       | Shenzhen             | Hostel                                     | 75.00%  | 3000  | 3000   | 100.00% |
| Kaifeng Garden in Shangmeilin                                  | Shenzhen             | Residential                                | 100.00% | 1307  | 846.72 | 64.78%  |
| Fuyuan Industrial Zone   | Shenzhen             | Plant area                                 | 75.00%  | 47130 | 47030  | 99.79%  |
| Tonglu Industrial Zone   | Shenzhen             | Plant area                                 | 100.00% | 76886 | 74954  | 97.49%  |
| Gonglu Building  | Shenzhen             | Commercial/office                          | 75.00%  | 317   | 317    | 100.00% |

|                                      |          |                    |        |         |         |         |
|--------------------------------------|----------|--------------------|--------|---------|---------|---------|
|                                      |          | es                 |        |         |         |         |
| Jiangling Industrial Zone            | Shenzhen | Plant area         | 75.00% | 10397   | 10397   | 100.00% |
| Zone 21                              | Shenzhen | Commercial/offices | 75.00% | 9514    | 6475    | 68.06%  |
| Baoli Community                      | Shenzhen | Residential        | 75.00% | 9020    | 8918    | 98.87%  |
| Songgang Plant                       | Shenzhen | Plant area         | 75.00% | 5700    | 5700    | 100.00% |
| Longbu Plant                         | Shenzhen | Plant area         | 75.00% | 7471    | 7471    | 100.00% |
| Gonglu Building in Huanggang         | Shenzhen | Offices            | 75.00% | 4600    | 4547    | 98.85%  |
| Yuetong Complex                      | Shenzhen | Offices            | 75.00% | 3044    | 3044    | 100.00% |
| Department Store Plaza               | Shenzhen | Offices            | 33.00% | 13515   | 13515   | 100.00% |
| Southern Securities Building         | Shenzhen | Offices            | 33.00% | 8809.8  | 4077.96 | 46.29%  |
| Building 409, Sangda Industrial Zone | Shenzhen | Plant area         | 33.00% | 3309.2  | 3309.2  | 100.00% |
| Mianshui Studio Apartment            | Shenzhen | Apartment          | 33.00% | 3440.12 | 3440.12 | 100.00% |
| Xiangfu Building                     | Shenzhen | Commercial         | 33.00% | 3104.9  | 3104.9  | 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     |
| Bank loans        | 3,587,800,000.00             | 4%-6%                                       |                    |           | 3,000,000.00 | 3,584,800,000.00 |
| Total             | 3,587,800,000.00             | 4%-6%                                       |                    |           | 3,000,000.00 | 3,584,800,000.00 |

**Development strategy and operating plan for the coming year:**

Under the macro-economic environment of "triple pressure" in 2022 and amid the overall downward development trend of the conventional real estate market, SZPRD will actively search for the strategic breakthrough direction, comprehensively connect with the major strategic orientation of the state-owned asset system and firmly grasp the core processes of stock asset value management and industrial ecological operation services. Relying on the principle of "expanding the main business and making breakthroughs", efforts will be doubled to develop four major businesses, i.e., industry-city space development, property management services, industrial ecological operation and main business ecosystem investment, and guide high-quality development with a new development philosophy.

In terms of land reserves, after the successful bid for the two quality development land plots in Humen Town of Dongguan and Guangming District of Shenzhen in 2021, the Company will continue to actively expand its land reserves through market methods and capital operation in 2022. The Company will lay emphasis on expansion to the Greater Bay Area, the Yangtze River Delta metropolitan area and areas of existing projects, as well as pay gradual attention and extend its presence to the central urban agglomeration centering on Wuhan, the Chengdu-Chongqing region in western China and the Beijing-Tianjin-Hebei region. Urban

renewal projects will be launched primarily in Shenzhen, Dongguan, Huizhou and other areas near Shenzhen and such projects in Guangzhou will be gradually followed up.

With respect to project development and sales in 2022, the Company will continue to strengthen overall control of the general objective, phased objectives, progress schedule and investment plans. It will focus on the sales of all the remaining houses of Tower A of the Golden Collar Holiday Apartment project and the Yangzhou Hupan Yujing project and fully promote the construction of the projects in Humen Town and Guangming District and the Phases I and II of the Guanlan Bangling urban renewal project. Furthermore, it will strive to complete various tasks, such as the project approval and special declaration of the renewal unit plan for the Fuyuan Industry Park, the disposal of idle land in Baolu, the completion and acceptance of the main body and fine decoration of Fuchang Phase II and the separation of the Yupinluanshan project.

For details, please refer to "XI Prospects" in "Part III Management Discussion and Analysis" in the 2021 annual report. The above business plan and business objectives do not represent the listed Company's profit forecast for 2022. Whether it can be achieved depends on various factors including changes in market conditions and the effort made by the management team. Investors must pay special attention to that because there exists huge uncertainty.

**Provision of guarantees for homebuyers on bank mortgages:**

Applicable  Not applicable

As a usual practice for real estate developers, the Company has been providing guarantees and security deposits for its homebuyers on their bank mortgages. As at 31 December 2021, security deposits for such outstanding guarantees amounted to RMB1,127,757.03, which will be returned upon the expiry of the guarantees, i.e. when the relevant homebuyers paid off their bank mortgages.

**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 investment entities):**

Applicable  Not applicable

| Name of project                                     | Type of investment entity   | Amount of investment (RMB'0,000) | % of investment amount | As % of the peak of the project funds | Cumulative income | Disinvestment | Compatibility of actual investment amount and distributed income |
|---|---|----------------------------------|------------------------|---------------------------------------|-------------------|---------------|--|
| Urban Renewal of Bangling Section at Guanlan Street | Mandatory investment entities (including directors and senior management) | 2,647.00                         | 66.18%                 | N/A                                   | 0                 | None          | N/A  |
|   | Voluntary investment entities   | 1,353.00                         | 33.82%                 | N/A                                   | 0                 | None          | N/A  |

Note: Since this is an ongoing project, the peak of the project funds, cumulative income and disinvestment are unknown. For details, please refer to the relevant announcements disclosed by the Company on [www.cninfo.com.cn](http://www.cninfo.com.cn) dated 9 November 2019.

### III Core Competitiveness Analysis

**Advantages in brand and cultural accumulation:** As a Shenzhen municipal state-owned enterprise, SZPRD has undergone 40 years of development and accumulation and has been highly recognized by the market for the brand value and comprehensive strength of "SZPRD" that carries the spirit of reform and opening up of the Shenzhen International Trade Center Building. SZPRD came into being because of the Shenzhen International Trade Center 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.

**Market-oriented advantages:** In accordance with the market-oriented pace of a small change in a year and a big change in three years, the Group continues to innovate institutional mechanisms, deepen internal reforms, and actively benchmark with industry models for market-oriented operation, which significantly stimulates the vitality and momentum of the Group's high-quality development. In recent years, the Guanlan Bangling project pioneered the cooperation between state-owned enterprises and private enterprises in developing urban renewal projects, marking the first fully market-oriented urban renewal project in the history of the Group, and took the lead in implementing the follow-on investment system for urban renewal projects in the city's state-owned capital system. The property management segment, with 90% projects outside the province and 90% market-oriented expansion, demonstrates the strong competitiveness of the Company's property management business in the national market. The Company has simultaneously established a multi-level incentive and restraint mechanism including follow-on investment and long-term incentives, allocating resources, selecting talents and assessing rewards and punishments according to the market-oriented approach.

**Whole industry chain advantage:** Over the years, the Group has formed the advantage of the whole industry chain in the whole process of project acquisition, development and construction, investment and sales, leasing management and property management, especially in the area of high-end park basic services and property management quality services, which has formed obvious segmentation advantages and forged the core competitive ability of the Company.

**City-industry integration advantage:** From the earliest urban complex of Shenzhen International Trade Center Building, Luohu Commercial City, Huanggang Port area development to the development and operation of large city-industry complex project of Guanlan Bangling urban renewal project, the Group's advantages of city-industry complex development products have been highlighted, and with the implementation of a series of urban renewal projects and industrial projects, the advantages of city-industry complex will be further consolidated and enhanced.

**Advantages as a holding subsidiary of a Fortune Global 500 company:** Shenzhen Investment Holdings Co., Ltd., the controlling shareholder of the Company, has been committed to building a world-leading state-owned capital investment and operation company and a financial holding group. It has now developed into a state-owned capital investment company focusing on fintech, technology parks, infant industries and high-end services. It was listed in Fortune Global 500 companies in 2021 with an operating income of RMB214.9 billion and ranked 396th on the list, 46 places higher than that in 2020. Relying on the controlling shareholder's advantages in the whole industrial chain of technology parks, the Company carries out active transformation and upgrading and concentrates on the development and construction of industry-city complexes, heralding a broader development prospect.

## IV Core Business Analysis

### 1. Overview

See contents under the heading “II Principal Activity of the Company in the Reporting Period” above in “Management Discussion and Analysis”.

### 2. Revenue and Cost Analysis

#### (1) Breakdown of Operating Revenue

Unit: RMB

|  | 2021              |                                 | 2020              |                                 | Change (%) |
|--|-------------------|---------------------------------|-------------------|---------------------------------|------------|
|  | Operating revenue | As % of total operating revenue | Operating revenue | As % of total operating revenue |            |
|  |                   |                                 |                   |                                 |            |

|                       |                  | (%)     |                  | (%)     |        |
|-----------------------|------------------|---------|------------------|---------|--------|
| Total                 | 4,491,965,643.71 | 100%    | 4,104,374,646.02 | 100%    | 9.44%  |
| By operating division |                  |         |                  |         |        |
| Property development  | 3,131,113,534.70 | 69.70%  | 2,895,323,736.80 | 70.54%  | 8.14%  |
| Property management   | 1,184,591,970.58 | 26.37%  | 1,070,094,746.33 | 26.07%  | 10.70% |
| Property rental       | 176,260,138.43   | 3.92%   | 138,956,162.89   | 3.39%   | 26.85% |
| By product category   |                  |         |                  |         |        |
| Property development  | 3,131,113,534.70 | 69.70%  | 2,895,323,736.80 | 70.54%  | 8.14%  |
| Property management   | 1,184,591,970.58 | 26.37%  | 1,070,094,746.33 | 26.07%  | 10.70% |
| Property rental       | 176,260,138.43   | 3.92%   | 138,956,162.89   | 3.39%   | 26.85% |
| By operating segment  |                  |         |                  |         |        |
| Shenzhen              | 4,107,155,381.91 | 91.43%  | 3,718,740,286.40 | 90.60%  | 10.44% |
| Other                 | 384,810,261.80   | 8.57%   | 385,634,359.62   | 9.40%   | -0.21% |
| By marketing model    |                  |         |                  |         |        |
| Direct sales          | 4,491,965,643.71 | 100.00% | 4,104,374,646.02 | 100.00% | 9.44%  |

## (2) Operating Division, Product Category, Operating Segment or Marketing Model 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 development  | 3,131,113,534.70  | 432,501,558.96 | 86.19%              | 8.14%                               | 11.40%                          | -0.40%                                |
| Property management   | 1,184,591,970.58  | 967,698,196.48 | 18.31%              | 10.70%                              | 6.07%                           | 3.57%                                 |
| By product category   |                   |                |                     |                                     |                                 |                                       |
| Property development  | 3,131,113,534.70  | 432,501,558.96 | 86.19%              | 8.14%                               | 11.40%                          | -0.40%                                |
| Property management   | 1,184,591,970.58  | 967,698,196.48 | 18.31%              | 10.70%                              | 6.07%                           | 3.57%                                 |

|                      |
|----------------------|
| By operating segment |
| By marketing model   |

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           | 2021      | 2020      | Change (%) |
|----------------------|--------------|----------------|-----------|-----------|------------|
| Property development | Sales volume | m <sup>2</sup> | 37,622.78 | 47,540.93 | -20.86%    |
|                      | Output       | m <sup>2</sup> | 262,098   | 262,098   | 0.00%      |
|                      | Inventory    | m <sup>2</sup> | 35,157.25 | 76,447.91 | -54.01%    |

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

Applicable  Not applicable

The inventory dropped as a result of enhanced sales.

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

Applicable  Not applicable

### (5) Breakdown of Cost of Sales

By operating division

Unit: RMB

| Operating division   | Item | 2021           |                                 | 2020           |                                 | Change (%) |
|----------------------|------|----------------|---------------------------------|----------------|---------------------------------|------------|
|                      |      | Cost of sales  | As % of total cost of sales (%) | Cost of sales  | As % of total cost of sales (%) |            |
| Property development |      | 432,501,558.96 | 29.01%                          | 388,253,086.57 | 28.00%                          | 11.40%     |
| Property management  |      | 967,698,196.48 | 64.91%                          | 912,325,050.31 | 65.79%                          | 6.07%      |
| Property rental      |      | 90,687,606.72  | 6.08%                           | 86,132,102.66  | 6.21%                           | 5.29%      |

Note:

N/A

**(6) Changes in the Scope of Consolidated Financial Statements for the Reporting Period**√ Yes  No

See “VIII Changes to the Consolidation Scope” in “Part X Financial Statements” in this Report.

**(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)   | 114,786,951.00 |
| Total sales to top five customers as % of total sales of the Reporting Period (%)                       | 3.34%          |
| 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 for the Reporting Period (RMB) | As % of total sales revenue (%) |
|-------|----------------------|--|---------------------------------|
| 1     | Legal person 1       | 58,081,440.00  | 1.69%                           |
| 2     | Natural person No. 1 | 18,393,461.00  | 0.54%                           |
| 3     | Natural person No. 2 | 18,336,856.00  | 0.54%                           |
| 4     | Natural person No. 3 | 18,280,250.00  | 0.53%                           |
| 5     | Natural person No. 4 | 18,248,944.00  | 0.53%                           |
| Total | --                   | 114,786,951.00   | 3.34%                           |

Other information about major customers:

 Applicable √ Not applicable

Major suppliers:

|   |               |
|---|---------------|
| Total purchases from top five suppliers (RMB)   | 95,045,900.12 |
| Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)                       | 27.83%        |
| Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%) | 0.00%         |

Information about top five suppliers:

| No. | Supplier           | Purchase in the Reporting Period (RMB) | As % of total purchases (%) |
|-----|--------------------|--|-----------------------------|
| 1   | Legal person No. 1 | 25,529,431.41                          | 7.47%                       |

|       |                    |               |        |
|-------|--------------------|---------------|--------|
| 2     | Legal person No. 2 | 24,877,379.70 | 7.28%  |
| 3     | Legal person No. 3 | 18,390,089.01 | 5.38%  |
| 4     | Legal person No. 4 | 16,950,000.00 | 4.96%  |
| 5     | Legal person No. 5 | 9,299,000.00  | 2.72%  |
| Total | --                 | 95,045,900.12 | 27.83% |

Other information about major suppliers:

Applicable  Not applicable

### 3. Expense

Unit: RMB

|                         | 2021           | 2020           | Change (%) | Reason for any significant change   |
|-------------------------|----------------|----------------|------------|---|
| Selling expenses        | 73,350,782.18  | 44,753,247.18  | 63.90%     | Increase in commissions paid for sales agents and advertising expenditure |
| Administrative expenses | 263,700,171.29 | 238,625,143.31 | 10.51%     | Increase in remunerations and administrative and general expenses         |
| Finance costs           | 5,660,573.76   | 111,263,558.80 | -94.91%    | Decrease in expensed interest expenditure                                 |
| R&D expenses            | 2,171,797.80   | 0.00           |            | New business arising from the acquisition of FMC in the year              |

### 4. R&D Investments

Applicable  Not applicable

| Major R&D program                 | Purpose  | Progress  | Objectives   | Expected impact on the Company  |
|-----------------------------------|--|-----------|--|---|
| SSS intelligent monitoring system | To provide a property service supervision platform for customers | Delivered | Intelligent transformation of monitoring equipment | Providing a new product line for the property management business from customers' perspective, laying a foundation for more markets |

Details about R&D personnel:

|                                       | 2021  | 2020  | Change (%) |
|---------------------------------------|-------|-------|------------|
| Number of R&D personnel               | 30    | 0     |            |
| R&D personnel as % of total employees | 0.04% | 0.00% |            |
| Educational background                | —     | —     | —          |
| Bachelor's degree                     | 11    | 0     |            |
| Junior college                        | 19    | 0     |            |
| Age structure                         | —     | —     | —          |

|          |    |   |  |
|----------|----|---|--|
| Below 30 | 9  | 0 |  |
| 30~40    | 9  | 0 |  |
| Over 40  | 12 | 0 |  |

Details about R&D investments:

|   | 2021         | 2020  | Change (%) |
|---|--------------|-------|------------|
| R&D investments (RMB)                                     | 2,171,797.80 | 0.00  |            |
| R&D investments as % of operating revenue                 | 0.05%        | 0.00% |            |
| Capitalized R&D investments (RMB)                         | 0.00         | 0.00  |            |
| Capitalized R&D investments as % of total R&D investments | 0.00%        | 0.00% |            |

Reason for any significant change to the composition of R&D personnel and impact:

Applicable  Not applicable

Reasons for any significant YoY change in the percentage of R&D investments in operating revenue:

Applicable  Not applicable

Reason for any sharp variation in the percentage of capitalized R&D investments and rationale:

Applicable  Not applicable

## 5. Cash Flows

Unit: RMB

| Item   | 2021              | 2020             | Change (%) |
|--|-------------------|------------------|------------|
| Subtotal of cash generated from operating activities | 5,708,582,727.94  | 4,809,961,005.82 | 18.68%     |
| Subtotal of cash used in operating activities        | 7,521,895,736.52  | 4,424,463,223.70 | 70.01%     |
| Net cash generated from/used in operating activities | -1,813,313,008.58 | 385,497,782.12   | -570.38%   |
| Subtotal of cash generated from investing activities | 30,506.93         | 136,131.48       | -77.59%    |
| Subtotal of cash used in investing activities        | 69,599,800.41     | 48,482,853.70    | 43.56%     |
| Net cash generated from/used in investing activities | -69,569,293.48    | -48,346,722.22   | 43.90%     |

|  |                   |                  |          |
|--|-------------------|------------------|----------|
| Subtotal of cash generated from financing activities | 140,000.00        | 2,176,820,000.00 | -99.99%  |
| Subtotal of cash used in financing activities        | 485,178,611.80    | 1,627,885,573.80 | -70.20%  |
| Net cash generated from/used in financing activities | -485,038,611.80   | 548,934,426.20   | -188.36% |
| Net increase in cash and cash equivalents            | -2,369,407,942.48 | 882,809,678.36   | -368.39% |

Explanation of why any of the data above varies significantly:

Applicable  Not applicable

- ① Net cash generated from operating activities decreased year on year, primarily driven by a significant increase in land bank expenditure in the Reporting Period.
- ② Net cash generated from investing activities decreased year on year, primarily driven by an increase in payments for the acquisition of equity investments in the Reporting Period.
- ③ Net cash generated from financing activities decreased year on year, primarily driven by no new bank borrowings in the Reporting Period.

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

Applicable  Not applicable

For the Reporting Period, net cash generated from operating activities stood at RMB-1,813,313,008.58, representing a big difference from the net profit of RMB986,758,701.05, primarily driven by a significant increase in land bank expenditure in the Reporting Period.

## V Analysis of Non-Core Businesses

Applicable  Not applicable

Unit: RMB

|                        | Amount         | As % of total profit | Main source/reason                        | Recurrent or not |
|------------------------|----------------|----------------------|---|------------------|
| Return on investment   | 4,650,460.58   | 0.35%                | Share of profits of joint ventures        | Yes              |
| Asset impairments      | 23,120.82      | 0.00%                | Inventory valuation allowances            | Not              |
| Non-operating income   | 9,411,411.47   | 0.72%                | Compensation for demolition               | Not              |
| Non-operating expense  | 6,547,898.88   | 0.50%                | Payments for liquidated damages and fines | Not              |
| Credit impairment loss | -29,082,610.26 | -2.21%               | Allowances for doubtful accounts          | Not              |

## VI Analysis of Assets and Liabilities

### 1. Significant Changes in Asset Composition

Unit: RMB

|                              | 31 December 2021 |                      | 1 January 2021   |                      | Change in percentage (%) | Reason for any significant change  |
|------------------------------|------------------|----------------------|------------------|----------------------|--------------------------|--|
|                              | Amount           | As % of total assets | Amount           | As % of total assets |                          |  |
| Monetary assets              | 2,171,826,176.21 | 14.89%               | 4,206,266,629.32 | 34.35%               | -19.46%                  | Significantly increased payment for land   |
| Accounts receivable          | 271,529,528.64   | 1.86%                | 187,697,631.47   | 1.53%                | 0.33%                    | More customers failed to pay in time in the property management business                         |
| Contract assets              |                  | 0.00%                |                  | 0.00%                | 0.00%                    |  |
| Inventories                  | 9,123,926,016.15 | 62.57%               | 5,312,489,258.20 | 43.38%               | 19.19%                   | Increased land bank  |
| Investment property          | 449,653,849.48   | 3.08%                | 484,738,506.83   | 3.96%                | -0.88%                   |  |
| Long-term equity investments | 50,360,681.37    | 0.35%                | 45,710,220.79    | 0.37%                | -0.02%                   |  |
| Fixed assets                 | 108,161,443.02   | 0.74%                | 116,233,936.04   | 0.95%                | -0.21%                   |  |
| Right-of-use assets          | 71,472,680.73    | 0.49%                | 39,209,648.76    | 0.32%                | 0.17%                    | Increased contract amount with respect to over-1-year leases with the Company as the lessee      |
| Short-term borrowings        |                  |                      |                  | 0.00%                |                          |  |
| Contract liabilities         | 1,371,850,725.60 | 9.41%                | 666,893,629.72   | 5.45%                | 3.96%                    | Increased pre-sale inflows from residential units  |
| Long-term borrowings         | 3,524,500,000.00 | 24.17%               | 3,587,800,000.00 | 29.30%               | -5.13%                   | Repayment of some borrowings   |
| Lease liabilities            | 83,081,182.89    | 0.57%                | 29,410,564.00    | 0.24%                | 0.33%                    |  |
| Other receivables            | 826,857,046.54   | 5.67%                | 789,050,350.51   | 6.44%                | -0.77%                   | Increased payments for security deposits for cooperation and advance payments for other entities |
| Deferred income tax assets   | 1,279,710,969.39 | 8.78%                | 950,681,245.50   | 7.76%                | 1.02%                    | Increase in deductible losses and land VAT provisions  |
| Accounts payable             | 337,126,528.68   | 2.31%                | 468,269,685.65   | 3.82%                | -1.51%                   | Increased payments for   |

|                               |                |       |                |       |        |             |
|-------------------------------|----------------|-------|----------------|-------|--------|-------------|
|                               |                |       |                |       |        | engineering |
| Other non-current liabilities | 113,540,088.37 | 0.78% | 108,778,327.45 | 0.89% | -0.11% |             |

Indicate whether overseas assets account for a higher proportion of total assets.

Applicable  Not applicable

## 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                           |                  |   |   |   |                                   |                              |               |               |
| 4. Investments in other equity instruments | 1,044,905.12     |   | -28,670.35                                      |   |                                   |                              | -13,682.82    | 1,002,551.95  |
| Subtotal of financial assets               | 1,044,905.12     |   | -28,670.35                                      |   |                                   |                              | -13,682.82    | 1,002,551.95  |
| Total of the above                         | 1,044,905.12     |   | -28,670.35                                      |   |                                   |                              | -13,682.82    | 1,002,551.95  |
| Financial liabilities                      | 0.00             |   |   |   |                                   |                              |               | 0.00          |

Contents of other changes:

Other changes were resulted from exchange rate movements.

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

Unit: RMB

| Item  | Ending carrying value | Reason for restriction |
|---|-----------------------|------------------------|
| Monetary assets   | 373,079,206.86        | [Note 1]-[Note 9]      |
| Land use rights at Fumin New Village, Futian District, Shenzhen | 542,507,314.43        | [Note 10]              |
| Total   | 915,586,521.29        |                        |

[Note 1] In terms of monetary assets with restricted right to use at the period-end, there was a bank guarantee of RMB366,477,454.26

issued by the Company in 2021 for the supervision of the implementation entity of the urban renewal unit project Phase II in Bangling Area, Guanlan Street, Longhua District of Shenzhen Rongyao Real Estate Development Co., Ltd., of which the principal was RMB365,765,440.00 and the interest was RMB712,014.26.

[Note 2] In terms of monetary assets with restricted right to use at the period-end, there was an escrow deposit of RMB44,690.02 in the catering branch of the subsidiary company Shandong Shengguomao Real Estate Management Co., Ltd.

[Note 3] In terms of monetary assets with restricted right to use at the period-end, there was an advance payment guarantee of RMB919,255.00 issued by the subsidiary company Shenzhen Facility Management Community Technology Co., Ltd. in December 2021 for the upgrading and reconstruction of the smart park of Shenzhen Bay Eco-Technology Park and the software platform development contract.

[Note 4] In terms of monetary assets with restricted right to use at the period-end, there was RMB3,000,000.00 in the subsidiary company Shenzhen Facility Management Community Technology Co., Ltd. blocked by the court due to pre-litigation preservation for contract disputes.

[Note 5] In terms of monetary assets with restricted right to use at the period-end, there was a loan deposit of RMB1,127,757.03 provided as mortgage loan guarantees for commercial housing purchasers and paid by the Company as a real estate developer according to real estate business practices. For details, please refer to XII, iii.

[Note 6] In terms of monetary assets with restricted right to use at the period-end, there was RMB1,335,873.47 of interest on unexpired term deposits accrued at the period-end.

[Note 7] In terms of monetary assets with restricted right to use at the period-end, there was RMB43,388.89 of interest on large-denomination CDs (more than one year).

[Note 8] In terms of monetary assets with restricted right to use at the period-end, there was RMB130,780.56 in the account of the subsidiary company Shenzhen Property Engineering and Construction Supervision Co., Ltd. The account was in a receiving-only status because the legal person change formalities had not been completed by the period-end.

[Note 9] In terms of monetary assets with restricted right to use at the period-end, there was a restricted fund of RMB7.63 in the blocked account of the subsidiary company Shenzhen Huazhengpeng Property Management Co., Ltd.

[Note 10] Due to the needs of daily business activities, the Company applied for a loan from Bank of Communications Co., Ltd. Shenzhen Branch and mortgaged the land use right of Fumin New Village, Futian District. The loan has a duration from November 27, 2020 to November 27, 2023 and applies floating interest rates, with the first execution interest rate being 4.655%.

## VII Investments Made

### 1. Total Investment Amount

Applicable  Not applicable

### 2. Major Equity Investments Made in the Reporting Period

Applicable  Not applicable

Unit: RMB

| Name of investee corporation      | Main businesses     | Investment method | Invested amount | Shareholding percentage (%) | Source of fund | Partners                  | Investment duration | Product type    | Status as at the balance sheet date | Predicted return | Investment return in the current period | Whether involved in any legal actions | Date of disclosure (if any) | Disclosure index (if any)                                |
|-----------------------------------|---------------------|-------------------|-----------------|-----------------------------|----------------|---------------------------|---------------------|-----------------|-------------------------------------|------------------|---|---------------------------------------|-----------------------------|--|
| Shenzhen Property Management Co., | Property management | Acquisition       | 196,676,700.00  | 100%                        | Equity fund    | Shenzhen Special Economic | Long-term           | Equity interest | Not transferred yet                 | 196,676,700.00   | 0                                       | No                                    | December 24, 2021           | For details, see the <i>Announcement on the Progress</i> |



#### 4. Financial Investments

##### (1) Securities Investments

Applicable  Not applicable

Unit: RMB

| Variety of security   | Code of security      | Name of security        | Initial investment cost | Accounting measurement method | Beginning carrying value | Gain/Loss on fair value changes in Reporting Period | Accumulated fair value changes charged to equity | Purchased in Reporting Period | Sold in Reporting Period | Gain/loss in Reporting Period | Ending carrying value | Accounting title                        | Source of investment funds               |
|---|-----------------------|-------------------------|-------------------------|-------------------------------|--------------------------|---|--|-------------------------------|--------------------------|-------------------------------|-----------------------|---|--|
| Domestic/Foreign stock  | 400016<br>、<br>420016 | Gintian A,<br>Gintian B | 3,565,856.06            | Fair value method             | 1,044,905.12             | 0.00  | -28,670.35                                       | 0.00                          | 0.00                     | -13,682.82                    | 1,002,551.95          | Investments in other equity instruments | Obtained in Gintian's debt restructuring |
| Total   |                       |                         | 3,565,856.06            | --                            | 1,044,905.12             | 0.00  | -28,670.35                                       | 0.00                          | 0.00                     | -13,682.82                    | 1,002,551.95          | --                                      | --                                       |
| Disclosure date of announcement on Board's consent for securities investment                          |                       |                         |                         |                               |                          |   |  |                               |                          |                               |                       |   |  |
| Disclosure date of announcement on shareholders' meeting's consent for securities investment (if any) |                       |                         |                         |                               |                          |   |  |                               |                          |                               |                       |   |  |

##### (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.

## VIII 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

## IX 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 Huangcheng Real Estate Co., Ltd. | Subsidiary                    | Development and sales of real estate | 30,000,000.00      | 6,945,754,199.27 | 2,503,280,765.45 | 3,025,968,987.91  | 1,215,970,407.92 | 911,272,030.61 |

Subsidiaries obtained or disposed in the Reporting Period:

Applicable  Not applicable

| Subsidiary  | How subsidiary was obtained or disposed in the Reporting Period | Effects on overall operations and operating performance                                      |
|---|---|--|
| Shenzhen Facility Management Community Technology Co., Ltd. | Acquired  | Revenue for September-December: RMB10.40 million<br>Net profit for the year: RMB4.21 million |
| Vietnam Shenguo Mao Property Management Co., Ltd.           | Newly established   | Revenue: RMB5.79 million<br>Net profit for the year: RMB0.42 million                         |
| Shenzhen SZPRD Yanzihu Development Co., Ltd.                | Newly established   | Revenue: 0<br>Net profit for the year: RMB-3,000   |
| Dongguan Wuhe Real Estate Co., Ltd.                         | Newly established   | Revenue: 0<br>Net profit for the year: RMB-0.25 million                                      |
| Shenzhen Guangming Wuhe Real Estate Co., Ltd.               | Newly established   | Revenue: 0<br>Net profit for the year: 0   |

|   |                   |  |
|---|-------------------|--|
| Xiamen Shenguo Industrial City<br>Smart Service Co., Ltd. | Newly established | Revenue: 0<br>Net profit for the year: 0 |
|---|-------------------|--|

Notes to the principal subsidiaries and joint stock companies:

## X Structured Bodies Controlled by the Company

Applicable  Not applicable

## XI Prospects

### (I) Industry Overview and Trends

See “I Industry Overview for the Reporting Period” in “Part III Management Discussion and Analysis”.

### (II) The Company’s Development Strategy

As the traditional real estate market’s development declines on the whole, various industrial resources have been continuously occupied by the large-scale brand houses, which has threatened the survival and development of medium and small-sized property companies. “Large-scale Enterprises Taking All Advantages” has become normal in the industry, and the positioning of “Houses are for living in, not for speculating on” has already been established. In this case, Shenzhen Properties & Resources Development (Group)Ltd. specialized in the traditional real estate will be confronted with the extremely severe industrial situation.

In this context, the Company put forward the “12345” overall development idea of “1 Vision + 2 Major Divisions + 3 Driving Factors + 4 Businesses + 5 Value-added Services”. In other words, the Company will take effective measures with the focus on “industrial and urban space asset management” and “space digital ecosystem operation” to develop four major businesses including industrial and urban space development, industrial ecological operation, property management services, and main ecological investment through expanding the main business and making breakthroughs. Meanwhile, the Company will realize rapid deployment and integration of five major value-added services including high-end consulting services, customized housekeeper services, intelligent operation platform, data tapping and commercial ecosystem integration. Base on Shenzhen with scientific and technological innovation as the primary driving force, the Company will include Guangdong, Hong Kong and Macao metropolitan area and surrounding areas to maximize the leverage of capital to build a door type intelligent management and control service platform with smart society basic functions, aiming to build “China’s leading intelligent operator of industrial and urban space”.

In accordance with three-step strategic implementation route of “strengthening bases, brink breakthrough, and focus on leading”, the Company will seek transformation and upgrading in the development base on the current development conditions, and promote incremental development in the transformation to build unique development advantages and create a new pattern of innovation and development of the Company.

### (III) Business plan for 2022

In 2021, the management team of the Group conscientiously implemented the decisions and arrangements of the Board of Directors and the Party Committee and carried out work around key tasks. The Group set successive record highs in revenue, profit and other leading economic indicators and made outstanding achievements in major business segments. In terms of land resource acquisition, two land plots in Humen Town, Dongguan and Yutang Street, Guangming District were successfully acquired through scientific, elaborate bidding plans and strategies. In terms of project advancement, the phased objectives for the Bangling, Golden Collar Holiday and Fuchang Phase II projects were accomplished. In terms of capital operation, the property management resources of five enterprises were integrated into ITC Property Management and FMC was acquired by means of innovating on the trading framework and breaking through the bottleneck. Collectively, as the policies and mechanisms of the Group become more flexible, the enthusiasm of cadres and employees for planning and entrepreneurship has been enhanced. Throughout the year, the Group did not suffer any material safety incidents or material risk stability maintenance events and achieved remarkable results in COVID-19

control, showing a positive and promising opening.

2022 marks the second year of the "14th Five-year Plan" period and the final year of the three-year action plan for the reform of state-owned enterprises, as well as the 40th anniversary of the Company's founding and the 30th anniversary of the Company's listing. The Group will adhere to the general work guideline of "seeking improvement in stability" and implement the general principle of "acceleration, amplification, empowerment and effectiveness". With a focus on the annual priority tasks, the Group will spare no effort in four work priorities, i.e., project acceleration, capital amplification, platform empowerment and indicator effectiveness, and resolutely overcome a number of difficulties, pain points and obstacles affecting the advancement of major projects. Besides, the Group's development will be guided toward a benign track where business segments and projects move forward together and compete for development. The Group will continue to be a pioneer in enterprise reform and development, comprehensively accomplish the annual tasks and objectives and make new contributions to the Group's high-quality sustainable development and the vision of building China's leading smart operator of industry-city space.

**First, the Group will create conditions on the basis of the current resource endowment and business level and strive to accomplish the leading annual indicators according to the plan.** Budget targets such as annual revenue and total profit will be achieved. Regarding the sales work, the principle of "early planning, early arrangements and early sales payment collection" will be followed to achieve the sales target for Golden Collar Holiday Apartment Tower A, the liquidation of land appreciation tax for the Xuzhou Banshan Yujing project, and the admission of partners to and revenue carryforward of Phase II.

**Second, the Group will seek innovative working concepts, strengthen node management and achieve the overall acceleration of projects under construction.** Schedule control will be intensified, responsibilities will be fulfilled and improvements will be made in the capability of commanding and controlling projects and the operating efficiency. The following work needs to be done for newly started projects in a forward-looking manner, including scheme design, construction drawing design, the determination of cost targets at various phases and the implementation of bidding and tendering plans. Such work will be matched seamlessly with the phased plans and will be carried out ahead of schedule moderately, to ensure that each project is implemented with both quality and quantity guaranteed in strict accordance with the phased plans. Additionally, the pace of the Fuchang Phase II project will be advanced in an orderly manner. The construction progress of the projects in Humen Town, Dongguan and Yutang Street, Guangming District will be vigorously pushed forward. Continuous efforts will be put into promoting priority work, such as the confirmation of land rights for the Huiyang Danshui project and the establishment of project companies. A series of work will be completed, including the separation and sales payment collection of the Yupinluanshan project, the disposal of idle land of the Baolu project, the scoping of the renewal unit for the Fuyuan Industry Park project and the planned approval of the Tianjun Pingshan project.

**Third, the Group will continue to strengthen the building of independent operating capacity of secondary platform companies, the development of platform functions and the playing of roles and stick to the development pattern of real estate as the main business.** A standardized model of the whole process of real estate project development will be built. The results of real estate work conferences will be implemented, as well as the improvement plans of "3+1" for project management and "1+5" for cost management. Continuous efforts will be made to improve the project development management system and achieve the complementation, synergy and coordination among the business lines in the Group's project design, construction, bidding and tendering and marketing. In addition, the Group will compare its projects with benchmarking projects of the industry to enhance the management level and build an efficient, standardized model of the whole process of real estate project development to guarantee the efficient and stable operation of projects during the whole life cycle. **With respect to the property management segment, the high-quality expansion will be sped up and various steps will be taken to enhance the internal management level.** According to the annual target, external M&As and endogenous expansion will be strengthened and the integration of property management assets in the system will continue to be promoted, in a bid to achieve the target of adding 10 million square meters of management scale through M&As within the year. Furthermore, the opportunity from inspection and remediation will be used for comprehensive remediation and the building of a service standardization system will be deepened so that it will match the strategic positioning of the system's property management platform as soon as possible. **The focus will be placed on improving the quality and efficiency of stock assets and transformation and upgrading will be accelerated.** The growth of annual rental income shall not be less than

10% and the average occupancy rate shall not be less than 95%. With the establishment of an indicator system for quality and efficiency improvement assessment of stock properties and an incentive and restraint mechanism, the format transformation and upgrading of old properties will be promoted and the stock asset management will change from "passive lease" to "active operation". Besides, the quality and efficiency improvement of the ITC shopping mall and plaza Phase II project will be started.

**Fourth, the Group will adhere to the Party's overall leadership, promote the decentralization of business focus, the downward shift of management priorities and the penetration of management capabilities.** The Group will continue to consolidate the Party building, strengthen the building of grass-roots Party organizations and Party members, give full play to the Party's political leadership to facilitate operation and development and carry out characteristic theme Party building and corporate culture publicity and creation activities in due time. In terms of internal inspections of the Group's Party Committee, the third round of inspections will be organized, the review of the first and second rounds of inspections will be carried out and the big supervision system will be pushed to extend to secondary and tertiary enterprises. Financial management will aim at improving the efficiency and effectiveness of resource utilization. The corresponding measures include optimizing resource allocation, tightening budget control and assessment, strengthening industry-finance integration, financial analysis and tax planning and raising funds through multiple channels. The establishment of an all-around, multi-level incentive and restraint mechanism involving node awards and incremental sharing will continue to be promoted, with secondary and tertiary companies covered by the mechanism. The introduction, cultivation, employment, education and restraint of cadres will be intensified and a talent selection and employment orientation of promoting the capable, awarding the excellent, demoting the mediocre and dismissing the inferior will be formed. Administrative work will be pushed downward, the basic management level of secondary platform companies and tertiary units will be enhanced significantly in the form of resident supervision, and the Group's digital transformation planning will be prepared and implemented. The Group's industrial operation platform of "industry-university-research-application" will be built, the industrial operation system will be improved gradually and the investment attraction capability and level will be enhanced.

**Fifth, the Group will be always vigilant about production safety, complaint letters and visits and stability maintenance.** The specific measures include strengthening risk control, safeguarding the bottom line of safe production, keeping production safety in a stable situation, deepening the building of safe production standardization and the "dual prevention mechanism", and intensifying regular production safety inspections. In addition, hidden risks will be collated regularly, list management will be implemented for risk points in key areas and key processes, and remediation will be strictly carried out, to ensure that no production safety accident occurs throughout the year. Moreover, the Group will strengthen the dynamic follow-up and implementation of material risks, keep a close watch on wages for migrant workers and labor contract disputes, make overall planning for COVID-19 control, production and operation, maintain a strict and tight prevention and control posture, and resolutely safeguard stability and unity.

#### **(IV) Potential risks**

##### **1. Market risk**

Under the guidance of the policy that "houses are for living in, not for speculating on", the demand side of the real estate market remains in the downward channel and the central government still imposes stringent financial regulation over the real estate market. Consequently, the development space of the property industry has been constantly compressed, industry profits have fallen sharply and there has been a shift from land dividends to management dividends. In particular, it poses unprecedented challenges to business capabilities such as cost design and engineering. The advancement of urban renewal projects is confronted with complicated conditions and formidable obstacles and the Company's business and development face opportunities and challenges.

Under grim circumstances, the Company thoroughly studied the opportunities and challenges brought about by macroeconomic trends and policy movements, actively sought the strategic breakthrough direction and adhered to prudent operation. Additionally, it raised funds from multiple channels, focused on enhancing the management level and seized opportunities in the land market. Based in Shenzhen, the Company aims to extend its presence to the Guangdong-Hong Kong-Macao metropolitan area and surrounding areas and strives to improve its sustainable development capabilities.

##### **2. Land Reserve Risk**

As a matter of fact, the Company still lacks enough land reserves and development power at later stages. In recent years, the supply

of residential land on Shenzhen Market has continuously declined. Various large-scale real estate enterprises have enlarged their market shares and accelerated their M&A pace. While the real estate industry is centralizing, the degree of centralization of the land reserve scale has also been enhanced. As the external environment and the industry's trend become much more complicated and severe, the increment market scale will further shrink and the market competition will become increasingly fierce.

Facing the challenges, the Company will continue to expand through market competition, capital operation and urban renewal, increase land reserves and promote the launch of projects. In respect to property type, residential projects will focus on Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Delta metropolitan area and areas where existing projects locate, and gradually turn to central urban agglomeration surrounding Wuhan, key cities in Chengdu- Chongqing in the West and those in Beijing, Tianjin and Hebei. Urban renewal projects will focus on Shenzhen, Dongguan and Huizhou, and follow-up of urban renewal projects in Guangzhou. Comprehensive industry and urban projects will focus on Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Delta region, Wuhan region in the central part and Chengdu-Chongqing area in the West.

### 3. Financing Risk

In order to effectively prevent financial risk in the real estate sector, as the central government tightened financial supervision over real estate and implemented the "three red lines", financing of real estate enterprises are further restricted. In the process of actively increasing land reserves and accelerating the business development, the Company needs to invest a large amount of funds for land acquisition and project development. In addition to its own funds, the Company's project development funds need to be externally financed through bank loans and issuing securities.

Currently, the Company has steady financial situation, sufficient cash flow and good credit condition, and will further strictly control financial risks, actively explore various financing channels so as to raise funds for project development in the future.

### 4. Pandemic risk

Due to the impact of the COVID-19 pandemic, many cities issued the notice of "operation suspended", which explicitly prohibited sales offices and intermediary stores to continue businesses, and Shenzhen was also greatly affected in early 2022. The pandemic not only brought impacts on the Company's real estate projects, especially on the investment, construction progress, financing environment and pace of sales of projects in Shenzhen-adjacent areas but also caused pressure to the Company's subsequent withdrawal of funds.

**The above business plan and business objectives do not represent the listed Company's profit forecast for 2022. Whether it can be achieved depends on various factors including changes in market conditions and the effort made by the management team. Investors must pay special attention to that because there exists huge uncertainty.**

## XII Communications with the Investment Community such as Researches, Inquiries and Interviews 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 relevant information |
|---------------|----------------|--------------|-----------------|------------|--|-------------------------------|
| 2021-01-07    | The Company    | Other        | Individual      | Individual | Pointing out problems on property management projects    | N/A                           |
| 2021-01-10    | The Company    | Other        | Individual      | Individual | Inquiry about financing arrangements and plans           | N/A                           |
| 2021-01-13    | The Company    | Other        | Individual      | Individual | Inquiry about the Guanlan Bangling urban renewal project | N/A                           |
| 2021-01-14    | The            | Other        | Individual      | Individual | Inquiry about land reserves                              | N/A                           |

|            |             |                    |             |   |  |  |
|------------|-------------|--------------------|-------------|---|--|--|
|            | Company     |                    |             |   |  |  |
| 2021-01-23 | The Company | Other              | Individual  | Individual  | Inquiry about the Company's dividends  | N/A  |
| 2021-01-26 | The Company | Other              | Individual  | Individual  | Inquiry about the cause of the sharp increase in tax expenditure                                     | N/A  |
| 2021-01-27 | The Company | Other              | Individual  | Individual  | Inquiry about the disclosure time of the 2020 annual report  | N/A  |
| 2021-02-02 | The Company | Other              | Individual  | Individual  | Inquiry about the average land acquisition price of the Company                                      | N/A  |
| 2021-02-07 | The Company | Other              | Individual  | Individual  | Suggestions for the Company's disposal of the B Share  | N/A  |
| 2021-03-15 | The Company | Other              | Individual  | Individual  | Inquiry about whether the Company adopted such employment methods as labor dispatch or outsourcing   | N/A  |
| 2021-03-20 | The Company | Other              | Individual  | Individual  | Inquiry about the disclosure time of the Company's Q1 results forecast                               | N/A  |
| 2021-03-22 | The Company | Other              | Individual  | Individual  | Inquiry about the Company's relevant business layout   | N/A  |
| 2021-03-24 | The Company | Other              | Individual  | Individual  | Inquiry about the Company's layout of urban renewal projects   | N/A  |
| 2021-04-01 | The Company | One-on-one meeting | Institution | Institutional investors including China Industrial Securities, Wanjia Asset Management, Mingya Fund, etc. | Inquiry about the Company's 2020 annual report, development of business segments and future planning | See Investor Relations Activities Log Sheet No. 2021-01 disclosed by the Company on <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> dated 1 April 2021 |
| 2021-04-01 | The Company | Other              | Individual  | Individual  | Inquiry about the reason why the profit or loss attributable to minority shareholders was negative   | N/A  |
| 2021-04-01 | The Company | Other              | Individual  | Individual  | Inquiry about the cause of the decrease in operating cash flows                                      | N/A  |
| 2021-04-03 | The Company | Other              | Individual  | Individual  | Inquiry about the construction progress of the International Trade Center Building project           | N/A  |

|            |             |       |            |            |  |     |
|------------|-------------|-------|------------|------------|--|-----|
| 2021-04-11 | The Company | Other | Individual | Individual | Inquiry about the land development in Hongqi Town, Haikou                            | N/A |
| 2021-04-19 | The Company | Other | Individual | Individual | Inquiry about the land acquisition for urban renewal projects                        | N/A |
| 2021-04-21 | The Company | Other | Individual | Individual | Inquiry about the date of dividend distribution                                      | N/A |
| 2021-04-23 | The Company | Other | Individual | Individual | Inquiry about the reason why profit was concentrated in Q4                           | N/A |
| 2021-04-23 | The Company | Other | Individual | Individual | Inquiry about the progress of the Guanlan Bangling urban renewal project             | N/A |
| 2021-04-23 | The Company | Other | Individual | Individual | Inquiry about the date of dividend distribution                                      | N/A |
| 2021-04-30 | The Company | Other | Individual | Individual | Inquiry about the cause of the surge in the results of Q1                            | N/A |
| 2021-04-30 | The Company | Other | Individual | Individual | Inquiry about the cause of the decline in financing cash flows                       | N/A |
| 2021-05-07 | The Company | Other | Individual | Individual | Inquiry about the dividend and ex-dividend scheme for the B Share                    | N/A |
| 2021-05-12 | The Company | Other | Individual | Individual | Inquiry about the scope of the Company's business                                    | N/A |
| 2021-05-12 | The Company | Other | Individual | Individual | Inquiry about how the Company dealt with the impact of rising raw materials          | N/A |
| 2021-05-13 | The Company | Other | Individual | Individual | Inquiry about the development of the Company's main business and the future planning | N/A |
| 2021-05-14 | The Company | Other | Individual | Individual | Inquiry about the number of shareholders of the Company                              | N/A |
| 2021-05-19 | The Company | Other | Individual | Individual | Inquiry about the reform of state-owned enterprises of the Shenzhen SASAC            | N/A |
| 2021-05-19 | The Company | Other | Individual | Individual | Suggestions for the Company's development  | N/A |
| 2021-05-20 | The Company | Other | Individual | Individual | Inquiry about the impact of the pandemic in Vietnam on the Company's results         | N/A |
| 2021-05-26 | The Company | Other | Individual | Individual | Inquiry about the land in Hongqi Town, Haikou  | N/A |
| 2021-05-31 | The Company | Other | Individual | Individual | Inquiry about dividends  | N/A |
| 2021-06-07 | The Company | Other | Individual | Individual | Inquiry about the reason why some accounts in the Company's Q1 financial statements  | N/A |

|            |             |       |            |            |   |     |
|------------|-------------|-------|------------|------------|---|-----|
|            |             |       |            |            | accounted for a large proportion  |     |
| 2021-06-12 | The Company | Other | Individual | Individual | Inquiry about the Company's cooperation with Xpeng Motors   | N/A |
| 2021-06-16 | The Company | Other | Individual | Individual | Inquiry about the Company's solutions to horizontal competition                                       | N/A |
| 2021-06-27 | The Company | Other | Individual | Individual | Inquiry about the sales of Tower A of Golden Collar Holiday Apartment                                 | N/A |
| 2021-07-03 | The Company | Other | Individual | Individual | Inquiry about the sales of Towers B and C of Golden Collar Holiday Apartment                          | N/A |
| 2021-07-13 | The Company | Other | Individual | Individual | Inquiry about the Company's dividends   | N/A |
| 2021-07-13 | The Company | Other | Individual | Individual | Inquiry about the Company's measures to deal with land policy changes                                 | N/A |
| 2021-07-20 | The Company | Other | Individual | Individual | Inquiry about the Company's business layout and future planning                                       | N/A |
| 2021-07-21 | The Company | Other | Individual | Individual | Inquiry about whether the B Share affected the A Share  | N/A |
| 2021-07-21 | The Company | Other | Individual | Individual | Inquiry about the progress of the Fuyuan Industry Park urban renewal project                          | N/A |
| 2021-07-26 | The Company | Other | Individual | Individual | Inquiry about the proportion of equity held by the Company in the International Trade Center Building | N/A |
| 2021-08-01 | The Company | Other | Individual | Individual | Inquiry about the Company's layout of comprehensive development and operation of parks                | N/A |
| 2021-08-04 | The Company | Other | Individual | Individual | Inquiry about the Company's semi-annual results   | N/A |
| 2021-08-08 | The Company | Other | Individual | Individual | Inquiry about the Company's countermeasures for the downward trend of real estate                     | N/A |
| 2021-08-08 | The Company | Other | Individual | Individual | Inquiry about the number of long-rental apartment units of the Company                                | N/A |
| 2021-08-12 | The Company | Other | Individual | Individual | Suggestions on the timely acquisition of high-quality assets by the Company's major shareholder       | N/A |
| 2021-08-16 | The Company | Other | Individual | Individual | Inquiry about the Company's shareholding in subsidiaries  | N/A |
| 2021-08-17 | The Company | Other | Individual | Individual | Inquiry about the Company's social donation   | N/A |
| 2021-08-17 | The         | Other | Individual | Individual | Inquiry about the properties held by the  | N/A |

|            | Company     |       |            |            | Company   |     |
|------------|-------------|-------|------------|------------|---|-----|
| 2021-08-18 | The Company | Other | Individual | Individual | Inquiry about the Company's signing of strategic cooperation agreements   | N/A |
| 2021-09-01 | The Company | Other | Individual | Individual | Inquiry about the operation of the Company's long-rental apartments   | N/A |
| 2021-09-06 | The Company | Other | Individual | Individual | Inquiry about the Company's participation in the construction of the Guangdong-Hong Kong-Macau Greater Bay Area | N/A |
| 2021-09-10 | The Company | Other | Individual | Individual | Inquiry about changes in major shareholders' commitment to solving horizontal competition                       | N/A |
| 2021-09-19 | The Company | Other | Individual | Individual | Inquiry about the Company's land reserves   | N/A |
| 2021-09-20 | The Company | Other | Individual | Individual | Suggestions for the Company's disposal of the B Share   | N/A |
| 2021-09-24 | The Company | Other | Individual | Individual | Inquiry about the Company's project construction  | N/A |
| 2021-09-29 | The Company | Other | Individual | Individual | Suggestions for the Company to innovate on the dividend mechanism   | N/A |
| 2021-09-29 | The Company | Other | Individual | Individual | Inquiry about the land development in Hongqi Town, Haikou by the Company  | N/A |
| 2021-09-29 | The Company | Other | Individual | Individual | Inquiry about the third quarter results forecast  | N/A |
| 2021-10-09 | The Company | Other | Individual | Individual | Inquiry about the third quarter results forecast  | N/A |
| 2021-10-13 | The Company | Other | Individual | Individual | Inquiry about the Company's development strategy  | N/A |
| 2021-11-08 | The Company | Other | Individual | Individual | Inquiry about whether the Company has repurchase plans  | N/A |
| 2021-11-30 | The Company | Other | Individual | Individual | Inquiry about the sales of Tower A of Golden Collar Holiday Apartment   | N/A |
| 2021-12-03 | The Company | Other | Individual | Individual | Inquiry about whether the Company plans to engage R&D experts   | N/A |
| 2021-12-05 | The Company | Other | Individual | Individual | Inquiry about the Company's business development and its business layout outside Shenzhen                       | N/A |
| 2021-12-10 | The Company | Other | Individual | Individual | Inquiry about the Company's development of the land in Guangming District                                       | N/A |
| 2021-12-17 | The Company | Other | Individual | Individual | Inquiry about the number of shareholders of the Company   | N/A |

|            |             |       |            |            |   |     |
|------------|-------------|-------|------------|------------|---|-----|
| 2021-12-28 | The Company | Other | Individual | Individual | Inquiry about the Company's dividend plan | N/A |
|------------|-------------|-------|------------|------------|---|-----|

## Part IV Corporate Governance

### I General Information of Corporate Governance

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

During the Reporting Period, the Company revised the Articles of Association, Rules of Procedures for General Meeting of Shareholders, the Rules for the Management of Information Insiders, the Management Rules for Information Disclosure Affairs, etc. in accordance with the Company Law, Securities Law, Listing Rules and other relevant provisions based on the actual conditions of the Company to establish and improve internal management and control system.

Abiding by the principle of being scientific, simplified and high efficient, the Company adjusted the its setting of departments and institutions, currently set up Party-mass office, discipline inspection and supervision office (the audit department, office of the supervisory committee, office of board of directors, comprehensive office (procedure and information center, letters and visits office), HR department (training center), financial management department (settlement center), investment development department, operation and management department, design management department (technological center), cost contract department, engineering management department (office of security committee), office of industrial operation. Each department performs its own functions, and strictly carries out work according to internal control system, to ensure the normal and efficient operation of the Company.

The Company has always attached great importance on standardizing insider information management, formulated and completed *Management Provisions on Information Disclosure*, *Work Procedures of Annual Report of Auditing Committee*, *Accountability System of Major Errors in Information Disclosure of Annual Report*, *Work System of Annual Report*, *Insider Management System of Insider Information*, *Management System of Investor Relationship*, and other internal control system, to ensure the authenticity, accuracy and completeness of Company information disclosure. During the reporting period, the Company strictly carried out information disclosure, corporate governance conference organization, and other work according to requirements of securities supervision, disclosed information timely, accurately and completely, without any accidents which violate relevant internal control system of information disclosure.

The Company carried out quality self-examination of listed companies according to the requirements of Shenzhen Securities Regulatory Bureau to find out deficiencies in the operation of the Company and formulate rectification plan to improve company governance and standard operation.

Indicate by tick market whether there is any material incompliance with the applicable laws, administrative regulations, and regulations 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 and Actual Controller in Asset, Personnel, Financial Affairs, Organization and Business

The Company was independent from the controlling shareholder in business, personnel, assets, organization and finance to realize that independent personnel, independent finance, complete assets, independent organization and independent business.

1. In aspect of business: The Company was independent from the controlling shareholder with independent and complete business

and independent operation capability. There was no business which was same or competitive with the controlling shareholder.

2. In aspect of personnel: The Company was complete independent from the controlling shareholder in terms of labor and personnel, management on remuneration. Personnel of the Company are independent, all ones signed labor contract with the Company. The Company was independent from the shareholders or other related parties in personnel management, social security, salary etc.

3. In aspect of asset: The Company's assets were complete and independent, the property relationship was clear. There was no capital occupation by controlling shareholder, and assets of the Company were completely independent from controlling shareholder.

4. In aspect of organization: The Company's organization was independent, and the Company implemented rules and regulations as well as responsibilities for all departments, formed independent responsibilities and rights, scientific and rational internal control system.

5. In aspect of finance: The Company's finance was independent with independent finance department. The Company established the independent finance settling system and financial management system, had its own finance account and paid the tax in line with laws, run finance decision-making independently.

The controlling shareholder of the Company performed normatively with no conduct that intervened with the operation decision-making and operation activities directly or indirectly over the shareholders' general meeting, however, the controlling shareholder could influence on the significant decision-making through the shares holding.

### III Horizontal Competition

√ Applicable □ Not applicable

| Type of problem        | Relationship with the Company | Company name                           | Company nature | Cause of problem | Solution | Progress and subsequent plan |
|------------------------|-------------------------------|--|----------------|------------------|----------|------------------------------|
| Horizontal competition | Controlling shareholder       | Shenzhen Investment Holdings Co., Ltd. | Other          | Note 1           | Note 2   | Note 3                       |

**Note 1:** According to the overall plan of the Shenzhen Municipal Government on the restructuring of the state-owned assets management system, the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal decided to establish Shenzhen Investment Holdings Co., Ltd. (SIHC), merging Shenzhen Investment Holdings Co., Ltd., Shenzhen Management-Investment Company and Shenzhen Trade Investment Holdings Co., Ltd. As a result, SIHC inherited 63.82% of the equity interests in the listed company ShenZhen Properties & Resources Development (Group) Ltd. (SZPRD) held by Shenzhen Investment Holdings Co., Ltd. and Shenzhen Management-Investment Company in accordance with the law. On 19 October 2018, SIHC obtained the Confirmation of Securities Transfer Registration regarding the equity interest of SZPRD and completed the transfer of the equity interest in SZPRD. In view of the fact that Shenzhen Construction Development (Group) Company ("Shenzhen Construction Development"), ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. ("SPG") and SZPRD, all wholly-owned subsidiaries of SIHC, are operating real estate development and commercial property sales business, which belong to the same industry, and there is competition in the same industry.

**Note 2:** To avoid horizontal competition, SIHC make the following commitments: 1. On the horizontal competition solution of Shenzhen Construction Development: as the holding shareholder of the Listed Company, during the listing period at Shenzhen Stock Exchange of the Listed Company, as for the current business of Shenzhen Construction Development which has horizontal competition with the Listed Company, within the scope permitted by law and regulation, within 12 months from the equity of SZPRD being transferred to SIHC, SIHC will start the solution with practical operability among below horizontal competition solution timely

and complete implementation of the solution within 3 years from the date that the equity of SZPRD is transferred to SIHC to solve current horizontal competition problems: (1) Shenzhen Construction Development signs asset custody agreement with the Listed Company, entrusts the assets which has direct competition with the Listed Company to the Listed Company, confirms fair custodian fee at the same time, and takes effective measures to solve horizontal competition within commitment period; (2) Inject assets with direct competition with the Listed Company into the Listed Company; (3) Transfer assets with direct competition with the Listed Company to unrelated third party; (4) other measures which can solve horizontal competition effectively and is favorable for protecting the interest of the Listed Company and legal interests of other shareholders. Before solving current horizontal competition, while company, enterprise, economic organization (not including enterprises controlled by the Listed Company, hereinafter referred to as subordinated Companies) which the Listed Company and SIHC hold controlling shares or controls actually have business, in case the involved dispute, etc. have major influence on the business, SIHC should keep neutral as a controlling shareholder to ensure that the Listed Company and subordinated Companies can take part in market competition on the principle of fair competition.

2. Horizontal competition solution of SPG: From 14 September 2016 to now, SPG has had stock suspension because of major assets restructuring. According to *Review Opinions on Delaying Stock Resumption because of Major Assets Restructuring of SPG announced by CITIC Securities and Huatai Securities* on 26 November 2016, the restructuring solution is that SPG plans to issue A share and / or use currency to purchase 100% equity of Evergrande Group (hereinafter referred to as “the restructuring of SPG”). Guangzhou Chiron Real Estate Co., Ltd. will be the controlling shareholder of SPG upon the completion of the restructuring of SPG. If the restructuring of SPG is completed, SIHC will cease to control SPG, which means there will be no horizontal competition between SPG and SZPRD. If the restructuring of SPG is terminated, for business of SPG which has horizontal competition with the Listed Company, SIHC, within the scope permitted by law and regulation, SIHC will start a rational horizontal competition solution according to actual situation at the time within 12 months after the termination of reconstruction of SPG and stock resumption announcement date, and fulfill announcement obligation, and SPG will complete to implement the solution and solve the horizontal competition between SZPRD and SPG within 3 years from the date SPG terminates the reconstruction and announces stock resumption.

3. Other commitments to avoid horizontal competition: as the controlling shareholder of the Listed Company and during the listing period of the Listed Company at Shenzhen Stock Exchange, other subordinated Companies of SIHC will not engage in relevant business which has direct horizontal business competition with the Listed Company in new business fields except for in the business field where it already has had horizontal competition with the Listed Company. Shenzhen Investment Holdings promises not to seek improper benefits with the position of controlling shareholder of the Listed Company and damage the interest of the Listed Company and its shareholders. In case of violating above commitment, SIHC shall undertake corresponding legal liabilities, including but not limited to undertaking compensation responsibilities for all losses caused to the Listed Company.

**Note 3:** SIHC has always been actively committed to fulfilling its relevant commitments. During the term of commitment, SIHC did not seek any illegitimate interests as the controlling shareholding of SZPRD or damage any rights and interests of SZPRD and its shareholders. During the term of commitment, SIHC actively collated the underlying assets and businesses of Shenzhen Construction Development (Group) Company and devoted itself to developing practical and feasible plans as soon as possible to solve the horizontal competition issue for SZPRD. It also actively promoted the restructuring of SPG. However, given the objective circumstances, SIHC failed to fulfill the original commitment to avoid horizontal competition. SIHC re-issued the Letter on Changing the Commitment to Avoiding Horizontal Competition on 31 August 2021 and such commitment change matter was approved at the first extraordinary general meeting of 2021 held on 27 September 2021. 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.

## 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   | Resolutions   |
|---|-------------------------------|------------------------------|---------------------|-------------------|---|
| The 2020 Annual General Meeting                           | Annual General Meeting        | 61.23%                       | 21 April 2021       | 22 April 2021     | The reports and proposals deliberated and approved at the meeting included the <i>Report on the Work of the Board of Directors in 2020</i> , the <i>Report on the Work of the Board of Supervisors in 2020</i> , the <i>2020 Annual Report</i> , the <i>2020 Financial Accounts Report</i> , the <i>2021 Financial Budget Report</i> , the <i>Plan on Profit Distribution and Capitalization from Capital Reserve in 2020</i> , the <i>Proposal on the Comprehensive Credit Line for 2021</i> , the <i>Proposal on Using Part of Own Funds to Purchase Wealth Management Products</i> , the <i>Proposal on Issuing Commercial Property Mortgage Asset-Backed Securitization Products</i> , the <i>Proposal on Estimated Routine Related-party Transactions for 2021</i> and the <i>Proposal on Renewing the Engagement of Accounting Firm</i> . For details, please refer to the <i>Announcement on the Resolutions of the 2020 Annual General Meeting</i> (No.: 2021-19) on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> . |
| The 1 <sup>st</sup> Extraordinary General Meeting of 2021 | Extraordinary General Meeting | 61.33%                       | 27 September 2021   | 28 September 2021 | The proposals deliberated and approved at the meeting included the <i>Proposal on Amending the Articles of Association</i> , the <i>Proposal on Amending the Rules of Procedure for General Meeting</i> , the <i>Proposal on the Application by the Company's Controlling Shareholder for Changing the Commitment to</i>  |

|   |                               |       |                  |                  |  |
|---|-------------------------------|-------|------------------|------------------|--|
|   |                               |       |                  |                  | <p><i>Avoiding Horizontal Competition, the Proposal on the Transition of the Ninth Board of Directors of the Company and the Nomination of Non-independent Directors of the Tenth Board of Directors of the Company, the Proposal on the Transition of the Ninth Board of Directors of the Company and the Nomination of Independent Directors of the Tenth Board of Directors of the Company and the Proposal on the Transition of the Ninth Board of Directors of the Company. For details, see the Announcement on the Resolutions of the First Extraordinary General Meeting in 2021 (No. 2021-34) on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>.</i></p>  |
| The 2 <sup>nd</sup> Extraordinary General Meeting of 2021 | Extraordinary General Meeting | 4.87% | 29 December 2021 | 30 December 2021 | <p>The proposals deliberated and approved at the meeting included the <i>Proposal on the Wholly-owned Subsidiary's Acquisition of 100% Equity in Shenzhen Property Management Co., Ltd. and Related-party Transactions</i>, the <i>Proposal on the Wholly-owned Subsidiary's Acquisition of 100% Equity in Shenzhen Foreign Trade Property Management Co., Ltd. and Related-party Transactions</i> and the <i>Proposal on the Wholly-owned Subsidiary's Acquisition of 100% Equity in Three Enterprises Owned by Shenzhen Shenfubao (Group) Co., Ltd. and Related-party Transactions</i>. For details, see the <i>Announcement on the Resolutions of the Second Extraordinary General Meeting in 2021 (No. 2021-53)</i> on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>.</p> |

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

Applicable  Not applicable

## V Directors, Supervisors and Senior Management

### 1. General Information

| Name           | Office title                              | Incumbent/Former | Gender | Age | Start of tenure | End of tenure     | Beginning shareholding (share) | Share option | Restricted shares granted (share) | Increase in the Reporting Period (share) | Decrease in the Reporting Period (share) | Other increase/decrease (share) | Ending shareholding (share) | Reason for share change |
|----------------|---|------------------|--------|-----|-----------------|-------------------|--------------------------------|--------------|-----------------------------------|--|--|---------------------------------|-----------------------------|-------------------------|
| Liu Shengxiang | Party Secretary and Chairman of the Board | Incumbent        | Male   | 51  | 15 June 2018    | 26 September 2024 |                                |              |                                   |  |  |                                 |                             |                         |
| Wang Hangjun   | Director, Deputy Party Secretary, GM      | Incumbent        | Male   | 56  | 15 June 2018    | 26 September 2024 |                                |              |                                   |  |  |                                 |                             |                         |
| Wei Xiaodong   | Director, Deputy Party Secretary          | Incumbent        | Male   | 52  | 15 June 2018    | 26 September 2024 |                                |              |                                   |  |  |                                 |                             |                         |
| Shen Xueying   | Director and CFO                          | Incumbent        | Female | 53  | 15 June 2018    | 26 September 2024 |                                |              |                                   |  |  |                                 |                             |                         |
| Wang Ge        | Director                                  | Incumbent        | Male   | 51  | 15 June 2018    | 26 September 2024 |                                |              |                                   |  |  |                                 |                             |                         |
| Xie Chang      | Director                                  | Incumbent        | Male   | 50  | 7 April 2020    | 26 September 2024 |                                |              |                                   |  |  |                                 |                             |                         |
| Mei            | Independent                               | Incumbent        | Male   | 58  | 15 June         | 26                |                                |              |                                   |  |  |                                 |                             |                         |

|              |   |               |            |    |                       |                          |  |  |  |  |  |  |  |  |
|--------------|---|---------------|------------|----|-----------------------|--------------------------|--|--|--|--|--|--|--|--|
| Yonghong     | nt Director   | bent          | e          |    | 2018                  | Septemb<br>er 2024       |  |  |  |  |  |  |  |  |
| Li Donghui   | Independ<br>ent Director  | Incumb<br>ent | Mal<br>e   | 50 | 27 Septemb<br>er 2021 | 26 Septemb<br>er 2024    |  |  |  |  |  |  |  |  |
| Hu Caimei    | Independ<br>ent Director  | Incumb<br>ent | Fem<br>ale | 40 | 27 Septemb<br>er 2021 | 26 Septemb<br>er 2024    |  |  |  |  |  |  |  |  |
| Dai Xianhua  | Chairman<br>of the<br>Superviso<br>ry<br>Committe<br>e and<br>Secretary<br>of the<br>Discipline<br>Inspection<br>Commissi<br>on | Incumb<br>ent | Mal<br>e   | 60 | 15 June<br>2018       | 26<br>Septemb<br>er 2024 |  |  |  |  |  |  |  |  |
| Zhang Manhua | Superviso<br>r  | Incumb<br>ent | Mal<br>e   | 47 | 15 June<br>2018       | 26<br>Septemb<br>er 2024 |  |  |  |  |  |  |  |  |
| Li Qinghua   | Superviso<br>r  | Incumb<br>ent | Mal<br>e   | 40 | 15 June<br>2018       | 26<br>Septemb<br>er 2024 |  |  |  |  |  |  |  |  |
| Wang Qiuping | Employee<br>Supervisor<br>,<br>Executive<br>Director<br>of ITC<br>Park,<br>Secretary<br>of the<br>Party<br>Committe<br>e        | Incumb<br>ent | Fem<br>ale | 52 | 15 June<br>2018       | 26<br>Septemb<br>er 2024 |  |  |  |  |  |  |  |  |
| Gu Weimin    | Employee<br>Supervisor<br>,<br>Discipline   | Incumb<br>ent | Fem<br>ale | 41 | 15 June<br>2018       | 26<br>Septemb<br>er 2024 |  |  |  |  |  |  |  |  |

|                |   |           |        |    |                  |                   |  |  |  |  |  |  |  |  |
|----------------|---|-----------|--------|----|------------------|-------------------|--|--|--|--|--|--|--|--|
|                | Inspection Director, Deputy Secretary of the Discipline Inspection Commission |           |        |    |                  |                   |  |  |  |  |  |  |  |  |
| Chen Hongji    | Member of the Party Committee and Deputy GM                                   | Incumbent | Male   | 53 | 28 December 2020 | 26 September 2024 |  |  |  |  |  |  |  |  |
| Cai Lili       | Member of the Party Committee and Deputy GM                                   | Incumbent | Female | 50 | 15 June 2018     | 26 September 2024 |  |  |  |  |  |  |  |  |
| Li Peng        | Member of the Party Committee and Deputy GM                                   | Incumbent | Male   | 46 | 15 June 2018     | 26 September 2024 |  |  |  |  |  |  |  |  |
| Zhang Gejian   | Member of the Party Committee, Deputy GM and Board Secretary                  | Incumbent | Male   | 47 | 15 June 2018     | 26 September 2024 |  |  |  |  |  |  |  |  |
| Yuan Hongchang | Independent Director  | Former    | Male   | 51 | 14 April 2017    | 27 September 2021 |  |  |  |  |  |  |  |  |
| Li             | Independent   | Former    | Male   | 45 | 15 June          | 27                |  |  |  |  |  |  |  |  |

|              |                |    |    |    |      |                    |   |   |   |   |   |   |   |    |
|--------------|----------------|----|----|----|------|--------------------|---|---|---|---|---|---|---|----|
| Qingyu<br>an | nt<br>Director | r  | e  |    | 2018 | Septemb<br>er 2021 |   |   |   |   |   |   |   |    |
| Total        | --             | -- | -- | -- | --   | --                 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -- |

Indicate whether any director, supervisor or senior management resigned before the end of their tenure during the Reporting Period.

Yes  No

Change of directors, supervisors and senior management:

Applicable  Not applicable

| Name              | Office title            | Type of change                       | Date of change    | Reason for change              |
|-------------------|-------------------------|--------------------------------------|-------------------|--------------------------------|
| Yuan<br>Hongchang | Independent<br>Director | Resigned upon<br>expiry of<br>tenure | 27 September 2021 | Resigned upon expiry of tenure |
| Li Qingyuan       | Independent<br>Director | Resigned upon<br>expiry of<br>tenure | 27 September 2021 | Resigned upon expiry of tenure |

## 2. Biographical Information

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

### Members of the Board of Directors:

**Mr. Liu Shengxiang**, born in August 1971, is a now member of the Communist Party of China, professor-level senior engineer, National Certified Architect (Level 1), and has obtained his Bachelor Degree, Master of Engineering, and MBA. In June 1994, he joined Shenzhen Tagen Group Co., Ltd., and successively served as the deputy general manager, general manager, and general Party branch secretary of Shenzhen Municipal Engineering Corp. and the deputy general manager of Shenzhen Tagen Group Co., Ltd. In June 2013, he joined Shenzhen Road & Bridge Group as the executive director, Secretary of the Party Committee and general manager. He starts to serve as the Secretary of the Party Committee and the Chairman (June 2018) of the Company & the Secretary of the Party Committee, Executive director and GM (from August 2018 to May 2020) in Shenzhen Toukong Property Management Co., Ltd. & the Secretary of the Party Committee and the Chairman of the Board (from March 2020 to now) in China Shenzhen Foreign Trade (Group) Corp. Ltd. since September 2017. Mr. Liu Shengxiang was awarded the title of Outstanding Communist Party Member of Shenzhen in 2001, and obtained Tien-yow Jeme Civil Engineering Prize in 2013, and May 1<sup>st</sup> Labor Medal of Shenzhen in 2015, the Party representative of the 6<sup>th</sup> Party Congress in Shenzhen.

**Mr. Wang Hangjun**, born in Nov. 1966, member of Communist Party of China, is a senior auditor with a master degree of economy. He ever took post of Deputy Chief of Audit Bureau of Nanshan District, Shenzhen; Vice Minister, Minister of Audit Department of Shenzhen Investment and Management Company; Vice Minister, Minister of Supervision Department of Shenzhen Investment and Management Company; Minister of Audit and Inspection Department of Shenzhen Investment Holding Co., Ltd. He has been Deputy GM of the Company since Oct. 2007. Now he is the Director, deputy Party Secretary and GM of the Company.

**Mr. Wei Xiaodong**, born in January 1970, is a member of the Communist Party of China with the Bachelor's Degree. Mr. Wei Xiaodong ever worked in the municipal government department of Shenzhen for many years. In 2008, he began to work for Shenzhen State-owned Assets Supervision and Administration Commission, and successively served as the deputy director and director of Shenzhen SASAC Office. In June 2014, he served as the deputy director of Shenzhen SASAC Office, and now, he is the Director, deputy secretary of the Party committee and Chairman of the Labor Union in the Company.

**Ms. Shen Xueying**, born in October 1969, Bachelor of Economics, is a senior accountant. Ms. Shen Xueying has been engaged in

the financial management of listed companies for nearly 30 years. She joined the Finance Department of the Company in 1991 and successively served as the clerk and deputy manager of the financial management department of the Company. She was the manager of the financial management department of the Company from 2007-2018 and now she is currently the Director and Chief Financial Officer of the Company.

**Mr. Wang Ge**, born in October 1971, the member of the Communist Party of China, is now the senior engineer with the degree of Bachelor of Engineering. Mr. Wang Ge has been engaged in the enterprise management for many years. He successively served as the deputy director and director of the engineering department of Shenzhen Jian'an (Group) Co., Ltd., the manager and the deputy secretary of the Party Branch of Jian'an Group Construction and Municipal Engineering Company, and the deputy general manager, director, the deputy secretary of the Party Committee and the general manager of Jian'an Group. From March 2017 to present, he has served as the Chief Engineer of Shenzhen Investment Holdings Co., Ltd.

**Mr. Xie Chang**, born in November 1971, CPC member, bachelor of engineering, senior engineer, economist, and political engineer. He used to be the head of the Party and Mass Work Department, member of the Disciplinary Committee, and head of the Asset Management Department of Shenzhen Jian'an (Group) Co., Ltd.; the deputy GM of Shenzhen Sibiono GeneTech Co., Ltd.; the head of the operation management department, office director, secretary of the Board of Directors of Shenzhen Foreign Labor Service Co., Ltd.; office director of Shenzhen Talent Exchange Service Center Co., Ltd. He has served as the head of the comprehensive management department of Shenzhen Investment Holdings Co., Ltd. from September 2017, and a director of the Company from April 2020.

**Mr. Mei Yonghong**, born in October 1964, is the member of the Communist Party of China, and graduated from the Department of Agriculture of Huazhong Agricultural University with the Degree of Bachelor of Agriculture. He successively served as the deputy director of the General Office of Ministry of Science and Technology and the director of the information research office, the director of the Policy, Regulations and System Reform Department of Ministry of Science and Technology and the mayor of Jining City in Shandong Province. Now he serves as the Chairman of the Board of BGI Agricultural Group (starting from September 2015), Vice president of Country Garden Group & CEO of Country Garden Holdings Co. Ltd. (starting from August 2018).

**Mr. Li Donghui**, born in June 1976, is a graduate with a bachelor's degree from the Audit Department of the Economics and Management School of Wuhan University and received a PhD degree in Accounting and Finance at the University of New South Wales Business School, Australia. He once worked as a civil servant at the Department of Financial System Audit of the National Audit Office of the People's Republic of China and as the Executive Dean of the School of Management, Jinan University. He is currently a distinguished professor of accounting and finance and doctoral supervisor at the College of Economics Shenzhen University and the Director of the Committee of Professors of the college. Many of his articles were published in top international journals and key authoritative academic journals of China. He was named a talented person of Shenzhen's overseas high-level "Peacock Plan" and served as an expert of the Senior Title Review Committee of the Shenzhen Financial Bureau, an expert of the Xinshen Communication Think-tank of Shenzhen Press Group and a reviewer of the National Natural Science Foundation of China.

**Ms. Hu Caimei**, born in September 1982, is a Doctor of Management, Postdoctoral Fellow in Economics, Associate Professor and backup talent of Shenzhen. She currently serves as the Deputy Director of the Institute of Financial Development and State-owned Assets and Enterprises, China Development Institute and has been long engaged in policy research and consultation in finance and state-owned assets and enterprises, with extensive experience in the consultation on the reform and development of state-owned assets and enterprises. She presided over and participated in a number of national, ministerial and provincial scientific research projects and more than 50 consulting topics. Many of her research results were adopted by government departments and won scientific research awards.

#### **Members of the Supervisory Committee:**

**Mr. Dai Xianhua**, was born in April 1962, doctor degree, Party member of CPC. He worked as a lecturer in School of Business and Economy of Zhongnan University of Economics and Law from 1986 to 1989. He took posts of editor of department of theory and review, vice director, and editor-in-chief, in Shenzhen Economic Daily from 1992 to 1997; worked in Shenzhen State Assets

Administration Committee (hereinafter referred as “Shenzhen SAC”) as Vice Section Chief of Assets Management Department, investigator of property right management Department, Vice Director, investigator of Office, and investigator of Appraisal and Distribution Department from 1997 to 2012. Since 2012 he is the Chairman of the Supervisory Committee of the Company and is the Party Secretary since 2020.

**Mr. Zhang Manhua**, born in Feb. 1975, master’s degree, member of the Communist Party of China, studied and worked in Central South University from 1992 to 2004; Senior Manager in the Investment Center of Konka Group and concurrently worked as the Board Secretary for Shenzhen Jvlong Optoelectronic Co., Ltd., and Investment Manager in Shenchao Technological Investment Co., Ltd. from 2004 to 2013; he worked as deputy director in the Strategy & Development Department in Shenzhen Investment Holding Co., Ltd from 2013 to 2018. He is the director in Law and Risks Management department of Shenzhen Investment Holdings Co., Ltd since 2018.

**Mr. Li Qinghua**, born in April 1982, has obtained his Bachelor degree. From 2003 to 2013, he worked for DZX International Appraisal Limited, and successively served as the project assistance, the project manager and the senior manager; from 2013 to 2017, he served as the senior executive of the property right management and legal affairs department of Shenzhen Investment Holdings Co., Ltd., and from 2017 till now, he serves as the deputy director of the audit department of Shenzhen Investment Holdings Co., Ltd.

**Ms. Wang Qiuping**, born in January 1970, is a Party member and senior economist with a bachelor's degree. From 1992 to 2015, she was engaged in management in the General Manager's Office, Accounting and Finance Department, Operation Management Department and Development Management Department of the Company. From 2015 to 2018, she served as the Party Secretary, Deputy General Manager and Trade Union President of ITC Property Management. From 2018 to 2020, she served as the Party Secretary and General Manager of ITC Property Management. From 2020 to August 2021, she served as the Party Secretary, Executive Director and General Manager of ITC Technology Park. She is currently the Party Secretary and Executive Director of ITC Technology Park.

**Ms. Gu Weimin**, Born in October 1981, is the member of the Communist Party of China with the Master’s Degree. From 2007 to 2010, she served in KPMG Shenzhen in external audit; from 2011 till now, she has worked for the Company in the audit department (the office of the board of supervisors), and is now the Deputy Secretary of the Discipline Inspection Commission and the director of the Discipline Inspection and Supervision Office (Audit Department, the Office of the Supervisory Committee) of the Company.

#### **Executive officers:**

**Mr. Wang Hangjun**, born in Nov. 1966, member of Communist Party of China, is a senior auditor with a master degree of economy. He ever took post of Deputy Chief of Audit Bureau of Nanshan District, Shenzhen; Vice Minister, Minister of Audit Department of Shenzhen Investment and Management Company; Vice Minister, Minister of Supervision Department of Shenzhen Investment and Management Company; Minister of Audit and Inspection Department of Shenzhen Investment Holding Co., Ltd. He has been Deputy GM of the Company since Oct. 2007. Now he is the Director, deputy Party Secretary and GM of the Company.

**Mr. Chen Hongji**, born in May 1968, CPC member, postgraduate degree, and master of philosophy. He has worked in Shenzhen Municipal People's Government for many years. He joined Shenzhen Construction Investment Holding Co., Ltd. in January 1998 and successively served as section chief of development research department, deputy director of office, deputy director of Party committee office and director of secretary office of board of directors. In October 2004, he joined Shenzhen Investment Holding Co., Ltd. and successively served as director of the party mass department and director of the board office. Since July 2012, he has been the deputy GM of Shenzhen Expander. From December 2020, he has served as a member of the party committee and deputy GM of the Company.

**Ms. Cai Lili**, Born in November 1972, is the member of the Communist Party of China, and has obtained the Master’s Degree in Economics. Since 1995, he has worked in Shenzhen Tax Service, SAT, and ever served as the deputy chief of the taxation and scientific and technological development department of Shenzhen Tax Service, SAT, and the member of the Party Organization and the deputy director of Futian District Tax Bureau in Shenzhen. Currently, he is the member of the Party Committee, deputy general manager and Chief Financial Officer.

**Mr. Li Peng**, Born in May 1976, is the member of the Communist Party of China, the Bachelor of Engineering and the intermediate economist. Since July 1999, he has worked for the Company as the operation manager, and successively served as the deputy manager of the Company's development management department, the manager of the cost control department, and the secretary of the Party branch and the deputy general manager of Shenzhen Huangcheng Real Estate Co., Ltd. Currently, he now is the member of the Party Committee, and deputy general manager.

**Mr. Zhang Gejian**, born in September 1975, the member of the Communist Party of China, MBA, is an Accountant as well as Auditor. He was engaged in internal auditing work in Audit Department of the Company since July 1997. He acted as the audit manager, Supervisor of the Company and concurrently the Cost Control Manager. Now he is the member of the Party Committee, the vice GM and Board Secretary of the Company.

**Ms. Shen Xueying**, born in October 1969, the member of the Communist Party of China, Bachelor of Economics, is a senior accountant. Ms. Shen Xueying has been engaged in the financial management of listed companies for nearly 30 years. She joined the Finance Department of the Company in 1991 and successively served as the clerk and deputy manager of the financial management department of the Company. She has been the manager of the financial management department of the Company from 2007 to 2018, and the Chief Financial Officer of China Shenzhen Foreign Trade (Group) Co., Ltd. since March 2020, and now she is the Director, and Chief Financial Officer of 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 |
|--------------|--|--|-----------------|---------------|--|
| Wang Ge      | Shenzhen Investment Holdings Co., Ltd. | Chief Engineer                                       | 1 March 2017    |               | Yes  |
| Xie Chang    | Shenzhen Investment Holdings Co., Ltd. | Director of the general management department        | 7 April 2020    |               | Yes  |
| Zhang Manhua | Shenzhen Investment Holdings Co., Ltd. | Director of the legal and risk management department | 1 January 2017  |               | Yes  |
| Li Qinghua   | Shenzhen Investment Holdings Co., Ltd. | Deputy director of the audit department              | 1 January 2017  |               | 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 Shengxiang | China Shenzhen Foreign Trade (Group) Co., Ltd. | Secretary of the Party Committee, and Chairman of the Board | 1 March 2020    |               | No  |
| Shen Xueying   | China Shenzhen Foreign Trade (Group) Co., Ltd. | Chief Financial Officer                                     | 1 March 2020    |               | No  |

|              |  |   |                  |  |     |
|--------------|--|---|------------------|--|-----|
| Mei Yonghong | BGI Agricultural Group, County Garden  | Chairman of BGI Agricultural Group, Vice president of County Garden Group & CEO of Country Garden Holdings Co. Ltd. | 1 September 2015 |  | Yes |
| Li Donghui   | Shenzhen University                    | Distinguished professor, doctoral supervisor, director of the Professor Committee of the School of Economics        | 1 April 2019     |  | Yes |
| Hu Caimei    | China (Shenzhen) Development Institute | Deputy Director of the Institute of Financial Development and State-owned Assets and Enterprises                    | 1 November 2016  |  | 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

### 3. Remuneration of Directors, Supervisors and Senior Management

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

During this Reporting Period, the board and the management of the Company signed statement of operation objectives responsibility for 2021, conducted appraisal system integrating operation indicators, classification indicators with management objectives. After the end of this Reporting Period, assessment was implemented by the board. Remuneration of senior executives was determined according to “Management Method of Annual salary System of Directors, Supervisors and Senior Executives of ShenZhen Properties & Resources Development (Group) Ltd.” and “Long-term Incentive-and-Restraint Mechanism of ShenZhen Properties & Resources Development (Group) Ltd.” and need to be implemented after the annual assessment of the board.

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

Unit: RMB'0,000

| Name           | Office title                              | Gender | Age | Incumbent/<br>Former | Total before-tax<br>remuneration from<br>the Company | Any<br>remuneration<br>from related<br>party |
|----------------|---|--------|-----|----------------------|--|--|
| Liu Shengxiang | Party Secretary and Chairman of the Board | Male   | 51  | Incumbent            | 213.03   | No   |
| Wang Hangjun   | Director, Deputy Party Secretary, GM      | Male   | 56  | Incumbent            | 206.23   | No   |

|                |   |        |    |           |          |     |
|----------------|---|--------|----|-----------|----------|-----|
| Wei Xiaodong   | Director, Deputy Party Secretary  | Male   | 52 | Incumbent | 178.86   | No  |
| Shen Xueying   | Director and CFO  | Female | 53 | Incumbent | 121.96   | No  |
| Wang Ge        | Director  | Male   | 51 | Incumbent | 0        | Yes |
| Xie Chang      | Director  | Male   | 50 | Incumbent | 0        | Yes |
| Mei Yonghong   | Independent Director  | Male   | 58 | Incumbent | 8        | Yes |
| Li Donghui     | Independent Director  | Male   | 50 | Incumbent | 2        | No  |
| Hu Caimei      | Independent Director  | Female | 40 | Incumbent | 2        | No  |
| Yuan Hongchang | Independent Director  | Male   | 51 | Former    | 6        | Yes |
| Li Qingyuan    | Independent Director  | Male   | 45 | Former    | 6        | No  |
| Dai Xianhua    | Chairman of the Supervisory Committee, Secretary of Committee for Discipline Inspection                                     | Male   | 60 | Incumbent | 135.86   | No  |
| Zhang Manhua   | Supervisor  | Male   | 47 | Incumbent | 0        | Yes |
| Li Qinghua     | Supervisor  | Male   | 40 | Incumbent | 0        | Yes |
| Wang Qiuping   | Employee supervisor, executive director of ITC Technology Park, Party Secretary   | Female | 52 | Incumbent | 66.95    | No  |
| Gu Weimin      | Employee supervisor, Director of Discipline Inspection Office, and Deputy Secretary of the Discipline Inspection Commission | Female | 41 | Incumbent | 61.18    | No  |
| Chen Hongji    | Member of the Party Committee, Vice GM  | Male   | 53 | Incumbent | 91.89    | No  |
| Cai Lili       | Member of the Party Committee, Vice GM  | Female | 50 | Incumbent | 169.54   | No  |
| Li Peng        | Member of the Party Committee, Vice GM  | Male   | 46 | Incumbent | 166.26   | No  |
| Zhang Gejian   | Member of the Party Committee, Vice GM, Board Secretary   | Male   | 47 | Incumbent | 160.23   | No  |
| Total          | --  | --     | -- | --        | 1,595.99 | --  |

## VI Performance of Duty by Directors in the Reporting Period

### 1. Board Meetings Convened during the Reporting Period

| Meeting  | Date of the meeting | Disclosure date | Resolutions  |
|--|---------------------|-----------------|--|
| The 22 <sup>nd</sup> Meeting of the 9 <sup>th</sup> Board of Directors | 2021-03-30          | 2021-03-31      | The reports deliberated and approved included the <i>Report on the Work of the Board of Directors in 2020</i> , the <i>2020 Annual Report</i> , the <i>2020 Financial Accounts Report</i> and the <i>2021 Financial Budget Report</i> . For details, see the <i>Announcement on the Resolutions of the Board of Directors</i> (No. 2021-08) on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> .                |
| The 23 <sup>rd</sup> Meeting of the 9 <sup>th</sup> Board of Directors | 2021-04-28          | 2021-04-29      | The <i>2021 First Quarter Report of the Company</i> was deliberated and approved. For details, see the full text of the <i>2021 First Quarter Report</i> (No. 2021-21) on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> .   |
| The 24 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors | 2021-08-27          | 2021-08-28      | The <i>2021 Semi-annual Report of the Company</i> was deliberated and approved. For details, see the full text of the <i>2021 Semi-annual Report</i> (No. 2021-25) on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> .   |
| The 25 <sup>th</sup> Meeting of the 9 <sup>th</sup> Board of Directors | 2021-09-10          | 2021-09-11      | The <i>Proposal on the Transition of the Ninth Board of Directors of the Company</i> and the <i>Proposal on Amending the Articles of Association and Relevant Policies</i> were deliberated and approved. For details, see the <i>Announcement on the Resolutions of the 25th Meeting of the Ninth Board of Directors</i> (No. 2021-28) on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> .                    |
| The 1 <sup>st</sup> Meeting of the 10 <sup>th</sup> Board of Directors | 2021-09-27          | 2021-09-28      | The <i>Proposal on the Election of Chairman of the Tenth Board of Directors</i> and the <i>Proposal on the Election of Members of the Special Committees of the Tenth Board of Directors</i> were deliberated and approved. For details, see the <i>Announcement on the Resolutions of the First Meeting of the Tenth Board of Directors</i> (No. 2021-35) on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> . |
| The 2 <sup>nd</sup> Meeting of the 10 <sup>th</sup> Board of Directors | 2021-10-15          | 2021-10-16      | The <i>Overall Plan for the Market-oriented Selection and Employment of the Management Team of the Company</i> was deliberated and approved.   |
| The 3 <sup>rd</sup> Meeting of the 10 <sup>th</sup> Board of Directors | 2021-10-29          | 2021-10-30      | The <i>2021 Third Quarter Report of the Company</i> was deliberated and approved. For details, see the <i>2021 Third Quarter Report</i> (No. 2021-41) on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> .  |

|  |            |            |   |
|--|------------|------------|---|
| The 4 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors | 2021-12-03 | 2021-12-04 | The proposals deliberated and approved included the <i>Proposal on the Company's 2020 Senior Management Personnel Assessment Results and Application Plans</i> , the <i>Proposal on the Term Assessment Results of the Company's Management Team</i> and the <i>Proposal on Cashing the 2020 Long-acting Incentive Bonuses</i> .            |
| The 5 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors | 2021-12-13 | 2021-12-14 | The <i>Proposal on the Wholly-owned Subsidiary's Acquisition of 100% Equity in Shenzhen Property Management Co., Ltd. and Related-party Transactions</i> was deliberated and approved. For details, see the <i>Announcement on the Resolutions of the Fifth Meeting of the Tenth Board of Directors</i> (No. 2021-44) on www.cninfo.com.cn. |

## 2. Attendance of Directors at Board Meetings and General Meetings

| Attendance of directors at board meetings and general meetings |  |                                 |   |   |  |   |                           |
|--|--|---------------------------------|---|---|--|---|---------------------------|
| Director   | Total number of board meetings the 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 director failed to attend | The director failed to attend two consecutive board meetings (yes/no) | General meetings attended |
| Liu Shengxiang   | 9  | 4                               | 5   | 0                                       | 0  | No  | 3                         |
| Wang Hangjun   | 9  | 4                               | 5   | 0                                       | 0  | No  | 3                         |
| Wei Xiaodong   | 9  | 4                               | 5   | 0                                       | 0  | No  | 3                         |
| Shen Xueying   | 9  | 4                               | 5   | 0                                       | 0  | No  | 3                         |
| Wang Ge  | 9  | 4                               | 5   | 0                                       | 0  | No  | 3                         |
| Xie Chang  | 9  | 4                               | 5   | 0                                       | 0  | No  | 3                         |
| Mei Yonghong   | 9  | 4                               | 5   | 0                                       | 0  | No  | 3                         |
| Li Donghui   | 5  | 2                               | 3   | 0                                       | 0  | No  | 1                         |
| Hu Caimei  | 5  | 2                               | 3   | 0                                       | 0  | No  | 1                         |
| Yuan Hongchang   | 4  | 2                               | 2   | 0                                       | 0  | No  | 2                         |
| Li Qingyuan  | 4  | 2                               | 2   | 0                                       | 0  | No  | 2                         |

Why any director failed to attend two consecutive board meetings:

Not applicable

### 3. Objections Raised by Directors on Matters of the Company

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

Yes  No

No such cases in the Reporting Period.

### 4. Other Information about the Performance of Duty by Directors

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

Yes  No

Suggestions from directors adopted or not adopted by the Company:

During the Reporting Period, all directors of the Company actively attended Board meetings and general meetings and performed their duties diligently and conscientiously in strict accordance with the *Articles of Association*, the *Rules of Procedure of the Board of Directors* and relevant laws, rules and regulations. Based on the Company's reality, they put forward relevant opinions on the Company's major governance and operation decisions and reached consensus through sufficient communication and discussion. Additionally, they resolutely supervised and promoted the implementation of the resolutions of the Board of Directors, to ensure scientific, timely and efficient decision-making and safeguard the legitimate rights and interests of the Company and all shareholders.

## VII Special Committees under the Board of Directors during the Reporting Period

| Name of committee                                       | Members   | Number of meetings convened | Date of meeting    | Contents  | Important comments and suggestions | Other performance of duties   | Specific disputed matters (if any) |
|---|---|-----------------------------|--------------------|---|------------------------------------|---|------------------------------------|
| Strategic Development and Investment Decision Committee | Liu Shengxiang, Wang Hangjun, Wang Ge, Xie Chang and Wei Xiaodong   | 0                           | Not applicable     | Not applicable  | Not applicable                     | Guiding the preparation of the Company's strategic planning during the "14th Five-year Plan" period.  |                                    |
| Audit Committee   | Li Qingyuan (outgoing), Li Donghui, Wang Hangjun, Wei Xiaodong, Mei Yonghong, Yuan Hongchang (outgoing) and Hu Caimei                       | 4                           | March 19, 2021     | Reviewing matters concerning the renewal of the accounting firm.  | Agree                              | Supervising the work of external audit agencies and the Company's internal audit work; supervising the implementation of the Company's internal control policies; coordinating the communication of the management, internal audit departments and relevant departments with external audit agencies. |                                    |
|   |   |                             | April 26, 2021     | 1. Reviewing the 2020 annual audit report and the 2021 annual audit plan of the Company; 2. Reviewing the implementation of the Company's internal audit in the first quarter of 2021; 3. Reviewing the reports on the inspection of the guarantee provided by the Company in 2020 and related-party transactions.  | Agree                              |   |                                    |
|   |   |                             | September 10, 2021 | 1. Reviewing the implementation of the Company's internal audit in the second quarter of 2021; 2. Reviewing the reports on the inspection of the guarantee provided by the Company in the first half of 2021.   | Agree                              |   |                                    |
|   |   |                             | October 29, 2021   | Reviewing the implementation of the Company's internal audit in the third quarter of 2021   | Agree                              |   |                                    |
| Remuneration and Evaluation Committee                   | Yuan Hongchang (outgoing), Hu Caimei, Liu Shengxiang, Shen Xueying, Mei Yonghong, Li Qingyuan (outgoing), Li Donghui and Xie Chang (Note 1) | 2                           | May 31, 2021       | Reviewing the 2020 annual performance assessment results of the group company.  | Agree                              | Studying the assessment standards, remuneration policies and plans for the Company's directors and senior management personnel; supervising the performance of duties by the Company's directors and senior management personnel; conducting annual performance assessment on the                     |                                    |
|   |   |                             | November 8, 2021   | 1. Deliberating the <i>2020 Annual Performance Assessment Plan for the Senior Management Personnel of the Group</i> and the <i>Term Assessment Plan for the Management Team of SZPRD</i> ; 2. Reviewing the <i>2020 Personal Work Report</i> and the <i>Term Work Report of the Management Team</i> ; 3. Reviewing the <i>Completion Table of Annual Performance Objectives of the Senior Management Personnel of SZPRD</i> ; 4. Deliberating the | Agree                              |   |                                    |

|                      |  |   |                    |  |       |   |  |
|----------------------|--|---|--------------------|--|-------|---|--|
|                      |  |   |                    | additional items and veto items of the 2020 annual senior management personnel assessment; 5. Deliberating the list of scoring personnel for the annual and term senior management personnel assessment. |       | Company's directors and senior management personnel and offering suggestions.   |  |
| Nomination Committee | Mei Yonghong, Liu Shengxiang, Wang Ge, Yuan Hongchang (outgoing), Li Qingyuan (outgoing), Hu Caimei and Li Donghui | 4 | March 20, 2021     | Verifying and reviewing the qualifications of Mr. Zhang Gejian as the Secretary of the Board of Directors of the Company   | Agree | Studying the size and constitution of the Board of Directors and its special committees and offering suggestions to the Board of Directors. |  |
|                      |  |   | September 6, 2021  | Verifying and reviewing the qualifications of the candidates for the Tenth Board of Directors of the Company   | Agree |   |  |
|                      |  |   | September 27, 2021 | Verifying and reviewing the qualifications of Mr. Zhang Gejian as the Secretary of the Board of Directors of the Company   | Agree |   |  |
|                      |  |   | December 16, 2021  | Reviewing the results of work reporting and internal competition of the Company's management team and the employment of senior management personnel  | Agree |   |  |

Note 1: Upon the deliberation and approval of the third meeting of the Tenth Board of Directors, Mr. Xie Chang will serve as a member of the Remuneration and Evaluation Committee from 29 October 2021 and Mr. Liu Shengxiang is no longer a member of such committee.

## VIII 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.

## IX Employees

### 1. Number, Functions and Educational Backgrounds of Employees

|  |                  |
|--|------------------|
| Number of in-service employees of the Company as the parent at the period-end                                  | 102              |
| Number of in-service employees of major subsidiaries at the period-end   | 7,556            |
| Total number of in-service employees at the period-end   | 7,658            |
| Total number of paid employees in the Reporting Period   | 7,658            |
| Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions | 0                |
| <b>Functions</b>   |                  |
| <b>Function</b>  | <b>Employees</b> |
| Production   | 5,420            |
| Sales  | 157              |
| Technical  | 1,302            |
| Financial  | 191              |

| Administrative   | 403       |
|--|-----------|
| Managerial   | 185       |
| Total  | 7,658     |
| Educational backgrounds                                    |           |
| Educational background                                     | Employees |
| College and Technical secondary school graduates and above | 3,127     |
| High school graduates and below                            | 4,531     |
| Total  | 7,658     |

## 2. Employee Remuneration Policy

In 2021, the Group stuck to remuneration system of industrialization within the Group and marketization in the industry, referred to market remuneration level of the same industry, reformed bravely and promoted the income distribution system reform and upgrading of the subordinate companies stably by learning from external experience as well as multiple demonstration, completed remuneration performance management system, established incremental sharing mechanism, studied and revised organization framework design, department function division, fixed position and fixed arrangement and remuneration performance of subordinated Companies based on marketized principle.

## 3. Employee Training Plans

In 2021, the Group kept improving the multi-level training system for employees, formulated training plan according to operation development needs, and adopted both internal and external trainings, with focuses on special courses of real estate, comprehensive management ability, job skill improvement, and other courses, organized all the employees to take part in training by grade as planned, improved the professional quality, business ability and execution ability of staff team, enhanced the understanding and conscientiousness for governing the enterprise by law and acting according to rules.

## 4. Labor Outsourcing

Applicable  Not applicable

## X Profit Distributions (in the Form of Cash and/or Stock)

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

Applicable  Not applicable

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

Applicable  Not applicable

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  | 6.80 |

|   |                  |
|---|------------------|
| inclusive)  |                  |
| Total shares as the basis for the profit distribution proposal (share)  | 595,979,092      |
| Cash dividends (RMB) (tax inclusive)  | 405,265,782.56   |
| Cash dividends in other forms (such as share repurchase) (RMB)  | 0.00             |
| Total cash dividends (including those in other forms) (RMB)   | 405,265,782.56   |
| Distributable profit (RMB)  | 1,337,497,586.41 |
| Total cash dividends (including those in other forms) as % of total profit distribution   | 100%             |
| <b>Cash dividend policy</b>   |                  |
| If the Company is in a mature development stage and has no plans for any significant expenditure, in profit allocation, the ratio of cash dividends in the profit allocation shall be 80% or above. |                  |
| Details about the proposal for profit distribution and converting capital reserve into share capital  |                  |

## **XI Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees**

Applicable  Not applicable

No such cases in the Reporting Period.

## **XII Construction and Implementation of Internal Control System during the Reporting Period**

### **1. Internal Control Construction and Implementation**

During the Reporting Period, the Company established, improved and effectively implemented internal control according to the *Basic Code for Internal Control of Enterprises*, the *Guidelines on Internal Control of Listed Companies* and the Company's actual situation, to ensure the legitimacy and compliance of business and management, guarantee scientific and rational operating procedures and promote the normal and orderly functioning of all major processes. The Board of Directors of the Company is in full charge of the development, implementation and improvement of the Company's internal control system and carries out regular inspections and effect assessments on internal control. Besides, it serves as the highest decision-making body and the ultimately responsible unit for the Company's comprehensive risk management and is responsible for the effectiveness of the Company's comprehensive risk management. The Audit Committee under the Board of Directors is accountable to the Board of Directors and is under the direct leadership of the Board of Directors. The Audit Committee carries out various work through internal audit departments, such as supervising and inspecting the implementation of the internal control system, assessing the effectiveness of internal control and offering suggestions on how to improve internal control and correct mistakes. The Board of Supervisors is in charge of supervising and inspecting the implementation of internal control and the establishment, improvement and implementation of the risk management system.

In 2021, the Company launched the project of risk management and internal control system optimization and financial management

system standardization, to implement the relevant requirements in the *Notice on Properly Building and Supervising the Internal Control System of Municipal State-owned Enterprises in 2021* (S.G.Z.W.H. [2021] No. 81) for promoting the modernization of enterprise management systems and management capabilities, improving enterprise internal control systems and further enhancing the anti-risk capabilities of enterprises, as well as to realize the Company's unified standardized management and the need to standardize the Company's financial management and accounting for future development. The standardization of the financial management system was basically completed within the year and the optimization framework of the risk and internal control system was roughly established. The acceptance of the corresponding results will be completed in 2022 and the implementation will be organized at the same time.

## 2. Material Internal Control Weaknesses Identified for the Reporting Period

Yes  No

## XIII Management and Control of Subsidiaries by the Company during the Reporting Period

| Name of company   | Integration plan  | Integration progress   | Problems encountered in integration | Solutions taken | Settlement progress | Follow-up settlement plan |
|---|---|--|-------------------------------------|-----------------|---------------------|---------------------------|
| Shenzhen Facility Management Community Technology Co., Ltd. | 1. The implementation of financial supervision; 2. The strengthening of business synergy. | 1. The Group incorporated FMC into financial supervision in September 2021; 2. In terms of business, FMC carried out cooperation with ITC Property Management in digital planning, standard system building and early intervention services. | None                                | None            | None                | None                      |

## XIV Self-Evaluation Report or Independent Auditor's Report on Internal Control

### 1. Internal Control Self-Evaluation Report

|   |  |   |
|---|--|---|
| Disclosure date of the internal control self-evaluation report                        | 30 March 2022  |   |
| Index to the disclosed internal control self-evaluation report                        | <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>                  |   |
| Evaluated entities' combined assets as % of consolidated total assets                 | 99.00%   |   |
| Evaluated entities' combined operating revenue as % of consolidated operating revenue | 99.00%   |   |
| 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   | Indications of the serious defect of the financial report were including: 1. the | Major defects include: 1. Serious violation of national laws and  |

|  |   |   |
|--|---|---|
|  | <p>control environment is invalid;</p> <p>2. Commitment of major fraud by directors, supervisors or senior management of the Company;</p> <p>3. the audit institution discovered the current financial report had great defect while the internal control of the Company didn't found out during the operating process;</p> <p>4. Correction of major misstatement in financial reports reported or disclosed by the Company;</p> <p>5. the supervision of the Company's Audit Committee and the internal audit department on the internal control was invalid.</p> <p>Indications of the important defect of the financial report were including: 1. didn't abide by the universally acknowledged accounting standard to choose and apply the accounting policies; 2. had not built up the anti-fraud process and the control measures; 3. had not built up the corresponding control mechanism or had not executed the corresponding compensating control for the accounting treatment which was unconventional or with special transaction; 4. the control during the process of the financial report at the period-end existed one or multiple defects that could not guarantee the compile of the financial report reach the goal of being real and complete;</p> <p>5. Important or general defects of internal control to be rectified.</p> <p>Common defect: refers to the other control defect except for the above great defect and significant defect.</p> | <p>regulations leading to major litigation, or investigation of regulatory agencies, ordered suspension of business for rectification, investigation for criminal responsibility or replacement of senior managers;</p> <p>2. Abnormal major changes of directors, supervisors, senior management and main technical personnel of the Company;</p> <p>3. Major decision-making errors due to lack of internal democratic decision-making procedures or unscientific procedures;</p> <p>4. Serious loss of core management or technical personnel;</p> <p>5. Vicious negative news frequently appeared in the media, involving a wide range and negative existing influence;</p> <p>6. Significant impact on the Company's production and operation due to lack of system control or system failure of important business;</p> <p>7. Major defects of internal control evaluation to be rectified;</p> <p>8. Any other negative circumstances generating significant impact on the Company.</p> <p>Significant defects include: 1. Incomplete democratic decision-making process that affects production and operation of the Company;</p> <p>2. Violation of internal rules and regulations leading to important losses;</p> <p>3. Exposure of negative news by the media leading to significant impact on the Company;</p> <p>4. Important defects of important business regulations or system to be rectified;</p> <p>5. Any other negative case leading to</p> |
|--|---|---|

|  |   |   |
|--|---|---|
|  |   | great impact on the Company.<br>Common defects: any other control defect except for the above major and significant defects.  |
| Quantitative standard  | <p>Serious defect: potential misstatement of the operating income <math>\geq 1\%</math> of the operating income of the consolidated statements of the Company, potential misstatement of the total assets amount <math>\geq 0.40\%</math> of the total assets of the consolidated statements of the Company, potential misstatement of the net assets <math>\geq 1.00\%</math> of the net assets of the consolidated statements of the Company.</p> <p>Important defect: <math>0.50\%</math> of the operating income of the consolidated statements of the Company <math>\leq</math> misstatement <math>&lt; 1\%</math> of the operating income of the consolidated statements of the Company; <math>0.2\%</math> of the total assets of the consolidated statements of the Company <math>\leq</math> misstatement <math>&lt; 0.4\%</math> of the total assets of the consolidated statements of the Company, <math>0.5\%</math> of the net assets of the consolidated statements of the Company <math>\leq</math> misstatement <math>&lt; 1\%</math> of the net assets of the consolidated statements of the Company. Common defect: misstatement of the operating income <math>&lt; 0.5\%</math> of the operating income of the consolidated statements of the Company, misstatement of the total assets amount <math>&lt; 0.2\%</math> of the total assets amount of the consolidated statements of the Company, misstatement of the net assets <math>&lt; 0.5\%</math> of the net assets of the consolidated statements of the Company.</p> | <p>Major defects: direct property loss <math>\geq 1.00\%</math> of net assets of the previous year;</p> <p>Significant defects: <math>0.5\%</math> of net assets of the previous year <math>\leq</math> direct property loss <math>&lt; 1.00\%</math> of net assets of the previous year;</p> <p>Common defects: direct property loss <math>&lt; 0.5\%</math> of net assets of the previous year.</p> |
| 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 |
|---|---|

## 2. 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 Properties & Resources Development (Group) Ltd. maintained efficient internal control of financial reports in all significant aspects according to "Basic Standards of Corporate Internal Control" and relevant regulations. |   |
| Independent auditor's report on internal control disclosed or not   | Disclosed   |
| Disclosure date   | 30 March 2022   |
| Index to such report disclosed  | <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> |
| Type of the auditor's opinion   | Unmodified unqualified opinion                                  |
| Material weaknesses in internal control not related to financial reporting  | None  |

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

## XV Remediation of Problems Identified by Self-inspection in the Special Action on the Governance of Listed Companies

In 2021, after the Company participated in the self-inspection of the special action on the governance of listed companies, the Company's leaders attached great importance and performed self-inspection item by item according to the self-inspection requirements of the CSRC Shenzhen. One problem was identified during the self-inspection, that is, the proportion of equity shares held by a single shareholder and its persons acting in concert was 30% or above, but the Company failed to impose the cumulative voting system in the Articles of Association as required.

The remediation measure is as follows: The Company held the 25th meeting of the Ninth Board of Directors on September 10, 2021 and the first extraordinary general meeting of 2021 on September 27, where the proposal on amending the *Articles of Association* was deliberated and approved. Article 84 in the Articles of Association was amended from "when voting on the election of directors and supervisors at the general meeting, the cumulative voting system may be implemented" to "when voting on the election of directors and supervisors at the general meeting, the cumulative voting system shall be implemented". The *Rules of Procedure of the General Meeting* were also amended. For details, see the *Comparison Table of Amendments to the Articles of Association and Relevant Policies* (No. 2021-33) on [www.cninfo.com.cn](http://www.cninfo.com.cn). This problem was remedied during the Reporting Period.

## Part V Environmental and Social Responsibility

### I Major Environmental Issues

Indicate by tick mark whether the Company or any of its subsidiaries is a heavily polluting business identified by the environmental protection authorities of China.

Yes  No

Administrative penalties imposed for environmental issues during the Reporting Period

| Name of the company or subsidiary company | Penalty reason | Violation situation | Penalty result | Impact on the production and operation of the listed companies | Remediation measures of the Company |
|---|----------------|---------------------|----------------|--|-------------------------------------|
| N/A                                       | N/A            | N/A                 | N/A            | N/A  | N/A                                 |

Other environmental information disclosed with reference to key emission units

The Company attaches great importance to environmental protection and strictly implements relevant laws and regulations. During the Reporting Period, no major environmental violations occurred and no administrative penalties were imposed on environmental protection.

Actions taken to reduce carbon dioxide emissions during the Reporting Period and the impact:

Applicable  Not applicable

Reasons for not disclosing other environmental information

Neither the Company nor any of its subsidiaries is a heavily polluting business identified by the environmental protection authorities of China.

### II Social Responsibility

Since its inception, SZPRD has been adhering to the concept of honesty, responsibility and win-win cooperation for the benefit of society. The Company actively fulfills its social responsibilities and always takes repaying the society as an important development concept. It actively fulfills its statutory social responsibilities and ethical social obligations, and unifies the realization of economic and social benefits to create an excellent corporate image. The Company carried out the following activities to perform its social responsibility in 2021:

#### (I) Helping with the national fight against poverty through consumption poverty alleviation

The Party Committee of SZPRD responded actively to the call of the CPC Central Committee and the State Council for deepening consumption poverty alleviation to help with the national fight against poverty, implemented the work arrangements of Shenzhen SASAC and organized the implementation of consumption poverty alleviation. The consumption amount throughout the year reached RMB1.45 million, indicating that the Company followed the central government's consumption poverty alleviation policy with heart and soul.

#### (II) Visiting the seriously ill employees in difficulty

In order to ensure that the Group's Party members in need and employees in need have a warm and peaceful Spring Festival, on 29 January 2021, the Party Committee of the Group carried out a symposium to extend regards to the employees in need before the Spring Festival. Liu Shengxiang, Secretary of the Party Committee of the Group and Chairman of the Group, Wang Hangjun, Deputy

Secretary of the Party Committee of the Group and General Manager of the Group, Wei Xiaodong, Deputy Secretary of the Party Committee of the Group and Chairman of the Labor Union of the Group, and other leaders brought gifts and money to representatives of Party members and employees in need, with a total amount of about RMB102,000.

At the symposium, the leaders talked with the representatives of the employees in need, learned their living conditions and practical difficulties in detail, listened to their opinions, encouraged them to maintain an optimistic attitude, face difficulties and life positively, and establish confidence to overcome difficulties.

Liu Shengxiang, Secretary of the Party Committee of the Group and Chairman of the Group, introduced the achievements of the Group in 2020 and the strategic plan of the 14th Five-Year Plan, and affirmed the positive contribution made by all of them to the development of the Group by performing their duties based on their positions and overcoming difficulties. He stressed that the Group should actively build a harmonious enterprise in the process of development, timely understand the living conditions of employees in need, map their practical difficulties, and try their best to solve their problems, so that they can effectively feel the warmth of the enterprise family.

### **(III) Conducting blood donation activities to celebrate the 100th anniversary of the founding of the Communist Party of China**

On June 29, the 10th "Red Flag, Red Action" blood donation activity was jointly organized by Shenzhen Blood Center, the joint Party branch of Guomaomei Life Service and Shenzhen International Trade Center Building and the Party Committee of Luohu Branch of Bank of China Shenzhen Branch. Party members, members of Chinese Communist Youth League, volunteers and citizens responded positively and enthusiastically participated in blood donation to celebrate the 100th anniversary of the founding of the Party.

In accordance with the requirements of pandemic prevention and control, the blood donation activity adopted the approach of blood donation in different time slots to ensure the diversion of personnel. With the assistance of medical staff and volunteers, blood donors orderly carried out preparatory work such as registration and filling, vaccination inquiry, blood pressure measurement and blood collection and testing. Among the blood donors were both long-time donors and first-time donors, as well as those who had participated in previous events and had driven dozens of kilometers to attend the activity. On the day of the activity, there were 124 blood donors, 108 of whom successfully donated a total of 39,150 ml of blood.

The Party Committee of Guomaomei Life Service insists on carrying out the Party building activities themed with "Red Flag, Red Action" every year to commemorate the birthday of the Party and let the Party members volunteer to play an exemplary role, which has received positive responses from the owners and tenants of Shenzhen International Trade Center Building, the Renminnan Commercial Area, the Party organizations at all levels of the Jiabei Community workstation and people from all walks of life, and has become a Party building project with the characteristics of "the secretary takes charge of the project, the branch creates its brand, and the Party members play the exemplary role". The activity has been held continuously for ten years, and over 800 people have participated in the blood donation over the years, with the total amount of blood donated exceeding 300,000 ml.

### **(IV) The national Blood Donation Month activity by the Party Committee of the SZPRD-owned ITC Property Management**

To celebrate the 100th anniversary of the founding of the CPC, practice the activity that "I do practical things for the masses", further spread the volunteer service spirit of Shenzhen and deepen the development of the characteristic Party building brand of "One Brand for One Enterprise", the Party Committee of the SZPRD-owned ITC Property Management launched the 10th voluntary blood donation event on the theme of "Red Flag and Red Action" and organized affiliated enterprises to carry out the national Blood Donation Month, aiming at making active contributions to alleviating the shortage of blood during the pandemic.

"Going in harm's way for love and walking with love", the Party Committee of the Company started this campaign with Shenzhen as the center, and the Party members and masses of affiliated enterprises nationwide responded positively. Specifically, 11 companies were involved, 476 persons participated in the blood donation, 385 of them donated their blood, and the amount of donated blood reached 135,200 ml. The Company will continue to fulfill its original aspiration and mission, bring the enterprise business advantage into full play, consolidate the enterprise Party building brand, keep promoting voluntary blood donation, fulfill its social responsibilities and contribute to the social undertaking of voluntary blood donation.

### **(V) Going all the way to Yangzhou to combat the pandemic**

After the outbreak of the pandemic in Yangzhou, the SZPRD-owned platform company ITC Property Management set up a special group on August 2 according to the Group's unified arrangements and urgently prepared anti-epidemic supplies. Companies from the Group's property segment, including ITC Technology Park, Guomaomei Life, Industrial Park Branch, High-tech Zone Branch and Shenzhen Guomao Shenlv Garden, were organized to jointly collect anti-epidemic materials. A dozen of disinfection equipment, nearly 1,000 kg of medicine and more than 50,000 protective appliances were sent to Yangzhou, contributing to Yangzhou's fight against the pandemic with practical actions.

#### **(VI) Social honors**

A group of advanced collectives and individuals with outstanding performance in the implementation of the reform project in Luohu District, Shenzhen, were honored by the Luohu District Party Committee in accordance with the requirements in the *Reply of the Office of the Coordination Group for the Evaluation and Compliance Work of Guangdong Province on the Shenzhen Municipal Party Committee and Municipal Government's Application for Commendation and Reward Projects*. SZPRD won the title of "Advanced Collective of Reform and Innovation Award in Luohu District" owing to its courage of being a reform pioneer, enthusiasm for being a forerunner of innovation and development and vivid reform and operation practices.

The Guangdong Association for Quality announced the selection results of 2021 Quality Benchmark Models in Guangdong Province. After several processes such as the recommendation by quality associations and industry associations in various prefecture-level cities in Guangdong Province and material review, the SZPRD-owned ITC Property Management won the title of "2021 Quality Benchmark Enterprise in Guangdong Province" for the work - *Management Experience of Shenzhen International Trade Center Property Management Co., Ltd. in Implementing the Quality Management Policy*.

### **III Efforts in Poverty Alleviation and Rural Revitalization**

The Party Committee of SZPRD responded actively to the call of the CPC Central Committee and the State Council for deepening consumption poverty alleviation to help with the national fight against poverty, implemented the work arrangements of Shenzhen SASAC and organized the implementation of consumption poverty alleviation. The consumption amount throughout the year reached RMB1.45 million, indicating that the Company followed the central government's consumption poverty alleviation policy with heart and soul.

Save as disclosed above, the Company did not take any other actions for poverty alleviation and rural revitalization during the Reporting Period, nor has it any subsequent plan in this respect.

## Part VI Significant Events

### I 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 acquisition documents or shareholding alteration documents | Shenzhen Investment Holdings Co., Ltd. (SIHC) | Commitments on horizontal competition, related-party transactions and capital occupation | Wholly-owned subsidiary Shenzhen Construction Development and majority-owned subsidiary SPG of SIHC deal with real estate operation and commercial house sales, which belong to the same industry of the Listed Company, and has horizontal competition with the Listed Company. To avoid horizontal competition, SIHC make the following commitments <sup>1</sup> . | 6 September 2018          | Three years        | Normal performance |
|  | Shenzhen Investment Holdings Co., Ltd.        | Commitments on horizontal competition, related-party transactions and capital occupation | To reduce and standardize related transactions with the Listed Company, SIHC makes the following commitments <sup>3</sup> .  | 6 September 2018          | Long-term          | Normal performance |
| Other commitments made to minority shareholders                                | Shenzhen Investment Holdings Co., Ltd.        | Performance commitment and compensation arrangement                                      | SIHC signed equity transfer contract on 100% equity transfer of TK Property with the Company, and the contract stipulated relevant commitments on performance <sup>4</sup> .   | 23 September 2019         | Three years        | Normal performance |
| Fulfilled on time  | Yes   |  |  |                           |                    |                    |

**Note 1:** Wholly-owned subsidiary Shenzhen Construction Development and majority-owned subsidiary SPG of SIHC deal with real estate operation and commercial house sales, which belong to the same industry of the Listed Company, and has horizontal competition with the Listed Company. To avoid horizontal competition, SIHC make the following commitments: 1. On the horizontal competition solution of Shenzhen Construction Development: as the holding shareholder of the Listed Company, during the listing period at Shenzhen Stock Exchange of the Listed Company, as for the current business of Shenzhen Construction Development which has horizontal competition with the Listed Company, within the scope permitted by law and regulation, within 12 months from

the equity of SZPRD being transferred to SIHC, SIHC will start the solution with practical operability among below horizontal competition solution timely and complete implementation of the solution within 3 years from the date that the equity of SZPRD is transferred to SIHC to solve current horizontal competition problems: (1) Shenzhen Construction Development signs asset custody agreement with the Listed Company, entrusts the assets which has direct competition with the Listed Company to the Listed Company, confirms fair custodian fee at the same time, and takes effective measures to solve horizontal competition within commitment period; (2) Inject assets with direct competition with the Listed Company into the Listed Company; (3) Transfer assets with direct competition with the Listed Company to unrelated third party; (4) other measures which can solve horizontal competition effectively and is favorable for protecting the interest of the Listed Company and legal interests of other shareholders. Before solving current horizontal competition, while company, enterprise, economic organization (not including enterprises controlled by the Listed Company, hereinafter referred to as subordinated Companies) which the Listed Company and SIHC hold controlling shares or controls actually have business, in case the involved dispute, etc. have major influence on the business, SIHC should keep neutral as a controlling shareholder to ensure that the Listed Company and subordinated Companies can take part in market competition on the principle of fair competition.

2. Horizontal competition solution of SPG: From 14 September 2016 to now, SPG has had stock suspension because of major assets restructuring. According to *Review Opinions on Delaying Stock Resumption because of Major Assets Restructuring of SPG announced by CITIC Securities and Huatai Securities* on 26 November 2016, the restructuring solution is that SPG plans to issue A share and / or use currency to purchase 100% equity of Evergrande Group (hereinafter referred to as “the restructuring of SPG”). On 9 November 2020, SPG issued an announcement that the current condition to continue to promote the major assets restructuring was not sound yet based on the current market environment and decided to terminate this transaction to safeguard interests of the company and all shareholders. After the termination of this transaction, SIHC is still the controlling shareholder of SPG. For business of SPG which has horizontal competition with the Listed Company, SIHC, within the scope permitted by law and regulation, SIHC will start a rational horizontal competition solution according to actual situation at the time within 12 months after the termination of reconstruction of SPG and stock resumption announcement date, and fulfill announcement obligation, and SPG will complete to implement the solution and solve the horizontal competition between SZPRD and SPG within 3 years from the date SPG terminates the reconstruction and announces stock resumption.

3. Other commitments to avoid horizontal competition: as the controlling shareholder of the Listed Company and during the listing period of the Listed Company at Shenzhen Stock Exchange, other subordinated Companies of SIHC will not engage in relevant business which has direct horizontal business competition with the Listed Company in new business fields except for in the business field where it already has had horizontal competition with the Listed Company. Shenzhen Investment Holdings promises not to seek improper benefits with the position of controlling shareholder of the Listed Company and damage the interest of the Listed Company and its shareholders. In case of violating above commitment, SIHC shall undertake corresponding legal liabilities, including but not limited to undertaking compensation responsibilities for all losses caused to the Listed Company.

**Note 2:** SIHC has always been actively committed to fulfilling its relevant commitments. During the term of commitment, SIHC did not seek any illegitimate interests as the controlling shareholding of SZPRD or damage any rights and interests of SZPRD and its shareholders. During the term of commitment, SIHC actively collated the underlying assets and businesses of Shenzhen Construction Development (Group) Company and devoted itself to developing practical and feasible plans as soon as possible to solve the horizontal competition issue for SZPRD. It also actively promoted the restructuring of SPG. However, given the objective circumstances, SIHC failed to fulfill the original commitment to avoid horizontal competition. SIHC re-issued the Letter on Changing the Commitment to Avoiding Horizontal Competition on 31 August 2021 and such commitment change matter was approved at the first extraordinary general meeting of 2021 held on 27 September 2021. 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](http://www.cninfo.com.cn) on 11 September 2021.

**Note 3:** To reduce and standardize related transactions with the Listed Company, as controlling shareholder of the Listed company and during the listing period of the Listed Company at Shenzhen Exchange Stock, SIHC promises: 1. SIHC and its controlling or actually controlled companies, enterprises, economic organizations (not including enterprises controlled by the Listed Company,

hereinafter referred to as the “subordinated companies”) will strictly exercise the rights of shareholders according to provisions of laws, regulations, and other normative documents, and fulfill the obligations of shareholders, and keep the independence of the Listed Company in assets, finance, employees, business and agency, etc. 2. SIHC promises not to use its position of controlling shareholder to promote board of shareholders or board of directors to make resolutions which may damage the legal interest of the Listed Company or other shareholders; 3. SIHC and its subordinated companies will try their best to avoid having related transactions with the Listed Company. In case the transaction with the Listed Company is inevitable, SIHC and its subordinated companies will have transaction with the Listed Company on the basis of equality and free will, according to fair, rational and normal commercial transaction conditions, will not require or accept conditions which is more preferential than the Listed Company gives to the third party in any fair market transactions, and strictly fulfill various related transactions with the Listed Company with good will. 4. SIHC and its subordinated companies will strictly fulfill decision making procedures and relevant information disclosure obligations of related transactions according to articles of association of the Listed Company and relevant laws and regulations. 5. SIHC and its subordinated companies will make sure that they will not seek special interests beyond above stipulations by having related transactions with the Listed Company, will not use related transactions to illegally transfer funds and profits of the Listed Company and to maliciously damage the legal interests of the Listed Company and its shareholders. 6. As for current related transaction with the Listed Company, within the scope permitted by laws and regulations, SIHC promises to confirm rational related transaction solution within 12 months after the Company shares are transferred to SIHC, and complete to implement the solution within 5 years after the Company shares are transferred to SIHC, to solve such related transactions completely. The specific forms include: (1) After current related transaction contract expires, it will not be renewed. In case contract renewal is necessary according to the operation needs of the Listed Company, it will fulfill relevant decision making procedures strictly according to procedures of related transactions. (2) Under the precondition of possible realization, terminate contract which is being fulfilled, and adopt marketized and open bid invitation, etc., inquire again on service items involved in such related transactions to confirm appropriate service provider. In case related transaction is involved, it should fulfill relevant decision making procedures according to related transaction procedures. (3) In case there is possibility of price re-negotiation in the related transaction contract which is being fulfilled, conduct price negotiation again, make the contract amount after re-pricing conform to market price and not higher than the amount of contract which is being fulfilled, and strictly fulfill relevant decision making procedures according to related transaction procedures.(4) Other appropriate measures which can reduce and finally eliminate current related transaction but not necessary. 7. In case of violating above commitments, SIHC shall undertake corresponding legal liabilities, including but not limited to undertaking compensation liability for all the losses caused to the Listed Company.

**Note 4:** SIHC signed equity transfer contract on 100% equity transfer of TK Property with the Company, and the contract stipulated: 1. SIHC promises that the cumulative net profits (net profit after deducting extraordinary items) of TK Property from 2019 to 2021 will not be less than 18% of the equity transfer payment amount of this transaction, i.e. three-year cumulative net profits  $\geq$  equity transfer payment \* 18%. The above net profits are subject to the amount which is confirmed by audited financial report of TK Property. 2. In case three-year cumulative profits of TK Property fails to reach above promised amount, SIHC shall compensate the insufficient part to the Company in full amount by cash. In case three-year cumulative profits (net profit after deducting extraordinary items) of TK Property is more than the promised amount, the Company will not refund. 3. In case SIHC needs to fulfill performance compensation obligation, it shall complete the performance compensation obligation within 30 days after receiving the compensation notice of the Company, and the specific delivery method will be agreed by both parties. In case SIHC delays to pay the performance compensation, it shall pay liquidated damages of 3/10000 of unpaid amount for each day delay. In case of failing to pay for more than 90 days, then Company has the right to cancel the contract. On 27 November 2019, the Company completed the procedures for registration changes in industry and commerce regarding 100% equity transfer of TK Property. According to the Equity Transfer Contract and the audit result on profit or loss of transitional period in the audit report, the final price for this equity transfer was determined bilaterally as RMB1,027,382,513.56. So far, the Company is carrying out audit on TK Property. Where any progress arises, the Company will fulfill the information disclosure obligation in a timely manner.

**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

**II 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.

**III Irregularities in the Provision of Guarantees**

Applicable  Not applicable

No such cases in the Reporting Period.

**IV Explanations Given by the Board of Directors Regarding the Latest "Modified Opinion" Issued by the Independent Auditor**

Applicable  Not applicable

**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 and Estimates and Correction of Material Accounting Errors**

Applicable  Not applicable

Change of accounting policy: The Company has adopted the provisions of Accounting Standard for Business Enterprises No. 21 –Leases (CK [2018] No. 35) since 1 January 2021. According to cumulative effects, the Company adjusted retained earnings at the beginning of the year and other relevant items in the financial statements, without adjustment of any information of the comparable period. The impact of accounting policy changes includes:

| Contents of changes in accounting policies and reasons thereof  | Items and amounts of financial statements affected   |
|---|--|
| As per the new lease standard, on the beginning date of the lease term, except for short-term leases and low-value leases for which simplified treatment is adopted, "right-of-use assets" and "lease liabilities" are recognized on leases. If a lease | Consolidated balance sheet:<br>As at 1 January 2021<br>Right-of-use assets: RMB39,209,648.76<br>Lease liabilities: RMB29,410,564.00<br>Current portion of non-current liabilities: RMB9,799,084.76<br>As at 31 December 2021 |

|   |  |
|---|--|
| payment is due within one year, it shall be recorded in “current portion of non-current liabilities”. | Right-of-use assets: RMB71,472,680.73                        |
|   | Lease liabilities: RMB83,081,182.89                          |
|   | Current portion of non-current liabilities: RMB14,940,651.36 |
|   | Balance sheet of the Company as the parent:                  |
|   | As at 1 January 2021   |
|   | Right-of-use assets: RMB1,523,310.37                         |
|   | Lease liabilities: RMB1,274,783.02                           |
|   | Current portion of non-current liabilities: RMB248,527.35    |
|   | As at 31 December 2021                                       |
|   | Right-of-use assets: RMB4,075,422.31                         |
| Lease liabilities: RMB2,976,367.29  |  |
| Current portion of non-current liabilities: RMB1,329,083.27   |  |

## VII YoY Changes to the Scope of the Consolidated Financial Statements

Applicable  Not applicable

For the detailed changes to the scope of the Company’s consolidated statements of the Reporting Period, see “Part X Financial Statements”, VIII.

## VIII Engagement and Disengagement of Independent Auditor

Current independent auditor:

|  |   |
|--|---|
| Name of the domestic independent auditor   | Baker Tilly China Certified Public Accountants (LLP)                  |
| The Company’s payment to the domestic independent auditor (RMB’0,000)  | 84  |
| How many consecutive years the domestic independent auditor has provided audit service for the Company                     | 2 years   |
| Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor’s report | Li Ming, Chen Zihan, Xu Ping  |
| How many consecutive years the certified public accountants have provided audit service for the Company                    | Two years for Li Ming, two years for Chen Zihan, one year for Xu Ping |

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

In this Reporting Period, the Company engaged Baker Tilly China Certified Public Accountants (LLP) for its internal control audit and paid an internal control audit fee of RMB0.15 million to it for the period.

## IX Possibility of Delisting after Disclosure of this Report

Applicable  Not applicable

## X Insolvency and Reorganization

Applicable  Not applicable

No such cases in the Reporting Period.

## XI 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 |
|---|------------------------------|-----------|---|-----------------------|------------------------|-----------------|--------------------------------|
| The Fourth Owners' Committee of Shenzhen Nanshan District Software Park (Applicant) and Shenzhen ITC Technology Park Service Co., Ltd. (Respondent 1) and High-tech Zone Branch (Respondent 2) in the arbitration case of property contract dispute of Software Park Phase I. The Applicant requested an award for Respondents 1 and 2 to return the owners' public revenue and bear the attorney's fees. | 4,520.93                     | Yes       | The first session of the arbitration has been concluded, and the parties to the arbitration have disputed the number of amounts involved and have applied for an audit by a third-party auditor. The audit has now been completed and feedback is being sought from both parties to the dispute, and the final audit report will be issued shortly. | Not yet               | Not yet                |                 |                                |
| Shenzhen Rongyao Real Estate Development Co., Ltd. (plaintiff) sued Shenzhen Herunxiang Trade Co., Ltd. (defendant) for property  | 20,000                       | Not       | Property preservation measures have been taken and the case is under trial.   | Not yet               | Not yet                |                 |                                |

|   |        |                       |  |                        |                        |  |  |
|---|--------|-----------------------|--|------------------------|------------------------|--|--|
| demolition and relocation compensation contract dispute. After Rongyao paid the demolition compensation, Herunxiang failed to handle the cancellation of the real property ownership certificate of the relevant real estate in accordance with the agreement, which affected the development and construction progress of Rongyao.   |        |                       |  |                        |                        |  |  |
| Shenzhen Qitian Sunshine Hotel Management Co., Ltd. (plaintiff) sued ShenZhen Properties & Resources Development (Group) Ltd. (defendant) for property leasing contract dispute, requesting the defendant to pay compensation for interior decoration of the relocated house and relocation fee of the leased house and to return the subsidy fee of the leased house, etc. | 1,144  | Not                   | The first instance judgment reads that the plaintiff Shenzhen Qitian Sunshine Hotel Management Co., Ltd. shall pay rent of RMB1,050,913.6 to the defendant ShenZhen Properties & Resources Development (Group) Ltd. within ten days from the effective date of this judgment. All the claims of the plaintiff Shenzhen Qitian Sunshine Hotel Management Co., Ltd. were rejected, and the remaining counterclaims of the defendant Shenzhen Property Development (Group) Co., Ltd. were rejected. Shenzhen Qitian Sunshine Hotel Management Co., Ltd. has instituted an appeal. | Not yet                | Not yet                |  |  |
| Summary of other contract disputes  | 16,155 | See Part XII Financia | See Part XII Financial Report-XIV-2  | See Part XII Financial | See Part XII Financial |  |  |

|  |  |                       |  |                  |                  |  |  |
|--|--|-----------------------|--|------------------|------------------|--|--|
|  |  | I<br>Report-<br>XIV-2 |  | Report-XI<br>V-2 | Report-X<br>IV-2 |  |  |
|--|--|-----------------------|--|------------------|------------------|--|--|

## XII Punishments and Rectifications

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

## XIV Major Related-Party Transactions

### 1. Continuing Related-Party Transactions

Applicable  Not applicable

| Related party                                 | Relationship with the Company                        | Type of transaction   | Specific transaction         | Pricing principle | Transaction price | Total value (RMB'0,000) | As % of total value of all same-type transactions | Approved transaction line (RMB'0,000) | Over the approved line or not | Method of settlement | Obtainable market price for same-type transactions | Disclosure date | Index to disclosed information   |
|---|--|---|------------------------------|-------------------|-------------------|-------------------------|---|---------------------------------------|-------------------------------|----------------------|--|-----------------|--|
| Shenzhen Bay Technology Development Co., Ltd. | Wholly-owned subsidiary of the Company as the parent | Related-party transactions governing sales of commodity and providing of labors | Property management services | Market principle  | Agreement price   | 5,633.77                | 4.76%   | 5,500                                 | Yes                           | Cash                 | 5,633.77   | 30 March 2021   | Announcement on Estimated Continuing Related-party Transactions in 2021 (No.: 2021-1 |
| Shenzhen Bay Techno                           | Wholly-owned subsidia                                | Related-party transac   | Managem service              | Market princip    | Agree ment price  | 7,912.17                | 8.18%   | 8,000                                 | Not                           | Cash                 | 7912.17  | 30 March 2021   | 2021 (No.: 2021-1  |

|  |  |   |   |   |                 |                       |        |        |     |      |                     |                     |    |                        |
|--|--|---|---|---|-----------------|-----------------------|--------|--------|-----|------|---------------------|---------------------|----|------------------------|
| logy Development Co., Ltd.   | ry of the Company as the parent                      | tions governing purchase of commodity and providing of labors | s                                       |   |                 |                       |        |        |     |      |                     |                     |    | 1) disclosed on Cninfo |
| Shenzhen Shentu Real Estate Development Co., Ltd.  | Wholly-owned subsidiary of the Company as the parent | Lease   | Entrusted management services of houses | Market principle  | Agreement price | 6,822.876<br>827.21   | 38.73% | 5,790  | Yes | Cash | 6,822.87<br>6827.21 | 30<br>March<br>2021 |    |                        |
| Total  |  |   |   | --  | --              | 20,368.81<br>20373.15 | --     | 19,290 | --  | --   | --                  | --                  | -- | --                     |
| 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 |  |   |   | The total amount of daily related-party transactions of the Company in 2021 is expected to be RMB214.68 million, and actual total amount of daily related-party transactions is RMB226.66 million. The excess amount is lower than the disclosure standard. For details, please refer to the Proposal on Daily-Related Party Transactions in 2022 disclosed on the same day of this report. |                 |                       |        |        |     |      |                     |                     |    |                        |
| 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

Indicate by tick mark whether there were any credits and liabilities with related parties for non-operating purposes.

√ Yes □ No

Receivable from related parties

| Related party  | Relationship with the Company  | Reason  | Capital occupation for non-operating purposes (yes/no) | Beginning balance (RMB'0,000) | Amount newly added in current period (RMB'0,000) | Amount received in current period (RMB'0,000) | Interest rate | Current interest (RMB'0,000) | Ending balance (RMB'0,000) |
|--|--|---|--|-------------------------------|--|---|---------------|------------------------------|----------------------------|
| Shenzhen Xinhai Holdings Co., Ltd.                                   | The parent company of the subsidiary Rongyao Real Estate's minority shareholder Xinhai Rongyao | Business circulating funds before acquisition   | No   | 40,150                        |  |   |               |                              | 40,150                     |
| Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.            | Minority shareholder of the subsidiary Rongyao Real Estate                                     | Business circulating funds before acquisition   | No   | 33,047.29                     |  |   |               |                              | 33,047.29                  |
| Influence on the Company's operating results and financial condition | on the operating results and financial condition   | All were within the risks control of the Company and not influenced the operating results and the financial conditions. |  |                               |  |   |               |                              |                            |

Liabilities payable to related parties

| Related party                     | Relation with the Company | Formation reason  | Beginning balance (RMB'0,000) | Amount newly added in current period (RMB'0,000) | Amount returned in current period (RMB'0,000) | Interest rate | Current interest (RMB'0,000) | Ending balance (RMB'0,000) |
|-----------------------------------|---------------------------|-------------------|-------------------------------|--|---|---------------|------------------------------|----------------------------|
| Shenzhen Jifa Warehouse Co., Ltd. | Joint venture             | Intercourse funds | 3,579.67                      | 300  |   |               |                              | 3,879.67                   |

|   |               |   |        |  |  |  |  |        |
|---|---------------|---|--------|--|--|--|--|--------|
| Shenzhen Tian'an International Building Property Management Co., Ltd. | Joint venture | Intercompany funds  | 521.43 |  |  |  |  | 521.43 |
| Influence on the Company's operating results and financial condition  |               | All were within the risks control of the Company and not influenced the operating results and the financial conditions. |        |  |  |  |  |        |

## 5. Transactions with Related Finance Companies

Applicable  Not applicable

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company or any other related parties.

## 6. Transactions with Related Parties by Finance Companies Controlled by the Company

Applicable  Not applicable

The finance company controlled by the Company did not make deposits, receive loans or credit from and was not involved in any other finance business with any related parties.

## 7. Other Major Related-Party Transactions

Applicable  Not applicable

### (I) 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.

### (II) 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](http://www.cninfo.com.cn)) on 14 December and 24 December 2021.

Index to announcements on major related-party transactions

| Announcement   | Disclosure time  | Disclosure website  |
|--|------------------|---|
| Announcement on Entering into Entrusted Operation and Management Agreement and Related Party Transactions  | 31 March 2021    | <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> |
| 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                               | 14 December 2021 | <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> |
| 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                 | 14 December 2021 | <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> |
| 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      | 14 December 2021 | <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> |
| 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               | 24 December 2021 | <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> |
| 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 | 24 December 2021 | <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> |
| Announcement on the Progress of the Acquisition by the Wholly-Owned Subsidiary of 100 Percent of the   | 24 December 2021 | <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> |

|  |  |  |
|--|--|--|
| Equity of Three Enterprises Owned by Shenzhen Shenfubao (Group) Co., Ltd. and Related Party Transactions |  |  |
|--|--|--|

## XV Major Contracts and Execution thereof

### 1. Entrustment, Contracting and Leases

#### (1) Entrustment

Applicable  Not applicable

No such cases in the Reporting Period.

#### (2) Contracting

Applicable  Not applicable

No such cases in the Reporting Period.

#### (3) Leases

Applicable  Not applicable

No such cases in the Reporting Period.

### 2. Major guarantees

Applicable  Not applicable

Unit: RMB'0,000

| Guarantees provided by the Company as the parent and its subsidiaries for external parties (exclusive of those for subsidiaries) |  |                   |                        |                         |                   |                     |                            |                   |                       |                                      |
|--|--|-------------------|------------------------|-------------------------|-------------------|---------------------|----------------------------|-------------------|-----------------------|--------------------------------------|
| Obligor  | Disclosure date of the guarantee line announcement | Line of guarantee | Actual occurrence date | Actual guarantee amount | Type of guarantee | Collateral (if any) | Counter guarantee (if any) | Term of guarantee | Having expired or not | Guarantee for a related party or not |
| Guarantees provided by the Company for its subsidiaries  |  |                   |                        |                         |                   |                     |                            |                   |                       |                                      |
| Obligor  | Disclosure date of the guarantee line announcement | Line of guarantee | Actual occurrence date | Actual guarantee amount | Type of guarantee | Collateral (if any) | Counter guarantee (if any) | Term of guarantee | Having expired or not | Guarantee for a related party or not |

| Shenzhen Rongyao Real Estate Development Co., Ltd.                              | 18 October 2019                                    | 500,000           | 27 November 2019       | 336,547   | Joint-liability   | Security deposit    |                            | 27 November 2019 to 20 November 2024 | No                    | Yes                                  |
|---|--|-------------------|------------------------|---|-------------------|---------------------|----------------------------|--------------------------------------|-----------------------|--------------------------------------|
| Total approved line for such guarantees in the Reporting Period (B1)            |  |                   |                        | Total actual amount of such guarantees in the Reporting Period (B2)             |                   | 36,576              |                            |                                      |                       |                                      |
| Total approved line for such guarantees at the end of the Reporting Period (B3) |  | 500,000           |                        | Total actual balance of such guarantees at the end of the Reporting Period (B4) |                   | 336,537             |                            |                                      |                       |                                      |
| Guarantees provided between subsidiaries  |  |                   |                        |   |                   |                     |                            |                                      |                       |                                      |
| Obligor   | Disclosure date of the guarantee line announcement | Line of guarantee | Actual occurrence date | Actual guarantee amount   | Type of guarantee | Collateral (if any) | Counter guarantee (if any) | Term of guarantee                    | Having expired or not | Guarantee for a related party or not |
| Total approved line for such guarantees in the Reporting Period (C1)            |  | 0                 |                        | Total actual amount of such guarantees in the Reporting Period (C2)             |                   |                     |                            |                                      |                       |                                      |
| Total guarantee amount (total of the three kinds of guarantees above)           |  |                   |                        |   |                   |                     |                            |                                      |                       |                                      |
| Total guarantee line approved in the Reporting Period (A1+B1+C1)                |  |                   |                        | Total actual guarantee amount in the Reporting Period (A2+B2+C2)                |                   | 36,576              |                            |                                      |                       |                                      |
| Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)     |  | 500,000           |                        | Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)    |                   | 336,537             |                            |                                      |                       |                                      |
| Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets       |  |                   |                        | 75.02%  |                   |                     |                            |                                      |                       |                                      |
| Of which:   |  |                   |                        |   |                   |                     |                            |                                      |                       |                                      |
| Balance of guarantees provided for  |  |                   |                        | 0   |                   |                     |                            |                                      |                       |                                      |

|   |         |
|---|---------|
| shareholders, actual controller and their related parties (D)   |         |
| Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E) | 336,537 |
| Total of the three amounts above (D+E+F)  | 336,537 |

Compound guarantees:

### 3. Cash Entrusted to Other Entities for Management

#### (1) Cash Entrusted for Wealth Management

Applicable  Not applicable

No such cases in the Reporting Period.

#### (2) Entrusted Loans

Applicable  Not applicable

No such cases in the Reporting Period.

### 4. Other Major Contracts

Applicable  Not applicable

No such cases in the Reporting Period.

## XVI Other Significant Events

Applicable  Not applicable

#### (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 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.

**(IV) 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.

**(V) 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.

## **XVII Significant Events of Subsidiaries**

Applicable  Not applicable

## Part VII Share Changes and Shareholder Information

### I Share Changes

#### 1. Share Changes

Unit: share

|   | Before      |                | Increase/decrease (+/-) |  |  |       |          | After       |                |
|---|-------------|----------------|-------------------------|--|--|-------|----------|-------------|----------------|
|   | Shares      | Percentage (%) | New issues              | Shares as dividend converted from profit | Shares as dividend converted from capital reserves | Other | Subtotal | Shares      | Percentage (%) |
| 1. Restricted shares                              | 1,898,306   | 0.32%          | 0                       | 0  | 0  | 0     | 0        | 1,898,306   | 0.32%          |
| 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         | 3,326       | 0.00%          | 0                       | 0  | 0  | 0     | 0        | 3,326       | 0.00%          |
| 1.3 Shares held by other domestic investors       | 1,894,980   | 0.32%          | 0                       | 0  | 0  | 0     | 0        | 1,894,980   | 0.32%          |
| Among which: shares held by domestic legal person | 1,894,980   | 0.32%          | 0                       | 0  | 0  | 0     | 0        | 1,894,980   | 0.32%          |
| Shares held by domestic natural person            | 0           | 0.00%          | 0                       | 0  | 0  | 0     | 0        | 0           | 0.00%          |
| 1.4 Oversea shareholdings                         | 0           | 0.00%          | 0                       | 0  | 0  | 0     | 0        | 0           | 0.00%          |
| Among which: shares held by overseas legal person | 0           | 0.00%          | 0                       | 0  | 0  | 0     | 0        | 0           | 0.00%          |
| Shares held by overseas natural person            | 0           | 0.00%          | 0                       | 0  | 0  | 0     | 0        | 0           | 0.00%          |
| 2. Unrestricted shares                            | 594,080,786 | 99.68%         | 0                       | 0  | 0  | 0     | 0        | 594,080,786 | 99.68%         |
| 2.1 RMB ordinary                                  | 526,475,543 | 88.34%         | 0                       | 0  | 0  | 0     | 0        | 526,475,543 | 88.34%         |

|  |             |         |   |   |   |   |   |             |         |
|--|-------------|---------|---|---|---|---|---|-------------|---------|
| shares                                 |             |         |   |   |   |   |   |             |         |
| 2.2 Domestically listed foreign shares | 67,605,243  | 11.34%  | 0 | 0 | 0 | 0 | 0 | 67,605,243  | 11.34%  |
| 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                        | 595,979,092 | 100.00% | 0 | 0 | 0 | 0 | 0 | 595,979,092 | 100.00% |

Reasons for share changes:

Applicable  Not applicable

Approval of share changes:

Applicable  Not applicable

Transfer of share ownership:

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

During the Reporting Period, SIHC, the controlling shareholder of the Company, transferred 38,037,890 ordinary 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. Shenzhen State-owned Equity Management Co., Ltd. is a newly established wholly-owned subsidiary of SIHC to manage the transferred state-owned equity in a special account. Before and after the transfer of equity, the controlling shareholder and actual controller of the Company remained unchanged. For more details, see the Suggestive Announcement on the Free Transfer of Parts of State-owned Equity of Controlling Shareholders to Enrich the Social Security Fund (Announcement No. 2021-02) disclosed on 29 January 2021. On 15 March 2021, the share transfer registration procedures for the above-mentioned transfer of state-owned shares for free were completed.

## 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

| Name of shareholder                               | Nature of shareholder                 | Shareholding percentage | Total shares held at the period-end | Increase/decrease in the Reporting Period | Restricted shares held | Unrestricted shares held | Shares, marked in pledge or frozen |        |
|---|---------------------------------------|-------------------------|-------------------------------------|---|------------------------|--------------------------|------------------------------------|--------|
|   |                                       |                         |                                     |   |                        |                          | Status                             | Shares |
| 5% or greater shareholders or top 10 shareholders |                                       |                         |                                     |   |                        |                          |                                    |        |
| Shenzhen Investment Holdings Co., Ltd.            | State-owned legal person              | 50.57%                  | 301,414,637                         | -38,037,890                               | 3,326                  | 301,411,311              |                                    |        |
| Shenzhen State-owned Equity Management Co., Ltd.  | Domestic non-state-owned legal person | 6.38%                   | 38,037,890                          | 38,037,890                                | 0                      | 38,037,890               |                                    |        |
| China Orient Asset Management Co., Ltd.           | State-owned legal person              | 3.90%                   | 23,236,400                          | -6,561,900                                | 0                      | 23,236,400               |                                    |        |
| Hong Kong Securities Clearing Company Ltd.        | Foreign legal person                  | 0.69%                   | 4,136,333                           | 2,261,510                                 | 0                      | 4,136,333                |                                    |        |
| Li Xinyi  | Domestic natural person               | 0.60%                   | 3,550,100                           | 3,550,100                                 | 0                      | 3,550,100                |                                    |        |
| Duan Shaoteng                                     | Domestic natural person               | 0.29%                   | 1,755,565                           | 137,000                                   | 0                      | 1,755,565                |                                    |        |
| Shenzhen Duty-Free                                | Domestic non-state-o                  | 0.29%                   | 1,730,300                           | 0   | 1,730,300              | 0                        |                                    |        |

| Commodity Enterprises Co., Ltd.   | owned legal person   |                  |             |           |   |           |  |  |
|---|--|------------------|-------------|-----------|---|-----------|--|--|
| Yang Yaochu   | Domestic natural person  | 0.25%            | 1,500,384   | 0         | 0 | 1,500,384 |  |  |
| Wu Wenkai   | Domestic natural person  | 0.21%            | 1,252,800   | 1,252,800 | 0 | 1,252,800 |  |  |
| Su Weipeng  | Domestic natural person  | 0.19%            | 1,120,300   | 1,120,300 | 0 | 1,120,300 |  |  |
| Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any)                  | N/A  |                  |             |           |   |           |  |  |
| 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. |                  |             |           |   |           |  |  |
| Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights | N/A  |                  |             |           |   |           |  |  |
| Special account for share repurchases (if any) among the top 10 shareholders  | N/A  |                  |             |           |   |           |  |  |
| Top 10 unrestricted shareholders  |  |                  |             |           |   |           |  |  |
| Name of shareholder   | Unrestricted shares held at the period-end   | Shares by type   |             |           |   |           |  |  |
|   |  | Type             | Shares      |           |   |           |  |  |
| Shenzhen Investment Holdings Co., Ltd.  | 301,411,311  | RMB common share | 301,411,311 |           |   |           |  |  |
| Shenzhen State-owned Equity Management Co., Ltd.  | 38,037,890   | RMB common share | 38,037,890  |           |   |           |  |  |
| China Orient Asset Management Co., Ltd.   | 23,236,400   | RMB common share | 23,236,400  |           |   |           |  |  |
| Hong Kong Securities Clearing Company Ltd.  | 4,136,333  | RMB common share | 4,136,333   |           |   |           |  |  |
| Li Xinyi  | 3,550,100  | RMB common share | 3,550,100   |           |   |           |  |  |

|  |  |                                   |           |
|--|--|-----------------------------------|-----------|
| Duan Shaoteng  | 1,755,565  | RMB common share                  | 1,755,565 |
| Yang Yaochu  | 1,500,384  | Domestically listed foreign share | 1,500,384 |
| Wu Wenkai  | 1,252,800  | RMB common share                  | 1,252,800 |
| Su Weipeng   | 1,120,300  | RMB common share                  | 1,120,300 |
| Mai Furong   | 1,103,096  | Domestically listed foreign share | 1,103,096 |
| 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 | 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. |                                   |           |
| Top 10 ordinary shareholders involved in securities margin trading (if any)  | N/A  |                                   |           |

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. | He Jianfeng                            | 13 October 2004       | 914403007675664218         | To execute investments and M&A on financial equity such as banks, securities, insurance, funds and guarantees and pseudo-banking equity; to engage in the property development and operation business within the scale of legally acquire the land use right; to execute investments and services in strategic emerging industry; to execute the investment, operating and |

|   |  |  |  |   |
|---|--|--|--|---|
|   |  |  |  | management of the state-owned equities of the wholly-owned, controlling and stock-participating enterprises through the methods such as the restructuring integration, capital operation and assets disposal; other business developed with the authority from the Municipal State-owned Assets Supervision and Administration Commission (if the activity needs approval as required by state regulations, it shall not be operated until it is approved). |
| Shareholdings of the controlling shareholder in other listed companies at home or abroad in this Reporting Period | Shenzhen Textile A (000045) holds 234.07 million shares, accounting for 46.10%; SPG A (000029) holds 642.88 million shares, accounting for 63.55%; Shenzhen Universe A (000023) holds 9.59 million shares, accounting for 6.91%; Ping'an (601318) holds 962.72 million shares, accounting for 5.27%; Guosen Securities (002736) holds 3,223.11 million shares, accounting for 33.53%; Guotai Jun'an (601211) holds 609.43 million A-shares and 103.37 million H-shares, totally accounting for 8.00%; Telling Telecommunication (000829) holds 195.03 million shares, accounting for 18.89%; Shenzhen International (00152) holds 952.01 million shares, accounting for 43.39%; Beauty Star (002243) holds 604.82 million shares, accounting for 49.96%; Bay Area Development (00737) holds 2,213.45 million shares, accounting for 71.83%; Infinova (002528) holds 315.83 million shares, accounting for 26.35%; Eternal Asia (002183) holds 388.45 million shares, accounting for 18.30%; Shenzhen Energy (000027) holds 6.77 million shares, accounting for 0.14%; Bank of Communications (601328) holds 9.52 million shares, accounting for 0.01%; Techand (300197) holds 113.98 million shares, accounting for 4.84%; Vanke (02202) holds 77.27 million shares, accounting for 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 Municipal State-owned Assets Supervision and Administration Commission | Wang Yongjian | 1 July 2004 | K31728067 | <p>(I) Implementing and practicing state, provincial and municipal laws and regulations related to management on state-owned assets, drafting local laws, regulations, and policies about management on state-owned assets, and organizing implementation activities upon approvals. Intending to draft supervision systems and methods about operational state-owned assets, and organizing implementation activities.</p> <p>(II) On the basis of authorization from municipal government, fulfilling duties of investors according to laws and regulations, and protecting the rights and interests of investors for state-owned assets according to laws</p> <p>(III) Taking charge of Party-building work for enterprises in its supervision and organs entrusted</p> <p>(IV) Undertaking the supervision over state-owned assets of municipal enterprises, strengthening management on state-owned assets, further perfecting the management mechanism for state-owned assets with the unification of power, obligation, and duties, as well as the combination of managing assets, people, and affairs</p> <p>(V) Being responsible for hedging and appreciation of the value of state-owned assets of enterprises in its supervision, establishing and perfecting the index system for hedging and appreciation of the value of state-owned assets, setting out assessment standards, supervising on hedging and appreciation of the value of state-owned assets of enterprises in its supervision by statistics, audit, and check, and urging enterprises in its supervision to fulfill social duties</p> <p>(VI) In charge of researching and preparing the general planning for transformation and development of state-owned enterprise in its</p> |
|---|---------------|-------------|-----------|--|

|  |  |  |  |
|--|--|--|--|
|  |  |  | <p>supervision, guiding and boosting transformation and re-organization of state-owned enterprises, prompting the construction of modern enterprise system, carrying forward operation of state-owned capital, pushing the strategic adjustment on state-owned economy layout and structure, and making state-owned capital play the role in significant industries and key fields including national security, national economy lifeline, etc.</p> <p>(VII) Directing and propelling enterprises in its supervision to perfect company governance structure, intensifying construction of Board and Supervision Committees of enterprises in its supervision, and forming the governance mechanism with specific duties, coordinating operation, and effective counterbalance</p> <p>(VIII) Assuming the management work of income distribution for enterprises in its supervision, and standardizing the income distribution and position-related consumption over people in charge of enterprises in its supervision</p> <p>(IX) In line with rules of municipal Party committee, appointing and dismissing, appraising, as well as, in accordance with business performance, rewarding and punishing people in charge of enterprises in its supervision by applying legal procedures, establishing the mechanism of selecting and choosing candidates meeting the requirements of socialist market economy system and modern enterprise system, and perfecting the incentive and control system for operators</p> <p>(X) Being responsible for appointing or recommending board directors, supervisors, CFOs to enterprises in its supervision, and auditing on economic duties of people in charge of enterprises in its supervision according to rules about management authorization to people in charge of</p> |
|--|--|--|--|

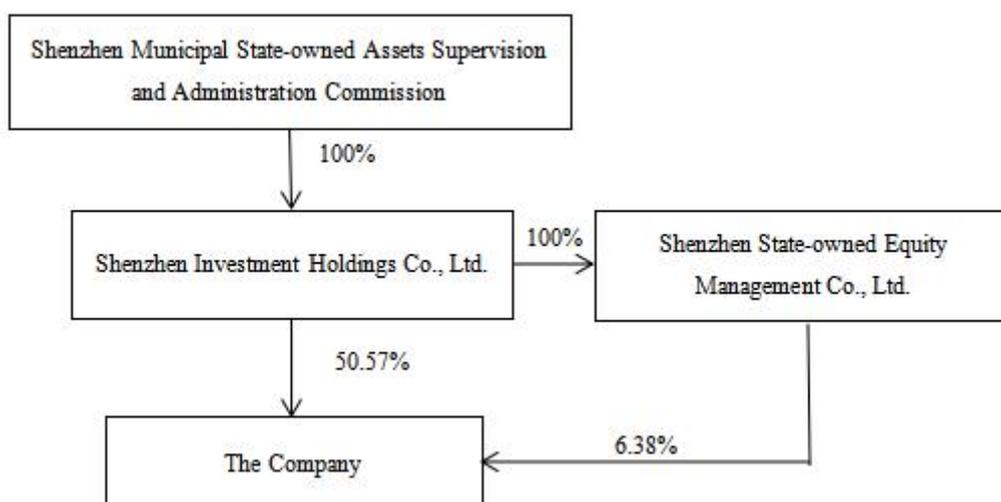
|   |  |  |   |
|---|--|--|---|
|   |  |  | <p>enterprises</p> <p>(XI) In charge of preparing the draft of budgets and final accounts of annual state-owned capital of enterprises in its supervision, including it to the government budget system, organizing the execution upon approvals, and collecting earnings of state-owned capital handed in by enterprises in its supervision</p> <p>(XII) In charge of strategy research, policy formulation, and guidance for transformation, development, and asset management related to collectively-owned enterprises</p> <p>(XIII) Assuming other assignments assigned by municipal government and superior departments</p> |
| Shareholdings of the actual controller in other listed companies at home or abroad in this Reporting Period | Listed companies such as the Shenzhen Airport, YTP, Shenzhen Energy, Shenzhen Zhenye, Shenzhen Tagen and SDGI. |  |   |

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. Number of Accumulative Pledged Shares held by the Company's Controlling Shareholder or the Largest Shareholder as well as Its Acting-in-Concert Parties Accounts for 80% of all shares of the Company held by Them**

Applicable  Not applicable

**5. Other 10% or Greater Corporate Shareholders**

Applicable  Not applicable

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

Applicable  Not applicable

**IV Specific Implementation of Share Repurchase during the Reporting Period**

Progress on any share repurchase

Applicable  Not applicable

Progress on reducing the repurchased shares by means of centralized bidding

Applicable  Not applicable

## **Part VIII Preference Shares**

Applicable  Not applicable

No preference shares in the Reporting Period.

## **Part IX Bonds**

Applicable  Not applicable

## Part X Financial Statements

### I Independent Auditor's Report

|   |  |
|---|--|
| Type of the independent auditor's opinion | Unmodified unqualified opinion                       |
| Date of signing this report               | 29 March 2022  |
| Name of the independent auditor           | Baker Tilly China Certified Public Accountants (LLP) |
| Reference number of Audit Report          | Baker Tilly YZ[2022]No.16241                         |
| Name of the certified public accountants  | Li Ming, Chen Zihan, Xu Ping                         |

### Text of the Auditor's Report

**All shareholders of Shenzhen Properties & Resources Development (Group) Ltd.:**

#### 1. Opinion

We have audited the financial statements of Shenzhen Properties & Resources Development (Group) Ltd. (the "Company"), which comprise the consolidated and parent company balance sheets as of 31 December 2021, the consolidated and parent company statements of income, cash flows and changes in shareholders' equity for the year then ended, as well as the notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated and parent company financial position of the Company at 31 December 2021, and the consolidated and parent company operating results and cash flows for the year then ended, in conformity with the Chinese Accounting Standards (CAS).

#### 2. Basis for Opinion

We conducted our audits in accordance with the Audit Standards for Chinese Registered Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Audit of Financial Statements section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the said Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Key audit items

Key audit items are the items that are considered most important for the audit of the current financial statements based on our professional judgment. The response to these items is based on the audit of the financial statements as a whole and the formation of audit opinions. We do not comment on these items separately.

| Key audit item  | Audit response  |
|---|---|
| <b>1. Recognition and measurement of revenue from real estate development and sales</b>   |   |
| SZPRD achieved a revenue of RMB3.131 billion from real estate development projects in 2021, accounting for 69.70% of the total operating revenue. SZPRD confirms revenue from real estate development projects when all the following conditions are met: (1) Real estate products of sales contracts under | Our audit procedures for this key audit issue include: Understanding and sampling key control measures related to property sales business to evaluate the effectiveness of implementation of control procedures. Obtaining and reviewing completion acceptance documents of |

|  |  |
|--|--|
| <p>development are completed and accepted; (2) Irreversible sales contracts are signed and buyers' payment certificates are received; (3) Notice of property acceptance is issued.</p> <p>The recognition and measurement of revenue from real estate business has a significant impact on the operating results of SZPRD, which may be inaccurately measured or recognized in improper accounting period. Therefore, we regard the recognition and measurement of real estate development and sales revenue as key audit issues.</p> <p>For accounting policies and details of revenue from real estate development and sales, please refer to Note III, (28), VI, (36) to the financial statement.</p>   | <p>projects; reviewing property sales contracts and verifying the authenticity of revenue from property sales recognized in this year; checking original collection certificates or certificates of bank mortgage procedures to determine whether full payment amount is received; reviewing admission notice or other supporting documents on delivery of properties to evaluate whether revenue from property sales meets the conditions for revenue recognition as stipulated by the Company's accounting policy.</p> <p>Obtaining and reviewing supporting documents for property delivery before and after the balance sheet date to evaluate whether revenue from property sales is recorded in proper accounting period.</p>    |
| <b>2. Provision of increment tax on land value</b>   |  |
| <p>The Company shall pay increment tax on land value at the rate of 30-60% of extra progressive tax rate of increment amount on land value for real estate sales and development. At the end of each financial reporting period, the Management shall estimate the provision amount of increment tax on land value. When making estimation judgment, main factors to be included in consideration shall include the provisions and explanations of relevant tax laws and regulations, the amount of estimated revenue from sale of real estate minus estimated deductible land cost, real estate development cost, interest expense and development cost, etc. The actual amount in final settlement payable by SZPRD for increment tax on land value may be different from the estimated amount.</p> <p>As the importance of provision of increment tax on land value on the profit and loss of real estate enterprises, and Management includes the understanding of relevant tax laws and regulations and actual practices in consideration for estimation judgment, we determine the provision of increment tax on land value of SZPRD as a key audit issue.</p> | <p>Our audit procedures for this key audit issue include:</p> <p>Obtaining calculation data of increment tax on land value of main real estate development projects to review and calculate the accuracy of amount of increment tax on land value accrued by the Company in this year.</p> <p>Combining the audit revenue from real estate sales to review the rationality of estimated amount of revenue from real estate sales made by the Management in the calculation of increment tax on land value.</p> <p>Combining inventory audit to review the accuracy of land cost, real estate development cost, interest expense and development cost deducted by the Management in the calculation of increment tax on land value.</p> |

#### 4. Other Information

The Company's management (hereinafter referred to as the Management") is responsible for the other information. The other information comprises all of the information included in the Company's 2021 Annual Report other than 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 the 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 a material misstatement of this other information, we are required

to report that fact. We have nothing to report in this regard.

#### **5. Responsibilities of Management and Those Charged with Governance for Financial Statements**

The Management is responsible for the preparation of the financial statements that give a fair view in accordance with CAS, and for designing, implementing and maintaining such internal control as the management determines is 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, the Management is responsible for assessing the Company'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 the Management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance (hereinafter referred to as the "Governance") are responsible for overseeing the Company's financial reporting process.

#### **6. Auditor's Responsibilities for Audit of Financial Statements**

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 CAS 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 CAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) 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.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by CAS to draw users' 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, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) 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.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 those charged with governance, we determine those matters that were of most significance in

the audit of the consolidated 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.

Baker Tilly YZ[2022]No.16241

|                                |                      |            |
|--------------------------------|----------------------|------------|
| Beijing·China<br>30 March 2022 | Chinese CPA          | Li Ming    |
|                                | (Engagement Partner) |            |
|                                | Chinese CPA:         | Chen Zihan |
|                                | Chinese CPA:         | Xu Ping    |

## II Financial Statements

Currency unit for the financial statements and the notes thereto: RMB

### 1. Consolidated Balance Sheet

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

31 December 2021

Unit: RMB

| Item                              | 31 December 2021 | 31 December 2020 |
|-----------------------------------|------------------|------------------|
| Current assets:                   |                  |                  |
| Monetary assets                   | 2,171,826,176.21 | 4,206,266,629.32 |
| Settlement reserve                |                  |                  |
| Interbank loans granted           |                  |                  |
| Held-for-trading financial assets |                  |                  |

|  |                          |                   |
|--|--------------------------|-------------------|
| Derivative financial assets                        |                          |                   |
| Notes receivable                                   | 200,000.00               | 0.00              |
| Accounts receivable                                | 271,529,528.64           | 187,697,631.47    |
| Accounts receivable financing                      |                          |                   |
| Prepayments  | 113,623,66870,897,468.33 | 50,543,422.85     |
| Premiums receivable                                |                          |                   |
| Reinsurance receivables                            |                          |                   |
| Receivable reinsurance contract reserve            |                          |                   |
| Other receivables                                  | 826,857,046.54           | 789,050,350.51    |
| Including: Interest receivable                     |                          |                   |
| Dividends receivable                               |                          |                   |
| Financial assets purchased under resale agreements |                          |                   |
| Inventories  | 9,123,926,016.15         | 5,312,489,258.20  |
| Contract assets                                    |                          |                   |
| Assets held for sale                               |                          |                   |
| Current portion of non-current assets              |                          |                   |
| Other current assets                               | 54,162,450.68            | 48,991,965.92     |
| Total current assets                               | 12,519,398,686.55        | 10,595,039,258.27 |
| Non-current assets:                                |                          |                   |
| Loans and advances to customers                    |                          |                   |
| Investments in debt obligations                    |                          |                   |
| Investments in other debt obligations              |                          |                   |
| Long-term receivables                              | 23,831,889.11            | 0.00              |
| Long-term equity investments                       | 50,360,681.37            | 45,710,220.79     |
| Investments in other equity instruments            | 1,002,551.95             | 1,044,905.12      |
| Other non-current financial assets                 |                          |                   |
| Investment property                                | 449,653,849.48           | 484,738,506.83    |
| Fixed assets                                       | 108,161,443.02           | 116,233,936.04    |
| Construction in progress                           |                          |                   |
| Productive living assets                           |                          |                   |
| Oil and gas assets                                 |                          |                   |

|   |                        |                   |
|---|------------------------|-------------------|
| Right-of-use assets                               | 71,472,680.73          | 0.00              |
| Intangible assets                                 | 1,482,489.98           | 482,049.51        |
| Development costs                                 |                        |                   |
| Goodwill  | 9,446,847.38           | 0.00              |
| Long-term prepaid expense                         | 21,803,064.95          | 11,862,716.14     |
| Deferred income tax assets                        | 1,279,710,969.39       | 950,681,245.50    |
| Other non-current assets                          | 2,845,79745,571,997.85 | 1,564,074.34      |
| Total non-current assets                          | 2,062,498,465.21       | 1,612,317,654.27  |
| Total assets                                      | 14,581,897,151.76      | 12,207,356,912.54 |
| Current liabilities:                              |                        |                   |
| Short-term borrowings                             |                        |                   |
| Borrowings from the central bank                  |                        |                   |
| Interbank loans obtained                          |                        |                   |
| Held-for-trading financial liabilities            |                        |                   |
| Derivative financial liabilities                  |                        |                   |
| Notes payable                                     |                        |                   |
| Accounts payable                                  | 337,126,528.68         | 468,269,685.65    |
| Advances from customers                           | 1,265,805.23           | 473,274.48        |
| Contract liabilities                              | 1,371,850,725.60       | 666,893,629.72    |
| Financial assets sold under repurchase agreements |                        |                   |
| Customer deposits and interbank deposits          |                        |                   |
| Payables for acting trading of securities         |                        |                   |
| Payables for underwriting of securities           |                        |                   |
| Employee benefits payable                         | 192,804,286.38         | 177,190,197.36    |
| Taxes payable                                     | 3,304,225,345.46       | 2,487,212,979.37  |
| Other payables                                    | 959,398,886.29         | 847,142,613.09    |
| Including: Interest payable                       |                        |                   |
| Dividends payable                                 | 12,202,676.04          | 12,202,676.04     |
| Handling charges and commissions payable          |                        |                   |
| Reinsurance payables                              |                        |                   |
| Liabilities directly associated with              |                        |                   |

|  |                   |                  |
|--|-------------------|------------------|
| assets held for sale   |                   |                  |
| Current portion of non-current liabilities                       | 83,924,701.83     | 36,722,824.88    |
| Other current liabilities  | 77,355,792.16     | 43,354,691.51    |
| Total current liabilities  | 6,327,952,071.63  | 4,727,259,896.06 |
| Non-current liabilities:   |                   |                  |
| Insurance contract reserve                                       |                   |                  |
| Long-term borrowings   | 3,524,500,000.00  | 3,587,800,000.00 |
| Bonds payable  |                   |                  |
| Including: Preferred shares                                      |                   |                  |
| Perpetual bonds  |                   |                  |
| Lease liabilities  | 83,081,182.89     | 0.00             |
| Long-term payables   |                   |                  |
| Long-term employee benefits payable                              |                   |                  |
| Provisions   | 1,425,490.50      | 2,396,947.00     |
| Deferred income  |                   |                  |
| Deferred income tax liabilities                                  | 307,853.79        | 262.20           |
| Other non-current liabilities                                    | 113,540,088.37    | 108,778,327.45   |
| Total non-current liabilities                                    | 3,722,854,615.55  | 3,698,975,536.65 |
| Total liabilities  | 10,050,806,687.18 | 8,426,235,432.71 |
| Owners' equity:  |                   |                  |
| Share capital  | 595,979,092.00    | 595,979,092.00   |
| Other equity instruments   |                   |                  |
| Including: Preferred shares                                      |                   |                  |
| Perpetual bonds  |                   |                  |
| Capital reserves   | 80,488,045.38     | 80,488,045.38    |
| Less: Treasury stock   |                   |                  |
| Other comprehensive income                                       | -8,174,653.66     | -6,749,589.41    |
| Specific reserve   |                   |                  |
| Surplus reserves   | 29,637,548.47     | 19,205,979.63    |
| General reserve  |                   |                  |
| Retained earnings  | 3,788,180,758.20  | 3,038,993,912.43 |
| Total equity attributable to owners of the Company as the parent | 4,486,110,790.39  | 3,727,917,440.03 |
| Non-controlling interests  | 44,979,674.19     | 53,204,039.80    |

|                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Total owners' equity                 | 4,531,090,464.58  | 3,781,121,479.83  |
| Total liabilities and owners' equity | 14,581,897,151.76 | 12,207,356,912.54 |

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

## 2. Balance Sheet of the Company as the Parent

Unit: RMB

| Item                                    | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| Current assets:                         |                  |                  |
| Monetary assets                         | 1,177,352,486.44 | 3,216,703,036.69 |
| Held-for-trading financial assets       |                  |                  |
| Derivative financial assets             |                  |                  |
| Notes receivable                        |                  |                  |
| Accounts receivable                     | 2,223,974.66     | 2,624,500.42     |
| Accounts receivable financing           |                  |                  |
| Prepayments                             | 5,400.00         | 0.00             |
| Other receivables                       | 2,412,506,681.28 | 145,325,697.20   |
| Including: Interest receivable          |                  |                  |
| Dividends receivable                    |                  |                  |
| Inventories                             | 2,343,857,737.13 | 653,885,107.24   |
| Contract assets                         |                  |                  |
| Assets held for sale                    |                  |                  |
| Current portion of non-current assets   |                  |                  |
| Other current assets                    | 496,729.09       | 496,729.09       |
| Total current assets                    | 5,936,443,008.60 | 4,019,035,070.64 |
| Non-current assets:                     |                  |                  |
| Investments in debt obligations         |                  |                  |
| Investments in other debt obligations   |                  |                  |
| Long-term receivables                   |                  |                  |
| Long-term equity investments            | 1,109,826,561.76 | 1,071,176,101.18 |
| Investments in other equity instruments | 1,233,051.95     | 1,275,405.12     |

|   |                  |                  |
|---|------------------|------------------|
| Other non-current financial assets                        |                  |                  |
| Investment property                                       | 283,198,989.66   | 303,827,356.62   |
| Fixed assets  | 41,133,269.92    | 51,091,963.72    |
| Construction in progress                                  |                  |                  |
| Productive living assets                                  |                  |                  |
| Oil and gas assets  |                  |                  |
| Right-of-use assets                                       | 4,075,422.31     | 0.00             |
| Intangible assets   |                  |                  |
| Development costs   |                  |                  |
| Goodwill  |                  |                  |
| Long-term prepaid expense                                 | 259,463.73       | 432,440.01       |
| Deferred income tax assets                                | 190,014,842.35   | 252,331,518.26   |
| Other non-current assets                                  | 1,718,846,484.20 | 1,197,407,234.55 |
| Total non-current assets                                  | 3,348,588,085.88 | 2,877,542,019.46 |
| Total assets  | 9,285,031,094.48 | 6,896,577,090.10 |
| Current liabilities:                                      |                  |                  |
| Short-term borrowings                                     |                  |                  |
| Held-for-trading financial liabilities                    |                  |                  |
| Derivative financial liabilities                          |                  |                  |
| Notes payable   |                  |                  |
| Accounts payable  | 48,640,839.24    | 55,887,947.36    |
| Advances from customers                                   | 425,164.77       | 0.00             |
| Contract liabilities                                      | 524,139,983.49   | 0.00             |
| Employee benefits payable                                 | 49,313,279.30    | 50,710,148.02    |
| Taxes payable   | 4,678,424.25     | 3,736,082.67     |
| Other payables  | 5,963,004,158.44 | 3,971,988,862.11 |
| Including: Interest payable                               |                  |                  |
| Dividends payable   | 29,642.40        | 29,642.40        |
| Liabilities directly associated with assets held for sale |                  |                  |
| Current portion of non-current liabilities                | 65,163,793.74    | 31,573,154.86    |
| Other current liabilities                                 | 47,172,598.51    | 0.00             |
| Total current liabilities                                 | 6,702,538,241.74 | 4,113,896,195.02 |

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Non-current liabilities:             |                  |                  |
| Long-term borrowings                 | 525,100,000.00   | 588,200,000.00   |
| Bonds payable                        |                  |                  |
| Including: Preferred shares          |                  |                  |
| Perpetual bonds                      |                  |                  |
| Lease liabilities                    | 2,976,367.29     | 0.00             |
| Long-term payables                   |                  |                  |
| Long-term employee benefits payable  |                  |                  |
| Provisions                           |                  |                  |
| Deferred income                      |                  |                  |
| Deferred income tax liabilities      |                  |                  |
| Other non-current liabilities        | 40,000,000.00    | 40,000,000.00    |
| Total non-current liabilities        | 568,076,367.29   | 628,200,000.00   |
| Total liabilities                    | 7,270,614,609.03 | 4,742,096,195.02 |
| Owners' equity:                      |                  |                  |
| Share capital                        | 595,979,092.00   | 595,979,092.00   |
| Other equity instruments             |                  |                  |
| Including: Preferred shares          |                  |                  |
| Perpetual bonds                      |                  |                  |
| Capital reserves                     | 53,876,380.11    | 53,876,380.11    |
| Less: Treasury stock                 |                  |                  |
| Other comprehensive income           | -2,574,121.54    | -2,545,451.19    |
| Specific reserve                     |                  |                  |
| Surplus reserves                     | 29,637,548.47    | 19,205,979.63    |
| Retained earnings                    | 1,337,497,586.41 | 1,487,964,894.53 |
| Total owners' equity                 | 2,014,416,485.45 | 2,154,480,895.08 |
| Total liabilities and owners' equity | 9,285,031,094.48 | 6,896,577,090.10 |

### 3. Consolidated Income Statement

Unit: RMB

| Item                         | 2021             | 2020             |
|------------------------------|------------------|------------------|
| 1. Revenue                   | 4,491,965,643.71 | 4,104,374,646.02 |
| Including: Operating revenue | 4,491,965,643.71 | 4,104,374,646.02 |

|  |                  |                  |
|--|------------------|------------------|
| Interest income  |                  |                  |
| Insurance premium income   |                  |                  |
| Handling charge and commission income  |                  |                  |
| 2. Costs and expenses  | 3,186,363,257.38 | 3,094,700,417.31 |
| Including: Cost of sales   | 1,490,887,362.16 | 1,386,710,239.54 |
| Interest expense   |                  |                  |
| Handling charge and commission expense   |                  |                  |
| Surrenders   |                  |                  |
| Net insurance claims paid  |                  |                  |
| Net amount provided as insurance contract reserve                                  |                  |                  |
| Expenditure on policy dividends  |                  |                  |
| Reinsurance premium expense  |                  |                  |
| Taxes and surcharges   | 1,350,592,570.19 | 1,313,348,228.48 |
| Selling expense  | 73,350,782.18    | 44,753,247.18    |
| Administrative expense   | 263,700,171.29   | 238,625,143.31   |
| R&D expense  | 2,171,797.80     | 0.00             |
| Finance costs  | 5,660,573.76     | 111,263,558.80   |
| Including: Interest expense  | 75,361,420.03    | 182,930,469.55   |
| Interest income  | 74,598,590.37    | 72,357,101.87    |
| Add: Other income  | 29,987,189.34    | 12,770,810.75    |
| Return on investment (“-” for loss)  | 4,650,460.58     | 634,098.07       |
| Including: Share of profit or loss of joint ventures and associates                | 4,650,460.58     | 634,098.07       |
| Income from the derecognition of financial assets at amortized cost (“-” for loss) |                  |                  |
| Exchange gain (“-” for loss)   |                  |                  |
| Net gain on exposure hedges (“-” for loss)   |                  |                  |
| Gain on changes in fair value (“-” for loss)                                       |                  |                  |
| Credit impairment loss (“-” for loss)  | -29,082,610.26   | 4,623,356.81     |
| Asset impairment loss (“-” for loss)   | 23,120.82        | -51,185.46       |

|  |                  |                  |
|--|------------------|------------------|
| Asset disposal income (“-” for loss)   | 27.94            | 2,311.70         |
| 3. Operating profit (“-” for loss)   | 1,311,180,574.75 | 1,027,653,620.58 |
| Add: Non-operating income  | 9,411,411.47     | 11,697,661.23    |
| Less: Non-operating expense  | 6,547,898.88     | 5,244,329.50     |
| 4. Profit before tax (“-” for loss)  | 1,314,044,087.34 | 1,034,106,952.31 |
| Less: Income tax expense   | 327,285,386.29   | 302,769,082.58   |
| 5. Net profit (“-” for net loss)   | 986,758,701.05   | 731,337,869.73   |
| 5.1 By operating continuity  |                  |                  |
| 5.1.1 Net profit from continuing operations (“-” for net loss)   | 986,758,701.05   | 731,337,869.73   |
| 5.1.2 Net profit from discontinued operations (“-” for net loss)   |                  |                  |
| 5.2 By ownership   |                  |                  |
| 5.2.1 Net profit attributable to shareholders of the Company as the parent                               | 1,003,969,842.33 | 798,572,121.74   |
| 5.2.1 Net profit attributable to non-controlling interests   | -17,211,141.28   | -67,234,252.01   |
| 6. Other comprehensive income, net of tax  | -1,425,064.25    | -4,051,217.97    |
| Attributable to owners of the Company as the parent  | -1,425,064.25    | -4,051,217.97    |
| 6.1 Items that will not be reclassified to profit or loss  | -28,670.35       | -494,182.95      |
| 6.1.1 Changes caused by remeasurements on defined benefit schemes  |                  |                  |
| 6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method |                  |                  |
| 6.1.3 Changes in the fair value of investments in other equity instruments                               | -28,670.35       | -494,182.95      |
| 6.1.4 Changes in the fair value arising from changes in own credit risk                                  |                  |                  |
| 6.1.5 Other  |                  |                  |
| 6.2 Items that will be reclassified to profit or loss  | -1,396,393.90    | -3,557,035.02    |
| 6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method     |                  |                  |

|   |                  |                |
|---|------------------|----------------|
| 6.2.2 Changes in the fair value of investments in other debt obligations                            |                  |                |
| 6.2.3 Other comprehensive income arising from the reclassification of financial assets              |                  |                |
| 6.2.4 Credit impairment allowance for investments in other debt obligations                         |                  |                |
| 6.2.5 Reserve for cash flow hedges  |                  |                |
| 6.2.6 Differences arising from the translation of foreign currency-denominated financial statements | -1,396,393.90    | -3,557,035.02  |
| 6.2.7 Other   |                  |                |
| Attributable to non-controlling interests   |                  |                |
| 7. Total comprehensive income   | 985,333,636.80   | 727,286,651.76 |
| Attributable to owners of the Company as the parent   | 1,002,544,778.08 | 794,520,903.77 |
| Attributable to non-controlling interests   | -17,211,141.28   | -67,234,252.01 |
| 8. Earnings per share   |                  |                |
| 8.1 Basic earnings per share  | 1.6846           | 1.3399         |
| 8.2 Diluted earnings per share  | 1.6846           | 1.3399         |

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

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

#### 4. Income Statement of the Company as the Parent

Unit: RMB

| Item                   | 2021          | 2020          |
|------------------------|---------------|---------------|
| 1. Operating revenue   | 80,529,601.93 | 64,151,369.60 |
| Less: Cost of sales    | 38,571,950.27 | 45,749,528.01 |
| Taxes and surcharges   | 7,146,348.46  | 8,552,661.46  |
| Selling expense        | 2,006,401.50  | 2,287,301.10  |
| Administrative expense | 95,334,812.14 | 98,340,542.43 |
| R&D expense            |               |               |

|  |                |                |
|--|----------------|----------------|
| Finance costs  | -34,874,500.11 | -43,492,708.54 |
| Including: Interest expense  | 25,501,758.97  | 15,950,523.75  |
| Interest income  | 62,777,061.34  | 65,751,243.49  |
| Add: Other income  | 20,102,972.08  | 253,884.96     |
| Return on investment (“-” for loss)  | 134,368,018.21 | 116,246,519.46 |
| Including: Share of profit or loss of joint ventures and associates                                      | 4,650,460.58   | 634,098.07     |
| Income from the derecognition of financial assets at amortized cost (“-” for loss)                       |                |                |
| Net gain on exposure hedges (“-” for loss)   |                |                |
| Gain on changes in fair value (“-” for loss)   |                |                |
| Credit impairment loss (“-” for loss)  | -356,512.44    | -116,544.34    |
| Asset impairment loss (“-” for loss)   |                |                |
| Asset disposal income (“-” for loss)   |                |                |
| 2. Operating profit (“-” for loss)   | 126,459,067.52 | 69,097,905.22  |
| Add: Non-operating income  | 7,173,820.40   | 9,989,210.85   |
| Less: Non-operating expense  | 169,457.44     | 374,965.45     |
| 3. Profit before tax (“-” for loss)  | 133,463,430.48 | 78,712,150.62  |
| Less: Income tax expense   | 29,147,742.04  | 50,688,730.41  |
| 4. Net profit (“-” for net loss)   | 104,315,688.44 | 28,023,420.21  |
| 4.1 Net profit from continuing operations (“-” for net loss)   | 104,315,688.44 | 28,023,420.21  |
| 4.2 Net profit from discontinued operations (“-” for net loss)   |                |                |
| 5. Other comprehensive income, net of tax  | -28,670.35     | -494,182.95    |
| 5.1 Items that will not be reclassified to profit or loss  | -28,670.35     | -494,182.95    |
| 5.1.1 Changes caused by remeasurements on defined benefit schemes  | -28,670.35     | -494,182.95    |
| 5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method |                |                |
| 5.1.3 Changes in the fair value of   | -28,670.35     | -494,182.95    |

|  |                |               |
|--|----------------|---------------|
| investments in other equity instruments  |                |               |
| 5.1.4 Changes in the fair value arising from changes in own credit risk                              |                |               |
| 5.1.5 Other  |                |               |
| 5.2 Items that will be reclassified to profit or loss  |                |               |
| 5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method |                |               |
| 5.2.2 Changes in the fair value of investments in other debt obligations                             |                |               |
| 5.2.3 Other comprehensive income arising from the reclassification of financial assets               |                |               |
| 5.2.4 Credit impairment allowance for investments in other debt obligations                          |                |               |
| 5.2.5 Reserve for cash flow hedges   |                |               |
| 5.2.6 Differences arising from the translation of foreign currency-denominated financial statements  |                |               |
| 5.2.7 Other  |                |               |
| 6. Total comprehensive income  | 104,287,018.09 | 27,529,237.26 |
| 7. Earnings per share  |                |               |
| 7.1 Basic earnings per share   | 0.175          | 0.047         |
| 7.2 Diluted earnings per share   | 0.175          | 0.047         |

## 5. Consolidated Cash Flow Statement

Unit: RMB

| Item  | 2021             | 2020             |
|---|------------------|------------------|
| 1. Cash flows from operating activities:                    |                  |                  |
| Proceeds from sale of commodities and rendering of services | 5,427,495,607.22 | 4,390,400,364.60 |
| Net increase in customer deposits and interbank deposits    |                  |                  |
| Net increase in borrowings from the central bank            |                  |                  |

|   |                   |                  |
|---|-------------------|------------------|
| Net increase in loans from other financial institutions                     |                   |                  |
| Premiums received on original insurance contracts                           |                   |                  |
| Net proceeds from reinsurance   |                   |                  |
| Net increase in deposits and investments of policy holders                  |                   |                  |
| Interest, handling charges and commissions received                         |                   |                  |
| Net increase in interbank loans obtained                                    |                   |                  |
| Net increase in proceeds from repurchase transactions                       |                   |                  |
| Net proceeds from acting trading of securities                              |                   |                  |
| Tax rebates   | 42,432,605.34     | 17,586,334.90    |
| Cash generated from other operating activities                              | 238,654,515.38    | 401,974,306.32   |
| Subtotal of cash generated from operating activities                        | 5,708,582,727.94  | 4,809,961,005.82 |
| Payments for commodities and services                                       | 4,680,560,459.83  | 1,398,688,587.24 |
| Net increase in loans and advances to customers                             |                   |                  |
| Net increase in deposits in the central bank and in interbank loans granted |                   |                  |
| Payments for claims on original insurance contracts                         |                   |                  |
| Net increase in interbank loans granted                                     |                   |                  |
| Interest, handling charges and commissions paid                             |                   |                  |
| Policy dividends paid   |                   |                  |
| Cash paid to and for employees  | 741,779,645.12    | 660,768,525.22   |
| Taxes paid  | 1,520,437,154.36  | 2,200,056,926.04 |
| Cash used in other operating activities                                     | 579,118,477.21    | 164,949,185.20   |
| Subtotal of cash used in operating activities                               | 7,521,895,736.52  | 4,424,463,223.70 |
| Net cash generated from/used in operating activities                        | -1,813,313,008.58 | 385,497,782.12   |

|   |                |                  |
|---|----------------|------------------|
| 2. Cash flows from investing activities:  |                |                  |
| Proceeds from disinvestment   |                |                  |
| Return on investment  |                |                  |
| Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets | 30,506.93      | 136,131.48       |
| Net proceeds from the disposal of subsidiaries and other business units                       |                |                  |
| Cash generated from other investing activities  |                |                  |
| Subtotal of cash generated from investing activities  | 30,506.93      | 136,131.48       |
| Payments for the acquisition of fixed assets, intangible assets and other long-lived assets   | 22,581,359.73  | 48,482,853.70    |
| Payments for investments  | 42,726,200.00  |                  |
| Net increase in pledged loans granted   |                |                  |
| Net payments for the acquisition of subsidiaries and other business units                     | 4,292,240.68   |                  |
| Cash used in other investing activities   |                |                  |
| Subtotal of cash used in investing activities   | 69,599,800.41  | 48,482,853.70    |
| Net cash generated from/used in investing activities  | -69,569,293.48 | -48,346,722.22   |
| 3. Cash flows from financing activities:  |                |                  |
| Capital contributions received  | 140,000.00     | 1,820,000.00     |
| Including: Capital contributions by non-controlling interests to subsidiaries                 | 140,000.00     | 1,820,000.00     |
| Borrowings raised   |                | 2,175,000,000.00 |
| Cash generated from other financing activities  |                |                  |
| Subtotal of cash generated from financing activities  | 140,000.00     | 2,176,820,000.00 |
| Repayment of borrowings   | 31,000,000.00  | 750,133,000.00   |
| Interest and dividends paid   | 434,126,408.58 | 411,945,003.98   |
| Including: Dividends paid by subsidiaries to non-controlling                                  |                |                  |

|  |                   |                  |
|--|-------------------|------------------|
| interests  |                   |                  |
| Cash used in other financing activities                                  | 20,052,203.22     | 465,807,569.82   |
| Subtotal of cash used in financing activities                            | 485,178,611.80    | 1,627,885,573.80 |
| Net cash generated from/used in financing activities                     | -485,038,611.80   | 548,934,426.20   |
| 4. Effect of foreign exchange rates changes on cash and cash equivalents | -1,487,028.62     | -3,275,807.74    |
| 5. Net increase in cash and cash equivalents                             | -2,369,407,942.48 | 882,809,678.36   |
| Add: Cash and cash equivalents, beginning of the period                  | 4,168,154,911.83  | 3,285,345,233.47 |
| 6. Cash and cash equivalents, end of the period                          | 1,798,746,969.35  | 4,168,154,911.83 |

## 6. Cash Flow Statement of the Company as the Parent

Unit: RMB

| Item  | 2021              | 2020             |
|---|-------------------|------------------|
| 1. Cash flows from operating activities:                    |                   |                  |
| Proceeds from sale of commodities and rendering of services | 655,800,441.53    | 64,857,663.10    |
| Tax rebates   | 33,168,933.87     |                  |
| Cash generated from other operating activities              | 2,571,773,113.99  | 2,016,415,754.18 |
| Subtotal of cash generated from operating activities        | 3,260,742,489.39  | 2,081,273,417.28 |
| Payments for commodities and services                       | 1,726,321,339.89  | 67,846,809.36    |
| Cash paid to and for employees                              | 63,355,236.26     | 50,551,468.21    |
| Taxes paid  | 12,501,445.12     | 1,296,096,715.75 |
| Cash used in other operating activities                     | 3,120,104,282.29  | 352,366,216.10   |
| Subtotal of cash used in operating activities               | 4,922,282,303.56  | 1,766,861,209.42 |
| Net cash generated from/used in operating activities        | -1,661,539,814.17 | 314,412,207.86   |
| 2. Cash flows from investing activities:                    |                   |                  |
| Proceeds from disinvestment                                 | 50,000,000.00     | 565,000,000.00   |

|   |                   |                |
|---|-------------------|----------------|
| Return on investment  |                   |                |
| Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets | 2,344.57          | 7,398.06       |
| Net proceeds from the disposal of subsidiaries and other business units                       |                   |                |
| Cash generated from other investing activities  |                   |                |
| Subtotal of cash generated from investing activities  | 50,002,344.57     | 565,007,398.06 |
| Payments for the acquisition of fixed assets, intangible assets and other long-lived assets   | 2,309,879.80      | 33,629,541.56  |
| Payments for investments  | 466,000,000.00    | 495,807,569.82 |
| Net payments for the acquisition of subsidiaries and other business units                     |                   |                |
| Cash used in other investing activities   |                   |                |
| Subtotal of cash used in investing activities   | 468,309,879.80    | 529,437,111.38 |
| Net cash generated from/used in investing activities  | -418,307,535.23   | 35,570,286.68  |
| 3. Cash flows from financing activities:  |                   |                |
| Capital contributions received  |                   |                |
| Borrowings raised   |                   | 619,000,000.00 |
| Cash generated from other financing activities  |                   |                |
| Subtotal of cash generated from financing activities  |                   | 619,000,000.00 |
| Repayment of borrowings   | 30,800,000.00     |                |
| Interest and dividends paid   | 269,890,778.58    | 229,729,842.01 |
| Cash used in other financing activities   | 1,198,076.70      |                |
| Subtotal of cash used in financing activities   | 301,888,855.28    | 229,729,842.01 |
| Net cash generated from/used in financing activities  | -301,888,855.28   | 389,270,157.99 |
| 4. Effect of foreign exchange rates changes on cash and cash equivalents                      | -12,608.83        | -28,110.51     |
| 5. Net increase in cash and cash equivalents  | -2,381,748,813.51 | 739,224,542.02 |

|   |                  |                  |
|---|------------------|------------------|
| Add: Cash and cash equivalents, beginning of the period | 3,190,160,215.19 | 2,450,935,673.17 |
| 6. Cash and cash equivalents, end of the period         | 808,411,401.68   | 3,190,160,215.19 |

## 7. Consolidated Statements of Changes in Owners' Equity

2021

Unit: RMB

| Item   | 2021   |                          |       |  |                  |                      |                            |                  |                  |                 |                   |       |                  |                           |                      |
|--|--|--------------------------|-------|--|------------------|----------------------|----------------------------|------------------|------------------|-----------------|-------------------|-------|------------------|---------------------------|----------------------|
|  | Equity attributable to owners of the Company as the parent |                          |       |  |                  |                      |                            |                  |                  |                 |                   |       |                  | Non-controlling interests | Total owners' equity |
|  | Share capital  | Other equity instruments |       |  | Capital reserves | Less: Treasury stock | Other comprehensive income | Specific reserve | Surplus reserves | General reserve | Retained earnings | Other | Subtotal         |                           |                      |
| Preferred shares   |  | Perpetual bonds          | Other |  |                  |                      |                            |                  |                  |                 |                   |       |                  |                           |                      |
| 1. Balance as at the end of the prior year               | 595,979,092.00   |                          |       |  | 80,488,045.38    |                      | -6,749,589.41              |                  | 19,205,979.63    |                 | 3,038,993,912.43  |       | 3,727,917,440.03 | 53,204,039.80             | 3,781,121,479.83     |
| Add: Adjustment for change in accounting policy          |  |                          |       |  |                  |                      |                            |                  |                  |                 |                   |       |                  |                           |                      |
| Adjustment for correction of previous error              |  |                          |       |  |                  |                      |                            |                  |                  |                 |                   |       |                  |                           |                      |
| Adjustment for business combination under common control |  |                          |       |  |                  |                      |                            |                  |                  |                 |                   |       |                  |                           |                      |
| Other adjustments  |  |                          |       |  |                  |                      |                            |                  |                  |                 |                   |       |                  |                           |                      |
| 2. Balance as at the                                     | 595,979,092.00   |                          |       |  | 80,488,045.38    |                      | -6,749,589.41              |                  | 19,205,979.63    |                 | 3,038,993,912.43  |       | 3,727,917,440.03 | 53,204,039.80             | 3,781,121,479.83     |

|  |          |  |  |  |       |  |               |  |               |  |                  |  |                  |                |                 |
|--|----------|--|--|--|-------|--|---------------|--|---------------|--|------------------|--|------------------|----------------|-----------------|
| beginning of the year  | 9,092.00 |  |  |  | 45.38 |  | 89.41         |  | 79.63         |  | 3,912.43         |  | 7,440.03         | 39.80          | 1,479.83        |
| 3. Increase/decrease in the period (“-” for decrease)          |          |  |  |  |       |  | -1,425,064.25 |  | 10,431,568.84 |  | 749,186,845.77   |  | 758,193,350.36   | -8,224,365.61  | 749,968,984.75  |
| 3.1 Total comprehensive income                                 |          |  |  |  |       |  | -1,425,064.25 |  |               |  | 1,003,969,842.33 |  | 1,002,544,778.08 | -17,211,141.28 | 985,333,636.80  |
| 3.2 Capital increased and reduced by owners                    |          |  |  |  |       |  |               |  |               |  |                  |  |                  | 8,986,775.67   | 8,986,775.67    |
| 3.2.1 Ordinary shares increased by owners                      |          |  |  |  |       |  |               |  |               |  |                  |  |                  | 140,000.00     | 140,000.00      |
| 3.2.2 Capital increased by holders of other equity instruments |          |  |  |  |       |  |               |  |               |  |                  |  |                  |                |                 |
| 3.2.3 Share-based payments included in owners' equity          |          |  |  |  |       |  |               |  |               |  |                  |  |                  |                |                 |
| 3.2.4 Other  |          |  |  |  |       |  |               |  |               |  |                  |  |                  | 8,846,775.67   | 8,846,775.67    |
| 3.3 Profit distribution  |          |  |  |  |       |  |               |  | 10,431,568.84 |  | -254,782,996.56  |  | -244,351,427.72  |                | -244,351,427.72 |
| 3.3.1 Appropriation to surplus reserves                        |          |  |  |  |       |  |               |  | 10,431,568.84 |  | -10,431,568.84   |  |                  |                |                 |

|  |  |  |  |  |  |  |  |  |  |                             |  |                             |  |                             |
|--|--|--|--|--|--|--|--|--|--|-----------------------------|--|-----------------------------|--|-----------------------------|
| 3.3.2<br>Appropriation<br>to general<br>reserve  |  |  |  |  |  |  |  |  |  |                             |  |                             |  |                             |
| 3.3.3<br>Appropriation<br>to owners (or<br>shareholders)                                       |  |  |  |  |  |  |  |  |  | -244<br>,351,<br>427.<br>72 |  | -244<br>,351,<br>427.<br>72 |  | -244<br>,351,<br>427.<br>72 |
| 3.3.4<br>Other   |  |  |  |  |  |  |  |  |  |                             |  |                             |  |                             |
| 3.4<br>Transfers<br>within<br>owners'<br>equity  |  |  |  |  |  |  |  |  |  |                             |  |                             |  |                             |
| 3.4.1<br>Increase in<br>capital (or<br>share capital)<br>from capital<br>reserves              |  |  |  |  |  |  |  |  |  |                             |  |                             |  |                             |
| 3.4.2<br>Increase in<br>capital (or<br>share capital)<br>from surplus<br>reserves              |  |  |  |  |  |  |  |  |  |                             |  |                             |  |                             |
| 3.4.3<br>Loss offset by<br>surplus<br>reserves   |  |  |  |  |  |  |  |  |  |                             |  |                             |  |                             |
| 3.4.4<br>Changes in<br>defined<br>benefit<br>schemes<br>transferred to<br>retained<br>earnings |  |  |  |  |  |  |  |  |  |                             |  |                             |  |                             |
| 3.4.5<br>Other<br>comprehensiv<br>e income<br>transferred to                                   |  |  |  |  |  |  |  |  |  |                             |  |                             |  |                             |

|  |                |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |  |
|--|----------------|--|--|--|---------------|--|---------------|--|---------------|--|------------------|--|------------------|---------------|------------------|--|
| retained earnings                      |                |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |  |
| 3.4.6 Other                            |                |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |  |
| 3.5 Specific reserve                   |                |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |  |
| 3.5.1 Increase in the period           |                |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |  |
| 3.5.2 Used in the period               |                |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |  |
| 3.6 Other                              |                |  |  |  |               |  |               |  |               |  |                  |  |                  |               |                  |  |
| 4. Balance as at the end of the period | 595,979,092.00 |  |  |  | 80,488,045.38 |  | -8,174,653.66 |  | 29,637,548.47 |  | 3,788,180,758.20 |  | 4,486,110,790.39 | 44,979,674.19 | 4,531,090,464.58 |  |

2020

Unit: RMB

| Item  | 2020   |                          |                 |       |                  |                      |                            |                  |                  |                 |                   |       |                  |                | Non-controlling interests | Total owners' equity |
|---|--|--------------------------|-----------------|-------|------------------|----------------------|----------------------------|------------------|------------------|-----------------|-------------------|-------|------------------|----------------|---------------------------|----------------------|
|   | Equity attributable to owners of the Company as the parent |                          |                 |       |                  |                      |                            |                  |                  |                 |                   |       |                  |                |                           |                      |
|   | Share capital  | Other equity instruments |                 |       | Capital reserves | Less: Treasury stock | Other comprehensive income | Specific reserve | Surplus reserves | General reserve | Retained earnings | Other | Subtotal         |                |                           |                      |
|   |  | Preferred shares         | Perpetual bonds | Other |                  |                      |                            |                  |                  |                 |                   |       |                  |                |                           |                      |
| 1. Balance as at the end of the prior year      | 595,979,092.00   |                          |                 |       | 80,488,045.38    |                      | -2,698,371.44              |                  | 17,060,448.05    |                 | 2,457,119,795.39  |       | 3,147,949,009.38 | 118,618,291.81 | 3,266,567,301.19          |                      |
| Add: Adjustment for change in accounting policy |  |                          |                 |       |                  |                      |                            |                  |                  |                 |                   |       |                  |                |                           |                      |

|  |               |  |  |            |  |               |  |               |  |                  |  |                  |                |                  |
|--|---------------|--|--|------------|--|---------------|--|---------------|--|------------------|--|------------------|----------------|------------------|
| Adjustment for correction of previous error                    |               |  |  |            |  |               |  |               |  |                  |  |                  |                |                  |
| Adjustment for business combination under common control       |               |  |  |            |  |               |  |               |  |                  |  |                  |                |                  |
| Other adjustments  |               |  |  |            |  |               |  |               |  |                  |  |                  |                |                  |
| 2. Balance as at the beginning of the year                     | 595,979.92.00 |  |  | 80,488.048 |  | -2,698.371.44 |  | 17,060.448.05 |  | 2,457.119.795.39 |  | 3,147.949.009.38 | 118,618,291.81 | 3,266,567,301.19 |
| 3. Increase/decrease in the period (“-” for decrease)          |               |  |  |            |  | -4,051.217.97 |  | 2,145.531.58  |  | 581,874,117.04   |  | 579,968,430.65   | -65,414,252.01 | 514,554,178.64   |
| 3.1 Total comprehensive income                                 |               |  |  |            |  | -4,051.217.97 |  |               |  | 798,572,121.74   |  | 794,520,903.77   | -67,234,252.01 | 727,286,651.76   |
| 3.2 Capital increased and reduced by owners                    |               |  |  |            |  |               |  |               |  |                  |  |                  | 1,820,000.00   | 1,820,000.00     |
| 3.2.1 Ordinary shares increased by owners                      |               |  |  |            |  |               |  |               |  |                  |  |                  | 1,820,000.00   | 1,820,000.00     |
| 3.2.2 Capital increased by holders of other equity instruments |               |  |  |            |  |               |  |               |  |                  |  |                  |                |                  |
| 3.2.3 Share-based  |               |  |  |            |  |               |  |               |  |                  |  |                  |                |                  |



|   |            |  |  |               |  |               |  |               |  |              |  |                  |               |                  |
|---|------------|--|--|---------------|--|---------------|--|---------------|--|--------------|--|------------------|---------------|------------------|
| Loss offset by surplus reserves   |            |  |  |               |  |               |  |               |  |              |  |                  |               |                  |
| 3.4.4 Changes in defined benefit schemes transferred to retained earnings |            |  |  |               |  |               |  |               |  |              |  |                  |               |                  |
| 3.4.5 Other comprehensive income transferred to retained earnings         |            |  |  |               |  |               |  |               |  |              |  |                  |               |                  |
| 3.4.6 Other   |            |  |  |               |  |               |  |               |  |              |  |                  |               |                  |
| 3.5 Specific reserve  |            |  |  |               |  |               |  |               |  |              |  |                  |               |                  |
| 3.5.1 Increase in the period  |            |  |  |               |  |               |  |               |  |              |  |                  |               |                  |
| 3.5.2 Used in the period  |            |  |  |               |  |               |  |               |  |              |  |                  |               |                  |
| 3.6 Other   |            |  |  |               |  |               |  |               |  |              |  |                  |               |                  |
| 4. Balance as at the end of the period                                    | 595,979.00 |  |  | 80,488,045.38 |  | -6,749,589.41 |  | 19,205,979.63 |  | 3,038,993.91 |  | 3,727,917,440.03 | 53,204,039.80 | 3,781,121,479.83 |

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

2021

Unit: RMB

| Item | 2021          |                          |      |      |                 |                |                     |                  |                  |                 |       |                      |
|------|---------------|--------------------------|------|------|-----------------|----------------|---------------------|------------------|------------------|-----------------|-------|----------------------|
|      | Share capital | Other equity instruments |      |      | Capital reserve | Less: Treasury | Other comprehensive | Specific reserve | Surplu s reserve | Retai ned earni | Other | Total owners' equity |
|      |               | Prefe                    | Perp | Othe |                 |                |                     |                  |                  |                 |       |                      |
|      |               |                          |      |      |                 |                |                     |                  |                  |                 |       |                      |

|  |                | red<br>share<br>s | etual<br>bond<br>s | r | es            | stock | ve<br>incom<br>e | e | es            | ngs              |  |                  |
|--|----------------|-------------------|--------------------|---|---------------|-------|------------------|---|---------------|------------------|--|------------------|
| 1. Balance as at the end of the prior year                     | 595,979,092.00 |                   |                    |   | 53,876,380.11 |       | -2,545,451.19    |   | 19,205,979.63 | 1,487,964,894.53 |  | 2,154,480,895.08 |
| Add:<br>Adjustment for change in accounting policy             |                |                   |                    |   |               |       |                  |   |               |                  |  |                  |
| Adjustment for correction of previous error                    |                |                   |                    |   |               |       |                  |   |               |                  |  |                  |
| Other adjustments  |                |                   |                    |   |               |       |                  |   |               |                  |  |                  |
| 2. Balance as at the beginning of the year                     | 595,979,092.00 |                   |                    |   | 53,876,380.11 |       | -2,545,451.19    |   | 19,205,979.63 | 1,487,964,894.53 |  | 2,154,480,895.08 |
| 3. Increase/decrease in the period (“-” for decrease)          |                |                   |                    |   |               |       | -28,670.35       |   | 10,431,568.84 | -150,467,308.12  |  | -140,064,409.63  |
| 3.1 Total comprehensive income                                 |                |                   |                    |   |               |       | -28,670.35       |   |               | 104,315,688.44   |  | 104,287,018.09   |
| 3.2 Capital increased and reduced by owners                    |                |                   |                    |   |               |       |                  |   |               |                  |  |                  |
| 3.2.1 Ordinary shares increased by owners                      |                |                   |                    |   |               |       |                  |   |               |                  |  |                  |
| 3.2.2 Capital increased by holders of other equity instruments |                |                   |                    |   |               |       |                  |   |               |                  |  |                  |

|       |  |  |  |  |  |  |  |               |                 |  |  |                 |
|-------|--|--|--|--|--|--|--|---------------|-----------------|--|--|-----------------|
| 3.2.3 | Share-based payments included in owners' equity              |  |  |  |  |  |  |               |                 |  |  |                 |
| 3.2.4 | Other  |  |  |  |  |  |  |               |                 |  |  |                 |
| 3.3   | Profit distribution  |  |  |  |  |  |  | 10,431,568.84 | -254,782,996.56 |  |  | -244,351,427.72 |
| 3.3.1 | Appropriation to surplus reserves                            |  |  |  |  |  |  | 10,431,568.84 | -10,431,568.84  |  |  |                 |
| 3.3.2 | Appropriation to owners (or shareholders)                    |  |  |  |  |  |  |               |                 |  |  |                 |
| 3.3.3 | Other  |  |  |  |  |  |  |               | -244,351,427.72 |  |  | -244,351,427.72 |
| 3.4   | Transfers within owners' equity                              |  |  |  |  |  |  |               |                 |  |  |                 |
| 3.4.1 | Increase in capital (or share capital) from capital reserves |  |  |  |  |  |  |               |                 |  |  |                 |
| 3.4.2 | Increase in capital (or share capital) from surplus reserves |  |  |  |  |  |  |               |                 |  |  |                 |
| 3.4.3 | Loss offset by surplus reserves                              |  |  |  |  |  |  |               |                 |  |  |                 |
| 3.4.4 |  |  |  |  |  |  |  |               |                 |  |  |                 |

|   |                |  |  |  |               |  |               |  |               |                  |  |                  |
|---|----------------|--|--|--|---------------|--|---------------|--|---------------|------------------|--|------------------|
| Changes in defined benefit schemes transferred to retained earnings |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.4.5 Other comprehensive income transferred to retained earnings   |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.4.6 Other   |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.5 Specific reserve  |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.5.1 Increase in the period  |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.5.2 Used in the period  |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.6 Other   |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 4. Balance as at the end of the period                              | 595,979,092.00 |  |  |  | 53,876,380.11 |  | -2,574,121.54 |  | 29,637,548.47 | 1,337,497,586.41 |  | 2,014,416,485.45 |

2020

Unit: RMB

| Item                                       | 2020           |                          |                 |       |                  |                      |                            |                  |                  |                   |       |                      |
|--|----------------|--------------------------|-----------------|-------|------------------|----------------------|----------------------------|------------------|------------------|-------------------|-------|----------------------|
|  | Share capital  | Other equity instruments |                 |       | Capital reserves | Less: Treasury stock | Other comprehensive income | Specific reserve | Surplus reserves | Retained earnings | Other | Total owners' equity |
|  |                | Preferred shares         | Perpetual bonds | Other |                  |                      |                            |                  |                  |                   |       |                      |
| 1. Balance as at the end of the prior year | 595,979,092.00 |                          |                 |       | 53,876,380.11    |                      | -2,051,268.24              |                  | 16,403,637.61    | 1,677,296,289.46  |       | 2,341,504,130.94     |

|  |                            |  |  |  |                       |  |                       |  |                       |                          |  |                      |
|--|----------------------------|--|--|--|-----------------------|--|-----------------------|--|-----------------------|--------------------------|--|----------------------|
| Add:<br>Adjustment<br>for change in<br>accounting<br>policy                |                            |  |  |  |                       |  |                       |  |                       |                          |  |                      |
| Adjustment<br>for correction<br>of previous<br>error                       |                            |  |  |  |                       |  |                       |  |                       |                          |  |                      |
| Other<br>adjustments   |                            |  |  |  |                       |  |                       |  |                       |                          |  |                      |
| 2. Balance as<br>at the<br>beginning of<br>the year                        | 595,<br>979,<br>092.<br>00 |  |  |  | 53,87<br>6,380.<br>11 |  | -2,051<br>,268.2<br>4 |  | 16,40<br>3,637<br>.61 | 1,677,2<br>96,289.<br>46 |  | 2,341,50<br>4,130.94 |
| 3. Increase/<br>decrease in<br>the period<br>("—" for<br>decrease)         |                            |  |  |  |                       |  | -494,1<br>82.95       |  | 2,802<br>,342.<br>02  | -189,33<br>1,394.9<br>3  |  | -187,023,<br>235.86  |
| 3.1 Total<br>comprehensiv<br>e income                                      |                            |  |  |  |                       |  | -494,1<br>82.95       |  |                       | 28,023,<br>420.21        |  | 27,529,2<br>37.26    |
| 3.2 Capital<br>increased and<br>reduced by<br>owners                       |                            |  |  |  |                       |  |                       |  |                       |                          |  |                      |
| 3.2.1<br>Ordinary<br>shares<br>increased by<br>owners                      |                            |  |  |  |                       |  |                       |  |                       |                          |  |                      |
| 3.2.2 Capital<br>increased by<br>holders of<br>other equity<br>instruments |                            |  |  |  |                       |  |                       |  |                       |                          |  |                      |
| 3.2.3<br>Share-based<br>payments<br>included in<br>owners'<br>equity       |                            |  |  |  |                       |  |                       |  |                       |                          |  |                      |

|  |  |  |  |  |  |  |  |              |                 |  |  |                 |
|--|--|--|--|--|--|--|--|--------------|-----------------|--|--|-----------------|
| 3.2.4 Other  |  |  |  |  |  |  |  |              |                 |  |  |                 |
| 3.3 Profit distribution  |  |  |  |  |  |  |  | 2,802,342.02 | -217,354,815.14 |  |  | -214,552,473.12 |
| 3.3.1 Appropriation to surplus reserves                            |  |  |  |  |  |  |  | 2,802,342.02 | -2,802,342.02   |  |  |                 |
| 3.3.2 Appropriation to owners (or shareholders)                    |  |  |  |  |  |  |  |              | -214,552,473.12 |  |  | -214,552,473.12 |
| 3.3.3 Other  |  |  |  |  |  |  |  |              |                 |  |  |                 |
| 3.4 Transfers within owners' equity                                |  |  |  |  |  |  |  |              |                 |  |  |                 |
| 3.4.1 Increase in capital (or share capital) from capital reserves |  |  |  |  |  |  |  |              |                 |  |  |                 |
| 3.4.2 Increase in capital (or share capital) from surplus reserves |  |  |  |  |  |  |  |              |                 |  |  |                 |
| 3.4.3 Loss offset by surplus reserves                              |  |  |  |  |  |  |  |              |                 |  |  |                 |
| 3.4.4 Changes in defined benefit schemes transferred to retained   |  |  |  |  |  |  |  |              |                 |  |  |                 |

|  |                |  |  |  |               |  |               |  |               |                  |  |                  |
|--|----------------|--|--|--|---------------|--|---------------|--|---------------|------------------|--|------------------|
| earnings   |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.4.5<br>Other comprehensive income transferred to retained earnings |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.4.6<br>Other   |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.5 Specific reserve   |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.5.1<br>Increase in the period                                      |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.5.2<br>Used in the period  |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 3.6 Other  |                |  |  |  |               |  |               |  |               |                  |  |                  |
| 4. Balance as at the end of the period                               | 595,979,092.00 |  |  |  | 53,876,380.11 |  | -2,545,451.19 |  | 19,205,979.63 | 1,487,964,894.53 |  | 2,154,480,895.08 |

### III Company Profile

Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as “the Company” or “Company”) was incorporated based on the reconstruction of Shenzhen Properties & Resources Development Co., Ltd. after obtaining approval of ZFBF [1991] No. 831 from People’s Government of Shenzhen Municipality. It was registered with Shenzhen Industrial and Commercial Administration Bureau on 17 January 1983 with Shenzhen as its headquarters. Now the Company holds the business license for legal person with the registration number/unified social credit code of 91440300192174135N. The registered capital was RMB595,979,092 with the total shares of 595,979,092 (RMB1 face value per share), among which, restricted public shares: 1,898,306 A shares and 0 B shares; unrestricted public shares: 526,475,543 A shares and 67,605,243 B shares. The stock of the Company has been listed on the Shenzhen Stock Exchange on 30 March 1992.

The Company is in the real estate sector. Its main business includes development of real estate and sale of commercial housing, construction and management of buildings, house rent, supervision of construction, domestic trading and materials supply and marketing (excluding exclusive dealing and monopoly sold products and commodities under special control to purchase). Main products or services rendered mainly include the development and sales of commercial residential housing; property management; buildings and the building devices maintenance, garden afforestation and cleaning service; property leasing; supervise and management of the engineering; retails of the Chinese food, Western-style food and wines, and etc.

The financial statements were approved and authorized for issue by the 8<sup>th</sup> Meeting of the 10<sup>th</sup> Board of Directors of the Company on 29 March 2022.

The consolidation scope of the Company’s consolidated financial statements was determined based on the control. There were 51 subsidiaries including Shenzhen Huangcheng Real Estate Co., Ltd., Dongguan Guomao Changsheng Real Estate Development Co.,

Ltd., Shenzhen International Trade Center Property Management Co., Ltd. included in the consolidation financial statements in this report. Please refer to the Note VIII and Note IX of the financial report for details.

## **IV Basis for Preparation of Financial Statements**

### **1. Preparation Basis**

Based on the continuing operation, the financial statements of the Company are prepared in accordance with the actual transactions, governing provisions of the Accounting Standards for Business Enterprises and the following major accounting policies and estimates.

### **2. Continuation**

There was no such case where the sustainable operation ability within 12 months since the end of the Reporting Period was highly doubted.

## **V. Important Accounting Policies and Estimations**

Indication of specific accounting policies and estimations:

### **1. Statement for Complying with the Accounting Standard for Business Enterprise**

The financial statement prepared by the Company complies with the requirements of the latest accounting standards for business enterprises as well as the application guidelines, interpretations and other relevant regulations (hereinafter referred to as the “accounting standards for business enterprises”) issued by the Ministry of Finance. It reflects the Company’s financial conditions, operating results, cash flow and other related information in a truthful and complete manner.

In addition, in the preparation of the financial report, reference was made to the presentation and disclosure requirements of the *Rule for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports* (2014 Revision) and the *Notice on Related Matters of the Implementation of New Accounting Standards for Business Enterprises by Listed Companies* (KJBH [2018] No. 453).

### **2. Fiscal Period**

The fiscal year of the Company is a solar calendar year, which is from 1 January to 31 December.

### **3. Operating Cycle**

Except for the real estate industry, other businesses run by the Company have relatively short operating cycles according to the classification standard of 12-month’s liquidity of assets and liabilities. The operating cycle of the real estate industry shall be generally more than 12 months from *real estate development to cash the sales. The specific cycle shall be determined by the development project and classified by the assets and liabilities liquidity.*

### **4. Standard Currency of Accounts**

The Company adopts Renminbi as a standard currency of accounts.

### **5. Accounting Process of Business Combinations under the Same Control and not under the Same Control**

#### **1. Accounting Process of Business Combinations under the Same Control**

For business combination under the same control achieved through one transaction or step by step through multiple transactions by

the Company, the assets and liabilities acquired in a business combination are measured at the carrying value of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the carrying value of net assets acquired by the Company and the carrying value of the combination consideration paid (or the total nominal value of shares issued) is referred to for adjusting capital reserve; if capital reserve is not sufficient to offset the difference, then retained earnings are adjusted.

## **2. Accounting Process of Business Combinations not under the Same Control**

The Group shall recognize the positive balance between the combination costs and the fair value of the identifiable net assets obtained from the acquiree on purchase date as goodwill. If the combination costs are less than the fair value of the identifiable net assets obtained from the acquiree, the Company shall recheck the various identifiable assets and liabilities obtained from the acquiree, fair value with liabilities, and measurement of combination costs. If the combination costs are less than the fair value of the identifiable net assets obtained from the acquiree after recheck, the Company shall record the balance into the profit and loss of the current period.

Business combinations not under the same control achieved step by step through multiple transactions should be treated in the following order:

(1) Adjusting the initial investment cost of long-term equity investment If the equity held prior to the date of purchase is accounted under the equity method, the equity is remeasured at the fair value on the purchase date, and the difference between the fair value and its carrying value is included in the investment income of the current period; if the equity in the acquiree held prior to the purchase date involves other comprehensive income or changes in other owners' equity under the equity method of accounting, it is converted into income for the current period on the purchase date, except for other comprehensive income arising from the re-measurement of the investee's net liabilities of the defined benefit pension plan or changes in net assets of the defined benefit plan and changes in the fair value of investments in other equity instruments held.

(2) Determining the goodwill (or the amount included in the profit or loss for the current period) When comparing the initial investment cost of long-term equity investments adjusted in the first step with the share of the fair value of the identifiable net assets of the subsidiary on the purchase date, if the former is more than the latter, the difference between the former and the latter is recognized as goodwill; if the former is less than the latter, the difference is included in profit or loss for the current period.

Step-by-step disposal of equity through multiple transactions that results in loss of control over the subsidiary

(1) Principles for determining whether transactions in the process of step-by-step disposal of equity that results in the loss of control over a subsidiary constitute a "package deal"

The multiple transactions are generally regarded as a "package deal" in accounting treatment if the clauses, conditions, and economic impacts of various transactions fall under one or more of the following circumstances:

- 1) These transactions are reached concurrently or after the impact thereof on each other is taken into consideration.
- 2) These transactions may achieve a complete business result only as a whole.
- 3) The occurrence of a transaction depends on the occurrence of, at a minimum, one another transaction.
- 4) A transaction is considered uneconomical separately but is considered economical when other transactions are also taken into consideration.

(2) Accounting treatment when transactions in the process of step-by-step disposal of equity that results in the loss of control over a subsidiary constitute a "package deal"

If the transactions in the disposal of equity of a subsidiary that results in the loss of control constitute a package deal, each transaction should be accounted for as a transaction that disposes of and loses control over a subsidiary; however, the difference between the

disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment for each disposal prior to the loss of control should be recognized as other comprehensive earnings in the consolidated financial statements and transferred to profit or loss for the current period when the Company lost the control.

In the consolidated financial statements, the remaining equity should be remeasured at fair value on the date of loss of control. The sum of the consideration obtained from the disposition of equity and the fair value of the residual equity minus the Company's portion of net assets in the former subsidiary calculated from the date of combination on an ongoing basis at the original shareholding ratio is included in the return on investment for the current period when the Company lost the control. Other comprehensive income related to the equity investments in the former subsidiary should be included in the return on investment or retained earnings for the current period when the Company lost the control.

(3) Accounting treatment when transactions in the process of step-by-step disposal of equity that results in the loss of control over a subsidiary do not constitute a "package deal"

If the Company disposes of investments made in its subsidiary without losing control over the subsidiary, in the consolidated financial statements, the difference between the payment for equity disposed of and the Company's corresponding portion of net assets in the subsidiary is included in the capital reserve. If the capital reserve is insufficient for offset, the retained earnings should be adjusted.

If the disposal of investments made in its subsidiary results in a loss of control over the subsidiary, in the consolidated financial statements, the remaining equity should be remeasured at the fair value on the date of loss of control. The sum of the consideration obtained from the disposition of equity and the fair value of the residual equity minus the Company's portion of net assets in the former subsidiary calculated from the date of combination on an ongoing basis at the original shareholding ratio is included in the return on investment for the current period when the Company lost the control. Other comprehensive income related to the equity investments in the former subsidiary should be included in the return on investment or retained earnings for the current period when the Company lost the control.

## **6. Methods for Preparing Consolidated Financial Statements**

Based on the financial statements of the Company as the parent and its subsidiaries and other related materials, the consolidated financial statements were prepared by the Group as the parent according to Accounting Standards for Enterprises No. 33 –Consolidated Financial Statements.

## **7. Classification of Joint arrangements and Accounting Treatment of Joint Operations**

### **1. Identification and classification of joint arrangements**

A joint arrangement is an arrangement over which two or more parties have joint control. A joint arrangement has the following characteristics: (1) Each participant is bound by the arrangement; (2) two or more parties of the joint arrangement exercise joint control over the arrangement. No one party can control the arrangement alone, and any party with joint control over the arrangement can prevent the other party or combination of parties from controlling the arrangement alone.

Joint control refers to the common control over a particular arrangement according to relevant agreement, and that the decisions on relevant activities under such arrangement are subject to unanimous consent from the parties sharing the joint control.

Joint arrangements are divided into joint operations and joint ventures. A joint operation is a joint arrangement whereby the party to joint arrangement has rights to the assets, and obligations for the liabilities related to the arrangement. A joint venture is a joint arrangement whereby the party to joint arrangement has rights to the net assets of the arrangement.

## 2. Accounting treatment of joint arrangements

A party to a joint operation shall recognize the following items related to its share of interest in the joint operation and conduct accounting treatment for them in accordance with the relevant provisions of the Accounting Standard for Business Enterprises: (1) Recognition of assets held separately and of assets held jointly in proportion to its share; (2) recognition of liabilities incurred separately and of liabilities incurred jointly in proportion to its share; (3) recognition of revenue from the sale of its share of the output of the joint operation; (4) recognition of revenue from the sale of output of the joint operation in proportion to its share; (5) recognition of expenses incurred separately and of expenses incurred in the joint operation in proportion to its share.

The party to a joint venture should conduct accounting treatment in accordance with relevant provisions of the Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investment.

## 8. Recognition Standard for Cash and Cash Equivalents

In the Company's understanding, cash and cash equivalents include cash on hand, any deposit that can be used for cover, and short-term (usually due within 3 months since the day of purchase) and high circulating investments, which are easily convertible into known amount of cash and whose risks in change of value are minimal.

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

### (1) Accounting treatments for translation of foreign currency business

As for a foreign currency transaction in its initial recognition, the amount in the foreign currency shall be translated into the amount in the Renminbi at the spot exchange rate of the transaction date. On balance sheet date, the foreign currency monetary items shall be translated as the spot exchange rate on the balance sheet date, the balance occurred thereof shall be recorded into the profits and losses at the current period except that the balance of exchange arising from the principal and interests of foreign currency borrowings for the purchase and construction or production of assets eligible for capitalization. The foreign currency non-monetary items measured at the historical cost shall still be translated at the spot exchange rate on the transaction date, of which the amount of functional currency shall not be changed. The foreign currency non-monetary items measured at the fair value shall be translated at the spot exchange rate on the confirming date of fair value, of which the balance of exchange shall be included into the profit and loss of the current period or other comprehensive income.

### (2) Translation of foreign currency financial statements

The asset and liability items in the balance sheets shall be translated at a spot exchange rate on the balance sheet date. Among the owner's equity items, except for the items as "retained earnings", other items shall be translated at the spot exchange rate at the time when they are incurred. The income and expense items in the income statements shall be translated at the spot exchange rate at the time when they are incurred. The difference from translation of foreign currency financial statements thereof shall be recognized as comprehensive income.

## 10. Financial Instruments

### 1. Recognition and derecognition of financial instruments

When the Group becomes a party to a financial instrument contract, it recognizes relevant financial assets or financial liabilities.

All regular acquisition or sales of financial assets are recognized and derecognized on a trading day basis. Regular acquisition or sales of financial assets means delivering financial assets within the time limit of laws, regulations and usual market practices and in line with contract terms. The trading day refers to the date when the Group promises to acquire or sell financial assets.

Financial assets (or part of financial assets, or part of a set of similar financial assets) are derecognized, i.e., written off from its

account and balance sheet, if the following conditions are met:

- (1) The right to receive cash flows from financial assets has expired;
- (2) The right to receive cash flows from the financial assets is transferred, or the obligation to pay the full amount of cash flows received to a third party in a timely manner is assumed under a "pass-through agreement"; and (a) substantially almost all the risks and rewards of its ownership of the financial assets are transferred, or (b) control over the financial asset is relinquished, although substantially all the risks and rewards of its ownership of the financial assets are neither transferred nor retained.

## 2. Classification and measurement of financial assets

At initial recognition, according to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, financial assets of the Group are classified into the following categories: Financial assets measured at the amortized cost, financial assets measured at fair value through other comprehensive income of the current period, and financial assets measured at fair value through profit and loss for the current period. The subsequent measurement of financial assets depended on their categories.

The Group's classification of financial assets is based on the Group's business model for managing financial assets and the cash flow characteristics of the financial assets.

### (1) Financial assets measured at amortized cost

Financial assets that meet both of the following conditions shall be classified as financial assets measured at amortized cost: The Group's business model of managing the financial assets aims at obtaining contractual cash flows; and, as stipulated by contract clauses of the financial assets, the cash flows generated on a specific date are merely for the payment of principal or interest from the unpaid principal. Such financial assets are subsequently measured at amortized cost using the effective interest method. Gain or loss arising from derecognition or amortization using the effective interest method is included in profit and loss for the current period.

### (2) Debt instrument investment measured at fair value through other comprehensive income

Financial assets that meet all the following conditions shall be classified as financial assets measured at fair value through other comprehensive income: The Group's business model of managing the financial assets aims at obtaining contractual cash flows as well as selling financial assets; and, as stipulated by contract clauses of the financial assets, the cash flows generated on a specific date are merely for the payment of principal or interest from the unpaid principal. Such financial assets shall be subsequently measured at fair value. The discount or premium is amortized using the effective interest method and recognized as interest income or expense. Except for impairment losses or gains and exchange differences that are recognized as profit and loss for the current period, changes in the fair value of such financial assets shall be recognized as other comprehensive income, until the financial assets are derecognized when accumulative gains or losses shall be transferred to profit and loss for the current period. Interest income related to such financial assets is included in profit or loss for the current period.

### (3) Equity instrument investment measured at fair value through other comprehensive income

For financial assets measured at fair value through other comprehensive income that are irrevocably chosen and designated by the Group from some non-trading equity instruments, the relevant dividend income shall be included in profit and loss for the current period and changes in the fair value shall be recognized as other comprehensive income, until the financial assets are derecognized when accumulative gains or losses shall be transferred to retained earnings.

### (4) Financial assets measured at fair value through profit and loss for the current period

The aforementioned financial assets measured at amortized cost and financial assets other than those measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit and loss for the current period. At initial recognition, in order to eliminate or significantly reduce accounting mismatch, financial assets can be designated as financial

assets measured at fair value through profit or loss for the current period. Such financial assets shall be measured at fair value, and all changes in fair value are included in the profit and loss for the current period.

When and only when the Group changes its business model of managing financial assets, all relevant financial assets affected will be re-classified.

For financial assets measured at fair value through profit and loss for the current period, transaction costs are directly included in profit and loss for the current period. For other types of financial assets, related transaction costs are included in their initial recognized amounts.

### 3. Classification and measurement of financial liabilities

At initial recognition, the financial liabilities of the Group are classified into the following categories: Financial liabilities measured at the amortized cost, and financial liabilities measured at fair value through profit and loss for the current period.

Financial liabilities can be designated as financial liabilities measured at fair value through profit or loss for the current period at initial measurement if one of the following conditions is met: (1) The designation can eliminate or significantly reduce accounting mismatch; (2) the management and performance evaluation of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities are based on fair value in accordance with the Group's risk management or investment strategy as set out in a formal written document, and are reported to key management personnel on this basis within the Group; (3) The financial liabilities contain embedded derivatives require splitting.

The Group determines the classification of financial liabilities at initial recognition. For financial liabilities measured at fair value through profit and loss for the current period, transaction costs are directly included in profit and loss for the current period. For other types of financial liabilities, related transaction costs are included in their initial recognized amounts.

The subsequent measurement of financial liabilities depended on their categories:

#### (1) Financial liabilities measured at amortized cost

Such financial liabilities shall be subsequently measured at amortized cost using the effective interest method.

#### (2) Financial liabilities measured at fair value through profit and loss for the current period

Financial liabilities measured at fair value through profit or loss for the current period include trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss at initial recognition.

### 4. Financial instrument offset

The net amount after financial assets and financial liabilities offset each other is reported in the balance sheet if both of the following conditions are met: The Group had a currently enforceable legal right to offset the recognized amounts; the Group planned to settle them on a net basis or to realize the financial assets and pay off the financial liabilities simultaneously.

### 5. Impairment of financial instrument

#### (1) Impairment measurement and accounting handling of financial instrument

Based on expected credit loss, the Company conducts impairment handling and confirms loss reserve for financial assets which is measured by amortized cost, debt instrument investment which is measured by fair value and whose change is calculated into other comprehensive profits, accounts receivable of rental, loan commitment which is beyond financial debt classified as the one which is measured by fair value and whose change is calculated into current profits and losses, financial debt which does not belong to the one which is measured by fair value and whose change is calculated into current profits or losses, or financial guarantee contract of financial debt which is formed when it does not belong to financial asset transfer and doesn't conform to confirmation condition of termination or keeps on being involved in transferred financial asset.

Expected credit loss refers to weighted average of credit loss of financial instrument which takes the risk of contract breach

occurrence as the weight. Credit loss refers to the difference between all contract cash flow which is converted into cash according to actual interest rate and receivable according to contract and all cash flow which to be charged as expected, i.e. current value of all cash shortage. Among it, as for financial asset purchased or original which has had credit impairment, it should be converted into cash according actual interest rate of this financial asset after credit adjustment.

As for financial asset purchased or original which has had credit impairment, the Company only confirms cumulative change of expected credit loss within the whole duration after initial confirmation on the balance sheet date as loss reserve.

As for accounts receivable which don't include major financing contents or the Company does not consider financing contents in contract which is less than one year, the Company applies simplified measurement method, and measures loss reserve according to amount of expected credit loss within the whole duration.

As for account receivable of rental and accounts receivable including major financing contents, the Company applies simplified measurement method, and measure loss reserve according to amount of expected credit loss within the whole duration.

As for financial asset beyond above mentioned measurement methods, the Company evaluates whether its credit risk has increased obviously since the initial confirmation on each balance sheet date. In case credit risk has increased obviously, the Company measures the loss reserve according to amount of expected credit loss within the whole duration; in case the credit risk does not increase obviously, the Company measures loss reserve according to the amount of expected credit loss in next 12 months.

By utilizing obtainable rational and well grounded information, including forward-looking information, comparing the risk of contract breach on balance sheet date and risk of contract breach on initial confirmation date, the Company confirms whether the credit risk of financial instrument has increased obviously from initial confirmation.

On balance sheet date, in case the Company judges that the financial instrument just has relatively low credit risk, then it will be assumed that credit risk of the financial instrument has not increased obviously.

Based on single financial instrument or financial portfolio, the Company evaluates expected credit risk and measures expected credit loss. When based on financial instrument portfolio, the Company takes common risk characteristics as the basis, and divides financial instruments into different portfolios.

The Company measures expected credit loss again on each balance sheet date, the increase of loss reserve or amount which is transfer back generated by it is calculated into current profits and losses as impairment profits or losses. As for financial asset which is measured by amortized cost, loss reserve offsets the carrying value of the financial asset listed in the balance sheet; as for debt investment which is measured by fair value and whose change is calculated into other comprehensive profits, the Company confirms its loss reserve in other comprehensive profits and does not offset the carrying value of the financial asset.

(2) Financial instruments assessing expected credit risk by groups and measuring expected credit losses

| Item   | Recognition basis | Method of measuring expected credit losses  |
|--|-------------------|---|
| Other receivables-intercourse funds among related party group within the consolidation scope | Accounts nature   | Consulting historical experience in credit losses, combining actual situation and prediction for future economic situation, the group's expected credit loss rate shall be accounted through exposure at default and the expected credit loss rate within the next 12 months or the entire life |
| Other receivables-interest receivable group  |                   |   |
| Other receivables-other intercourse funds among related party group                          |                   |   |
| Other receivables-credit risk characteristics group  | Aging group       | Consulting historical experience in credit losses, combining actual situation and prediction for future economic situation, the group's expected credit loss rate shall be accounted through exposure at default and the expected credit loss rate within the next 12 months or the entire life |

(3) Accounts receivable with expected credit losses measured by groups

## ① Specific groups and method of measuring expected credit loss

| Item  | Recognition basis | Method of measuring expected credit losses  |
|---|-------------------|---|
| Bank's acceptance bills receivable                                    | Bill type         | Consulting historical experience in credit losses, combining actual situation and prediction for future economic situation, the group's expected credit loss rate shall be accounted through exposure at default and the expected credit loss rate within the entire life |
| Trade acceptance bills receivable                                     |                   |   |
| Accounts receivable-other intercourse funds among related party group | Account nature    | Consulting historical experience in credit losses, combining actual situation and prediction for future economic situation, the group's expected credit loss rate shall be accounted through exposure at default and the expected credit loss rate within the entire life |
| Accounts receivable-credit risk characteristics group                 | Aging group       | Prepare the comparative list between aging of accounts receivable and expected credit loss rate over the entire life by consulting historical experience in credit losses, combining actual situation and prediction for future economic situation                        |

## ② Accounts receivable-the comparative list between aging of common customer group and expected credit loss rate over the entire life

| Aging                                     | Expected credit loss rate of accounts receivable (%) |
|---|--|
| Within 1 year (inclusive, the same below) | 3.00   |
| 1 to 2 years                              | 10.00  |
| 2 to 3 years                              | 30.00  |
| 3 to 4 years                              | 50.00  |
| 4 to 5 years                              | 80.00  |
| Over 5 years                              | 100.00   |

## 6. Financial asset transfer

Financial assets are derecognized if the Group has transferred almost all the risks and rewards of its ownership transferred to the transferor; financial assets are not derecognized if the Group has retained almost all the risks and rewards of its ownership.

If the Group has neither transferred nor retained almost all the risks and rewards of its ownership of the transferred financial assets, it will be treated respectively according to the following circumstances: If the control over the financial assets is waived, relevant financial assets shall be derecognized, and the assets and liabilities arising from them shall be recognized; if the control over the financial assets is not waived, relevant financial assets shall be recognized based on the extent of continuing involvement with transferred financial assets, and related liabilities shall be recognized accordingly.

If continuing involvement is provided by way of financial guarantee for the transferred financial assets, the assets resulting from the continuing involvement are recognized at the lower of the carrying value of the financial assets and the financial guarantee amount. The financial guarantee amount refers to the maximum amount of the consideration received that will be required to be repaid.

**11. Notes Receivable**

Refer to Note V 10 Financial Instruments of the financial statements for details.

**12. Accounts Receivable**

Refer to Note V 10 Financial Instruments of the financial statements for details.

**13. Accounts Receivable Financing**

Not applicable.

**14. Other Receivables**

Recognition and accounting treatment methods regarding expected credit losses of other receivables

Refer to Note V 10 Financial Instruments of the financial statements for details.

**15. Inventory****(1) Inventories Classification**

Inventories include development land held for sale or consumption in the process of development and operation, development products, temporarily leased development products which intended for sale, relocation housing, stock materials, inventory equipment, and low-value consumables, etc., as well as development costs in the process of development.

**(2) Cost Flow Assumption**

- 1) Send-out materials shall adopt the moving weighted average method.
- 2) During the development of the project, the development land shall be included in the development cost of the project by the floor area apportion of the developed products.
- 3) Send-out developed products shall be accounted by specific identification method.
- 4) The temporarily leased development products which intended for sale and relocation housing shall be amortized averagely by stages according to the expected useful life of the same kind of fixed assets of the Company.
- 5) If the public supporting facilities are completed earlier than the relevant development products, after the final account of the public supporting facilities, it shall be account into the development cost of the relevant development projects according to the building area; If the public supporting facilities are completed later than the relevant development products, the relevant development products shall withhold the public supporting facilities fees, and adjust the relevant development product costs according to the difference between the actual occurrence and the withhold amount after the completed public supporting facilities' final accounts.

**(3) Recognition basis of Net Realizable Value of Inventory**

On the balance sheet date, inventory shall be measured at the lower of cost or net realizable value, and provision shall be made for falling price of inventories on the ground of the difference between the cost of each item of inventories and the net realizable value. Inventories directly for sale, under normal producing process, to the amount after deducting the estimated sale expense and relevant taxes from the estimated sell price of the inventory, the net realizable value has been recognized; inventories which need to be processed, under normal producing process, to the amount after deducting the estimated cost of completion, estimated sale expense and relevant taxes from the estimated sale price of produced finished goods, the net realizable value has been recognized; on the balance sheet date, in the same item of inventories, if some have contractual price agreement while others do not, the net realizable value shall be recognized respectively and compared with their cost, and the amount of provision withdrawal or reversal for falling price of inventories shall be recognized respectively.

**(4) Inventory System for Inventories**

Inventory system: Perpetual inventory system

**(5) Amortization Method of the Low-value Consumption Goods and Packing Articles**

- 1) Low-value Consumption Goods

One-off amortization method

- 2) Packing Articles

One-off amortization method

## 16. Contract Assets

The Company presents contract assets or contract liabilities on the balance sheet according to the relationship between the fulfillment of its contract performance obligations and its customers' payment. Considerations that the Company has the right to collect for commodities transferred or services provided to customers (except for accounts receivable) are presented as contract assets.

For contract assets that do not contain significant financing components, the Company uses the simplified model of expected credit loss, measuring the loss provision according to an amount that is equivalent to the amount of expected credit loss of the entire duration. The increased loss provision or reversed amount thereof shall be recorded into the current profit or loss as impairment losses or gains.

For contract assets that contain significant financing components, the Company has made the accounting policy choice and selected the simplified model of expected credit loss, measuring the loss provision according to an amount that is equivalent to the amount of expected credit loss of the entire duration. The increased loss provision or reversed amount thereof shall be recorded into the current profit or loss as impairment losses or gains.

## 17. Contract Costs

Contract costs comprise contract performance cost and contract acquisition cost.

The cost incurred by the Company from performing a contract is recognized into an asset as contract performance cost when it meets the following conditions:

This cost directly relates to an existing contract or a contract expected to be acquired. It consists of direct labor, direct materials, manufacture costs (or similar costs), costs specified to be borne by the customer and other costs incurred from this contract solely.

This cost has increased the Company's sources that are used to fulfill its contract performance obligations in the future.

This cost is expected to be recovered.

An incremental cost that is incurred by the Company for acquiring a contract and expected to be recovered is recognized into an asset as contract acquisition cost. However, for such asset with an amortization period of less than one year, the Company recognizes them into current profit/loss at their occurrence.

Assets related to contract costs are amortized on the same basis for recognizing the revenue from commodities or services related to such assets.

When the carrying value of an asset related to contract costs is higher than the difference between the following two items, the Company will withdraw impairment provision for the exceeded part and recognize it as asset impairment loss:

Residual consideration expected to be gained from transferring commodities and services related to this asset;

Costs expected to be incurred from transferring such commodities or services.

When the aforementioned asset impairment provision is reversed later, the carrying value of the asset after the reversal should not exceed its carrying value on the reversal date under the assumption of no withdrawal of impairment provision.

## 18. Assets Held for Sale

The Company divides its components (or non-current assets) meeting the following conditions into available for sale assets: (1) Assets can be sold immediately under the current conditions according to the practice of selling such assets or disposal groups in similar transactions; (2) The sale is likely to occur, and a resolution has been made on a sale plan and a firm purchase commitment is obtained (a firm purchase commitment refers to a legally binding purchase agreement signed between an enterprise and other parties, which contains important terms such as transaction price, time and severe penalty for breach of contract to minimize the possibility of major adjustment or cancellation of the agreement. The sale is expected to be completed within a year. It has been approved by relevant authorities or regulatory authorities according to relevant regulations.

The Company adjusts the estimated net residual value of available for sale assets to the net amount of its fair value minus the selling expenses (which shall not exceed the original book value of the assets available for sale). The difference between the original book value and the adjusted estimated net residual value shall be included in the current profit and loss as the loss of asset impairment, and

provisions for impairment of assets available for sale shall be made. For the amount of impairment loss of disposal group available for sale recognized, the book value of goodwill of the disposal group shall be offset first, and then the book value of disposal group shall be offset in proportion according to the share of the book value of non-current assets in the disposal group measured according to this Standard.

When the net amount of fair value of non-current assets available for sale minus the selling expenses increases on the subsequent balance sheet date, the amount previously written down shall be restored and reversed within the amount of asset impairment loss recognized after being classified as available for sale assets, and the reversed amount shall be included in the current profits and losses. The impairment loss of assets recognized before being classified as available for sale assets shall not be reversed. When the net amount of fair value of disposal group available for sale minus the selling expenses increases on the subsequent balance sheet date, the amount previously written down shall be restored and reversed within the amount of asset impairment loss recognized as non-current assets in the disposal group measured according to this Standard after being classified into the categories available for sale assets, and the reversed amount shall be included in the current profits and losses. The book value of goodwill that has been offset and the impairment loss of non-current assets measured according to this Standard shall not be reversed before they are classified as available for sale assets. The subsequent reversal amount of asset impairment loss recognized as disposal group available for sale shall be increased in proportion to the share of the book value of non-current assets in the disposal group, except goodwill, which are measured according to this Standard. In case that an enterprise loses its control over a subsidiary due to sale of its investment in the subsidiary, the investment in the subsidiary to be sold shall be divided into the available for sale category in individual financial statement of the parent company when the proposed investment in the subsidiary meets the conditions for classification of available for sale category, and all assets and liabilities of the subsidiary shall be classified into available for sale category in the consolidated financial statements, no matter whether the enterprise retains part of equity investment after the sale.

#### **19. Investments in Debt Obligations**

Not applicable.

#### **20. Investments in other Debt Obligations**

Not applicable.

#### **21. Long-term Receivable**

Refer to Note V-10. Financial Instrument for details.

#### **22. Long-term Equity Investments**

##### **(1) Judgment of Joint Control and Significant Influences**

The term "joint control" refers to the joint control over an arrangement in accordance with the related agreements, which does not exist unless the participants sharing the control power agree with each other about the related arranged activity. The term "significant influences" refers to the power to participate in making decisions on the financial and operating policies of an enterprise, but not to control or do joint control together with other parties over the formulation of these policies.

##### **(2) Recognition of Investment Cost**

1) If the business combination is under the common control and the acquirer obtains long-term equity investment in the consideration of cash, non-monetary asset exchange, bearing acquiree's liabilities, or the issuance of equity securities, the initial cost is the carrying amount of the proportion of the acquiree's owner's equity at the acquisition date. The difference between the initial cost of the long-term equity investment and the carrying amount of the paid combination or the total amount of the issued shares should be adjusted to capital surplus. If the capital surplus is not sufficient for adjustment, retained earnings are adjusted respectively.

When a long-term equity investment is formed from the business combination under common control through the Company's multiple transactions step by step, the treatment shall be carried out based on whether the transactions constitute the "package deal". If they do, the accounting treatment shall be carried out on the basis of assuming all transactions as one transaction with the acquisition of control. If they do not, the initial investment cost shall be the portion of the carrying value of acquiree's net assets

entitled in the consolidated financial statements of the final controller after the consolidation. The difference between the initial investment cost of the long-term equity investment on the combination date and the carrying value of the investment before the combination plus the carrying value of the newly-paid consideration for the acquisition of the shares on the consolidation date shall be adjusted to capital reserve; if the capital reserve is insufficient for the adjustment, retained earnings should be adjusted accordingly.

2) For those formed from the business combination under different control, the initial investment cost is the fair value of the combination consideration paid on the acquisition date.

When a long-term equity investment is formed from the business combination under different control through the Company's multiple transactions step by step, the accounting treatment shall be carried out based on whether the financial statements are individual or consolidated:

① In individual financial statements, the initial investment cost accounted in cost method is the sum of the carrying value of the equity investment originally held and the cost of new investment.

② In consolidate financial statements, judge whether the transactions constitute the "package deal". If they do, the accounting treatment shall be carried out on the basis of assuming all transactions as one transaction with the acquisition of control. If they do not, for the acquiree's equity held before the acquisition date, re-measurement shall be carried out according to the fair value of the equity on the acquisition date and the difference between the fair value and the carrying value shall be recorded into current investment income; if the acquiree's equity held before the acquisition date involves other comprehensive income accounted in equity method, other comprehensive income related to it shall be transferred into the income for the period in which the acquisition date falls, with the exception of the other comprehensive incomes occurred because of the changes of net liabilities or net assets of the defined benefit pension plans be re-measured for setting by the investees.

③ For those formed other than from business combination: If they are acquired in cash payment, the initial investment cost is the purchase price actually paid; if they are acquired in the issue of equity securities, the initial investment cost is the fair value of the issued equity securities; if they are acquired in debt restructuring, the initial investment cost shall be recognized according to the Accounting Standards for Enterprises No. 12 - Debt Restructuring; if they are acquired in the exchange of non-monetary assets, the initial investment shall be recognized according to the Accounting Standards for Enterprises No. 7 - Exchange of Non-Monetary Assets.

### **(3) Method of subsequent measurement and recognition of profits and losses**

Long-term equity investment with control over investees shall be accounted in cost method; long-term equity investment on associated enterprises and joint ventures shall be accounted in equity method.

### **(4) Method of treating the disposal of the investment in a subsidiary stem by step through multiple transactions until the loss of the controlling right**

#### 1) Individual financial statements

For the disposed equity, the difference between its fair value and the actually obtained price shall be recorded into current profits or losses. For the residual equity, the part that still has significant effects on investees or with common control jointly with other parties shall be accounted in equity method; the part that has no more control, common control or significant effects on investees shall be accounted in accordance with the relevant regulation of the Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

#### 2) Consolidated financial statements

① For the disposal of the investment in subsidiaries step by step until the loss of the controlling right through multiple transactions, which do not constitute the "package deal"

Before the loss of the controlling right, for the balance between the disposal remuneration and the shares of net assets in the subsidiaries that have been calculated since the acquisition date or combination date corresponding to the disposal of long-term equity investment, capital reserve (capital premium) shall be adjusted, and if the capital premium is not sufficient for the write-down, the retained earnings shall be written down.

At the loss of the controlling right over the original subsidiaries, the residual equity shall be re-measured at its fair value on the date of losing the controlling right. The difference between the consideration obtained in the equity disposal, plus the fair value of the remaining equities, less the Company's share of net assets enjoyed of the former subsidiary that has been calculated since the acquisition date or combination date according to the former shareholding ratio, shall be recorded into the investment gains for the period when the control ceases; meanwhile, goodwill shall be written down. Other comprehensive income related to former subsidiary's equity investment shall be transferred into current investment income when the control ceases.

② For the disposal of the investment in subsidiaries step by step until the loss of the controlling right through multiple transactions, which constitute the "package deal"

The accounting treatment shall be carried out on the basis of considering each transaction as a transaction of disposing the subsidiary and losing control. However, before losing control, the difference between each disposal price before losing the control, and the corresponding net assets share enjoyed of subsidiary when disposing long-term equity investment, shall be recognized as other comprehensive income in the consolidated financial statements and when the control ceases, transferred into current profits or losses of the period of losing control.

#### **(5) Impairment test method and impairment provision method**

When there is objective evidence indicating impairment of the investment in subsidiaries, joint ventures and cooperative enterprises on the balance sheet date, corresponding provision for impairment shall be made according to the difference between the book value and recoverable amount.

### **23. Investment Property**

Measurement mode of investment real estates

Measurement of cost method

Depreciation or amortization method

1. The term "investment real estate" includes the right to use any land which has already been rented, the right to use any land which is held and prepared for transfer after appreciation, and the right to use any building which has already been rented.

2. The Company initially measures the investment property according to the costs, and adopts the cost method in the subsequent measurement of investment property, and adopts the same methods with fixed assets and intangible assets to withdraw depreciation or amortization. When there is any indication of impairment of investment property on the balance sheet date, corresponding provision for impairment shall be made according to the difference between the book value and recoverable amount.

### **24. Fixed Assets**

#### **(1) Recognized Standard of Fixed Assets**

The term "fixed assets" refers to the tangible assets that simultaneously possess the features as follows: they are held for the sake of producing commodities, rendering labor service, renting or business management; and their useful life is in excess of one fiscal year.

No fixed asset may be recognized unless it simultaneously meets the conditions as follows: (1) The economic benefits are likely to flow into the enterprise; (2) The cost of the fixed asset can be measured reliably.

#### **(2) Depreciation Method**

| Category             | Depreciation method        | Useful life (year) | Expected net salvage value | Annual depreciation |
|----------------------|----------------------------|--------------------|----------------------------|---------------------|
| Houses and buildings | Straight-line depreciation | 20-25              | 5-10                       | 3.6-4.75            |
| Transportation       | Straight-line depreciation | 5                  | 5                          | 19                  |
| Other equipment      | Straight-line              | 5                  | 5                          | 19                  |

|                            |                            |   |   |    |
|----------------------------|----------------------------|---|---|----|
|                            | depreciation               |   |   |    |
| Machinery equipment        | Straight-line depreciation | 5 | 5 | 19 |
| Decoration of fixed assets | Straight-line depreciation | 5 | 0 | 20 |

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

Not applicable.

## 25. Construction in Progress

1. No construction in progress may be recognized unless it simultaneously meets the conditions as follows: (1) The economic benefits are likely to flow into the enterprise; (2) The cost of the fixed asset can be measured reliably. Construction in progress shall be measured according to the occurred actual costs before the assets available for the intended use.
2. When the construction in progress is available for the intended use, it shall be transferred to fixed assets according to the actual cost of the project. For construction in progress available for the intended use but not dealing with final accounts of completed project, it shall be transferred to fixed assets according to the estimated value first, and then adjust original temporarily estimated value based on the actual costs after the final accounts of completed project, but not adjust the depreciation that was already calculated.

## 26. Borrowing Costs

### 1. Recognition Principle of Capitalization of Borrowing Costs

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it shall be capitalized and recorded into the costs of relevant assets. Other borrowing costs shall be recognized as expenses when it occurred, and shall be recorded into the current profits and losses.

### 2. Capitalization Period of Borrowings Costs

- (1) The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements: 1) The asset disbursements have already incurred; 2) The borrowing costs have already incurred; 3) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.
- (2) Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. The borrowing costs incurred during such period shall be recognized as expenses, and shall be recorded into the profits and losses of the current period, till the acquisition and construction or production of the asset restarts.
- (3) When the acquisition and construction or production of a qualified asset eligible for capitalization are available for its intended use or sale, the capitalization of borrowing costs shall be stopped.

### 3. Capitalized rate and amount of borrowing costs

To the extent that funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset is determined as the actual interest costs (including amortization of discount and premium confirmed according to effective interest method) incurred on that borrowing during the period less any investment income on the temporary investment of the borrowing. To the extent that funds are borrowed generally and used for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the weighted average of excess of accumulated expenditures on qualifying asset over that on specific purpose borrowing.

**27. Biological Assets**

Not applicable.

**28. Oil and Gas Assets**

Not applicable.

**29. Right-of-use Assets**

On the start date of the lease term, the Group deems the right-of-use assets and lease obligations, except for the simplified short-term lease and low-value leases.

The Group initially measures right-of-use assets at cost. The cost includes:

1. The initial measurement amount of the lease obligation.
2. If a lease incentive exists for lease payments made on or before the commencement date of the lease term, the amount related to the lease incentive already taken is deducted.
3. Initial direct costs incurred.
4. Costs expected to be incurred by the Group for dismantling and removing the leased asset(s), restoring the premises where the leased asset(s) is/are located, or restoring the leased asset(s) to the status agreed in the leasing clauses. If the aforementioned costs are incurred for inventory production, relevant provisions of *Accounting Standard for Business Enterprises No.1 - Inventory* is applicable. The Group recognizes and measures the costs described in Item 4 above in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No. 13 - Contingencies*. The initial direct costs incurred refer to the incremental costs incurred to achieve the lease. Incremental costs are costs that would not have been incurred had the business not acquired the lease.

The Group depreciates the right-of-use assets in accordance with relevant depreciation provisions of the *Accounting Standards for Business Enterprises No. 4 - Fixed Assets*. If it is reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, the Group will depreciate the leasehold property over its remaining service life. If it is not reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, the Group will depreciate the leased asset(s) over the lease term or the remaining service life, whichever is shorter.

The Group determines the impairment of the right-of-use assets and conducts accounting treatment of the impairment losses already identified in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*.

**30. Intangible Assets****(1) Pricing Method, Useful Life and Impairment Test**

1. Intangible assets include right to use land sites, use right of software etc. and conduct the initial measurement according to the costs.
2. With regard to intangible assets with limited service life, it shall be amortized systematically and reasonably within their service life according to the expected implementation of economic interests related to the intangible assets. If it can't recognize the expected implementation reliably, it shall be amortized by straight-line method. The specific useful lives are as follows:

| Items                 | Useful life for amortization (years) |
|-----------------------|--------------------------------------|
| Use right of lands    | Statutory life of land use right     |
| Use right of software | 5                                    |

The intangible assets with uncertain service life shall not be amortized, and the Company rechecks the service life of the intangible assets in every accounting period. For intangible assets with uncertain service, the recognition basis is without certain service life and expected benefit life.

3. For intangible assets with definite service life, when there is any indication of impairment on the balance sheet date, corresponding provision for impairment shall be made according to the difference between the book value and recoverable amount; for intangible

assets with uncertain service life and those not ready for service, impairment test shall be conducted every year no matter whether there is any indication of impairment.

## **(2) Accounting Policies of Internal R&D Expenses**

Not applicable.

## **31. Impairment of Long-term Assets**

For long-term assets, such as long-term equity investment, investment property measured by cost model, fixed assets, construction in progress, and intangible assets with limited service life, the Company shall estimate the recoverable amount if there are signs of impairment on balance sheet date. For intangible assets with uncertain goodwill or service life formed by enterprise combination, whether or not there is sign of impairment, impairment test shall be conducted every year. Goodwill combination and its related assets group or combination of assets group shall be conducted the impairment test.

If the recoverable amount of the above-mentioned long-term assets is lower than its carrying value, it shall make the preparation for assets impairment based on its balance and be recorded into current profits and losses.

## **32. Long-term Prepaid Expenses**

Long-term deferred expenses refer to general expenses with the amortized period over one year (one year excluded) that have occurred. Long-term prepaid expense shall be recorded into the account according to the actual accrual. Long-term prepaid expense shall be amortized averagely within benefit period or specified period. In case of no benefit in the future accounting period, the amortized value of such project that fails to be amortized shall be transferred into the profits and losses of the current period.

## **33. Contract Liabilities**

The Company presents contract assets or contract liabilities on the balance sheet according to the relationship between the fulfillment of its contract performance obligations and its customers' payment. Obligations to be fulfilled by the Company of transferring commodities or providing services to customers, as the Company has received or should receive customers' considerations, are presented as contract liabilities.

## **34. Payroll**

### **(1) Accounting Treatment of Short-term Compensation**

During the accounting period when the employees providing the service for the Company, the actual short-term compensation shall be recognized as liabilities, and be recorded into the current profits and losses or related assets costs.

### **(2) Accounting Treatment of the Welfare after Demission**

The Company's welfare after demission plans is divided into defined contribution plans and defined benefit plans (1) During the accounting period when the employee providing service for the Company, the amount paid in line with the setting drawing plan will be recognized as liabilities and recorded into current profits or losses or cost of relevant assets.

(2) The accounting treatment of defined benefit plans usually consists of the following steps:

1) According to the expected cumulative welfare unit method, adopt unbiased and mutually consistent actuarial assumptions to evaluate related demographic variables and financial variables, measure the obligations generated from defined benefit plans and recognize the period in respect of related obligations. Meanwhile, discount the obligations generated from defined benefit plans to recognize their present value and the current service costs;

2) If there are any assets in a defined benefit plan, the deficit or surplus formed from the present value of the defined benefit plan obligations less the fair value of the defined benefit plan assets shall be recognized as net liabilities or net assets of a defined benefit plan. If there is any surplus in a defined benefit plan, the net assets of the plan shall be measured at the lower of the surplus or the upper asset limit;

3) At the end of the period, the staff remuneration costs generated from a defined benefit plan shall be recognized as services costs, net interests of the net liabilities or net assets of the plan and changes from the re-measurement of the net liabilities or net assets of

the plan. Service costs and net interests of the net liabilities or net assets of the plan shall be recorded into the current profits or losses or related asset costs, while changes from the re-measurement of the net liabilities or net assets of the plan shall be recorded into other comprehensive income and shall not be transferred back to profits or losses in subsequent accounting periods. But the amounts recognized in other comprehensive income may be transferred within the equity scope.

### **(3) Accounting Treatment of Demission Welfare**

When the Company is unable to unilaterally withdraw the plan on the cancellation of labor relationship or the layoff proposal, or when recognizing the costs or expenses (the earlier one between the two) related to the reorganization of paying the demission welfare, should recognize the payroll liabilities from the demission welfare and include in the current gains and losses.

### **(4) Accounting Treatment of Other Welfare of the Long-term Employees**

The Company provides the other long-term employee benefits for the employees, and for those met with the defined contribution plans, accounting treatment should be conducted according to the related regulations of the defined contribution plans; the for the others long-term employee benefits except for the former, accounting treatment should be conducted according to the related regulations of the defined benefit plans. In order to simplify the related accounting treatment, the payrolls shall be recognized as service costs, the net amount of interest of net liabilities and net assets of other welfare of the long-term employees. The total net amounts made up from the changes of measuring the net liabilities and net assets of other welfare of the long-term employees again shall be recorded into the current profits and losses or related assets costs.

## **35. Lease Liabilities**

On the start date of the lease term, the Group deems the right-of-use assets and lease obligations, except for the simplified short-term lease and low-value leases.

The Group initially measures the lease obligation at the present value of the lease payments outstanding at the commencement date of the lease term.

The term "lease payments" refers to the payments made by the Group to the lessor in terms of the use of the leased asset(s) within the lease term, including:

- (1) fixed lease payments and substantial fixed lease payments (if a lease incentive exists, deduct the amount related to the lease incentive);
- (2) the variable lease payments that depend on indexation or ratio, which are determined according to the indexation or ratio on the commencement date of the lease term in the initial measurement;
- (3) the exercise price of the purchase option, when applicable, if the Group is reasonably certain that the option will be exercised;
- (4) payments required to be made for exercising the option to terminate the lease if the lease term reflects that the Group will exercise such an option;
- (5) estimated amount payable based on the residual value of the guarantee provided by the Group.

When calculating the present value of lease payments, the Group uses the interest rate implicit in lease as the rate of discount. If the interest rate implicit in lease cannot be determined, the Group's incremental lending rate is used as the rate of discount.

## **36. Provisions**

1. The obligation such as external guaranty, litigation or arbitration, product quality assurance, loss contract, pertinent to a contingencies shall be recognized as the provisions when the following conditions are satisfied simultaneously: ① That obligation is a current obligation of the enterprise; ② It is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation; and ③ The amount of the obligation can be measured in a reliable way.
2. The Company shall conduct the initial measurement to provisions according to the best estimate number needed for performing the related current obligation and recheck the carrying value of accrued liabilities on balance sheet date.

**37. Share-based Payment**

Not applicable.

**38. Other Financial Instruments such as Preference Shares and Perpetual Bonds**

Not applicable.

**39. Revenue**

The Accounting Policy Adopted for Recognition and Measurement of Revenue

**1. Recognition of revenue**

The Company gains revenue mainly from property sales, property management, sales of software and property leasing (refer to 32. Leasing for more detail).

The Company recognizes revenue when it has fulfilled the obligation of contract performance, namely, when it has acquired the control of the related commodity. The acquisition of control over a commodity refers to the capacity to control the use of the commodity and to gain almost all economic interests thereof.

**2. The Company judges whether a contract performance obligation is “a contract performance obligation fulfilled in a time period” or “a contract performance obligation fulfilled at a time point” according to the terms in revenue standards, and recognizes revenue according to the following principles.**

(1) When the Company meets one of the following conditions, the obligation should be classified as a contract performance obligation fulfilled in a specific time period:

- 1) The customer gains and consumes the economic interests brought by the Company’s contract performance when the Company performs the contract.
- 2) The customer is able to control the assets in progress during the Company’s contract performance.
- 3) The assets produced during the Company’s contract performance have irreplaceable use, and the Company has the right to collect payment in respect of its completed contract performance accumulated as of now throughout the entire contract period.

For a contract performance obligation fulfilled in a time period, the Company recognizes revenue according to the progress towards contract completion in that period, but excluding the case when such progress cannot be reasonably determined. The Company uses the output or input method to determine the right progress towards contract completion by considering the nature of the commodity.

4) For one that is classified as a contract performance obligation fulfilled at a time point instead of in a time period, the Company recognizes revenue when the customer acquires the control over the related commodity.

In judging whether the customer has acquired the control over a commodity, the Company considers the following signs:

- 1) The Company is entitled to the current right of payment collection in respect of the commodity. In other words, the customer has the current obligation to pay for the commodity.
- 2) The Company has transferred the legal ownership of the commodity to the customer. In other words, the customer has owned the legal ownership of the commodity.
- 3) The Company has transferred the physical commodity to the customer. In other words, the customer has taken physical possession of the commodity.
- 4) The Company has transferred the major risks and remunerations in respect of the ownership of the commodity. In other words, the customer has acquired the major risks and remunerations in respect of the ownership of the commodity.
- 5) The customer has accepted the commodity.
- 6) Other signs indicating that the customer has acquired control over the commodity.

Specific policies of the Company for recognizing revenue:

**1) Real Estate Sales Contracts**

The realization of sales revenue shall be recognized under the following conditions: the developed products have been completed and accepted, the sales contract has been signed and the obligations stipulated in the contract have been fulfilled, the main risks and rewards of ownership of the developed products have been transferred to the buyer at the same time, the Company shall no longer

retain the continuous management rights normally associated with ownership and effectively control the sold developed products, the revenue amount can be measured reliably, the related economic benefits are likely to flow in, and the related costs that have occurred or will occur can be measured reliably.

For the sale of self-occupied housing, the realization of sales income shall be recognized under the following conditions: the main risks and rewards of ownership of self-occupied houses are transferred to the buyer, the Company will no longer retain the continuous management rights normally associated with ownership and effectively control the sold development products, the amount of income can be measured reliably, relevant economic benefits are likely to flow in, the relevant costs that have occurred or will occur can be measured reliably.

Only recognizing the sales income realization under the following conditions: acquired the real estate completed and accepted as qualified (the completion and acceptance reports), signed an irreversible sales contract, obtained the buyer's payment certificate (for those who chose bank mortgage, the first installment and the full amount of bank mortgage must be required; for those who did not choose the bank mortgage to make their payment, the full house payment must be required) issued the notice of repossession (if the owner fails to go through the formalities in time within the specified time limit the building shall be deemed as repossessed).

## 2) Providing Labor Services

If the provision of labor services can be reliably estimated (all the following conditions are met: ① The amount of income can be measured reliably; ② The relevant economic benefits are likely to inflow to the Company; ③ The progress of the transaction can be reliably determined; ④ The cost incurred and to be incurred in the transaction can be measured reliably), it shall recognize the revenue from providing services employing the percentage-of-completion method, and confirm the completion of labor service according to the costs incurred as a percentage of the total estimated costs. If the Company can't, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labor services it provides, it shall be handled under the following conditions: If the cost of labor services incurred is expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount; If the cost of labor services incurred is not expected to compensate, the cost incurred should be included in the current profits and losses, and no revenue from the providing of labor services may be recognized.

Property management revenue shall be recognized when property management services have been provided, economic benefits related to property management services can flow into the enterprise, and costs related to property management can be reliably measured.

## 3) Transferring the Right to Use Assets

The revenue of transferring the right to use assets may not be recognized unless the following conditions are both met: the relevant economic benefits are likely to inflow to the Company; and the revenue can be reliably measured. The interest income shall be recognized according to the time and actual interest rate in which other people use the Company's monetary funds. Royalty revenue shall be recognized according to the chargeable time and method stipulated in related contracts and agreements.

According to the lease date and lease amount agreed in the lease contract and agreement, the realization of rental property income shall be recognized when relevant economic benefits are likely to flow in.

## 4) Software sales revenue

### ① Revenue recognition and measurement methods for sales of custom software and independent software products

Custom software refers to the special software designed and developed after the full on-site investigation of the user's business according to the software development contract signed with the customer based on the actual needs of the user, and the resulting developed software is not universal. Revenue is recognized over time based on the progress of completed performance obligations over the contract period only if the goods produced by the Company in the course of performance have an irreplaceable use and the Company is entitled to receive payment for the cumulative portion of performance completed to date throughout the contract period, with the progress of completed performance obligations determined by the proportion of the contract costs actually incurred to complete the performance obligations to the total estimated contract costs. Otherwise, the revenue is recognized at a certain point in time.

For sales contracts of independent software products signed with the customer, the customer directly purchases the standard version of the software, i.e., the real estate and facilities management platform, and the corresponding modules are deployed by implementation personnel according to the customer's requirements. In this case, the performance obligations are to be performed at a certain point in time. The revenue is recognized after the Company delivers the product to the customer and the customer accepts the product.

② Revenue recognition and measurement methods for systems integration contracts

System integration includes the sale and installation of purchased merchandise and software products. The revenue is recognized when the Company has transferred the primary risks and rewards of the ownership of the purchased merchandise to the purchaser; the Company neither retained the continued management rights usually associated with the ownership, nor effectively controlled the sold goods; the installation and commissioning of the system have been completed and the system has been put into trial operation, or the initial inspection report of the purchaser is obtained; the economic benefits relevant to the transaction are likely to flow into the Company, the relevant costs can be reliably measured.

③ Revenue recognition and measurement methods for technical service revenue

Technical service revenue mainly refers to the business of providing consulting, implementation and after-sales services of products to customers as required by contracts. If a service period is agreed upon in a contract, it is considered as a performance obligation to be performed within a certain period of time, and revenue is recognized for services settled with the customer in accordance with the contracted service period during the service provision period.

5) Other Business Income

According to the stipulations of relevant contracts and agreements, when the economic benefits related to the transaction can flow into the enterprise and the costs related to the income can be reliably measured, the realization of other business income shall be confirmed.

### 3. Measurement of Revenue

The Company should measure revenue according to the transaction prices apportioned to each of the individual contract performance obligations. In determining a transaction price, the Company considers the impact of a number of factors, including variable consideration, significant financing components in contracts, non-cash consideration, and consideration payable to customers.

(1) Variable consideration

The Company determines the best estimate of variable consideration according to the expected value or the amount most likely to occur. But a transaction price containing variable consideration should not exceed the amount from the accumulated recognized revenue that will probably not have any significant reversal when related uncertainties are eliminated. When assessing whether the significant reversal of accumulated recognized revenue is almost impossible or not, a company should concurrently consider the possibility and weight of the revenue reversal.

(2) Significant financing component

When a contract contains any financing component, the Company should determine the transaction price according to the amount payable that is assumed to be paid in cash by the customer when it acquires control over the commodity. The difference between the transaction price and the contract consideration should be amortized in the effective interest method during the contract period.

(3) Non-cash consideration

When a customer pays non-cash consideration, the Company should determine the transaction price according to the fair value of the non-cash consideration. When such fair value cannot be reasonably estimated, the Company will indirectly determine the transaction price by reference to the individual price committed by the Company for transferring the commodity to the customer.

(4) Consideration payable to a customer

For consideration payable to a customer, the Company should deduct the transaction price from the consideration payable, and deduct the revenue for the current period at either the recognition of related revenue or the payment (or committed payment) of the consideration to the customer, whichever is earlier, but excluding the case in which the consideration payable to the customer is for the purpose of acquiring from the customer other commodities that can be obviously distinguished.

If the Company's consideration payable to a customer is for the purpose of acquiring from the customer other commodities that can be obviously distinguished, the Company should confirm the commodity purchased in the same way as in its other purchases. When the Company's consideration payable to a customer exceeds the fair value of the commodity that can be obviously distinguished, the exceeded amount should be used to deduct the transaction price. If the fair value of the commodity acquired from the customer that can be obviously distinguished cannot be reasonably estimated, the Company should deduct the transaction price from the consideration payable to the customer.

Differences in accounting policies for the recognition of revenue caused by different business models for the same type of business  
Not applicable.

#### **40. Government Grants**

**1. If the government subsidies meet with the following conditions at the same, it should be recognized:** (1) The entity will comply with the condition attaching to them; (2) The grants will be received from government. If a government subsidy is a monetary asset, it shall be measured according to the amount received or receivable. If a government subsidy is a non-monetary asset, it shall be measured at its fair value, and shall be measured at a nominal amount when the fair value cannot be obtained reliably.

#### **2. Judgment basis and accounting methods of government subsidies related to assets**

The government subsidies that are acquired for construction or form long-term assets in other ways according to government documents shall be defined as asset-related government subsidies. For those not specified in government documents, the judgment shall be made based on the compulsory fundamental conditions for acquiring the subsidies. If the subsidies are acquired with construction or the formation of long-term assets in other ways as fundamental conditions, they shall be recognized as asset-related government subsidies. For asset-related government subsidies, the carrying value of related assets shall be written down or recognized as deferred income. If asset-related government subsidies are recognized as deferred income, it shall be recorded into profits or losses by period in a reasonable and systemic manner within the life of related assets. Government subsidies measured at the nominal amount shall be directly recorded into current profits or losses. If related assets are sold, transferred, disposed of or destroyed before the end of their life, the undistributed balance of related deferred income shall be transferred into the profits or losses for the period of the asset disposal.

#### **3. Judgment basis and accounting treatment of profits-related government subsidies**

Government subsidies other than asset-related government subsidies shall be defined as profits-related government subsidies. For government subsidies consisting of both asset-related parts and profits-related parts, which are difficult to judge whether they are related to assets or profits, the entirety shall be classified as profits-related government subsidies. Profits-related government subsidies that are used to compensate the related future expenses or losses shall be recognized as deferred income and shall be included into the current profit/losses during the period when the relevant expenses or losses are recognized; those subsidies used to compensate the related expenses or losses incurred shall be directly included into the current profits/losses.

**4. Government subsidies related to the Company's routine operating activities** shall be included into other income or write down related costs according to the economic business nature. Government subsidies not related to the Company's routine activities shall be included into non-operating income and expenditure.

#### **41. Deferred Income Tax Assets/Deferred Income Tax Liabilities**

1. In accordance with the balance (the item not recognized as assets and liabilities can confirm their tax bases according to the tax law, the balance between the tax bases and its carrying amount) between the carrying amount of assets or liabilities and their tax bases, deferred tax assets and deferred tax liabilities should be recognized at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

2. A deferred tax asset shall be recognized within the limit of taxable income that is likely to be obtained to offset the deductible temporary differences. At the balance sheet date, where there is strong evidence showing that sufficient taxable profit will be available against which the deductible temporary difference can be utilized, the deferred tax asset unrecognized in prior period shall

be recognized.

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

4. The current income tax and deferred income tax of the Company are recorded into the current gains and losses as income tax expenses or revenue, except in the following circumstances: (1) Business combination; (2) The transaction or event directly included in owner' equity.

## 42. Lease

### (1) Accounting Treatment of Operating Lease

#### 1. Lessee

The Group shall, when as the lessee, on the commencement date of the lease term, recognize the right-of-use assets and lease obligations for the lease, unless it is a simplified short-term lease or low-value asset lease.

After the commencement date of the lease term, the Group uses the cost model for subsequent measurement of right-of-use assets. The Group depreciates the right-of-use assets in accordance with relevant depreciation provisions of the *Accounting Standards for Business Enterprises No. 4 - Fixed Assets*. If the lessee can reasonably ascertain that the ownership of the leasehold property will be obtained at the end of the lease term, it shall depreciate the leasehold property over its remaining service life. If it is not reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, it shall depreciate the leased asset(s) over the lease term or the remaining service life, whichever is shorter. The Group will determine the impairment of the right-of-use assets and conduct accounting treatment of the impairment losses already identified in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*.

The Group calculates the interest expenses of the lease obligations during each period of the lease term at a fixed periodic interest rate, and includes them in profit or loss for the current period. Where the *Accounting Standards for Business Enterprises No. 17 - Borrowing Costs* and other standards provide that such interest expenses shall be included in the cost of related assets, such provisions shall be observed.

The Group does not recognize the right-of-use assets and lease liabilities for short-term leases and low-value asset leases. In each period within the lease term, the relevant lease payments for short-term leases and low-value asset leases are included in cost of the related assets or profit or loss for the current period on a straight-line basis.

#### 2. Lessor

##### Operating Lease

In the case of the Group is the lessor, it recognizes the receipts of the operating lease incurred during each period of the lease term as rentals by the straight-line method. The Group capitalizes the initial direct costs related to the operating lease upon incurrence thereof and, within the lease term, apportions and includes such costs in the current profit or loss on the basis same as the recognition of rentals.

For the fixed assets in the assets under operating lease, the Group shall adopt the depreciation policy of similar assets to calculate and distill depreciation. For other assets under operating lease, the Group shall amortize them in a systematic and reasonable manner in accordance with the accounting standards for enterprises applicable to the assets. The Group will determine the impairment of assets under operating lease and conduct accounting treatment in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*.

**(2) Accounting Treatments of Financial Lease**

Financial lease

The Group shall, when as the lessor, on the commencement date of the lease term, recognize the finance lease receivables for the finance lease and derecognize the leased asset(s) of the finance lease. The Group shall also calculate and confirm the interest income at a fixed periodic interest rate in each period in the lease term.

**43. Other Important Accounting Policies and Accounting Estimations****1. Confirmation standard and accounting handling method for operation termination**

Components which meet one of the following conditions, have been disposed or divided as held for sale category and can be distinguished separately are confirmed as operation termination.

- 1) The component represents one important independent main business or one single main operation area.
- 2) The component is one part of a related plan which plans to dispose one independent main business or one single main operation area.
- 3) The component is a subsidiary which is obtained for resale specially.

**44. Changes in Main Accounting Policies and Estimates****(1) Change of Accounting Policies**

Applicable  Not applicable

| Contents of changes in accounting policies and reasons thereof | Approval procedures  | Remark |
|--|--|--------|
| First execution in accordance with the standards               | 22 <sup>nd</sup> Meeting of the 9 <sup>th</sup> Board of Directors |        |

**(I) Change of Accounting Policies**

1. The Company has adopted the provisions of Accounting Standard for Business Enterprises No. 21 –Lease (CK [2018] No. 35) since 1 January 2021. According to cumulative effects, the Company adjusted retained earnings at the beginning of the year and other relevant items in the financial statements, without adjustment of any information of the comparable period. The impact of accounting policy changes includes:

| Contents of changes in accounting policies and reasons thereof  | Items and amounts of financial statements affected   |
|---|--|
| In accordance with the new lease standards, on the commencement date of the lease term, the "right-of-use assets" and "lease obligations" shall be recognized for the lease, unless it is a simplified short-term lease or low-value asset lease. If the payment period is less than a year, it is listed in "non-current liabilities due within one year". | As listed in the consolidated balance sheet as at January 1, 2021, the amount of "right-of-use assets" was RMB39,209,648.76, the amount of "lease liabilities" was RMB29,410,564.00 and the amount of "non-current liabilities due within one year" was RMB9,799,084.76. On 31 December 2021, the amount of "right-of-use assets" was RMB71,472,680.73 and the amount of "lease liabilities" was RMB83,081,182.89 and the amount of "non-current liabilities due within one year" was RMB14,940,651.36.<br>As listed in the consolidated balance sheet of the parent company |

|  |  |
|--|--|
|  | as at 1 January 2021, the amount of "non-current liabilities due within one year" was RMB248,527.35; the amount of "right-of-use assets" was RMB1,523,310.37, and the amount of "lease liabilities" was RMB1,274,783.02. On 31 December 2021, the amount of "non-current liabilities due within one year" was RMB1,329,083.27; the amount of "right-of-use assets" was RMB4,075,422.31, and the amount of "lease liabilities" was RMB2,976,367.29. |
|--|--|

The Company was lessee:

The new lease standards require lessees to recognize right-of-use assets and lease liabilities for all leases, except for short-term leases and leases of low-value assets with simplified treatment, and to recognize depreciation and interest expenses respectively.

According to the provisions of the new lease standards, for a contract already existing prior to the date of initial adoption, the Company decides not to reassess whether it is a lease or includes any lease.

The Company decides to adjust the cumulative impact only for those leases outstanding as at January 1, 2021. The amount of retained earnings and other relevant items in the financial statements at the beginning of the first year of adoption (i.e., January 1, 2021) is adjusted in accordance with the cumulative impact of the first adoption of the standards, and the comparable period information is not adjusted.

- ① For finance leases prior to the date of initial adoption, the Company measures the right-of-use assets and lease liabilities at the original carrying value of the finance leased-in assets and finance lease payable, respectively.
- ② For operational leasing prior to the date of initial adoption, the Company measures the lease liabilities according to the present value discounted at the incremental borrowing rate on the date of initial adoption based on the remaining lease payments, and make necessary adjustments to the right-of-use assets at an amount equal to the lease liabilities based on the prepaid rent.
- ③ The Company performs impairment tests on right-of-use assets in accordance with the relevant regulations on asset impairment and conducts accounting treatment accordingly.

For operating leases in which the asset leased prior to the date of initial adoption is a low-value asset, and for operating lease to be completed within 12 months, the Company adopts simplified treatment without recognizing the right-of-use assets or lease obligations. In addition, the Company adopts the following simplified treatment for operating leases prior to the date of initial adoption.

- ① The same discount rate can be used for leases with similar characteristics in measurement of the lease liability; the measurement of right-of-use assets may not include initial direct costs.
- ② If there is an option to renew or an option to terminate the lease, the Company determines the lease term based on the actual exercise of the option prior to the date of initial adoption and other latest circumstances.
- ③ As an alternative to impairment tests for right-of-use assets, the Company assesses whether the contract containing the lease is an onerous contract prior to the date of initial adoption and adjusts the right-of-use asset based on the amount of the loss provision recorded in the balance sheet prior to the date of initial adoption.
- ④ If there are changes in leases prior to the date of initial adoption, the Company conducts accounting treatment in accordance with the final arrangements for lease changes.

In measuring the lease liability, the Company uses the incremental borrowing rate as at 1 January 2021 to discount the lease payments, with the incremental borrowing rate ranging from 4.10% to 5.40%. The process of adjustment to differences from the lease liabilities recorded in the balance sheet as at 1 January 2021 is as follows:

|  |               |
|--|---------------|
| Outstanding minimum lease payments under significant operating leases as disclosed in the consolidated financial statements as at 31 December 2020 | 44,465,386.36 |
| Less: Simplified short-term lease payments   | 21,600.00     |
| Simplified leases with a remaining lease term of less than 12 months   |               |
| Simplified low-value asset leases (except for short-term lease payments for low-value assets)  |               |
| Subtotal   | 44,443,786.36 |
| Present value of interest rate discounted at the Company's incremental borrowing rate on 1 January 2021  | 39,209,648.76 |
| Lease liabilities under the new lease standard as at 1 January 2021  | 39,209,648.76 |

The Company was lessor:

For subleases classified as operating leases prior to the date of initial adoption and still in existence after the date of initial adoption, the Company reassesses the remaining contractual terms and conditions of the original lease and sublease at the date of initial adoption and classifies them in accordance with the provisions of the new lease standards. If the sublease is reclassified as a finance lease, the Company conducts accounting treatment for it as a new finance lease. Except for subleases, the Company is not required to adjust leases for which it is the lessor in accordance with the new lease standards. The Company conducts accounting treatment in accordance with the new lease standards from the date of initial adoption.

(II) Changes in Accounting Estimates

No such cases in the Reporting Period.

(III) Correction of prior accounting errors

No such cases in the Reporting Period.

**(2) Changes in Accounting Estimates**

Applicable  Not applicable

**(3) Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Leases since 2021**

Applicable

Whether items of balance sheets at the beginning of the year need to be adjusted

Yes  No

Consolidated balance sheet

Unit: RMB

| Item               | 31 December 2020 | 1 January 2021   | Adjustment |
|--------------------|------------------|------------------|------------|
| Current assets:    |                  |                  |            |
| Monetary assets    | 4,206,266,629.32 | 4,206,266,629.32 |            |
| Settlement reserve |                  |                  |            |

|  |                   |                   |  |
|--|-------------------|-------------------|--|
| Interbank loans granted                            |                   |                   |  |
| Held-for-trading financial assets                  |                   |                   |  |
| Derivative financial assets                        |                   |                   |  |
| Notes receivable                                   | 0.00              |                   |  |
| Accounts receivable                                | 187,697,631.47    | 187,697,631.47    |  |
| Accounts receivable financing                      |                   |                   |  |
| Prepayments  | 50,543,422.85     | 50,543,422.85     |  |
| Premiums receivable                                |                   |                   |  |
| Reinsurance receivables                            |                   |                   |  |
| Receivable reinsurance contract reserve            |                   |                   |  |
| Other receivables                                  | 789,050,350.51    | 789,050,350.51    |  |
| Including: Interest receivable                     |                   |                   |  |
| Dividends receivable                               |                   |                   |  |
| Financial assets purchased under resale agreements |                   |                   |  |
| Inventories  | 5,312,489,258.20  | 5,312,489,258.20  |  |
| Contract assets                                    |                   |                   |  |
| Assets held for sale                               |                   |                   |  |
| Current portion of non-current assets              |                   |                   |  |
| Other current assets                               | 48,991,965.92     | 48,991,965.92     |  |
| Total current assets                               | 10,595,039,258.27 | 10,595,039,258.27 |  |
| Non-current assets:                                |                   |                   |  |
| Loans and advances to customers                    |                   |                   |  |
| Investments in debt obligations                    |                   |                   |  |
| Investments in other debt obligations              |                   |                   |  |
| Long-term receivables                              | 0.00              |                   |  |
| Long-term equity investments                       | 45,710,220.79     | 45,710,220.79     |  |

|   |                   |                   |               |
|---|-------------------|-------------------|---------------|
| Investments in other equity instruments           | 1,044,905.12      | 1,044,905.12      |               |
| Other non-current financial assets                |                   |                   |               |
| Investment property                               | 484,738,506.83    | 484,738,506.83    |               |
| Fixed assets                                      | 116,233,936.04    | 116,233,936.04    |               |
| Construction in progress                          |                   |                   |               |
| Productive living assets                          |                   |                   |               |
| Oil and gas assets                                |                   |                   |               |
| Right-of-use assets                               | 0.00              | 39,209,648.76     | 39,209,648.76 |
| Intangible assets                                 | 482,049.51        | 482,049.51        |               |
| Development costs                                 |                   |                   |               |
| Goodwill  | 0.00              |                   |               |
| Long-term prepaid expense                         | 11,862,716.14     | 11,862,716.14     |               |
| Deferred income tax assets                        | 950,681,245.50    | 950,681,245.50    |               |
| Other non-current assets                          | 1,564,074.34      | 1,564,074.34      |               |
| Total non-current assets                          | 1,612,317,654.27  | 1,651,527,303.03  | 39,209,648.76 |
| Total assets                                      | 12,207,356,912.54 | 12,246,566,561.30 | 39,209,648.76 |
| Current liabilities:                              |                   |                   |               |
| Short-term borrowings                             |                   |                   |               |
| Borrowings from the central bank                  |                   |                   |               |
| Interbank loans obtained                          |                   |                   |               |
| Held-for-trading financial liabilities            |                   |                   |               |
| Derivative financial liabilities                  |                   |                   |               |
| Notes payable                                     |                   |                   |               |
| Accounts payable                                  | 468,269,685.65    | 468,269,685.65    |               |
| Advances from customers                           | 473,274.48        | 473,274.48        |               |
| Contract liabilities                              | 666,893,629.72    | 666,893,629.72    |               |
| Financial assets sold under repurchase agreements |                   |                   |               |
| Customer deposits and                             |                   |                   |               |

|   |                  |                  |               |
|---|------------------|------------------|---------------|
| interbank deposits  |                  |                  |               |
| Payables for acting trading of securities                 |                  |                  |               |
| Payables for underwriting of securities                   |                  |                  |               |
| Employee benefits payable                                 | 177,190,197.36   | 177,190,197.36   |               |
| Taxes payable   | 2,487,212,979.37 | 2,487,212,979.37 |               |
| Other payables  | 847,142,613.09   | 847,142,613.09   |               |
| Including: Interest payable                               |                  |                  |               |
| Dividends payable   | 12,202,676.04    | 12,202,676.04    |               |
| Handling charges and commissions payable                  |                  |                  |               |
| Reinsurance payables                                      |                  |                  |               |
| Liabilities directly associated with assets held for sale |                  |                  |               |
| Current portion of non-current liabilities                | 36,722,824.88    | 46,521,909.64    | 9,799,084.76  |
| Other current liabilities                                 | 43,354,691.51    | 43,354,691.51    |               |
| Total current liabilities                                 | 4,727,259,896.06 | 4,737,058,980.82 | 9,799,084.76  |
| Non-current liabilities:                                  |                  |                  |               |
| Insurance contract reserve                                |                  |                  |               |
| Long-term borrowings                                      | 3,587,800,000.00 | 3,587,800,000.00 |               |
| Bonds payable   |                  |                  |               |
| Including: Preferred shares                               |                  |                  |               |
| Perpetual bonds   |                  |                  |               |
| Lease liabilities   | 0.00             | 29,410,564.00    | 29,410,564.00 |
| Long-term payables  |                  |                  |               |
| Long-term employee benefits payable                       |                  |                  |               |
| Provisions  | 2,396,947.00     | 2,396,947.00     |               |
| Deferred income   |                  |                  |               |
| Deferred income tax liabilities                           | 262.20           | 262.20           |               |

|  |                   |                   |               |
|--|-------------------|-------------------|---------------|
| Other non-current liabilities                                    | 108,778,327.45    | 108,778,327.45    |               |
| Total non-current liabilities                                    | 3,698,975,536.65  | 3,728,386,100.65  | 29,410,564.00 |
| Total liabilities  | 8,426,235,432.71  | 8,465,445,081.47  | 39,209,648.76 |
| Owners' equity:  |                   |                   |               |
| Share capital  | 595,979,092.00    | 595,979,092.00    |               |
| Other equity instruments   |                   |                   |               |
| Including: Preferred shares                                      |                   |                   |               |
| Perpetual bonds  |                   |                   |               |
| Capital reserves   | 80,488,045.38     | 80,488,045.38     |               |
| Less: Treasury stock   |                   |                   |               |
| Other comprehensive income                                       | -6,749,589.41     | -6,749,589.41     |               |
| Specific reserve   |                   |                   |               |
| Surplus reserves   | 19,205,979.63     | 19,205,979.63     |               |
| General reserve  |                   |                   |               |
| Retained earnings  | 3,038,993,912.43  | 3,038,993,912.43  |               |
| Total equity attributable to owners of the Company as the parent | 3,727,917,440.03  | 3,727,917,440.03  |               |
| Non-controlling interests  | 53,204,039.80     | 53,204,039.80     |               |
| Total owners' equity   | 3,781,121,479.83  | 3,781,121,479.83  |               |
| Total liabilities and owners' equity                             | 12,207,356,912.54 | 12,246,566,561.30 | 39,209,648.76 |

## Notes to the adjustments

All above adjustments are caused by implementing the new standards governing leases.

1. Influence of implementing the new standards governing leases on the Company's financial statements on 1 January 2021 is as follows:

| Item                                       | Balance sheet    |               |                           |
|--|------------------|---------------|---------------------------|
|  | 31 December 2020 | Influenced    | 1 January 2021            |
| Right-of-use assets                        |                  | 39,209,648.76 | 39,209,648.766            |
| Lease liabilities                          |                  | 29,410,564.00 | 29,410,564.00             |
| Current portion of non-current liabilities | 36,722,824.88    | 9,799,084.76  | 9,799,084.7646,521,909.64 |

Balance sheet of the Company as the parent

Unit: RMB

| Item                                    | 31 December 2020 | 1 January 2021   | Adjustment |
|---|------------------|------------------|------------|
| Current assets:                         |                  |                  |            |
| Monetary assets                         | 3,216,703,036.69 | 3,216,703,036.69 |            |
| Held-for-trading financial assets       |                  |                  |            |
| Derivative financial assets             |                  |                  |            |
| Notes receivable                        |                  |                  |            |
| Accounts receivable                     | 2,624,500.42     | 2,624,500.42     |            |
| Accounts receivable financing           |                  |                  |            |
| Prepayments                             | 0.00             |                  |            |
| Other receivables                       | 145,325,697.20   | 145,325,697.20   |            |
| Including: Interest receivable          |                  |                  |            |
| Dividends receivable                    |                  |                  |            |
| Inventories                             | 653,885,107.24   | 653,885,107.24   |            |
| Contract assets                         |                  |                  |            |
| Assets held for sale                    |                  |                  |            |
| Current portion of non-current assets   |                  |                  |            |
| Other current assets                    | 496,729.09       | 496,729.09       |            |
| Total current assets                    | 4,019,035,070.64 | 4,019,035,070.64 |            |
| Non-current assets:                     |                  |                  |            |
| Investments in debt obligations         |                  |                  |            |
| Investments in other debt obligations   |                  |                  |            |
| Long-term receivables                   |                  |                  |            |
| Long-term equity investments            | 1,071,176,101.18 | 1,071,176,101.18 |            |
| Investments in other equity instruments | 1,275,405.12     | 1,275,405.12     |            |
| Other non-current financial assets      |                  |                  |            |
| Investment property                     | 303,827,356.62   | 303,827,356.62   |            |
| Fixed assets                            | 51,091,963.72    | 51,091,963.72    |            |

|   |                  |                  |              |
|---|------------------|------------------|--------------|
| Construction in progress                                  |                  |                  |              |
| Productive living assets                                  |                  |                  |              |
| Oil and gas assets  |                  |                  |              |
| Right-of-use assets                                       | 0.00             | 1,523,310.37     | 1,523,310.37 |
| Intangible assets   |                  |                  |              |
| Development costs   |                  |                  |              |
| Goodwill  |                  |                  |              |
| Long-term prepaid expense                                 | 432,440.01       | 432,440.01       |              |
| Deferred income tax assets                                | 252,331,518.26   | 252,331,518.26   |              |
| Other non-current assets                                  | 1,197,407,234.55 | 1,197,407,234.55 |              |
| Total non-current assets                                  | 2,877,542,019.46 | 2,879,065,329.83 | 1,523,310.37 |
| Total assets  | 6,896,577,090.10 | 6,898,100,400.47 | 1,523,310.37 |
| Current liabilities:                                      |                  |                  |              |
| Short-term borrowings                                     |                  |                  |              |
| Held-for-trading financial liabilities                    |                  |                  |              |
| Derivative financial liabilities                          |                  |                  |              |
| Notes payable   |                  |                  |              |
| Accounts payable  | 55,887,947.36    | 55,887,947.36    |              |
| Advances from customers                                   | 0.00             |                  |              |
| Contract liabilities                                      | 0.00             |                  |              |
| Employee benefits payable                                 | 50,710,148.02    | 50,710,148.02    |              |
| Taxes payable   | 3,736,082.67     | 3,736,082.67     |              |
| Other payables  | 3,971,988,862.11 | 3,971,988,862.11 |              |
| Including: Interest payable                               |                  |                  |              |
| Dividends payable   | 29,642.40        | 29,642.40        |              |
| Liabilities directly associated with assets held for sale |                  |                  |              |
| Current portion of non-current liabilities                | 31,573,154.86    | 31,821,682.21    | 248,527.35   |

|                                      |                  |                  |              |
|--------------------------------------|------------------|------------------|--------------|
| Other current liabilities            | 0.00             |                  |              |
| Total current liabilities            | 4,113,896,195.02 | 4,114,144,722.37 | 248,527.35   |
| Non-current liabilities:             |                  |                  |              |
| Long-term borrowings                 | 588,200,000.00   | 588,200,000.00   |              |
| Bonds payable                        |                  |                  |              |
| Including: Preferred shares          |                  |                  |              |
| Perpetual bonds                      |                  |                  |              |
| Lease liabilities                    | 0.00             | 1,274,783.02     | 1,274,783.02 |
| Long-term payables                   |                  |                  |              |
| Long-term employee benefits payable  |                  |                  |              |
| Provisions                           |                  |                  |              |
| Deferred income                      |                  |                  |              |
| Deferred income tax liabilities      |                  |                  |              |
| Other non-current liabilities        | 40,000,000.00    | 40,000,000.00    |              |
| Total non-current liabilities        | 628,200,000.00   | 629,474,783.02   | 1,274,783.02 |
| Total liabilities                    | 4,742,096,195.02 | 4,743,619,505.39 | 1,523,310.37 |
| Owners' equity:                      |                  |                  |              |
| Share capital                        | 595,979,092.00   | 595,979,092.00   |              |
| Other equity instruments             |                  |                  |              |
| Including: Preferred shares          |                  |                  |              |
| Perpetual bonds                      |                  |                  |              |
| Capital reserves                     | 53,876,380.11    | 53,876,380.11    |              |
| Less: Treasury stock                 |                  |                  |              |
| Other comprehensive income           | -2,545,451.19    | -2,545,451.19    |              |
| Specific reserve                     |                  |                  |              |
| Surplus reserves                     | 19,205,979.63    | 19,205,979.63    |              |
| Retained earnings                    | 1,487,964,894.53 | 1,487,964,894.53 |              |
| Total owners' equity                 | 2,154,480,895.08 | 1,487,964,894.53 |              |
| Total liabilities and owners' equity | 6,896,577,090.10 | 6,898,100,400.47 | 1,523,310.37 |

Notes to the adjustments

**(4) Retroactive Adjustments to Comparative Data of Prior Years when First Execution of any New Standards Governing Leases since 2021**

Applicable  Not applicable

**45. Other**

In the Note of the financial statements, the data of the period-beginning refers to the financial statement data on 1 January 2021; the data of the period-end refers to the financial statement data on 31 December 2021; the Reporting Period refers to the 2021; the same period of last year refers to the 2020. The same to the Company as the parent.

**VI Taxes****1. Main Taxes and Tax Rates**

| Category of taxes                      | Tax basis   | Tax rate   |
|--|---|--|
| VAT                                    | Sales of goods or provision of taxable services   | [Note 1]   |
| Urban maintenance and construction tax | Turnover tax payable  | Applied to 7%, 5%, 1% separately according to the regional level |
| Enterprise income tax                  | Taxable income  | 25%、20%、15%、16.5% [Note 2]                                       |
| VAT of land                            | Added value generated from paid transfer of the use right of state-owned lands and property right of above-ground buildings and other attachments   | 30%-60%  |
| Real estate tax                        | Levied according to price: paid according to 1.2% of the residual value of the real estate's original value after deducted 30% at once; levied according to lease: paid according to 12% of the rental income | 1.2%、12%   |
| Education surcharge                    | Turnover tax payable  | 3%   |
| Local education surcharge              | Turnover tax payable  | 2%   |

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

| Name  | Income tax rate |
|---|-----------------|
| Chongqing Shenzhen International Trade Center Property Management Co., Ltd. | 15%             |
| Shenzhen SZPRD Housing Assets Operation and Management Co., Ltd.            | 20%             |
| Shenzhen Guomao Catering Co., Ltd.  | 20%             |

|  |        |
|--|--------|
| Shenzhen Property Engineering and Construction Supervision Co., Ltd. | 20%    |
| Shenzhen Julian Human Resources Development Co.,Ltd.                 | 20%    |
| Shenzhen Huazhengpeng Property Management Development Co., Ltd.      | 20%    |
| Shenzhen Jinhailian Property Management Co.,Ltd.                     | 20%    |
| Shenzhen Zhongtongda House Xiushan Service Co.,Ltd.                  | 20%    |
| Shenzhen Kangping Industry Co.,Ltd.                                  | 20%    |
| Shenzhen Teacher Family Training Co., Ltd.                           | 20%    |
| Shenzhen Education Industry Co., Ltd.                                | 20%    |
| Shenzhen Yufa Industry Co., Ltd.                                     | 20%    |
| Chongqing Aobo Elevator Co., Ltd.                                    | 20%    |
| Shenzhen SZPRD Yanzihu Development Co., Ltd.                         | 20%    |
| Shenzhen SZPRD Fuyuantai Development Co., Ltd.                       | 20%    |
| Shenzhen Social Welfare General Company                              | 20%    |
| Shenzhen Fuyuanmin Property Management Co., Ltd.                     | 20%    |
| Shenzhen Meilong Industrial Development Co., Ltd.                    | 20%    |
| Subsidiaries registered in Hong Kong area                            | 16.50% |
| Other taxpaying bodies within the consolidated scope                 | 25%    |

## 2. Tax Preference

According to the regulations of No. 2, Property Service of No. 37, Commercial Service among the encouraging category of the Guidance Catalogue of Industry Structure Adjustment (Y2011), the western industry met with the conditions should be collected the corporate income tax according to 15% of the tax rate. The subsidiary of the Group Chongqing Shenzhen International Trade Center Property Management Co., Ltd. applies to above policy.

According to the State Administration of Taxation Notice on the Implementation of Inclusive Tax Relief Policy for Small and Micro Enterprises (Fiscal [2019] No.13), from 1 January 2019, to 31 December 2021, the portion of the annual taxable income of small and micro enterprises that does not exceed RMB1 million shall be included in the taxable income at a reduced rate of 25%, and the enterprise income tax shall be paid at a tax rate of 20%. If the annual taxable income exceeds RMB1 million and does not exceed RMB3 million, it shall be included in the taxable income at a reduced rate of 50%, and the enterprise income tax shall be paid at a tax rate of 20%. This policy applies to 12 subsidiaries of our group from 2019 onwards, including Chongqing Aobo Elevator Co., Ltd., Shenzhen International Trade Center Catering Co., Ltd., etc.

## 3. Other

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

| Type of the revenue | General rate | Percentage charges of |
|---------------------|--------------|-----------------------|
|---------------------|--------------|-----------------------|

|                         |     |    |
|-------------------------|-----|----|
| Sales of house property | 9%  | 5% |
| Rent of real estate     | 9%  | 5% |
| Property service        | 6%  | 3% |
| Catering service        | 6%  | 3% |
| Others                  | 13% | -- |

## VII. Notes to Main Items of Consolidated Financial Statements

### 1. Monetary Assets

Unit: RMB

| Item  | Ending balance   | Beginning balance |
|---|------------------|-------------------|
| Cash on hand  | 110,140.62       | 96,389.26         |
| Bank deposits   | 1,802,885,900.92 | 4,193,346,146.43  |
| Other monetary assets   | 368,830,134.67   | 12,824,093.63     |
| Total   | 2,171,826,176.21 | 4,206,266,629.32  |
| Of which: total amount deposited overseas                           | 53,280,873.00    | 51,323,986.36     |
| Total amount of restriction in use by guaranteed, pledged or frozen | 373,079,206.86   | 38,111,717.09     |

Other notes:

3. Among other monetary assets, the funds with limited use rights mainly include the interest on deposits arising from large-denomination CDs of RMB43,388.89, and the margin and interest of RMB368,524,466.29; the funds with limited use rights in bank deposits mainly include the bank frozen funds and the interest on time deposits of RMB4,335,881.10, plus the balance of the bank margin account. The above amount is not regarded as cash and cash equivalents due to restrictions on use.

### 2. Trading Financial Assets

Unit: RMB

| Item      | Ending balance | Beginning balance |
|-----------|----------------|-------------------|
| Of which: |                |                   |
| Of which: |                |                   |

Other notes:

### 3. Derivative Financial Assets

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

Other notes:

#### 4. Notes Receivable

##### (1) Notes Receivable Listed by Category

Unit: RMB

| Item                 | Ending balance | Beginning balance |
|----------------------|----------------|-------------------|
| Bank acceptance bill | 200,000.00     |                   |
| Total                | 200,000.00     |                   |

Unit: RMB

| Category   | Ending balance   |            |                    |                       |                | Beginning balance |            |                    |                       |                |
|--|------------------|------------|--------------------|-----------------------|----------------|-------------------|------------|--------------------|-----------------------|----------------|
|  | Carrying balance |            | Bad debt provision |                       | Carrying value | Carrying balance  |            | Bad debt provision |                       | Carrying value |
|  | Amount           | Proportion | Amount             | Withdrawal proportion |                | Amount            | Proportion | Amount             | Withdrawal proportion |                |
| Notes receivable for which bad debt provision separately accrued | 200,000.00       | 100.00%    |                    |                       |                |                   |            |                    |                       |                |
| Of which:  |                  |            |                    |                       |                |                   |            |                    |                       |                |
| Of which:  |                  |            |                    |                       |                |                   |            |                    |                       |                |
| Total  | 200,000.00       | 100.00%    |                    |                       |                |                   |            |                    |                       |                |

Bad debt provision separately accrued: 0.0

Unit: RMB

| Name  | Ending balance   |                    |                       |                   |
|---|------------------|--------------------|-----------------------|-------------------|
|   | Carrying balance | Bad debt provision | Withdrawal proportion | Withdrawal reason |
| Notes receivable with insignificant single amount for which bad debt provision separately accrued | 200,000.00       |                    |                       |                   |
| Total   | 200,000.00       |                    | --                    | --                |

Bad debt provision separately accrued:

Unit: RMB

| Name | Ending balance   |                    |                       |                   |
|------|------------------|--------------------|-----------------------|-------------------|
|      | Carrying balance | Bad debt provision | Withdrawal proportion | Withdrawal reason |

Withdrawal of bad debt provision by group:

Unit: RMB

| Name | Ending balance   |                    |                       |
|------|------------------|--------------------|-----------------------|
|      | Carrying balance | Bad debt provision | Withdrawal proportion |

Notes to the determination basis for the group:

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

Applicable  Not applicable

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

Withdrawal of bad debt provision:

Unit: RMB

| Category | Beginning balance | Changes in the Reporting Period |                      |              |        | Ending balance |
|----------|-------------------|---------------------------------|----------------------|--------------|--------|----------------|
|          |                   | Withdrawal                      | Reversal or recovery | Verification | Others |                |

Of which significant amount of reversed or recovered bad debt provision:

Applicable  Not applicable

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

Unit: RMB

| Item | Ending pledged amount |
|------|-----------------------|
|------|-----------------------|

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

Unit: RMB

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

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

Unit: RMB

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

Other notes:

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

Unit: RMB

| Item | Amount verified |
|------|-----------------|
|------|-----------------|

Of which, verification of significant notes receivable:

Unit: RMB

| Name of entity | Nature | Amount verified | Reason for verification | Verification procedures performed | Whether occurred because of related-party transactions |
|----------------|--------|-----------------|-------------------------|-----------------------------------|--|
|----------------|--------|-----------------|-------------------------|-----------------------------------|--|

Notes of the verification of notes receivable

**5. Accounts Receivable****(1) Listed by Category**

Unit: RMB

| Category  | Ending balance   |            |                    |                       |                | Beginning balance |            |                    |                       |                |
|---|------------------|------------|--------------------|-----------------------|----------------|-------------------|------------|--------------------|-----------------------|----------------|
|   | Carrying balance |            | Bad debt provision |                       | Carrying value | Carrying balance  |            | Bad debt provision |                       | Carrying value |
|   | Amount           | Proportion | Amount             | Withdrawal proportion |                | Amount            | Proportion | Amount             | Withdrawal proportion |                |
| Accounts receivable withdrawal of Bad debt provision separately accrued | 109,656,349.63   | 27.39%     | 108,090,851.66     | 98.57%                | 1,565,497.97   | 105,273,564.00    | 34.37%     | 105,273,564.00     | 100.00%               | 0.00           |
| Of which:   |                  |            |                    |                       |                |                   |            |                    |                       |                |
| Accounts receivable withdrawal of bad debt provision of by group        | 290,641,842.05   | 72.61%     | 20,677,811.38      | 7.11%                 | 269,964,030.67 | 201,040,006.98    | 65.63%     | 13,342,375.51      | 6.64%                 | 187,697,631.47 |
| Of which:   |                  |            |                    |                       |                |                   |            |                    |                       |                |
| Total   | 400,298,191.68   |            | 128,768,663.04     |                       | 271,529,528.64 | 306,313,570.98    |            | 118,615,939.51     |                       | 187,697,631.47 |

Bad debt provision separately accrued: RMB108,090,851.66

Unit: RMB

| Name                         | Ending balance   |                    |                       |                                       |
|------------------------------|------------------|--------------------|-----------------------|---------------------------------------|
|                              | Carrying balance | Bad debt provision | Withdrawal proportion | Withdrawal reason                     |
| Shenzhen Jiyong Properties & | 93,811,328.05    | 93,811,328.05      | 100.00%               | Involved in lawsuit and unrecoverable |

|  |                       |                       |           |                                 |
|--|-----------------------|-----------------------|-----------|---------------------------------|
| Resources Development Company  |                       |                       |           |                                 |
| Shenzhen Tewe Industry Co., Ltd.   | 2,836,561.00          | 2,836,561.00          | 100.00%   | Uncollectible for a long period |
| Lunan Industry Corporation   | 2,818,284.84          | 2,818,284.84          | 100.00%   | Uncollectible for a long period |
| Shenzhen Hampoo Science & Technology Co., Ltd.   | 1,436,020.29          | 1,433,070.29          | 99.79%    | Expected to be unrecoverable    |
| Those with insignificant single amount for which bad debt provision separately accrued | 8,754,155.45          | 7,191,607.48          | 82.15%    | Uncollectible for a long period |
| <b>Total</b>   | <b>109,656,349.63</b> | <b>108,090,851.66</b> | <b>--</b> | <b>--</b>                       |

Bad debt provision separately accrued:

Unit: RMB

| Name | Ending balance   |                    |                       |                   |
|------|------------------|--------------------|-----------------------|-------------------|
|      | Carrying balance | Bad debt provision | Withdrawal proportion | Withdrawal reason |

Withdrawal of bad debt provision by group:

Unit: RMB

| Name   | Ending balance        |                      |                       |
|--|-----------------------|----------------------|-----------------------|
|  | Carrying balance      | Bad debt provision   | Withdrawal proportion |
| Portfolio of credit risk features                    | 168,201,366.61        | 16,970,722.20        | 10.09%                |
| Portfolio of transactions with other related parties | 122,440,475.44        | 3,707,089.18         | 3.03%                 |
| <b>Total</b>   | <b>290,641,842.05</b> | <b>20,677,811.38</b> | <b>--</b>             |

Notes to the determination basis for the group:

Withdrawal of bad debt provision by group:

Unit: RMB

| Name | Ending balance   |                    |                       |
|------|------------------|--------------------|-----------------------|
|      | Carrying balance | Bad debt provision | Withdrawal proportion |

Notes to the determination basis for the group:

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

Applicable  Not applicable

Disclosure by aging

Unit: RMB

| Aging                            | Carrying balance |
|----------------------------------|------------------|
| Within 1 year (including 1 year) | 256,710,208.52   |
| 1 to 2 years                     | 19,025,427.30    |
| 2 to 3 years                     | 8,644,661.51     |
| Over 3 years                     | 115,917,894.35   |
| 3 to 4 years                     | 4,765,890.79     |
| 4 to 5 years                     | 2,797,132.28     |
| Over 5 years                     | 108,354,871.28   |
| Total                            | 400,298,191.68   |

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

Withdrawal of bad debt provision:

Unit: RMB

| Category                                  | Beginning balance | Changes in the Reporting Period |                      |              |            | Ending balance |
|---|-------------------|---------------------------------|----------------------|--------------|------------|----------------|
|   |                   | Withdrawal                      | Reversal or recovery | Verification | Others     |                |
| Bad debt provision withdrawn separately   | 105,273,564.00    | 2,600,912.66                    |                      |              | 216,375.00 | 108,090,851.66 |
| Bad debt provision withdrawn by portfolio | 13,342,375.51     | 7,347,996.55                    | 12,560.68            |              |            | 20,677,811.38  |
| Total                                     | 118,615,939.51    | 9,948,909.21                    | 12,560.68            |              | 216,375.00 | 128,768,663.04 |

Of which significant amount of reversed or recovered bad debt provision:

Unit: RMB

| Name of entity | Amount reversed or recovered | Way of recovery |
|----------------|------------------------------|-----------------|
|                |                              |                 |

**(3) Accounts Receivable Written-off in Current Period**

Unit: RMB

| Item | Amount verified |
|------|-----------------|
|      |                 |

Of which the verification of significant accounts receivable:

Unit: RMB

| Name of entity | Nature | Amount verified | Reason for verification | Verification procedures performed | Whether occurred because of related-party transactions |
|----------------|--------|-----------------|-------------------------|-----------------------------------|--|
|----------------|--------|-----------------|-------------------------|-----------------------------------|--|

Notes to verification of accounts receivable:

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

Unit: RMB

| Name of entity   | Ending balance | Proportion to total ending balance of accounts receivable | Ending balance of bad debt provision |
|--|----------------|---|--------------------------------------|
| Shenzhen Bay Technology Development Co., Ltd.              | 107,564,389.39 | 26.87%  | 3,226,931.68                         |
| Shenzhen Jiyong Properties & Resources Development Company | 93,811,328.05  | 23.44%  | 93,811,328.05                        |
| Shenzhen Toutiao Technology Co., Ltd.                      | 13,990,629.35  | 3.50%   | 419,718.88                           |
| Jinan Xiantou Industrial Development Co., Ltd.             | 5,926,772.12   | 1.48%   | 177,803.16                           |
| Alibaba Cloud Computing Co., Ltd.                          | 4,948,006.61   | 1.24%   | 148,440.20                           |
| Total  | 226,241,125.52 | 56.53%  |                                      |

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

Other notes:

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

### 6. Accounts Receivable Financing

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

The changes of accounts receivable financing in the Reporting Period and the changes in fair value

Applicable  Not applicable

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

Applicable  Not applicable

Other notes:

## 7. Prepayment

### (1) Prepayment Listed by Aging Analysis

Unit: RMB

| Aging         | Ending balance |            | Beginning balance |            |
|---------------|----------------|------------|-------------------|------------|
|               | Amount         | Proportion | Amount            | Proportion |
| Within 1 year | 24,536,766.11  | 34.32      | 28,553,066.87     | 55.83%     |
| 1 to 2 years  | 25,907,661.19  | 36.24      | 1,208,311.68      | 2.36%      |
| 2 to 3 years  | 499,638.55     | 0.70       | 769,153.00        | 1.50%      |
| Over 3 years  | 19,953,402.48  | 28.74      | 20,012,891.30     | 40.31%     |
| Total         | 70,897,468.33  | --         | 50,543,422.85     | --         |

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

### (2) Top 5 Prepayment in Ending Balance Collected according to the Prepayment Target

| Name of entity  | Carrying balance | As % of the total ending balance of the prepayments (%) |
|---|------------------|---|
| Shenzhen Qianhai Advanced Information Service Co., Ltd.   | 40,050,000.00    | 56.02   |
| Financial Committee of Shenzhen                           | 19,509,471.00    | 27.29   |
| Guangzhou OTIS Elevator Company Ltd.                      | 2,814,920.35     | 3.94  |
| Chongqing Yudi Assets Management Co., Ltd.                | 1,842,000.00     | 2.58  |
| Beijing Jingdong Century Information Technology Co., Ltd. | 1,568,091.11     | 2.19  |
| Total   | 65,784,482.46    | 92.02   |

Other notes:

## 8. Other Receivables

Unit: RMB

| Item              | Ending balance | Beginning balance |
|-------------------|----------------|-------------------|
| Other Receivables | 826,857,046.54 | 789,050,350.51    |
| Total             | 826,857,046.54 | 789,050,350.51    |

### (1) Interest Receivable

#### 1) Category of Interest Receivable

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

## 2) Significant Overdue Interest

Unit: RMB

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

Other notes:

## 3) Information of Withdrawal of Bad Debt Provision

 Applicable  Not applicable

### (2) Dividend Receivable

#### 1) Dividend receivable classification

Unit: RMB

| Project (or investee) | Ending balance | Beginning balance |
|-----------------------|----------------|-------------------|
|-----------------------|----------------|-------------------|

### 2) Significant Dividends Receivable Aging over 1 Year

Unit: RMB

| Project (or investee) | Ending balance | Aging | Reason | Whether occurred impairment and its judgment basis |
|-----------------------|----------------|-------|--------|--|
|-----------------------|----------------|-------|--------|--|

## 3) Information of Withdrawal of Bad Debt Provision

 Applicable  Not applicable

Other notes:

### (3) Other Receivables

#### 1) Other Receivables Classified by Account Nature

Unit: RMB

| Nature           | Closing book balance | Beginning carrying amount |
|------------------|----------------------|---------------------------|
| Security Deposit | 14,994,149.35        | 10,259,805.89             |
| Margin           | 43,346,482.90        | 45,948,194.30             |
| Reserve fund     | 205,540.61           | 595,148.50                |

|                   |                       |                       |
|-------------------|-----------------------|-----------------------|
| Payment on behalf | 8,661,906.02          | 8,381,989.28          |
| Intercourse funds | 818,090,743.65        | 763,481,109.87        |
| Others            | 13,851,782.74         | 13,537,736.74         |
| <b>Total</b>      | <b>899,150,605.27</b> | <b>842,203,984.58</b> |

## 2) Withdrawal of Bad Debt Provision

Unit: RMB

| Bad debt provision                              | Stage 1                                    | Stage 2  | Stage 3   | Total         |
|---|--|--|---|---------------|
|   | Expected credit loss of the next 12 months | Expected loss in the duration (credit impairment not occurred) | Expected credit losses for the entire duration (with credit impairment) |               |
| Balance as at 1 January 2021                    | 25,178,102.14                              |  | 27,975,531.93   | 53,153,634.07 |
| Balance of 1 January 2021 in the Current Period | —  | —  | —   | —             |
| Withdrawal of the Current Period                | 17,634,708.62                              |  | 1,505,275.37  | 19,139,983.99 |
| Reversal of the Reporting Period                | 59.33                                      |  |   | 59.33         |
| Balance as at 31 December 2021                  | 42,812,751.43                              |  | 29,480,807.30   | 72,293,558.73 |

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

 Applicable  Not applicable

Disclosure by aging

Unit: RMB

| Aging                            | Carrying balance      |
|----------------------------------|-----------------------|
| Within 1 year (including 1 year) | 476,809,999.59        |
| 1 to 2 years                     | 348,914,837.82        |
| 2 to 3 years                     | 14,696,645.67         |
| Over 3 years                     | 58,729,122.19         |
| 3 to 4 years                     | 3,104,460.54          |
| 4 to 5 years                     | 2,120,642.08          |
| Over 5 years                     | 53,504,019.57         |
| <b>Total</b>                     | <b>899,150,605.27</b> |

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

Withdrawal of bad debt provision:

Unit: RMB

| Category                                  | Beginning balance    | Changes in the Reporting Period |                      |              |        | Ending balance       |
|---|----------------------|---------------------------------|----------------------|--------------|--------|----------------------|
|   |                      | Withdrawal                      | Reversal or recovery | Verification | Others |                      |
| Bad debt provision withdrawn separately   | 27,975,531.93        | 1,505,275.37                    |                      |              |        | 29,480,807.30        |
| Bad debt provision withdrawn by portfolio | 25,178,102.14        | 17,634,708.62                   | 59.33                |              |        | 42,812,751.43        |
| <b>Total</b>                              | <b>53,153,634.07</b> | <b>19,139,983.99</b>            | <b>59.33</b>         |              |        | <b>72,293,558.73</b> |

Other receivables withdrawal of bad debt provision by group

| Portfolio name                    | Ending balance       |                      |                           |
|-----------------------------------|----------------------|----------------------|---------------------------|
|                                   | Carrying balance     | Bad debt provision   | Withdrawal proportion (%) |
| Portfolio of credit risk features | 83,820,294.49        | 26,116,966.71        | 31.16                     |
| <b>Total</b>                      | <b>83,820,294.49</b> | <b>26,116,966.71</b> | <b>31.16</b>              |

Note: The Company's subsidiary Shenzhen Rongyao Real Estate Development Co., Ltd. has receivable amounts of RMB401,500,000 and RMB355,026,200 from related parties Shenzhen Xinhai Holding Co., Ltd. and Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd. respectively. Considering the recoverability in a prudent manner, the current management accrued the bad debt provision accounting for 3% of the relevant debts after deducting the future repayment, which was reviewed and approved by the 8th meeting of the 10th Board of Directors of the Company on March 29, 2022.

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

Unit: RMB

| Name of entity | Amount reversed or recovered | Way of recovery |
|----------------|------------------------------|-----------------|
|                |                              |                 |

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

Unit: RMB

| Item | Amount verified |
|------|-----------------|
|      |                 |

Of which the verification of significant other receivables:

Unit: RMB

| Name of entity | Nature | Amount verified | Reason for verification | Verification procedures performed | Whether occurred because of related-party transactions |
|----------------|--------|-----------------|-------------------------|-----------------------------------|--|
|                |        |                 |                         |                                   |  |

Notes to the verification of other receivables:

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

Unit: RMB

| Name of entity   | Nature            | Ending balance | Aging                         | Proportion to ending balance of total other receivables% | Ending balance of bad debt provision |
|--|-------------------|----------------|-------------------------------|--|--------------------------------------|
| Shenzhen Xinhai Holding Co., Ltd. and the related party<br>Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd. | Intercourse funds | 756,526,157.01 | 1 to 2 years                  | 84.14%   | 16,695,784.72                        |
| Shenzhen Bangling Stock Cooperative Company  | Intercourse funds | 30,000,000.00  | 1 to 2 years                  | 3.34%  | 3,000,000.00                         |
| Shenzhen Bay Technology Development Co., Ltd.  | Intercourse funds | 11,809,060.35  | Within 1 year<br>1 to 2 years | 1.31%  | 419,496.75                           |
| Affordable Housing Development Center of Tongshan District in Xu Zhou  | Intercourse funds | 11,145,688.46  | Within 1 year                 | 1.24%  |                                      |
| Total  | --                | 809,480,905.82 | --                            | 90.02%   | 20,115,281.47                        |

**6) Accounts Receivable Involving Government Subsidies**

Unit: RMB

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

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

Other notes:

**9. Inventories**

Whether the Company needs to comply with the disclosure requirements for the real estate industry

Yes

**(1) Category of Inventory**

The Company shall comply with the disclosure requirements for the real estate industry in the *Self-regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

Classification by nature:

Unit: RMB

| Item                  | Ending balance   |   |                  | Beginning balance |   |                  |
|-----------------------|------------------|---|------------------|-------------------|---|------------------|
|                       | Carrying balance | Depreciation reserves of inventories or impairment provision for contract performance costs | Carrying value   | Carrying balance  | Depreciation reserves of inventories or impairment provision for contract performance costs | Carrying value   |
| R&D expenses          | 8,720,133,125.46 | 6,648,404.13  | 8,713,484,721.33 | 4,867,562,388.16  | 6,648,404.13  | 4,860,913,984.03 |
| Developing properties | 409,687,436.41   |   | 409,687,436.41   | 450,832,522.28    |   | 450,832,522.28   |
| Raw materials         | 1,147,911.90     | 512,182.07  | 635,729.83       | 1,169,494.26      | 535,302.89  | 634,191.37       |
| Low-value consumables | 50,088.44        |   | 50,088.44        | 61,146.54         |   | 61,146.54        |
| Products on hand      | 2,162,340.53     | 2,094,300.39  | 68,040.14        | 2,141,714.37      | 2,094,300.39  | 47,413.98        |
| Total                 | 9,133,180,902.74 | 9,254,886.59  | 9,123,926,016.15 | 5,321,767,265.61  | 9,278,007.41  | 5,312,489,258.20 |

Disclose main items of "R&amp;D expenses" and interest capitalization in the following format:

Unit: RMB

| Project                  | Time for commencement | Estimated date of completion | Estimated total investment | Beginning balance | Transferred to developing properties for this period | Other decreased amount | Increase (R&D expenses) for this period | Ending balance   | Accumulated amount of interest capitalization | Of which: amount of capitalized interests for the Reporting Period | Source of fund |
|--------------------------|-----------------------|------------------------------|----------------------------|-------------------|--|------------------------|---|------------------|---|--|----------------|
| Guanlan Bangling project | 7 January 2021        | 31 December 2025             | 6,941,500,000.             | 3,570,499,129.09  |  |                        | 234,813,073.26                          | 3,805,312,202.35 | 114,870,683.43                                | 114,870,683.43   | Bank loans     |

|  |                     |                        |                  |                |                |  |                  |                  |  |  |        |
|--|---------------------|------------------------|------------------|----------------|----------------|--|------------------|------------------|--|--|--------|
| SZPRD<br>-Banshan<br>Yujing<br>Phase<br>II               | 15<br>March<br>2019 | 31<br>January<br>2022  | 235,810,000.00   | 168,815,335.19 |                |  | 27,382,190.74    | 196,197,525.93   |  |  | Others |
| SZPRD<br>-Golden<br>Collar's<br>Resort-<br>Building<br>A | 1<br>March<br>2014  | 31<br>December<br>2021 | 1,400,270,000.00 | 245,596,393.07 | 378,763,568.48 |  | 133,167,175.41   |                  |  |  | Others |
| SZPRD<br>-Fuchang<br>Garden<br>Phase<br>II               | 30 June<br>2018     | 30 June<br>2023        | 911,330,000.00   | 608,580,860.21 |                |  | 68,787,211.89    | 677,368,072.10   |  |  | Others |
| Yupinlu<br>anshan<br>Garden                              |                     |                        |                  | 226,613,926.24 |                |  | 5,416,820.38     | 232,030,746.62   |  |  | Others |
| Hainan<br>Qionghai<br>Land                               |                     |                        |                  | 6,648,404.13   |                |  |                  | 6,648,404.13     |  |  | Others |
| Shenhu<br>i<br>Garden                                    |                     |                        |                  | 37,002,030.89  |                |  |                  | 37,002,030.89    |  |  | Others |
| Fuyuan<br>tai<br>Project                                 |                     |                        |                  | 1,143,184.20   |                |  | 7,983,904.91     | 9,127,089.11     |  |  | Others |
| Guang<br>mingyu<br>tang<br>Project                       |                     |                        |                  |                |                |  | 1,621,000,000.00 | 1,621,000,000.00 |  |  | Others |
| Land<br>2021W<br>R023,<br>Humen<br>Town                  |                     |                        |                  |                |                |  | 2,133,826,142.11 | 2,133,826,142.11 |  |  | Others |

|        |    |    |                  |                  |                |              |                  |                  |                |                |        |
|--------|----|----|------------------|------------------|----------------|--------------|------------------|------------------|----------------|----------------|--------|
| Others |    |    |                  | 2,663,125.14     |                | 1,042,212.92 |                  | 1,620,912.22     |                |                | Others |
| Total  | -- | -- | 9,488,910,000.00 | 4,867,562,388.16 | 378,763,568.48 | 1,042,212.92 | 4,232,376,518.70 | 8,720,133,125.46 | 114,870,683.43 | 114,870,683.43 | --     |

Disclose main items of “Developing properties” in the following format:

Unit: RMB

| Project                          | Time of completion | Beginning balance | Increase       | Decrease       | Ending balance | Accumulated amount of interest capitalization | Of which: amount of capitalized interests for the Reporting Period |
|----------------------------------|--------------------|-------------------|----------------|----------------|----------------|---|--|
| SZPRD-Langqiao International     | 1 December 2012    | 3,384,362.24      | 62,954.51      |                | 3,447,316.75   | 83,077,702.96                                 |  |
| SZPRD-Hupan Yujing Phase I       | 1 June 2015        | 58,947,050.77     | 45,548.29      | 1,635,961.40   | 57,356,637.66  |   |  |
| SZPRD-Banshan Yujing Phase I     |                    | 18,784,966.55     |                | 18,784,966.55  |                | 10,446,911.43                                 |  |
| SZPRD-Songhu Langyuan            |                    | 25,150,175.95     |                | 644,540.04     | 24,505,635.91  | 27,205,315.95                                 |  |
| SZPRD-Hupan Yujing Phase II      |                    | 80,210,044.87     | 124,997.90     | 35,028,840.17  | 45,306,202.60  | 30,539,392.65                                 |  |
| SZPRD-Golden Collar's Resort     |                    | 254,824,025.85    | 392,622,578.69 | 377,201,145.41 | 270,245,459.13 |   |  |
| International Trade Center Plaza |                    | 4,839,083.10      |                |                | 4,839,083.10   | 26,385,636.29                                 |  |
| Huangyu                          |                    | 790,140.58        |                |                | 790,140.58     |   |  |

|                                     |           |                       |                       |                       |                       |                       |  |
|-------------------------------------|-----------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| yuan A Area                         |           |                       |                       |                       |                       |                       |  |
| Podium Building of Fuchang Building |           | 645,532.65            |                       |                       | 645,532.65            |                       |  |
| Other items                         |           | 3,257,139.72          | 310,557.21            | 1,016,268.90          | 2,551,428.03          |                       |  |
| <b>Total</b>                        | <b>--</b> | <b>450,832,522.28</b> | <b>393,166,636.60</b> | <b>434,311,722.47</b> | <b>409,687,436.41</b> | <b>177,654,959.28</b> |  |

Classification of “Developing properties with the collection of payments in installments”, “Renting developing properties” and “Temporary Housing”:

Unit: RMB

| Project | Beginning balance | Increase | Decrease | Ending balance |
|---------|-------------------|----------|----------|----------------|
|---------|-------------------|----------|----------|----------------|

## (2) Falling Price Reserves of Inventory and Impairment Provision for Contract Performance Costs

Disclosure of falling provision withdrawal of inventory in the following format:

Classification by nature:

Unit: RMB

| Item             | Beginning balance   | Increased amount  |        | Decrease              |        | Ending balance      | Remarks   |
|------------------|---------------------|-------------------|--------|-----------------------|--------|---------------------|-----------|
|                  |                     | Withdrawal        | Others | Reversal or write-off | Others |                     |           |
| R&D expenses     | 6,648,404.13        |                   |        |                       |        | 6,648,404.13        |           |
| Raw materials    | 535,302.89          | -23,120.82        |        |                       |        | 512,182.07          |           |
| Products on hand | 2,094,300.39        |                   |        |                       |        | 2,094,300.39        |           |
| <b>Total</b>     | <b>9,278,007.41</b> | <b>-23,120.82</b> |        |                       |        | <b>9,254,886.59</b> | <b>--</b> |

Classified by main items:

Unit: RMB

| Project         | Beginning balance | Increased amount |        | Decrease              |        | Ending balance | Remarks |
|-----------------|-------------------|------------------|--------|-----------------------|--------|----------------|---------|
|                 |                   | Withdrawal       | Others | Reversal or write-off | Others |                |         |
| Hainan Qiongsan | 6,648,404.13      |                  |        |                       |        | 6,648,404.13   |         |

|       |              |  |  |  |  |              |    |
|-------|--------------|--|--|--|--|--------------|----|
| Land  |              |  |  |  |  |              |    |
| Total | 6,648,404.13 |  |  |  |  | 6,648,404.13 | -- |

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

The ending balance of inventories including capitalized borrowing expense is detailed as follows:

| Project                      | Period-begin  | Reporting Period | Carry-over in Reporting Period | Period-end     |
|------------------------------|---------------|------------------|--------------------------------|----------------|
| SZPRD-Guanlan Bangling       |               | 114,870,683.43   |                                | 114,870,683.43 |
| SZPRD-Langqiao International | 2,971,986.54  |                  |                                | 2,971,986.54   |
| SZPRD-Hupan Yujing Phase I   | 1,422,628.90  |                  | 130,159.50                     | 1,292,469.40   |
| SZPRD-Golden Collar's Resort | 12,740,265.51 |                  | 11,624,409.11                  | 1,115,856.40   |
| Total                        | 17,134,880.95 | 114,870,683.43   | 11,754,568.61                  | 120,250,995.77 |

### (4) Inventory Restrictions

Disclosing restricted inventory by project:

Unit: RMB

| Project | Beginning balance | Ending balance | Reason for restriction |
|---------|-------------------|----------------|------------------------|
|         |                   |                |                        |

## 10. Contract Assets

Unit: RMB

| Item | Ending balance   |                      |                | Beginning balance |                      |                |
|------|------------------|----------------------|----------------|-------------------|----------------------|----------------|
|      | Carrying balance | Impairment provision | Carrying value | Carrying balance  | Impairment provision | Carrying value |
|      |                  |                      |                |                   |                      |                |

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

Unit: RMB

| Item | Change in amount | Reason |
|------|------------------|--------|
|      |                  |        |

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

Applicable  Not applicable

Withdrawal of impairment provision for contract assets in the Reporting Period

Unit: RMB

| Item | Withdrawal of the Current Period | Reversal of the Reporting Period | Write-off/verified | Reason |
|------|----------------------------------|----------------------------------|--------------------|--------|
|      |                                  |                                  |                    |        |

Other notes:

**11. Held-for-sale Assets**

Unit: RMB

| Item | Closing book balance | Impairment provision | Ending carrying value | Fair value | Estimated disposal expense | Estimated disposal time |
|------|----------------------|----------------------|-----------------------|------------|----------------------------|-------------------------|
|      |                      |                      |                       |            |                            |                         |

Other notes:

**12. Current Portion of Non-current Assets**

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|      |                |                   |

Significant investments in debt obligations /other investments in debt obligations

Unit: RMB

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

Other notes:

**13. Other Current Assets**

Unit: RMB

| Item  | Ending balance       | Beginning balance    |
|---|----------------------|----------------------|
| Prepaid VAT                                       | 13,429,805.73        | 7,467,152.90         |
| Deducted input tax                                | 7,108,708.02         | 11,705,028.57        |
| Prepaid income tax                                | 84,364.36            |                      |
| Prepaid land VAT                                  | 30,741,415.30        | 28,960,506.43        |
| Prepaid urban construction tax                    | 1,423,246.18         | 501,245.53           |
| Prepaid education surcharge                       | 1,016,604.40         | 358,032.49           |
| Immediate rebate of receivable software sales VAT | 358,306.69           |                      |
| <b>Total</b>                                      | <b>54,162,450.68</b> | <b>48,991,965.92</b> |

Other notes:

**14. Investments in Debt Obligations**

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|      |                |                   |

|  | Carrying balance | Impairment provision | Carrying value | Carrying balance | Impairment provision | Carrying value |
|--|------------------|----------------------|----------------|------------------|----------------------|----------------|
|--|------------------|----------------------|----------------|------------------|----------------------|----------------|

Significant investments in debt obligations

Unit: RMB

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

Withdrawal of impairment provision

Unit: RMB

| Bad debt provision                              | Stage 1                                    | Stage 2  | Stage 3   | Total |
|---|--|--|---|-------|
|   | Expected credit loss of the next 12 months | Expected loss in the duration (credit impairment not occurred) | Expected credit losses for the entire duration (with credit impairment) |       |
| Balance of 1 January 2021 in the Current Period | --   | --   | --  | --    |

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

 Applicable  Not applicable

Other notes:

**15. Other Investments in Debt Obligations**

Unit: RMB

| Item | Beginning balance | Accrued interest | Change in fair value in the Reporting Period | Ending balance | Cost | Accumulated changes in fair value | Accumulated provision for losses recognized in other comprehensive income | Remarks |
|------|-------------------|------------------|--|----------------|------|-----------------------------------|---|---------|
|------|-------------------|------------------|--|----------------|------|-----------------------------------|---|---------|

Significant other investments in debt obligations

Unit: RMB

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

Withdrawal of impairment provision

Unit: RMB

| Bad debt provision                              | Stage 1                                    | Stage 2  | Stage 3   | Total |
|---|--|--|---|-------|
|   | Expected credit loss of the next 12 months | Expected loss in the duration (credit impairment not occurred) | Expected credit losses for the entire duration (with credit impairment) |       |
| Balance of 1 January 2021 in the Current Period | —  | —  | —   | —     |

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

 Applicable  Not applicable

Other notes:

**16. Long-term Receivables****(1) List of Long-term Receivables**

Unit: RMB

| Item                                  | Ending balance   |                    |                | Beginning balance |                    |                | Interval of discount rate |
|---------------------------------------|------------------|--------------------|----------------|-------------------|--------------------|----------------|---------------------------|
|                                       | Carrying balance | Bad debt provision | Carrying value | Carrying balance  | Bad debt provision | Carrying value |                           |
| Financing lease accounts              | 23,831,889.11    |                    | 23,831,889.11  |                   |                    |                |                           |
| Of which: unrealized financing income | 16,430,753.09    |                    | 16,430,753.09  |                   |                    |                |                           |
| Total                                 | 23,831,889.11    |                    | 23,831,889.11  |                   |                    |                | --                        |

Impairment of bad debt provision

Unit: RMB

| Bad debt provision                              | Stage 1                                    | Stage 2  | Stage 3   | Total |
|---|--|--|---|-------|
|   | Expected credit loss of the next 12 months | Expected loss in the duration (credit impairment not occurred) | Expected credit losses for the entire duration (with credit impairment) |       |
| Balance of 1 January 2021 in the Current Period | —  | —  | —   | —     |

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

 Applicable  Not applicable

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

Other notes:

**17. Long-term Equity Investment**

Unit: RMB

| Investee   | Beginning balance (carrying value) | Increase/decrease     |                    |   |  |                      |  |                                    |        | Ending balance (carrying value) | Ending balance of depreciation reserve |
|--|------------------------------------|-----------------------|--------------------|---|--|----------------------|--|------------------------------------|--------|---------------------------------|--|
|  |                                    | Additional investment | Investment reduced | Gains and losses recognized under the equity method | Adjustment of other comprehensive income | Other equity changes | Cash bonus or profits announced to issue | Withdrawal of impairment provision | Others |                                 |  |
| <b>I. Joint ventures</b>   |                                    |                       |                    |   |  |                      |  |                                    |        |                                 |  |
| Shenzhen Real Estate Jifa Warehousing Co., Ltd.                                  | 39,053,923.92                      |                       |                    | 4,462,741.20  |  |                      |  |                                    |        | 43,516,665.12                   |  |
| Shenzhen Tian'an International Mansion Property Administration Co., Ltd. (Tian'a | 6,656,296.87                       |                       |                    | 187,719.38  |  |                      |  |                                    |        | 6,844,016.25                    |  |

|  |                   |  |  |                  |  |  |  |  |  |                   |                   |
|--|-------------------|--|--|------------------|--|--|--|--|--|-------------------|-------------------|
| n<br>Compa<br>ny)  |                   |  |  |                  |  |  |  |  |  |                   |                   |
| Subtotal   | 45,710,<br>220.79 |  |  | 4,650,4<br>60.58 |  |  |  |  |  | 50,360,<br>681.37 |                   |
| II. Associated enterprises   |                   |  |  |                  |  |  |  |  |  |                   |                   |
| Shenzh<br>en<br>Wufang<br>Cerami<br>cs<br>Industri<br>al Co.,<br>Ltd.                  | 18,983,<br>614.14 |  |  |                  |  |  |  |  |  | 18,983,<br>614.14 | 18,983,<br>614.14 |
| Shenzh<br>en<br>Kangfu<br>Health<br>Product<br>s Co.,<br>Ltd.                          | 165,000<br>.00    |  |  |                  |  |  |  |  |  | 165,00<br>0.00    | 165,00<br>0.00    |
| Shenzh<br>en<br>Xingha<br>o<br>Imitatio<br>n<br>Porcela<br>in Co.,<br>Ltd.             | 756,670<br>.68    |  |  |                  |  |  |  |  |  | 756,67<br>0.68    | 756,67<br>0.68    |
| Shenzh<br>en<br>Social<br>Welfare<br>Compa<br>ny<br>Fuda<br>Electro<br>nics<br>Factory | 326,693<br>.24    |  |  |                  |  |  |  |  |  | 326,69<br>3.24    | 326,69<br>3.24    |
| Shenzh<br>en   | 1,684,3<br>50.00  |  |  |                  |  |  |  |  |  | 1,684,3<br>50.00  | 1,684,3<br>50.00  |

|  |                  |  |  |  |  |  |  |  |  |                  |                  |
|--|------------------|--|--|--|--|--|--|--|--|------------------|------------------|
| Fulong<br>Industr<br>y<br>Develo<br>pment<br>Co.,<br>Ltd.  |                  |  |  |  |  |  |  |  |  |                  |                  |
| Haonia<br>nhua<br>Hotel  | 2,733,5<br>70.05 |  |  |  |  |  |  |  |  | 2,733,5<br>70.05 | 2,733,5<br>70.05 |
| Shenzh<br>en<br>Educati<br>on<br>Fund<br>Longhu<br>a<br>Invest<br>ment                             | 500,000<br>.00   |  |  |  |  |  |  |  |  | 500,00<br>0.00   | 500,00<br>0.00   |
| Shenzh<br>en<br>Kangle<br>Sports<br>Club<br>Huangf<br>a<br>Branch                                  | 540,060<br>.00   |  |  |  |  |  |  |  |  | 540,06<br>0.00   | 540,06<br>0.00   |
| Danken<br>g<br>Village<br>Plants<br>of<br>Fumin<br>in<br>Guanla<br>n<br>Town,<br>Shenzh<br>en City | 1,168,9<br>73.20 |  |  |  |  |  |  |  |  | 1,168,9<br>73.20 | 1,168,9<br>73.20 |
| Shenzh<br>en Bull<br>Entertai<br>nment   | 500,000<br>.00   |  |  |  |  |  |  |  |  | 500,00<br>0.00   | 500,00<br>0.00   |

|  |                  |  |  |  |  |  |  |  |  |                  |                  |
|--|------------------|--|--|--|--|--|--|--|--|------------------|------------------|
| Co.,<br>Ltd.   |                  |  |  |  |  |  |  |  |  |                  |                  |
| Shenzh<br>en<br>Lianhu<br>a<br>Caitian<br>Propert<br>y<br>Manag<br>ement<br>Co.,<br>Ltd. | 1,475,4<br>65.91 |  |  |  |  |  |  |  |  | 1,475,4<br>65.91 | 1,475,4<br>65.91 |
| Shenzh<br>en<br>Yangyu<br>an<br>Industri<br>al Co.,<br>Ltd.                              | 1,030,0<br>00.00 |  |  |  |  |  |  |  |  | 1,030,0<br>00.00 | 1,030,0<br>00.00 |
| Jiakaife<br>ng Co.,<br>Ltd.<br>Bao'an<br>Compa<br>ny                                     | 600,000<br>.00   |  |  |  |  |  |  |  |  | 600,00<br>0.00   | 600,00<br>0.00   |
| Guiyua<br>n<br>Garage  | 350,000<br>.00   |  |  |  |  |  |  |  |  | 350,00<br>0.00   | 350,00<br>0.00   |
| Shenzh<br>en<br>Wuwei<br>ben<br>Roof<br>Greeni<br>ng Co.,<br>Ltd.                        | 500,000<br>.00   |  |  |  |  |  |  |  |  | 500,00<br>0.00   | 500,00<br>0.00   |
| Shenzh<br>enYuan<br>ping<br>Plastic<br>Steel   | 240,000<br>.00   |  |  |  |  |  |  |  |  | 240,00<br>0.00   | 240,00<br>0.00   |

|   |               |  |  |              |  |  |  |  |  |               |               |
|---|---------------|--|--|--------------|--|--|--|--|--|---------------|---------------|
| Doors Co., Ltd.                                   |               |  |  |              |  |  |  |  |  |               |               |
| Shenzhen Youfang Printing Co., Ltd.               | 100,000.00    |  |  |              |  |  |  |  |  | 100,000.00    | 100,000.00    |
| Shenzhen Lusheng Industrial Development Co., Ltd. | 100,000.00    |  |  |              |  |  |  |  |  | 100,000.00    | 100,000.00    |
| Subtotal  | 31,754,397.22 |  |  |              |  |  |  |  |  | 31,754,397.22 | 31,754,397.22 |
| Total   | 77,464,618.01 |  |  | 4,650,460.58 |  |  |  |  |  | 82,115,078.59 | 31,754,397.22 |

Other notes:

## 18. Other Equity Instrument Investment

Unit: RMB

| Item                               | Ending balance | Beginning balance |
|------------------------------------|----------------|-------------------|
| Gintian Industry (Group) Co., Ltd. | 1,002,551.95   | 1,044,905.12      |
| Total                              | 1,002,551.95   | 1,044,905.12      |

Non-trading equity instrument investment in the Reporting Period disclosed by items

Unit: RMB

| Project | Dividend income recognized | Accumulative gains | Accumulative losses | Amount of other comprehensive income transferred to retained earnings | Reason for assigning to measure in fair value of which changes included other comprehensive | Reason for other comprehensive income transferred to retained earnings |
|---------|----------------------------|--------------------|---------------------|---|---|--|
|         |                            |                    |                     |   |   |  |

|                                    |  |  |              |  | income  |  |
|------------------------------------|--|--|--------------|--|---|--|
| Gintian Industry (Group) Co., Ltd. |  |  | 2,587,804.36 |  | Not aiming at gaining earnings by selling equity in the near term |  |

Other notes:

## 19. Other Non-current Financial Assets

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

Other notes:

## 20. Investment Property

### (1) Investment Property Adopted the Cost Measurement Mode

Applicable  Not applicable

Unit: RMB

| Item  | Houses and buildings | Land use right | Construction in progress | Total          |
|---|----------------------|----------------|--------------------------|----------------|
| I. Original carrying value  |                      |                |                          |                |
| 1. Beginning balance  | 806,486,705.38       | 30,262,437.05  | 33,319,759.75            | 870,068,902.18 |
| 2. Increased amount of the period                                 | -1,208,306.16        |                | 4,493,892.16             | 3,285,586.00   |
| (1) Outsourcing   |                      |                | 4,493,892.16             | 4,493,892.16   |
| (2) Transfer from inventory/fixed assets/construction in progress | 1,585,405.18         |                |                          | 1,585,405.18   |
| (3) Business combination increase                                 |                      |                |                          |                |
| (4) Others  | -2,793,711.34        |                |                          | -2,793,711.34  |
| 3. Decreased amount of the period                                 | 8,993,359.35         |                |                          | 8,993,359.35   |
| (1) Disposal  | 1,525,917.94         |                |                          | 1,525,917.94   |
| (2) Other transfer  |                      |                |                          |                |

|   |                |               |               |                |
|---|----------------|---------------|---------------|----------------|
| (3) Exchange adjustment                                     | -331,334.04    |               |               | -331,334.04    |
| (4) Others  | 7,136,107.37   |               |               | 7,136,107.37   |
| 4. Ending balance   | 796,285,039.87 | 30,262,437.05 | 37,813,651.91 | 864,361,128.83 |
| II. Accumulative depreciation and accumulative amortization |                |               |               |                |
| 1. Beginning balance  | 362,944,868.15 | 15,342,910.07 | 7,042,617.13  | 385,330,395.35 |
| 2. Increased amount of the period                           | 26,627,612.91  | 527,539.36    | 7,784,673.37  | 34,939,825.64  |
| (1) Withdrawal or amortization                              | 26,214,906.23  | 527,539.36    | 7,784,673.37  | 34,527,118.96  |
| (2) Transferred from self-used assets                       | 412,706.68     |               |               | 412,706.68     |
| 3. Decreased amount of the period                           | 5,562,941.64   |               |               | 5,562,941.64   |
| (1) Disposal  | 50,705.46      |               |               | 50,705.46      |
| (2) Other transfer  | 5,197,468.84   |               |               | 5,197,468.84   |
| (3) Exchange adjustment                                     | -314,767.34    |               |               | -314,767.34    |
| 4. Ending balance   | 384,009,539.42 | 15,870,449.43 | 14,827,290.50 | 414,707,279.35 |
| III. Impairment provision                                   |                |               |               |                |
| 1. Beginning balance  |                |               |               |                |
| 2. Increased amount of the period                           |                |               |               |                |
| (1) Withdrawal  |                |               |               |                |
|   |                |               |               |                |
| 3. Decreased amount of the period                           |                |               |               |                |
| (1) Disposal  |                |               |               |                |
| (2) Other transfer  |                |               |               |                |
|   |                |               |               |                |
| 4. Ending balance   |                |               |               |                |

|                             |                |               |               |                |
|-----------------------------|----------------|---------------|---------------|----------------|
| IV. Carrying value          |                |               |               |                |
| 1. Ending carrying value    | 412,275,500.45 | 14,391,987.62 | 22,986,361.41 | 449,653,849.48 |
| 2. Beginning carrying value | 443,541,837.23 | 14,919,526.98 | 26,277,142.62 | 484,738,506.83 |

## (2) Investment Property Adopted the Fair Value Measurement Mode

Applicable  Not applicable

The Company shall comply with the disclosure requirements for the real estate industry in the *Self-regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

Investment properties measured in fair value by project disclosure:

Unit: RMB

| Project | Location | Time of completion | Floor area | Lease income during this Reporting Period | Beginning fair value | Ending fair value | Range of fair value changes | Reason for fair value changes and report index |
|---------|----------|--------------------|------------|---|----------------------|-------------------|-----------------------------|--|
|         |          |                    |            |   |                      |                   |                             |  |

Whether the Company has new investment properties in construction period measured in fair value

Y  N

Whether the Company has new investment properties measured in fair value

Y  N

## (3) Investment Property Failed to Accomplish Certification of Property

Unit: RMB

| Item  | Carrying value | Reason  |
|---|----------------|---|
| 02-01 plot of Statutory plan in Baolong East Area | 8,724,149.28   | Replaced from the construction of Xiamen-Shenzhen Railway, and hasn't exchanged for the new certification   |
| Meilin land [Note 1]                              |                | Obtained after the success in the last instance in 2017, relevant certifications of property are in the procedure   |
| 507 Unit, Block No. 6, Maguling                   | 25,298.81      | The house is used for property management, once occupied by the third party, a property management company, now has been recovered, but hasn't handled the warrant yet. |
| Total   | 8,749,448.09   |   |

Other notes:

[Note 1] As at 31 December 2021, the original carrying value of Meilin land was RMB3,885,469.40, the accumulated accrued depreciation was RMB3,885,469.40, and the carrying value was RMB0.

**21. Fixed Assets**

Unit: RMB

| Item         | Ending balance | Beginning balance |
|--------------|----------------|-------------------|
| Fixed assets | 108,161,443.02 | 116,233,936.04    |
| Total        | 108,161,443.02 | 116,233,936.04    |

**(1) List of Fixed Assets**

Unit: RMB

| Item                                       | Houses and buildings | Machinery equipment | Transportation vehicle | Decoration of the fixed assets | Other machinery | Total          |
|--|----------------------|---------------------|------------------------|--------------------------------|-----------------|----------------|
| I. Original carrying value                 |                      |                     |                        |                                |                 |                |
| 1. Beginning balance                       | 160,927,555.25       | 4,933,197.00        | 14,976,483.00          | 34,061,422.86                  | 42,530,271.18   | 257,428,929.29 |
| 2. Increased amount of the period          |                      |                     | 2,894,630.27           | 6,214,951.43                   | 4,646,481.33    | 14,079,567.03  |
| (1) Purchase                               |                      |                     | 2,894,630.27           |                                | 4,279,817.30    | 7,497,951.57   |
| (2) Transfer from construction in progress |                      |                     |                        | 6,204,271.43                   |                 | 6,204,271.43   |
| (3) Business combination increase          |                      |                     |                        |                                | 366,664.03      | 366,664.03     |
| (4) Others                                 |                      |                     |                        | 10,680.00                      |                 | 10,680.00      |
| 3. Decreased amount of the period          | 1,738,741.05         |                     | 1,179,844.00           | 2,717,639.75                   | 1,168,691.21    | 6,804,916.01   |
| (1) Disposal or scrap                      |                      |                     | 1,179,844.00           |                                | 1,168,691.21    | 2,348,535.21   |
| (2) Exchange adjustment                    | 153,335.87           |                     |                        |                                |                 | 153,335.87     |
| (3) Others                                 | 1,585,405.18         |                     | 323,504.00             | 2,717,639.75                   |                 | 4,626,548.93   |

|                                   |                |              |               |               |               |                |
|-----------------------------------|----------------|--------------|---------------|---------------|---------------|----------------|
| 4. Ending balance                 | 159,188,814.20 | 4,933,197.00 | 16,691,269.27 | 37,558,734.54 | 46,008,061.30 | 264,380,076.31 |
| II. Accumulative depreciation     |                |              |               |               |               |                |
| 1. Beginning balance              | 105,061,072.73 | 219,685.18   | 10,040,163.20 | 4,963,933.66  | 20,834,421.32 | 141,119,276.09 |
| 2. Increased amount of the period | 3,671,587.68   | 470,314.32   | 1,518,188.56  | 6,226,756.99  | 5,942,907.55  | 17,829,755.10  |
| (1) Withdrawal                    | 3,671,587.68   | 470,314.32   | 1,518,188.56  | 6,226,756.99  | 5,942,907.55  | 17,829,755.10  |
|                                   |                |              |               |               |               |                |
| 3. Decreased amount of the period | 552,630.16     |              | 1,143,119.00  |               | 1,110,365.90  | 2,806,115.06   |
| (1) Disposal or scrap             |                |              | 1,143,119.00  |               | 1,110,365.90  | 2,253,484.90   |
| (2) Exchange adjustment           | 139,923.48     |              |               |               |               | 139,923.48     |
| (3) Others                        | 412,706.68     |              |               |               |               | 412,706.68     |
| 4. Ending balance                 | 108,180,030.25 | 689,999.50   | 10,415,232.76 | 11,190,690.65 | 25,666,962.97 | 156,142,916.13 |
| III. Impairment provision         |                |              |               |               |               |                |
| 1. Beginning balance              |                |              |               |               | 75,717.16     | 75,717.16      |
| 2. Increased amount of the period |                |              |               |               |               |                |
| (1) Withdrawal                    |                |              |               |               |               |                |
|                                   |                |              |               |               |               |                |
| 3. Decreased amount of the period |                |              |               |               |               |                |
| (1) Disposal or                   |                |              |               |               |               |                |

|                             |               |              |              |               |               |                |
|-----------------------------|---------------|--------------|--------------|---------------|---------------|----------------|
| scrap                       |               |              |              |               |               |                |
| 4. Ending balance           |               |              |              |               | 75,717.16     | 75,717.16      |
| IV. Carrying value          |               |              |              |               |               |                |
| 1. Ending carrying value    | 51,008,783.95 | 4,243,197.50 | 6,276,036.51 | 26,368,043.89 | 20,265,381.17 | 108,161,443.02 |
| 2. Beginning carrying value | 55,866,482.52 | 4,713,511.82 | 4,936,319.80 | 29,097,489.20 | 21,620,132.70 | 116,233,936.04 |

**(2) List of Temporarily Idle Fixed Assets**

Unit: RMB

| Item | Original carrying value | Accumulated depreciation | Impairment provision | Carrying value | Remarks |
|------|-------------------------|--------------------------|----------------------|----------------|---------|
|------|-------------------------|--------------------------|----------------------|----------------|---------|

**(3) Fixed Assets Leased out by Operation Lease**

Unit: RMB

| Item | Ending carrying value |
|------|-----------------------|
|------|-----------------------|

**(4) Fixed Assets Failed to Accomplish Certification of Property**

Unit: RMB

| Item  | Carrying value | Reason  |
|---|----------------|---|
| Room 406, 2 Unit, Hulunbuir Guangxia Digital Building     | 2,560,612.06   | Property rights disputes before, now have won a lawsuit with unaccomplished certification of property.  |
| Room 401, 402, Sanxiang Business Building Office Building | 729,790.58     | The office building will be removed due to the project adjustment and a high-rise office building will be established nearby the present address. The existing property shall be replaced after the completion of the new office building. Thus, the certification of the property is failed to transact. |

Other notes:

**(5) Proceeds from Disposal of Fixed Assets**

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

Other notes:

**22. Construction in Progress**

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

**(1) Construction in Progress**

Unit: RMB

| Item | Ending balance   |                      |                | Beginning balance |                      |                |
|------|------------------|----------------------|----------------|-------------------|----------------------|----------------|
|      | Carrying balance | Impairment provision | Carrying value | Carrying balance  | Impairment provision | Carrying value |

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

Unit: RMB

| Project | Budget | Beginning balance | Increased amount | Transferred in fixed assets | Other decreased amount | Ending balance | Proportion of accumulated investment in constructions to budget | Job schedule | Accumulated amount of interest capitalization | Of which: amount of capitalized interests for the Reporting Period | Capitalization rate of interests for the Reporting Period | Source of fund |
|---------|--------|-------------------|------------------|-----------------------------|------------------------|----------------|---|--------------|---|--|---|----------------|
|---------|--------|-------------------|------------------|-----------------------------|------------------------|----------------|---|--------------|---|--|---|----------------|

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

Unit: RMB

| Item | Amount withdrawn | Reason for withdrawal |
|------|------------------|-----------------------|
|------|------------------|-----------------------|

Other notes:

**(4) Engineering Materials**

Unit: RMB

| Item | Ending balance   |                      |                | Beginning balance |                      |                |
|------|------------------|----------------------|----------------|-------------------|----------------------|----------------|
|      | Carrying balance | Impairment provision | Carrying value | Carrying balance  | Impairment provision | Carrying value |

Other notes:

**23. Productive Living Assets****(1) Productive Living Assets Adopting Cost Measurement Mode** Applicable  Not applicable**(2) Productive Living Assets Adopting Fair Value Measurement Mode** Applicable  Not applicable**24. Oil and Gas Assets** Applicable  Not applicable**25. Right-of-use Assets**

Unit: RMB

| Item                              | Houses and buildings | Total         |
|-----------------------------------|----------------------|---------------|
| 1. Beginning balance              | 39,209,648.76        | 39,209,648.76 |
| 2. Increased amount of the period | 46,689,608.09        | 46,689,608.09 |
| (1) New Leases                    | 46,689,608.09        | 46,689,608.09 |
| 4. Ending balance                 | 85,899,256.85        | 85,899,256.85 |
| 2. Increased amount of the period | 14,426,576.12        | 14,426,576.12 |
| (1) Withdrawal                    | 13,946,768.72        | 13,946,768.72 |
| (2) Business Combination Increase | 479,807.40           | 479,807.40    |
| 4. Ending balance                 | 14,426,576.12        | 14,426,576.12 |
| 1. Ending carrying value          | 71,472,680.73        | 71,472,680.73 |
| 2. Beginning carrying value       | 39,209,648.76        | 39,209,648.76 |

Other notes:

## 26. Intangible Assets

### (1) List of Intangible Assets

Unit: RMB

| Item                              | Land use right | Patent right | Non-patent technologies | Software use rights | Total        |
|-----------------------------------|----------------|--------------|-------------------------|---------------------|--------------|
| I. Original carrying value        |                |              |                         |                     |              |
| 1. Beginning balance              |                |              |                         | 1,234,387.66        | 1,234,387.66 |
| 2. Increased amount of the period |                |              |                         | 1,465,493.39        | 1,465,493.39 |
| (1) Purchase                      |                |              |                         |                     |              |
| (2) Internal R&D                  |                |              |                         |                     |              |
| (3) Business combination increase |                |              |                         | 1,465,493.39        | 1,465,493.39 |
| 3. Decreased amount of the period |                |              |                         |                     |              |
| (1) Disposal                      |                |              |                         |                     |              |
| 4. Ending balance                 |                |              |                         | 2,699,881.05        | 2,699,881.05 |
| II. Accumulated amortization      |                |              |                         |                     |              |
| 1. Beginning balance              |                |              |                         | 752,338.15          | 752,338.15   |
| 2. Increased amount of the period |                |              |                         | 465,052.92          | 465,052.92   |
| (1) Withdrawal                    |                |              |                         | 378,099.59          | 378,099.59   |

|                                   |  |  |  |              |              |
|-----------------------------------|--|--|--|--------------|--------------|
| (2) Business Combination Increase |  |  |  | 86,953.33    | 86,953.33    |
| 3. Decreased amount of the period |  |  |  |              |              |
| (1) Disposal                      |  |  |  |              |              |
|                                   |  |  |  |              |              |
| 4. Ending balance                 |  |  |  | 1,217,391.07 | 1,217,391.07 |
| III. Impairment provision         |  |  |  |              |              |
| 1. Beginning balance              |  |  |  |              |              |
| 2. Increased amount of the period |  |  |  |              |              |
| (1) Withdrawal                    |  |  |  |              |              |
|                                   |  |  |  |              |              |
| 3. Decreased amount of the period |  |  |  |              |              |
| (1) Disposal                      |  |  |  |              |              |
|                                   |  |  |  |              |              |
| 4. Ending balance                 |  |  |  |              |              |
| IV. Carrying value                |  |  |  |              |              |
| 1. Ending carrying value          |  |  |  | 1,482,489.98 | 1,482,489.98 |
| 2. Beginning carrying value       |  |  |  | 482,049.51   | 482,049.51   |

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

## (2) Land Use Right Failed to Accomplish Certification of Property

Unit: RMB

| Item | Carrying value | Reason |
|------|----------------|--------|
|------|----------------|--------|

Other notes:

## 27. Development Costs

Unit: RMB

| Item  | Beginning balance | Increased amount           |        |  | Decrease                        |   |  | Ending balance |
|-------|-------------------|----------------------------|--------|--|---------------------------------|---|--|----------------|
|       |                   | Internal development costs | Others |  | Recognized as intangible assets | Transferred into the current profit or loss |  |                |
|       |                   |                            |        |  |                                 |   |  |                |
| Total |                   |                            |        |  |                                 |   |  |                |

Other notes:

## 28. Goodwill

### (1) Original Carrying Value of Goodwill

Unit: RMB

| Name of the invested units or events generating goodwill    | Beginning balance | Increase                       |  | Decrease |  | Ending balance |
|---|-------------------|--------------------------------|--|----------|--|----------------|
|   |                   | Formed by business combination |  | Disposal |  |                |
| Shenzhen Facility Management Community Technology Co., Ltd. |                   | 9,446,847.38                   |  |          |  | 9,446,847.38   |
| Total   |                   | 9,446,847.38                   |  |          |  | 9,446,847.38   |

### (2) Depreciation Reserves of Goodwill

Unit: RMB

| Name of the invested units or events generating goodwill | Beginning balance | Increase   |  | Decrease |  | Ending balance |
|--|-------------------|------------|--|----------|--|----------------|
|  |                   | Withdrawal |  | Disposal |  |                |
|  |                   |            |  |          |  |                |

|       |  |  |  |  |  |  |
|-------|--|--|--|--|--|--|
| Total |  |  |  |  |  |  |
|-------|--|--|--|--|--|--|

Information on the Assets Groups or Combination of Assets Groups which Goodwill Belongs to

| Carrying value of goodwill | Assets group or combination of assets groups                |                |  |   |
|----------------------------|---|----------------|--|---|
|                            | Main composition  | Carrying value | Recognition method   | Changes in current period   |
| 9,446,847.38               | Shenzhen Facility Management Community Technology Co., Ltd. | 16,308,382.57  | Assets group or combination of assets groups capable of generating cash flows independently in consideration of benefits from synergies of business combination and the management's administration and monitoring of production and operating activities. | Goodwill arising from business combination not under the same control |

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

Influence of goodwill impairment testing

Note: The Company acquired 35% equity of Shenzhen Facility Management Community Technology Co., Ltd. in 2021, which was a business combination not under the same control, and resulted in a goodwill of RMB9,446,847.38 without impairment after the impairment test.

Other notes:

## 29. Long-term Prepaid Expense

Unit: RMB

| Item           | Beginning balance | Increased amount | Amortization amount of the period | Other decreased amount | Ending balance |
|----------------|-------------------|------------------|-----------------------------------|------------------------|----------------|
| Decoration fee | 11,862,716.14     | 14,880,139.82    | 4,939,791.01                      |                        | 21,803,064.95  |
| Total          | 11,862,716.14     | 14,880,139.82    | 4,939,791.01                      |                        | 21,803,064.95  |

Other notes:

## 30. Deferred Income Tax Assets/Deferred Income Tax Liabilities

### (1) Deferred Income Tax Assets Had Not Been Off-set

Unit: RMB

| Item | Ending balance                  |                            | Beginning balance               |                            |
|------|---------------------------------|----------------------------|---------------------------------|----------------------------|
|      | Deductible temporary difference | Deferred income tax assets | Deductible temporary difference | Deferred income tax assets |
|      |                                 |                            |                                 |                            |

|   |                         |                         |                         |                       |
|---|-------------------------|-------------------------|-------------------------|-----------------------|
| Provision for impairment of assets                                      | 118,883,343.63          | 28,016,893.45           | 152,217,586.91          | 36,392,566.23         |
| Internal unrealized profit  | 137,494,156.00          | 34,373,539.00           | 28,484,507.52           | 7,121,126.86          |
| Deductible losses   | 1,200,124,630.73        | 299,411,568.81          | 1,340,927,414.29        | 334,560,251.68        |
| Accrued land VAT  | 3,184,602,479.28        | 796,150,619.82          | 1,979,350,706.70        | 494,837,676.67        |
| Estimated profit calculated at pre-sale revenue of property enterprises | 479,584,729.78          | 119,896,182.45          | 307,175,110.51          | 76,793,777.63         |
| Other accrued expenses  | 8,579,103.04            | 1,862,165.86            | 5,820,943.33            | 975,846.43            |
| <b>Total</b>  | <b>5,129,268,442.46</b> | <b>1,279,710,969.39</b> | <b>3,813,976,269.26</b> | <b>950,681,245.50</b> |

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

Unit: RMB

| Item   | Ending balance               |                                 | Beginning balance            |                                 |
|--|------------------------------|---------------------------------|------------------------------|---------------------------------|
|  | Taxable temporary difference | Deferred income tax liabilities | Taxable temporary difference | Deferred income tax liabilities |
| The carrying value of fixed assets was larger than the tax basis | 1,231,415.14                 | 307,853.79                      | 1,048.80                     | 262.20                          |
| <b>Total</b>   | <b>1,231,415.14</b>          | <b>307,853.79</b>               | <b>1,048.80</b>              | <b>262.20</b>                   |

**(3) Deferred Income Tax Assets or Liabilities Had Been Off-set Listed in Net Amount**

Unit: RMB

| Item                            | Ending off-set amount of deferred income tax assets and liabilities | Ending balance of deferred income tax assets and liabilities | Beginning off-set amount of deferred income tax assets and liabilities | Beginning balance of deferred income tax assets and liabilities |
|---------------------------------|---|--|--|---|
| Deferred income tax assets      |   | 1,279,710,969.39   |  | 950,681,245.50  |
| Deferred income tax liabilities |   | 307,853.79   |  | 262.20  |

**(4) List of Unrecognized Deferred Income Tax Assets**

Unit: RMB

| Item                            | Ending balance | Beginning balance |
|---------------------------------|----------------|-------------------|
| Deductible temporary difference | 64,475,240.37  | 61,255,144.06     |
| Deductible losses               | 475,933,209.43 | 467,373,692.72    |
| Total                           | 540,408,449.80 | 528,628,836.78    |

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

Unit: RMB

| Year  | Ending amount  | Beginning amount | Remarks                       |
|-------|----------------|------------------|-------------------------------|
| Y2022 | 49,880,895.14  | 55,165,608.46    | The deductible losses of 2017 |
| Y2023 | 265,603,820.64 | 265,603,820.64   | The deductible losses of 2018 |
| Y2024 | 124,830,194.64 | 124,830,194.64   | The deductible losses of 2019 |
| Y2025 | 21,774,068.98  | 21,774,068.98    | The deductible losses of 2020 |
| Y2026 | 13,844,230.03  |                  | The deductible losses of 2021 |
| Total | 75,933,209.43  | 467,373,692.72   | --                            |

Other notes:

### 31. Other Non-current Assets

Unit: RMB

| Item   | Ending balance   |                      |                | Beginning balance |                      |                |
|--|------------------|----------------------|----------------|-------------------|----------------------|----------------|
|  | Carrying balance | Impairment provision | Carrying value | Carrying balance  | Impairment provision | Carrying value |
| Prepayment for purchase of fixed assets, investment properties and intangible assets | 115,779.31       |                      | 115,779.31     | 867,619.10        |                      | 867,619.10     |
| Prepayment for equity acquisition [Note 1]   | 42,726,200.00    |                      | 42,726,200.00  |                   |                      |                |
| Others [Note 2]  | 2,730,018.54     |                      | 2,730,018.54   | 696,455.24        |                      | 696,455.24     |
| Total  | 45,571,997.85    |                      | 45,571,997.85  | 1,564,074.34      |                      | 1,564,074.34   |

Other notes:

[Note 1] The Company's subsidiary, Shenzhen International Trade Center Property Management Co., Ltd., and Shenzhen Shenfubao (Group) Co., Ltd. signed an equity acquisition agreement in December 2021, in which the underlying assets are the 100% equity of Shenzhen Shenfubao Property Development Co., Ltd., Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd., and Shenzhen Free Trade Zone Security Service Co., Ltd. As at December 31, 2021, Shenzhen International Trade Center Property Management Co., Ltd. had paid RMB42,726,200 for the transfer of 50% equity, and the acquisition has not yet been completed.

[Note 2] The newly added RMB2,635,100 to the Company, i.e. ShenZhen Properties & Resources Development (Group) Ltd., in this

year is the registered asset of real estate for investment, for the asset involves the relocation property of shanty reconstruction in Chuanbujie, which is to be handed over with the term over one year; the RMB94,900 related to the Company's subsidiary Shenzhen Guomaomei Life Service Co., Ltd. is part of the project funds for staff canteen renovation (accounting for 30%).

### 32. Short-term Borrowings

#### (1) Category of Short-term Borrowings

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

Notes of the category for short-term loans:

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

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

Unit: RMB

| Entity | Ending balance | Interest rate | Overdue time | Overdue charge rate |
|--------|----------------|---------------|--------------|---------------------|
|--------|----------------|---------------|--------------|---------------------|

Other notes:

### 33. Trading Financial Liabilities

Unit: RMB

| Item      | Ending balance | Beginning balance |
|-----------|----------------|-------------------|
| Of which: |                |                   |
| Of which: |                |                   |

Other notes:

### 34. Derivative Financial Liabilities

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

Other notes:

### 35. Notes Payable

Unit: RMB

| Category | Ending balance | Beginning balance |
|----------|----------------|-------------------|
|----------|----------------|-------------------|

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

**36. Accounts Payable****(1) List of Accounts Payable**

Unit: RMB

| Item                                     | Ending balance        | Beginning balance     |
|--|-----------------------|-----------------------|
| Engineering construction expense payable | 241,653,580.02        | 334,297,738.31        |
| Accrued expenses                         | 16,697,665.15         | 46,894,644.22         |
| Others                                   | 78,775,283.51         | 87,077,303.12         |
| <b>Total</b>                             | <b>337,126,528.68</b> | <b>468,269,685.65</b> |

**(2) Significant Accounts Payable Aged over 1 Year**

Unit: RMB

| Item   | Ending balance        | Unpaid/Un-carry-over reason |
|--|-----------------------|-----------------------------|
| China Construction Fourth Engineering Division Corp., Ltd.               | 43,507,672.83         | Unsettled                   |
| Shenzhen Planning Bureau of Land Resources                               | 25,000,000.00         | Historical problems         |
| China Construction No. 3 Bureau No. 2 Construction Engineering Co., Ltd. | 19,386,601.99         | Unsettled                   |
| Shenzhen Ruihe Construction Decoration Co., Ltd.                         | 10,659,246.31         | Unsettled                   |
| Shenzhen Dingsheng Xingye Technology Co., Ltd.                           | 5,622,875.50          | Unsettled                   |
| <b>Total</b>   | <b>104,176,396.63</b> | <b>--</b>                   |

Other notes:

**37. Advances from Customers****(1) List of Advances from Customers**

Unit: RMB

| Item         | Ending balance      | Beginning balance |
|--------------|---------------------|-------------------|
| Rental       | 1,265,805.23        | 473,274.48        |
| <b>Total</b> | <b>1,265,805.23</b> | <b>473,274.48</b> |

**(2) Significant Advances from Customers Aged over 1 Year**

Unit: RMB

| Item | Ending balance | Unpaid/Un-carry-over reason |
|------|----------------|-----------------------------|
|------|----------------|-----------------------------|

**38. Contract Liabilities**

Unit: RMB

| Item                      | Ending balance          | Beginning balance     |
|---------------------------|-------------------------|-----------------------|
| House payment in advance  | 1,329,251,898.56        | 633,340,922.42        |
| Property fee in advance   | 22,742,381.14           | 13,124,519.01         |
| Other payments in advance | 19,856,445.90           | 20,428,188.29         |
| <b>Total</b>              | <b>1,371,850,725.60</b> | <b>666,893,629.72</b> |

Significant changes in the amount of carrying value and the reason in the Reporting Period

Unit: RMB

| Item                     | Change in amount      | Reason   |
|--------------------------|-----------------------|--|
| Fuchang Phase II Project | 524,139,983.49        | Sales payment collection from Fuchang Phase II Project in the current period |
| <b>Total</b>             | <b>524,139,983.49</b> | —  |

The Company shall comply with the disclosure requirements for the real estate industry in the *Self-regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

The proceeds information of top five advance sale amount:

Unit: RMB

| No. | Project                       | Beginning balance | Ending balance | Estimated date of completion | Advance sale proportion |
|-----|-------------------------------|-------------------|----------------|------------------------------|-------------------------|
| 1   | SZPRD-Golden Collar's Resort  | 358,877,583.81    | 543,093,840.68 | 2 December 2021              | 80.00%                  |
| 2   | SZPRD-Fuchang Garden Phase II | 0.00              | 524,139,983.49 | 30 June 2023                 | 99.00%                  |
| 3   | SZPRD-Banshan Yujing Phase II | 247,769,597.25    | 253,376,242.15 | 31 January 2022              | 100.00%                 |
| 4   | SZPRD-Hupan Yujing Phase II   | 5,766,348.62      | 8,401,706.42   | 30 November 2017             | 92.39%                  |
| 5   | SZPRD-Hupan Yujing Phase I    | 128,440.37        | 36,697.25      | 1 June 2015                  | 87.62%                  |

**39. Payroll Payable****(1) List of Payroll Payable**

Unit: RMB

| Item   | Beginning balance | Increase       | Decrease       | Ending balance |
|--|-------------------|----------------|----------------|----------------|
| I. Short-term salary                                   | 175,382,038.91    | 691,375,716.05 | 676,385,602.34 | 190,372,152.62 |
| II. Post-employment benefit-defined contribution plans | 1,808,158.45      | 63,782,033.29  | 63,484,409.98  | 2,105,781.76   |
| III. Termination Benefits                              |                   | 1,879,230.55   | 1,552,878.55   | 326,352.00     |
| Total  | 177,190,197.36    | 757,036,979.89 | 741,422,890.87 | 192,804,286.38 |

**(2) List of Short-term Salary**

Unit: RMB

| Item  | Beginning balance | Increase       | Decrease       | Ending balance |
|---|-------------------|----------------|----------------|----------------|
| 1. Salary, bonus, allowance, subsidy                | 160,923,367.59    | 606,117,650.00 | 588,850,457.07 | 178,190,560.52 |
| 2. Employee welfare                                 | 1,769,666.63      | 14,373,645.83  | 14,959,863.89  | 1,183,448.57   |
| 3. Social insurance                                 | 223,040.80        | 20,063,781.03  | 20,154,751.30  | 132,070.53     |
| Of which: Medical insurance premiums                | 223,040.80        | 17,212,777.90  | 17,303,761.47  | 132,057.23     |
| Work-related injury insurance                       |                   | 734,012.64     | 733,999.34     | 13.30          |
| Maternity insurance                                 |                   | 857,555.87     | 857,555.87     | 0.00           |
| Other commercial insurances                         |                   | 1,259,434.62   | 1,259,434.62   |                |
| 4. Housing fund                                     | 509,510.97        | 20,961,153.24  | 20,288,231.44  | 1,182,432.77   |
| 5. Labor union budget and employee education budget | 11,956,452.92     | 12,773,061.38  | 15,045,874.07  | 9,683,640.23   |
| 8. Non-monetary benefits                            |                   | 17,086,424.57  | 17,086,424.57  |                |
| Total   | 175,382,038.91    | 691,375,716.05 | 676,385,602.34 | 190,372,152.62 |

**(3) List of Defined Contribution Plans**

Unit: RMB

| Item                      | Beginning balance   | Increase             | Decrease             | Ending balance      |
|---------------------------|---------------------|----------------------|----------------------|---------------------|
| 1. Basic pension benefits |                     | 50,753,436.03        | 50,730,052.16        | 23,383.87           |
| 2. Unemployment insurance |                     | 1,255,635.76         | 1,255,259.70         | 376.06              |
| 3. Annuity                | 1,808,158.45        | 11,772,961.50        | 11,499,098.12        | 2,082,021.83        |
| <b>Total</b>              | <b>1,808,158.45</b> | <b>63,782,033.29</b> | <b>63,484,409.98</b> | <b>2,105,781.76</b> |

Other notes:

**40. Taxes Payable**

Unit: RMB

| Item                                   | Ending balance          | Beginning balance       |
|--|-------------------------|-------------------------|
| VAT                                    | 29,126,998.08           | 47,751,975.47           |
| Corporate income tax                   | 81,436,929.10           | 448,111,036.28          |
| Personal income tax                    | 4,390,509.59            | 4,826,634.10            |
| Urban maintenance and construction tax | 1,787,336.42            | 3,165,158.73            |
| Land appreciation tax                  | 3,184,727,554.49        | 1,979,388,881.01        |
| Land use tax                           | 938,263.93              | 941,099.10              |
| Property tax                           | 406,052.03              | 447,199.94              |
| Education Surcharge                    | 780,950.94              | 1,372,723.27            |
| Local education surcharge              | 523,798.27              | 918,545.34              |
| Others                                 | 106,952.61              | 289,726.13              |
| <b>Total</b>                           | <b>3,304,225,345.46</b> | <b>2,487,212,979.37</b> |

Other notes:

**41. Other Payables**

Unit: RMB

| Item              | Ending balance        | Beginning balance     |
|-------------------|-----------------------|-----------------------|
| Dividends payable | 12,202,676.04         | 12,202,676.04         |
| Other payables    | 947,196,210.25        | 834,939,937.05        |
| <b>Total</b>      | <b>959,398,886.29</b> | <b>847,142,613.09</b> |

**(1) Interest Payable**

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

List of the significant overdue unpaid interest:

Unit: RMB

| Entity | Overdue amount | Overdue reason |
|--------|----------------|----------------|
|--------|----------------|----------------|

Other notes:

**(2) Dividends Payable**

Unit: RMB

| Item                     | Ending balance | Beginning balance |
|--------------------------|----------------|-------------------|
| Ordinary stock dividends | 12,202,676.04  | 12,202,676.04     |
| Total                    | 12,202,676.04  | 12,202,676.04     |

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

| Item  | Amount unpaid | Reason  |
|---|---------------|---|
| Shenzhen Greening Department                | 10,869,036.68 | Company restructured without clearing payment object          |
| Labor Union of Shenzhen Greening Department | 1,300,000.00  | Company restructured without clearing payment object          |
| Others                                      | 33,639.36     | Without access to its account and the final payment is unpaid |
| Total                                       | 12,202,676.04 |   |

**(3) Other Payables****1) Other Payables Listed by Nature of Account**

Unit: RMB

| Item                                       | Ending balance | Beginning balance |
|--|----------------|-------------------|
| Security Deposit                           | 271,656,616.93 | 236,714,842.73    |
| Margin                                     | 13,643,729.01  | 18,041,272.10     |
| Unpaid remaining amount of equity transfer |                |                   |
| Collection on behalf                       | 1,238,324.46   | 12,818,680.31     |
| Intercourse funds                          | 425,527,818.25 | 426,354,105.87    |
| Accrued expenses                           | 169,176,253.17 | 93,276,622.77     |

|                   |                       |                       |
|-------------------|-----------------------|-----------------------|
| Payment on behalf | 16,558,536.76         | 14,038,360.90         |
| Others            | 49,394,931.67         | 33,696,052.37         |
| <b>Total</b>      | <b>947,196,210.25</b> | <b>834,939,937.05</b> |

## 2) Significant Other Accounts Payable Aging over One Year

Unit: RMB

| Item   | Ending balance        | Unpaid/Un-carry-over reason                                   |
|--|-----------------------|---|
| Shenzhen Pason Aluminum Technology Co., Ltd.                             | 198,352,106.44        | Did not submit the payment application for historical reasons |
| Shenzhen Real Estate Jifa Warehousing Co., Ltd.                          | 38,796,665.14         | Come-and-go accounts without specific payment term            |
| Shenzhen Tian'an International Mansion Property Administration Co., Ltd. | 5,214,345.90          | Come-and-go accounts without specific payment term            |
| Shenzhen Social Commonweal Foundation                                    | 3,323,202.00          | Did not submit the payment application                        |
| Rainbow Co., Ltd.  | 2,380,000.00          | Margin within the leasing period                              |
| <b>Total</b>   | <b>248,066,319.48</b> | <b>--</b>   |

Other notes:

## 42. Held-for-sale Liabilities

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|      |                |                   |

Other notes:

## 43. Current Portion of Non-current Liabilities

Unit: RMB

| Item                                    | Ending balance       | Beginning balance    |
|---|----------------------|----------------------|
| Current portion of long-term borrowings | 68,984,050.47        | 36,722,824.88        |
| Lease obligation matured within 1 Year  | 14,940,651.36        | 9,799,084.76         |
| <b>Total</b>                            | <b>83,924,701.83</b> | <b>46,521,909.64</b> |

Other notes:

## 44. Other Current Liabilities

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|      |                |                   |

|                       |               |               |
|-----------------------|---------------|---------------|
| Tax to be charged off | 77,355,792.16 | 43,354,691.51 |
| Total                 | 77,355,792.16 | 43,354,691.51 |

Increase/decrease of the short-term bonds payable:

Unit: RMB

| Name | Par value | Issue date | Bond duration | Issue amount | Beginning balance | Issued in the Reporting Period | Interest accrued at par value | Amortization of premium and depreciation | Repaid in the Reporting Period | Ending balance |
|------|-----------|------------|---------------|--------------|-------------------|--------------------------------|-------------------------------|--|--------------------------------|----------------|
|      |           |            |               |              |                   |                                |                               |  |                                |                |

Other notes:

## 45. Long-term Borrowings

### (1) Category of Long-term Borrowings

Unit: RMB

| Item          | Ending balance   | Beginning balance |
|---------------|------------------|-------------------|
| Pledged loan  | 2,999,400,000.00 | 2,999,600,000.00  |
| Mortgage loan | 1,500,000.00     | 3,000,000.00      |
| Credit loan   | 523,600,000.00   | 585,200,000.00    |
| Total         | 3,524,500,000.00 | 3,587,800,000.00  |

Note to the category of long-term borrowings:

Other notes, including interest rate range

The pledged borrowings at the period-end were used to develop the Bangling urban renewal project of Shenzhen Rongyao Real Estate Development Co., Ltd. (hereinafter referred to as “Rongyao Real Estate”) with the duration from 29 November 2019 to 20 November 2024, applying the borrowing rate by rising 1.55% complying with one-year level of loan prime rate. And 69% equity of Rongyao Real Estate held by the Company was pledged and the guarantee mode was the joint liability guaranty.

The mortgage borrowings at the period-end were used for the daily operating activities of ShenZhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as the Company) with the duration from 27 November 2020 to 27 November 2023, applying a floating interest rate. The first-phase execution interest rate was 4.655%, and the pledge was the land use right of Fumin New Village in Futian District of the Company.

The credit borrowings at the period-end were used for the transaction payment of equity of Shenzhen Toukong Property Management Co., Ltd. with the duration from 18 May 2020 to 10 May 2025, applying the borrowing rate by adding 23.5 basis points complying with one-year level of loan prime rate.

**46. Bonds Payable****(1) Bonds Payable**

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

**(2) Changes of Bonds Payable (Excluding Other Financial Instruments Divided as Financial Liabilities such as Preferred Shares and Perpetual Bonds)**

Unit: RMB

| Name  | Par value | Issue date | Bond duration | Issue amount | Beginning balance | Issued in the Reporting Period | Interest accrued at par value | Amortization of premium and depreciation | Repaid in the Reporting Period |  | Ending balance |
|-------|-----------|------------|---------------|--------------|-------------------|--------------------------------|-------------------------------|--|--------------------------------|--|----------------|
|       |           |            |               |              |                   |                                |                               |  |                                |  |                |
| Total | --        | --         | --            |              |                   |                                |                               |  |                                |  |                |

**(3) Convertible Conditions and Time for Convertible Corporate Bonds****(4) Notes to Other Financial Instruments Classified as Financial Liabilities**

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

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

Unit: RMB

| Outstanding financial instruments | Period-beginning |                | Increase |                | Decrease |                | Period-end |                |
|-----------------------------------|------------------|----------------|----------|----------------|----------|----------------|------------|----------------|
|                                   | Number           | Carrying value | Number   | Carrying value | Number   | Carrying value | Number     | Carrying value |

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

Other notes:

**47. Lease Liabilities**

Unit: RMB

| Item                                      | Ending balance | Beginning balance |
|---|----------------|-------------------|
| Lease payments                            | 124,179,565.50 | 44,443,786.36     |
| Less: Unrecognized financing expense      | -26,157,731.25 | -5,234,137.60     |
| Less: lease liabilities due within 1 year | -14,940,651.36 | -9,799,084.76     |

|       |               |               |
|-------|---------------|---------------|
| Total | 83,081,182.89 | 29,410,564.00 |
|-------|---------------|---------------|

Other notes:

#### 48. Long-term Payables

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

##### (1) Long-term Payables Listed by Nature

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

Other notes:

##### (2) Specific Payables

Unit: RMB

| Item | Beginning balance | Increase | Decrease | Ending balance | Reason for formation |
|------|-------------------|----------|----------|----------------|----------------------|
|------|-------------------|----------|----------|----------------|----------------------|

Other notes:

#### 49. Long-term Payroll Payable

##### (1) List of Long-term Payroll Payable

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

##### (2) Changes in Defined Benefit Plans

Obligation present value of defined benefit plans:

Unit: RMB

| Item | Amount of the current period | Amount of the previous period |
|------|------------------------------|-------------------------------|
|------|------------------------------|-------------------------------|

Plan assets:

Unit: RMB

| Item | Amount of the current period | Amount of the previous period |
|------|------------------------------|-------------------------------|
|------|------------------------------|-------------------------------|

Net liabilities (net assets) of defined benefit plans:

Unit: RMB

| Item | Amount of the current period | Amount of the previous period |
|------|------------------------------|-------------------------------|
|------|------------------------------|-------------------------------|

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

Company:

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

Other notes:

## 50. Provisions

Unit: RMB

| Item               | Ending balance | Beginning balance | Reason for formation                                     |
|--------------------|----------------|-------------------|--|
| Pending litigation | 1,425,490.50   | 2,396,947.00      | Cai Baolin's lawsuit on the residual value of decoration |
| Total              | 1,425,490.50   | 2,396,947.00      | --   |

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

Note: refer to Note XIV-2 for details.

## 51. Deferred Income

Unit: RMB

| Item | Beginning balance | Increase | Decrease | Ending balance | Reason for formation |
|------|-------------------|----------|----------|----------------|----------------------|
|      |                   |          |          |                |                      |

Item involving government grants:

Unit: RMB

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

Other notes:

## 52. Other Non-current Liabilities

Unit: RMB

| Item                                | Ending balance | Beginning balance |
|-------------------------------------|----------------|-------------------|
| Utility specific fund               | 615,787.03     | 490,603.18        |
| Housing principle fund              | 21,212,930.24  | 16,825,921.62     |
| House warming deposit               | 7,008,598.13   | 6,925,380.49      |
| Electric Equipment Maintenance fund | 4,019,415.44   | 4,019,415.44      |

|  |                       |                       |
|--|-----------------------|-----------------------|
| Deputed maintenance fund                                       | 34,089,347.95         | 34,453,351.12         |
| Follow-up investment of employees for Guanlan Bangling project | 40,000,000.00         | 40,000,000.00         |
| Others   | 6,594,009.58          | 6,063,655.60          |
| <b>Total</b>   | <b>113,540,088.37</b> | <b>108,778,327.45</b> |

Other notes:

### 53. Share Capital

Unit: RMB

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

Other notes:

### 54. Other Equity Instruments

**(1) Basic Information about Other Outstanding Financial Instruments such as Preferred Shares and Perpetual Bonds at the Period-end**

**(2) Changes of Outstanding Financial Instruments such as Preferred Shares and Perpetual Bonds at the Period-end**

Unit: RMB

| Outstanding financial instruments | Period-beginning |                | Increase |                | Decrease |                | Period-end |                |
|-----------------------------------|------------------|----------------|----------|----------------|----------|----------------|------------|----------------|
|                                   | Number           | Carrying value | Number   | Carrying value | Number   | Carrying value | Number     | Carrying value |
|                                   |                  |                |          |                |          |                |            |                |

Changes of other equity instruments in the Reporting Period, reasons thereof and basis of related accounting treatment:

Other notes:

### 55. Capital Reserve

Unit: RMB

| Item                   | Beginning balance    | Increase | Decrease | Ending balance       |
|------------------------|----------------------|----------|----------|----------------------|
| Other capital reserves | 80,488,045.38        |          |          | 80,488,045.38        |
| <b>Total</b>           | <b>80,488,045.38</b> |          |          | <b>80,488,045.38</b> |

Other notes, including a description of the increase or decrease in the current period and the reasons for the change:

**56. Treasury Shares**

Unit: RMB

| Item | Beginning balance | Increase | Decrease | Ending balance |
|------|-------------------|----------|----------|----------------|
|------|-------------------|----------|----------|----------------|

Other notes, including a description of the increase or decrease in the current period and the reasons for the change:

**57. Other Comprehensive Income**

Unit: RMB

| Item  | Beginning balance | Amount of the current period                 |  |   |                          |   |   | Ending balance |
|---|-------------------|--|--|---|--------------------------|---|---|----------------|
|   |                   | Income before taxation in the Current Period | Less: recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period | Less: recorded in other comprehensive income in prior period and transferred in retained earnings in the Current Period | Less: Income tax expense | Attributable to owners of the Company as the parent after tax | Attributable to non-controlling interests after tax |                |
| I. Other comprehensive income that may not be reclassified to profit or loss              | -2,545,451.19     | -28,670.35                                   |  |   |                          | -28,670.35  |   | -2,574,121.54  |
| Changes in fair value of other equity instrument investment\                              | -2,545,451.19     | -28,670.35                                   |  |   |                          | -28,670.35  |   | -2,574,121.54  |
| II. Other comprehensive income that may subsequently be reclassified to profit or loss    | -4,204,138.22     | -1,396,393.90                                |  |   |                          | -1,396,393.90   |   | -5,600,532.12  |
| Differences arising from translation of foreign currency-denominated financial statements | -4,204,138.22     | -1,396,393.90                                |  |   |                          | -1,396,393.90   |   | -5,600,532.12  |
| Total of other comprehensive income   | -6,749,589.41     | -1,425,064.25                                |  |   |                          | -1,425,064.25   |   | -8,174,653.66  |

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

**58. Specific Reserve**

Unit: RMB

| Item | Beginning balance | Increase | Decrease | Ending balance |
|------|-------------------|----------|----------|----------------|
|------|-------------------|----------|----------|----------------|

Other notes, including a description of the increase or decrease in the current period and the reasons for the change:

**59. Surplus Reserves**

Unit: RMB

| Item                           | Beginning balance | Increase      | Decrease | Ending balance |
|--------------------------------|-------------------|---------------|----------|----------------|
| Statutory surplus reserves     | 18,840,576.50     | 10,431,568.84 |          | 29,272,145.34  |
| Discretionary surplus reserves | 365,403.13        |               |          | 365,403.13     |
| Total                          | 19,205,979.63     | 10,431,568.84 |          | 29,637,548.47  |

Notes, including changes and reason of change:

**60. Retained Earnings**

Unit: RMB

| Item  | Reporting Period | Same period of last year |
|---|------------------|--------------------------|
| Beginning balance of retained profits before adjustments            | 3,038,993,912.43 | 2,457,119,795.39         |
| Beginning balance of retained profits after adjustments             | 3,038,993,912.43 | 2,457,119,795.39         |
| Add: Net profit attributable to owners of the Company as the parent | 1,003,969,842.33 | 798,572,121.74           |
| Less: Withdrawal of statutory surplus reserve                       | 10,431,568.84    | 2,802,342.02             |
| Dividend of ordinary shares payable                                 | 244,351,427.72   | 214,552,473.12           |
| Others  |                  | -656,810.44              |
| Ending retained profits   | 3,788,180,758.20 | 3,038,993,912.43         |

List of adjustment of beginning retained profits:

- 1) RMBXXX beginning retained earnings was affected by retrospective adjustment conducted according to the *Accounting Standards for Business Enterprises* and relevant new regulations.
- 2) RMBXXX beginning retained earnings was affected by changes in accounting policies.
- 3) RMBXXX beginning retained earnings was affected by correction of significant accounting errors.
- 4) RMBXXX beginning retained earnings was affected by changes in combination scope arising from same control.
- 5) RMBXXX beginning retained earnings was affected totally by other adjustments.

**61. Operating Revenue and Cost of Sales**

Unit: RMB

| Item               | Amount of the current period |                  | Amount of the previous period |                  |
|--------------------|------------------------------|------------------|-------------------------------|------------------|
|                    | Revenue                      | Cost             | Revenue                       | Cost             |
| Lucrative business | 4,418,791,748.13             | 1,482,822,851.76 | 3,970,087,178.43              | 1,355,179,663.50 |
| Others             | 73,173,895.58                | 8,064,510.40     | 134,287,467.59                | 31,530,576.04    |
| Total              | 4,491,965,643.71             | 1,490,887,362.16 | 4,104,374,646.02              | 1,386,710,239.54 |

Whether the lower of the net profit before and after deduction of non-recurring gains and losses through audit is negative

Yes  No

Relevant information of revenue:

Unit: RMB

| Category of contracts | Segment 1        | Segment 2 |  | Total            |
|-----------------------|------------------|-----------|--|------------------|
| Product categories    | 4,491,965,643.71 |           |  | 4,491,965,643.71 |
| Of which:             |                  |           |  |                  |
| Real estate           | 3,131,113,534.70 |           |  | 3,131,113,534.70 |
| Property management   | 1,184,591,970.58 |           |  | 1,184,591,970.58 |
| Leasing business      | 176,260,138.43   |           |  | 176,260,138.43   |
| Of which:             |                  |           |  |                  |
| Shenzhen              | 4,107,155,381.91 |           |  | 4,107,155,381.91 |
| Other regions         | 384,810,261.80   |           |  | 384,810,261.80   |
| Of which:             |                  |           |  |                  |

Information about performance obligations:

On 31 December 2021, the transaction price assigned to unfulfilled (or partially unfulfilled) performance obligations was estimated to be RMB1,372 million, which is mainly expected future revenue of transaction prices that have not met the delivery conditions stipulated in sales contracts of real estate. The Company is expected to achieve the planned sales revenue within one or two years when the house property is completed and passes the acceptance, which meets the delivery conditions stipulated in sales contracts, and when the customers acquire the control rights of relevant goods or services.

Information in relation to the transaction price apportioned to the residual contract performance obligation:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet was RMB1,371,850,725.60 at the period-end, among which RMB847,710,742.11 was expected to be recognized in 2022, RMB524,139,983.49 in 2023 and RMBXXX in XXX year.

Other notes:

The Company shall comply with the disclosure requirements for the real estate industry in the *Self-regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

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

Unit: RMB

| No. | Project                    | Income balance   |
|-----|----------------------------|------------------|
| 1   | Golden Collar's Resort     | 3,004,412,101.75 |
| 2   | HupanYujing Phase I and II | 56,624,392.75    |
| 3   | Banshan Yujing Phase I     | 21,000,000.00    |
| 4   | Xinhua Town                | 3,669,619.99     |
| 5   | Songhu Langyuan            | 1,849,887.60     |

## 62. Taxes and Surtaxes

Unit: RMB

| Item                                   | Amount of the current period | Amount of the previous period |
|--|------------------------------|-------------------------------|
| Urban maintenance and construction tax | 14,966,538.29                | 14,940,404.05                 |
| Education Surcharge                    | 6,432,023.99                 | 6,420,882.98                  |
| Property tax                           | 10,745,037.91                | 10,257,159.82                 |
| Land use tax                           | 1,512,462.96                 | 1,310,782.19                  |
|  |                              |                               |
| Local education surcharge              | 4,271,665.96                 | 4,278,425.22                  |
| Land appreciation tax                  | 1,309,913,734.35             | 1,273,927,485.51              |
| Other taxes                            | 2,751,106.73                 | 2,213,088.71                  |
| Total                                  | 1,350,592,570.19             | 1,313,348,228.48              |

Other notes:

## 63. Selling Expense

Unit: RMB

| Item                                  | Amount of the current period | Amount of the previous period |
|---------------------------------------|------------------------------|-------------------------------|
| Agency fee                            | 35,845,559.65                | 7,676,210.19                  |
| Consultancy and sales service charges | 8,151,107.45                 | 10,939,043.07                 |
| Advertising expenses                  | 9,731,964.11                 | 10,794,534.19                 |
| Employee remuneration                 | 6,438,365.79                 | 5,534,877.38                  |
| Others                                | 13,183,785.18                | 9,808,582.35                  |
| Total                                 | 73,350,782.18                | 44,753,247.18                 |

Other notes:

**64. Administrative Expense**

Unit: RMB

| Item   | Amount of the current period | Amount of the previous period |
|--|------------------------------|-------------------------------|
| Employee remuneration                        | 182,612,009.23               | 166,493,999.24                |
| Administrative office cost                   | 34,696,777.30                | 35,213,262.38                 |
| Assets amortization and depreciation expense | 21,221,737.94                | 10,987,180.15                 |
| Litigation costs                             | 1,315,223.95                 | 482,904.31                    |
| Others                                       | 23,854,422.87                | 25,447,797.23                 |
| <b>Total</b>                                 | <b>263,700,171.29</b>        | <b>238,625,143.31</b>         |

Other notes:

**65. Development Expense**

Unit: RMB

| Item                  | Amount of the current period | Amount of the previous period |
|-----------------------|------------------------------|-------------------------------|
| Employee remuneration | 1,959,851.56                 |                               |
| Office cost           | 64,656.03                    |                               |
| R&D material expense  | 68,288.00                    |                               |
| Others                | 79,002.21                    |                               |
| <b>Total</b>          | <b>2,171,797.80</b>          | <b>0.00</b>                   |

Other notes:

**66. Finance Costs**

Unit: RMB

| Item                             | Amount of the current period | Amount of the previous period |
|----------------------------------|------------------------------|-------------------------------|
| Finance costs                    | 75,361,420.03                | 182,930,469.55                |
| Less: Interest income            | 74,598,590.37                | 72,357,101.87                 |
| Foreign exchange gains or losses | 145,683.08                   | -421,264.01                   |
| Others                           | 4,752,061.02                 | 1,111,455.13                  |
| <b>Total</b>                     | <b>5,660,573.76</b>          | <b>111,263,558.80</b>         |

Other notes:

**67. Other Income**

Unit: RMB

| Sources  | Amount of the current period | Amount of the previous period |
|--|------------------------------|-------------------------------|
| Government grants related to income                | 23,913,655.59                | 6,802,767.10                  |
| Government grants related to assets                |                              | 341,259.63                    |
| Commission charges return of deductible income tax | 169,262.03                   | 94,284.37                     |
| Additional deduction of VAT                        | 5,235,737.17                 | 5,476,769.70                  |
| Rebate of VAT                                      | 668,534.55                   | 55,729.95                     |
| Subtotal   | 29,987,189.34                | 12,770,810.75                 |

## 68. Investment Income

Unit: RMB

| Item  | Amount of the current period | Amount of the previous period |
|---|------------------------------|-------------------------------|
| Long-term equity investment income accounted by equity method | 4,650,460.58                 | 634,098.07                    |
| Total   | 4,650,460.58                 | 634,098.07                    |

Other notes:

## 69. Net Gain on Exposure Hedges

Unit: RMB

| Item | Amount of the current period | Amount of the previous period |
|------|------------------------------|-------------------------------|
|------|------------------------------|-------------------------------|

Other notes:

## 70. Gain on Changes in Fair Value

Unit: RMB

| Sources | Amount of the current period | Amount of the previous period |
|---------|------------------------------|-------------------------------|
|---------|------------------------------|-------------------------------|

Other notes:

## 71. Credit Impairment Loss

Unit: RMB

| Item          | Amount of the current period | Amount of the previous period |
|---------------|------------------------------|-------------------------------|
| Bad debt loss | -29,082,610.26               | 4,623,356.81                  |
| Total         | -29,082,610.26               | 4,623,356.81                  |

Other notes:

**72. Asset Impairment Loss**

Unit: RMB

| Item   | Amount of the current period | Amount of the previous period |
|--|------------------------------|-------------------------------|
| II. Inventory falling price loss and impairment provision for contract performance costs | 23,120.82                    | -51,185.46                    |
| Total  | 23,120.82                    | -51,185.46                    |

Other notes:

**73. Asset Disposal Income**

Unit: RMB

| Sources                           | Amount of the current period | Amount of the previous period |
|-----------------------------------|------------------------------|-------------------------------|
| Gains on disposal of fixed assets |                              | 2,311.70                      |
| Others                            | 27.94                        |                               |

**74. Non-operating Income**

Unit: RMB

| Item  | Amount of the current period | Amount of the previous period | Amount recorded in the current non-recurring profit or loss |
|---|------------------------------|-------------------------------|---|
| Government subsidies                            | 10,000.00                    | 34,500.00                     | 10,000.00   |
| Gains on damage and scrap of non-current assets | 9,650.00                     | 2,000.00                      | 9,650.00  |
| Confiscated income                              | 144,448.18                   | 759,208.33                    | 144,448.18  |
| Payments unable to clear                        | 109,996.00                   | 689,801.09                    | 109,996.00  |
| Others  | 9,137,317.29                 | 10,212,151.81                 | 9,137,317.29  |
| Total   | 9,411,411.47                 | 11,697,661.23                 |   |

Government grants recorded into current profit or loss

Unit: RMB

| Item   | Distribution entity | Distribution reason | Nature                      | Whether influence the profits or losses of the year or not | Special subsidy or not | Reporting Period | Same period of last year | Related to assets/related income |
|--------|---------------------|---------------------|-----------------------------|--|------------------------|------------------|--------------------------|----------------------------------|
| Others |                     | Subsidies           | Subsidies obtained from the | No   | No                     | 10,000.00        | 34,500.00                | Related to revenue               |

|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|
|  |  |  | state by undertaking the sustainability of public utilities, the supply of socially necessary products, or the function of price control |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|

Other notes:

Other non-operating income in the current period mainly comes from the demolition compensation collected by the Company.

## 75. Non-operating Expense

Unit: RMB

| Item   | Amount of the current period | Amount of the previous period | Amount recorded in the current non-recurring profit or loss |
|--|------------------------------|-------------------------------|---|
| Donation   | 139,000.01                   | 476,485.29                    | 139,000.01  |
| Losses from damage and scrap of non-current assets | 71,820.29                    | 275,730.01                    | 71,820.29   |
| Litigation expenses                                | 191,457.86                   | 2,396,947.00                  | 191,457.86  |
| Penalty and fine for delaying payment              | 195,546.95                   | 237,572.81                    | 195,546.95  |
| Others   | 5,950,073.77                 | 1,857,594.39                  | 5,950,073.77  |
| <b>Total</b>                                       | <b>6,547,898.88</b>          | <b>5,244,329.50</b>           |   |

Other notes:

## 76. Income Tax Expense

### (1) List of Income Tax Expense

Unit: RMB

| Item                        | Amount of the current period | Amount of the previous period |
|-----------------------------|------------------------------|-------------------------------|
| Current income tax expense  | 656,337,068.59               | 588,275,917.87                |
| Deferred income tax expense | -329,051,682.30              | -285,506,835.29               |

|       |                |                |
|-------|----------------|----------------|
| Total | 327,285,386.29 | 302,769,082.58 |
|-------|----------------|----------------|

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

Unit: RMB

| Item  | Amount of the current period |
|---|------------------------------|
| Profit before taxation  | 1,314,044,087.34             |
| Current income tax expense accounted at statutory/applicable tax rate   | 328,511,021.84               |
| Influence of applying different tax rates by subsidiaries   | -2,970,131.07                |
| Influence of income tax before adjustment   | 10,851,209.34                |
| Influence of non-deductible costs, expenses and losses  | 15,104,525.88                |
| The effect of using deductible losses of deferred income tax assets that have not been recognized in the previous period      | -1,321,178.33                |
| Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the period    | -24,957,044.98               |
| Influence of unrecognized deductible temporary differences and deductible losses  | 1,244,418.33                 |
| Additional deduction of technological development expense   | -485,489.98                  |
| Changes in the balance of deferred income tax assets/liabilities at the beginning of the period due to adjustment of tax rate | -13,123.07                   |
| Income tax expenses   | 327,285,386.29               |

Other notes:

## 77. Other Comprehensive Income

Refer to Note VII-57 for details.

## 78. Cash Flow Statement

### (1) Cash Generated from Other Operating Activities

Unit: RMB

| Item   | Amount of the current period | Amount of the previous period |
|--|------------------------------|-------------------------------|
| Large intercourse funds received                                 | 31,290,902.02                | 225,792,047.12                |
| Interest income  | 74,523,492.00                | 46,807,781.51                 |
| Net margins, security deposit and various special funds received | 107,374,965.08               | 83,064,444.34                 |
| Government grants received                                       | 24,634,476.35                | 7,178,526.73                  |

|                         |                       |                       |
|-------------------------|-----------------------|-----------------------|
| Other small receivables | 830,679.93            | 39,131,506.62         |
| <b>Total</b>            | <b>238,654,515.38</b> | <b>401,974,306.32</b> |

Notes:

**(2) Cash Used in Other Operating Activities**

Unit: RMB

| Item   | Amount of the current period | Amount of the previous period |
|--|------------------------------|-------------------------------|
| Paying administrative expense in cash  | 50,097,381.77                | 62,579,627.01                 |
| Paying selling expense in cash   | 62,996,298.93                | 39,218,369.80                 |
| Net payment of utility expense, miscellaneous expense and incident cost, and various collecting payments on behalf of others | 57,809,584.74                | 26,822,888.41                 |
| Amount of newly limited funds  | 373,079,206.86               | 25,566,015.05                 |
| Other small payments   | 408,215,211.77               | 36,328,299.98                 |
| <b>Total</b>   | <b>579,118,477.21</b>        | <b>164,949,185.20</b>         |

Notes:

**(3) Cash Generated from Other Investing Activities**

Unit: RMB

| Item | Amount of the current period | Amount of the previous period |
|------|------------------------------|-------------------------------|
|------|------------------------------|-------------------------------|

Notes:

**(4) Cash Used in Other Investing Activities**

Unit: RMB

| Item | Amount of the current period | Amount of the previous period |
|------|------------------------------|-------------------------------|
|------|------------------------------|-------------------------------|

Notes:

**(5) Cash Generated from Other Financing Activities**

Unit: RMB

| Item | Amount of the current period | Amount of the previous period |
|------|------------------------------|-------------------------------|
|------|------------------------------|-------------------------------|

Notes:

**(6) Cash Used in Other Financing Activities**

Unit: RMB

| Item  | Amount of the current period | Amount of the previous period |
|---|------------------------------|-------------------------------|
| Cash paid in the current period for the business combination occurring in the previous period |                              | 465,807,569.82                |
| Payment for lease liabilities   | 20,052,203.22                |                               |
| Total   | 20,052,203.22                | 465,807,569.82                |

Notes:

## 79. Supplemental Information for Cash Flow Statement

### (1) Supplemental Information for Cash Flow Statement

Unit: RMB

| Supplemental information  | Amount during the Current Period | Same period of last year |
|---|----------------------------------|--------------------------|
| 1. Reconciliation of net profit to net cash flows generated from operating activities                 | --                               | --                       |
| Net profit  | 986,758,701.05                   | 731,337,869.73           |
| Add: Provision for impairment of assets   | 29,059,489.44                    | -4,572,171.35            |
| Depreciation of fixed assets, oil-gas assets, and productive biological assets                        | 52,102,862.45                    | 45,342,224.24            |
| Depreciation of right-of-use assets   | 13,946,768.72                    |                          |
| Amortization of intangible assets   | 378,099.59                       | 218,320.15               |
| Amortization of long-term prepaid expenses  | 4,939,791.01                     | 3,787,635.83             |
| Losses from disposal of fixed assets, intangible assets and other long-lived assets (gains: negative) | -27.94                           | -2,311.70                |
| Losses from scrap of fixed assets (gains: negative)   | 62,170.29                        | 273,730.01               |
| Losses from changes in fair value (gains: negative)   |                                  |                          |
| Finance costs (gains: negative)   | 78,852,906.52                    | 183,674,281.47           |
| Investment loss (gains: negative)   | -4,650,460.58                    | -634,098.07              |
| Decrease in deferred income tax assets (gains: negative)  | -329,029,723.89                  | -292,528,122.77          |
| Increase in deferred income tax liabilities (“-” means decrease)                                      | -21,958.41                       | -3,558.88                |

|   |                   |                  |
|---|-------------------|------------------|
| Decrease in inventory (gains: negative)   | -3,692,274,029.88 | -391,011,344.87  |
| Decrease in accounts receivable generated from operating activities (gains: negative)               | -505,270,780.52   | 150,130,667.50   |
| Increase in accounts payable used in operating activities (decrease: negative)                      | 1,551,833,183.57  | -40,515,339.17   |
| Others  |                   |                  |
| Net cash flow from operating activities   | -1,813,313,008.58 | 385,497,782.12   |
| 2. Significant investing and financing activities without involvement of cash receipts and payments | --                | --               |
| Conversion of debt to capital   |                   |                  |
| Convertible corporate bonds matured within 1 Year   |                   |                  |
| Fixed asset under finance lease   |                   |                  |
| 3. Net increase/decrease of cash and cash equivalent:   | --                | --               |
| Ending balance of cash  | 1,798,746,969.35  | 4,168,154,911.83 |
| Less: Opening balance of cash   | 4,168,154,911.83  | 3,285,345,233.47 |
| Plus: Closing balance of cash equivalents   |                   |                  |
| Less: Opening balance of cash equivalents   |                   |                  |
| Net increase in cash and cash equivalents   | -2,369,407,942.48 | 882,809,678.36   |

**(2) Net Cash Paid for Acquisition of Subsidiaries**

Unit: RMB

|  | Amount        |
|--|---------------|
| Cash or cash equivalents paid in the current period for the business combination occurring in the current period | 14,000,000.00 |
| Of which:  | --            |
| Less: cash and cash equivalents held by subsidiaries on the purchase date  | 9,707,759.32  |

|   |              |
|---|--------------|
| Of which:   | --           |
| Shenzhen Facility Management Community Technology Co., Ltd. | 9,707,759.32 |
| Of which:   | --           |
| Net cash paid for acquisition of subsidiaries               | 4,292,240.68 |

Other notes:

### (3) Net Cash Receive from Disposal of the Subsidiaries

Unit: RMB

|           | Amount |
|-----------|--------|
| Of which: | --     |
| Of which: | --     |
| Of which: | --     |

Other notes:

### (4) Cash and Cash Equivalents

Unit: RMB

| Item   | Ending balance   | Beginning balance |
|--|------------------|-------------------|
| I. Cash  | 1,798,746,969.35 | 4,168,154,911.83  |
| Including: Cash on hand                          | 110,140.62       | 96,389.26         |
| Bank deposits on demand                          | 1,798,505,465.47 | 4,167,907,417.88  |
| Other monetary assets on demand                  | 131,363.26       | 151,104.69        |
| III. Ending balance of cash and cash equivalents | 1,798,746,969.35 | 4,168,154,911.83  |

Other notes:

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

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

Not applicable.

## 81. Assets with Restricted Ownership or Right of Use

Unit: RMB

| Item   | Ending carrying value | Reason for restriction |
|--|-----------------------|------------------------|
| Monetary Assets                                      | 373,079,206.86        | [Note 1] - [Note 9]    |
| Land use right of Fumin New Village, Futian District | 542,507,314.43        | [Note 10]              |

|       |                |    |
|-------|----------------|----|
| Total | 915,586,521.29 | -- |
|-------|----------------|----|

Other notes:

[Note 1] In terms of monetary assets with restricted right to use at the period-end, there was a bank guarantee of RMB366,477,454.26 issued by the Company in 2021 for the supervision of the implementation entity of the urban renewal unit project Phase II in Bangling Area, Guanlan Street, Longhua District of Shenzhen Rongyao Real Estate Development Co., Ltd., of which the principal was RMB365,765,440.00 and the interest was RMB712,014.26.

[Note 2] In terms of monetary assets with restricted right to use at the period-end, there was an escrow deposit of RMB44,690.02 in the catering branch of the subsidiary company Shandong Shengguomao Real Estate Management Co., Ltd.

[Note 3] In terms of monetary assets with restricted right to use at the period-end, there was an advance payment guarantee of RMB919,255.00 issued by the subsidiary company Shenzhen Facility Management Community Technology Co., Ltd. in December 2021 for the upgrading and reconstruction of the smart park of Shenzhen Bay Science and Technology Ecological Park and the software platform development contract.

[Note 4] In terms of monetary assets with restricted right to use at the period-end, there was RMB3,000,000.00 in the subsidiary company Shenzhen Facility Management Community Technology Co., Ltd. blocked by the court due to pre-litigation preservation for contract disputes.

[Note 5] In terms of monetary assets with restricted right to use at the period-end, there was a loan guarantee of RMB1,127,757.03 provided as mortgage guarantees for commercial housing purchasers and paid by the Company as a real estate developer according to real estate business practices. For details, please refer to XII-3.

[Note 6] In terms of monetary assets with restricted right to use at the period-end, there was RMB1,335,873.47 of interest on unexpired term deposits accrued at the period-end.

[Note 7] In terms of monetary assets with restricted right to use at the period-end, there was interest of RMB43,388.89 on large-value certificates of deposit (more than one year).

[Note 8] In terms of monetary assets with restricted right to use at the period-end, there was RMB130,780.56 in the account of the subsidiary company Shenzhen Property Engineering and Construction Supervision Co., Ltd. The account was in a receiving-only status because the legal person change formalities had not been completed by the period-end.

[Note 9] In terms of monetary assets with restricted right to use at the period-end, there was a restricted fund of RMB7.63 in the blocked account of the subsidiary company Shenzhen Huazhengpeng Property Management Co., Ltd.

[Note 10] Due to the needs of daily business activities, the Company applied for a loan from Bank of Communications Co., Ltd. Shenzhen Branch and mortgaged the land use right of Fumin New Village, Futian District. The loan has a duration from 27 November 2020 to 27 November 2023 and applies floating interest rates, with the first execution interest rate being 4.655%.

## 82. Foreign Currency Monetary Items

### (1) Foreign Currency Monetary Items

Unit: RMB

| Item            | Ending foreign currency balance | Exchange rate | Ending balance converted to RMB |
|-----------------|---------------------------------|---------------|---------------------------------|
| Monetary Assets | --                              | --            | 53,710,413.75                   |
| Of which: USD   | 120,000.00                      | 6.3757        | 765,084.00                      |
| EUR             |                                 |               |                                 |
| HKD             | 61,217,393.00                   | 0.8176        | 50,051,340.50                   |

|                      |                   |         |              |
|----------------------|-------------------|---------|--------------|
| VND                  | 10,335,675,900.00 | 0.00028 | 2,893,989.25 |
| Accounts prepaid     | 8,338.89          |         | 6,817.88     |
| Of which: HKD        | 8,338.89          | 0.8176  | 6,817.88     |
| Other payables       | 363,636.67        |         | 297,309.34   |
| Of which: HKD        | 363,636.67        | 0.8176  | 297,309.34   |
| Accounts Receivable  | --                | --      |              |
| Of which: USD        |                   |         |              |
| EUR                  |                   |         |              |
| HKD                  |                   |         |              |
|                      |                   |         |              |
| Long-term borrowings | --                | --      |              |
| Of which: USD        |                   |         |              |
| EUR                  |                   |         |              |
| HKD                  |                   |         |              |
|                      |                   |         |              |

Other notes:

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

Applicable  Not applicable

| Item   | Main operating place | Standard currency for accounting | Basis for choosing                 |
|--|----------------------|----------------------------------|------------------------------------|
| Shum Yip Properties Development Co., Ltd. and its subsidiary | Hong Kong            | HKD                              | Located in HK, settled by HKD      |
| Vietnam Shenguomao Property Management Co., Ltd.             | Vietnam              | VND                              | Located in Vietnam, settled by VND |

### 83. Arbitrage

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

### 84. Government Grants

#### (1) Basic Information on Government Grants

Unit: RMB

| Category  | Amount        | Listed items         | Amount recorded in the current profit or loss |
|---|---------------|----------------------|---|
| Award for Contribution to Economic Growth of Headquarters                                     | 20,000,000.00 | Other income         | 20,000,000.00                                 |
| Enterprise incentive fund from the Headquarters of National Development and Reform Commission | 3,000,000.00  | Other income         | 3,000,000.00                                  |
| Subsidies for purchase of post  | 176,278.04    | Other income         | 176,278.04                                    |
| Training subsidy for the new apprenticeship system in enterprise                              | 170,500.00    | Other income         | 170,500.00                                    |
| Subsidies for pandemic prevention   | 153,299.43    | Other income         | 153,299.43                                    |
| Subsidy for stabilizing employment  | 83,161.64     | Other income         | 83,161.64                                     |
| Other subsidies   | 330,416.48    | Other income         | 330,416.48                                    |
| Other subsidies   | 10,000.00     | Non-operating income | 10,000.00                                     |
| Total   | 23,923,655.59 |                      | 23,923,655.59                                 |

## (2) Return of Government Grants

Applicable  Not applicable

Other notes:

## 85. Other

## VIII. Change of Consolidation Scope

### 1. Business Combination Not under the Same Control

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

Unit: RMB

| Name of acquiree | Time and place of gaining equity | Cost of gaining the equity | Proportion of equity | Way to gain equity | Purchase date | Recognition basis of purchase date | Income of acquiree from the purchase date to period-end | Net profits of acquiree from the purchase date to period-end |
|------------------|----------------------------------|----------------------------|----------------------|--------------------|---------------|------------------------------------|---|--|
|------------------|----------------------------------|----------------------------|----------------------|--------------------|---------------|------------------------------------|---|--|

|   |                  |               |        |                                |                  |                     |               |              |
|---|------------------|---------------|--------|--------------------------------|------------------|---------------------|---------------|--------------|
| Shenzhen Facility Management Community Technology Co., Ltd. | 1 September 2021 | 14,000,000.00 | 35.00% | Acquisition & capital increase | 1 September 2021 | Transfer of control | 10,397,919.47 | 4,207,546.24 |
|---|------------------|---------------|--------|--------------------------------|------------------|---------------------|---------------|--------------|

Other notes:

## (2) Combination Cost and Goodwill

Unit: RMB

|   |               |
|---|---------------|
| Combination cost  | 14000000      |
| --Other   | 14,000,000.00 |
| Total combination costs   | 14,000,000.00 |
| Less: share in the fair value of identifiable net assets acquired   | 4,553,152.62  |
| The amount of goodwill/combination cost less than the share in the fair value of identifiable net assets acquired | 9,446,847.38  |

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

The main formation reason for the large goodwill:

Other notes:

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

Unit: RMB

|                                 | Fair value on purchase date | Carrying value on purchase date |
|---------------------------------|-----------------------------|---------------------------------|
| Monetary Assets                 | 9,707,759.32                | 9,707,759.32                    |
| Accounts receivable             | 6,641,170.69                | 6,641,170.69                    |
| Fixed Assets                    | 112,652.42                  | 98,752.42                       |
| Intangible Assets               | 1,465,493.39                | 161,193.39                      |
| Prepayments                     | 68,916.00                   | 68,916.00                       |
| Other Receivables               | 219,088.29                  | 219,088.29                      |
| Other Current Assets            | 15,199.18                   | 15,199.18                       |
| Right-of-use assets             | 1,738,689.94                | 1,738,689.94                    |
| Accounts payable                | 1,029,932.47                | 1,029,932.47                    |
| Deferred income tax liabilities | 329,550.00                  |                                 |

|   |               |               |
|---|---------------|---------------|
| Contract liabilities                        | 1,957,410.31  | 1,957,410.31  |
| Payroll payable                             | 1,391,401.11  | 1,391,401.11  |
| Tax and fees payables                       | 41,841.67     | 41,841.67     |
| Other payables                              | 41,527.12     | 41,527.12     |
| Non-current liabilities due within one year | 700,381.73    | 700,381.73    |
| Lease liabilities                           | 1,076,996.53  | 1,076,996.53  |
| Net assets                                  | 13,399,928.29 | 12,411,278.29 |
| Less: non-controlling interests             | 8,846,775.67  | 8,204,153.17  |
| Net assets acquired                         | 4,553,152.62  | 4,207,125.12  |

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

Contingent liability of acquiree undertaken in the business combination:

Other notes:

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

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

Yes  No

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

#### (6) Other Notes

## 2. Business Combination under the Same Control

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

Unit: RMB

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

Other notes:

**(2) Combination Cost**

Unit: RMB

|                  |  |
|------------------|--|
| Combination cost |  |
|------------------|--|

Contingent liabilities and changes thereof:

Other notes:

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

Unit: RMB

|  |                  |                               |
|--|------------------|-------------------------------|
|  |                  |                               |
|  | Combination date | Period-end of the last period |

Contingent liabilities of the combined party undertaken in the business combination:

Other notes:

**3. Counter Purchase**

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

**4. Disposal of Subsidiary**

Whether there was a single disposal of an investment in a subsidiary that resulted in a loss of control

 Yes  No

Whether there was a step-by-step disposal of investment in a subsidiary through multiple transactions and loss of control during the period

 Yes  No**5. Changes in Combination Scope for Other Reasons**

Describe other changes in the consolidation scope (e.g., new subsidiaries, liquidation of subsidiaries, etc.) and relevant situations:

Increase in scope of combination

| Name of company   | Way to gain equity           | Time and place of gaining equity | Contribution amount | Contribution proportion |
|---|------------------------------|----------------------------------|---------------------|-------------------------|
| Xiamen Shenguomao Industrial City Smart Service Co., Ltd. | Newly-established subsidiary | 29 March 2021                    |                     | 51%                     |
| Vietnam Shenguomao Property Management Co., Ltd.          | Newly-established subsidiary | 1 February 2021                  | 1,293,940.00        | 100%                    |
| Shenzhen SZPRD Yanzihu Development Co., Ltd.              | Newly-established subsidiary | 1 February 2021                  | 10,000,000.00       | 100%                    |
| Shenzhen Guangming Wuhe Real Estate                       | Newly-established            | 9 December 2021                  |                     | 100%                    |

|                                     |                              |                  |               |      |
|-------------------------------------|------------------------------|------------------|---------------|------|
| Co., Ltd.                           | hed subsidiary               |                  |               |      |
| Dongguan Wuhe Real Estate Co., Ltd. | Newly-established subsidiary | 9 September 2021 | 20,000,000.00 | 100% |

## 6. Other

## IX. Equity in Other Entities

### 1. Equity in Subsidiary

#### (1) Subsidiaries

| Name  | Main operating place | Registration place | Nature of business                           | Shareholding percentage (%) |            | Way of gaining                                  |
|---|----------------------|--------------------|--|-----------------------------|------------|---|
|   |                      |                    |  | Directly                    | Indirectly |   |
| Shenzhen Huangcheng Real Estate Co., Ltd.                         | Shenzhen             | Shenzhen           | Real estate                                  | 100.00%                     |            | Set-up  |
| Shenzhen Wuhe Industry Investment Development Co., Ltd.           | Shenzhen             | Shenzhen           | Real estate                                  | 100.00%                     |            | Set-up  |
| Shenzhen Facility Management Community Technology Co., Ltd.       | Shenzhen             | Shenzhen           | Software and information technology services |                             | 35.00%     | Business combination not under the same control |
| Beijing Facility Home Technology Co., Ltd.                        | Beijing              | Beijing            | Software and information technology services |                             | 17.85%     | Business combination not under the same control |
| SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.             | Xuzhou               | Xuzhou             | Real estate                                  | 100.00%                     |            | Set-up  |
| Dongguan ITC Changsheng Real Estate Development Co., Ltd.         | Dongguan             | Dongguan           | Real estate                                  | 100.00%                     |            | Set-up  |
| SZPRD Yangzhou Real Estate Development Co., Ltd.                  | Yangzhou             | Yangzhou           | Real estate                                  | 100.00%                     |            | Set-up  |
| Shenzhen International Trade Center Property Management Co., Ltd. | Shenzhen             | Shenzhen           | Real estate                                  | 100.00%                     |            | Set-up  |
| Shenzhen Guomaomei Life Service Co., Ltd.                         | Shenzhen             | Shenzhen           | Real estate                                  |                             | 100.00%    | Set-up  |
| Shandong Shengguomao Real Estate Management Co., Ltd.             | Jinan                | Jinan              | Real estate                                  |                             | 100.00%    | Set-up  |

|  |                |                |                            |         |         |   |
|--|----------------|----------------|----------------------------|---------|---------|---|
| Chongqing Shenguomao Real Estate Management Co., Ltd.                            | Chongqing City | Chongqing City | Real estate                |         | 100.00% | Set-up  |
| Chongqing Aobo Elevator Co., Ltd.  | Chongqing City | Chongqing City | Service Industry           |         | 100.00% | Set-up  |
| Chongqing Tianque Elevator Technology Co., Ltd.                                  | Shenzhen       | Shenzhen       | Service Industry           |         | 100.00% | Set-up  |
| Shenzhen Guoguan Electromechanical Device Co., Ltd.                              | Shenzhen       | Shenzhen       | Service Industry           |         | 100.00% | Set-up  |
| Shenzhen Guomao Catering Co., Ltd.   | Shenzhen       | Shenzhen       | Accommodation and catering |         | 100.00% | Set-up  |
| Shenzhen Property Engineering and Construction Supervision Co., Ltd.             | Shenzhen       | Shenzhen       | Service Industry           | 100.00% |         | Set-up  |
| SZPRD Commercial Operation Co., Ltd.   | Shenzhen       | Shenzhen       | Service Industry           | 100.00% |         | Set-up  |
| Zhanjiang Shenzhen Real Estate Development Co., Ltd.                             | Zhanjiang City | Zhanjiang City | Real estate                | 100.00% |         | Set-up  |
| Shum Yip Properties Development Co., Ltd.  | Hong Kong      | Hong Kong      | Real estate                | 100.00% |         | Set-up  |
| Wayhang Development Co., Ltd.  | Hong Kong      | Hong Kong      | Real estate                |         | 100.00% | Set-up  |
| Chief Link Properties Co., Ltd.  | Hong Kong      | Hong Kong      | Real estate                |         | 70.00%  | Set-up  |
| Syndis Investment Co., Ltd.  | Hong Kong      | Hong Kong      | Real estate                |         | 70.00%  | Business combination not under the same control |
| Yangzhou Shouxihu Jingyue Property Development Co., Ltd.                         | Yangzhou       | Yangzhou       | Real estate                |         | 51.00%  | Set-up  |
| Shandong International Trade Center Hotel Management Co., Ltd.                   | Jinan          | Jinan          | Real estate                |         | 100.00% | Set-up  |
| Shenzhen Shenshan Special Cooperation Zone Guomao Property Development Co., Ltd. | Shenzhen       | Shenzhen       | Real estate                |         | 65.00%  | Set-up  |
| Shenzhen Guomao Tongle Property Management Co., Ltd.                             | Shenzhen       | Shenzhen       | Real estate                |         | 51.00%  | Set-up  |
| Shenzhen Rongyao Real Estate Development Co., Ltd.                               | Shenzhen       | Shenzhen       | Real estate                | 69.00%  |         | Business combination not under the same control |

|  |          |          |                                       |         |         |   |
|--|----------|----------|---------------------------------------|---------|---------|---|
| Shenzhen ITC Technology Park Service Co., Ltd.                   | Shenzhen | Shenzhen | Real estate                           | 100.00% |         | Business combination under the same control |
| Shenzhen Julian Human Resources Development Co., Ltd.            | Shenzhen | Shenzhen | Service Industry                      |         | 100.00% | Business combination under the same control |
| Shenzhen Huazhengpeng Property Management Development Co., Ltd.  | Shenzhen | Shenzhen | Real estate                           |         | 100.00% | Business combination under the same control |
| SZPRD Urban Renewal Co., Ltd.                                    | Shenzhen | Shenzhen | Real estate                           | 100.00% |         | Business combination under the same control |
| Shenzhen Penghongyuan Industrial Development Co., Ltd.           | Shenzhen | Shenzhen | Accommodation and catering            |         | 100.00% | Business combination under the same control |
| Shenzhen Jinhailian Property Management Co., Ltd.                | Shenzhen | Shenzhen | Real estate                           |         | 100.00% | Business combination under the same control |
| Shenzhen Social Welfare Co., Ltd.                                | Shenzhen | Shenzhen | Sanitation and social work            |         | 100.00% | Business combination under the same control |
| Shenzhen Fuyuanmin Property Management Limited Liability Company | Shenzhen | Shenzhen | Real estate                           |         | 100.00% | Business combination under the same control |
| Shenzhen Meilong Industrial Development Co., Ltd.                | Shenzhen | Shenzhen | Service Industry                      |         | 100.00% | Business combination under the same control |
| Shenzhen Guomao Shenlv Garden Co., Ltd.                          | Shenzhen | Shenzhen | Public facilities management services |         | 90.00%  | Business combination under the same control |
| Shenzhen Jiayuan Property  | Shenzhen | Shenzhen | Real estate                           |         | 54.00%  | Business                                    |

|   |          |          |   |  |         |   |
|---|----------|----------|---|--|---------|---|
| Management Co., Ltd.                                      | n        | n        |   |  |         | combination under the same control          |
| Shenzhen Helinhua Construction Management Co., Ltd.       | Shenzhen | Shenzhen | Real estate   |  | 90.00%  | Business combination under the same control |
| Shenzhen Zhongtongda House Xiushan Service Co., Ltd.      | Shenzhen | Shenzhen | Construction industry   |  | 90.00%  | Business combination under the same control |
| Shenzhen Kangping Industrial Co., Ltd.                    | Shenzhen | Shenzhen | Retail trade  |  | 90.00%  | Business combination under the same control |
| Shenzhen Sports Service Co., Ltd.                         | Shenzhen | Shenzhen | Manufacturing industry  |  | 100.00% | Business combination under the same control |
| Shenzhen Teacher's Home Training Co., Ltd.                | Shenzhen | Shenzhen | Retail trade  |  | 100.00% | Business combination under the same control |
| Shenzhen Education Industrial Co., Ltd.                   | Shenzhen | Shenzhen | Service Industry  |  | 100.00% | Business combination under the same control |
| Shenzhen Yufa Industrial Co., Ltd.                        | Shenzhen | Shenzhen | Retail trade  |  | 80.95%  | Business combination under the same control |
| SZPRD Fuyuantai Development Co., Ltd.                     | Shenzhen | Shenzhen | Real estate   |  | 100.00% | Set-up                                      |
| Xiamen Shenguomao Industrial City Smart Service Co., Ltd. | Shenzhen | Shenzhen | Repair services of motor vehicles, electronic products and daily-use products |  | 51.00%  | Set-up                                      |
| Vietnam Shenguomao Property Management Co., Ltd.          | Shenzhen | Shenzhen | Service Industry  |  | 100.00% | Set-up                                      |
| Shenzhen SZPRD Yanzihu                                    | Shenzhen | Shenzhen | Real estate   |  | 100.00% | Set-up                                      |

|   |          |          |             |         |  |        |
|---|----------|----------|-------------|---------|--|--------|
| Development Co., Ltd.                         | n        | n        |             |         |  |        |
| Shenzhen Guangming Wuhe Real Estate Co., Ltd. | Shenzhen | Shenzhen | Real estate | 100.00% |  | Set-up |
| Dongguan Wuhe Real Estate Co., Ltd.           | Shenzhen | Shenzhen | Real estate | 100.00% |  | Set-up |

Notes to holding proportion in subsidiary different from voting proportion:

In May 2021, Shenzhen Wuhe Industry Investment Development Co., Ltd. (hereinafter referred to as "Wuhe Company"), a subsidiary of the Company, acquired 35% of the equity of Shenzhen Facility Management Community Technology Co., Ltd. (hereinafter referred to as "FMC") through acquisition of equity and directional capital increase. Meanwhile, according to the agreement of the cooperation framework on equity acquisition signed by Wuhe Company and the original shareholders, 16% of the voting rights that the original shareholders hold or actually control in the equity of FMC shall be unconditionally granted to Wuhe Company to exercise after the transaction date. There are no prerequisites for the granting of voting rights, and the term of the voting rights is not stipulated in the contract.

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

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

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

Other notes:

## (2) Significant Non-wholly-owned Subsidiary

Unit: RMB

| Name   | Shareholding proportion of non-controlling interests | The profit or loss attributable to the non-controlling interests | Declaring dividends distributed to non-controlling interests | Balance of non-controlling interests at the period-end |
|--|--|--|--|--|
| Shenzhen Rongyao Real Estate Development Co., Ltd.       | 31.00%   | -21,415,719.66   |  | 17,492,106.42  |
| Yangzhou Shouxihu Jingyue Property Development Co., Ltd. | 49.00%   | 711,266.86   |  | 5,529,648.80   |
| Shenzhen Guomao Shenlv Garden Co., Ltd.                  | 10.00%   | 193,064.91   |  | 4,821,207.97   |

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

Other notes:

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

Unit: RMB

| Name  | Ending balance       |                    |                      |                      |                         |                      | Beginning balance    |                    |                      |                     |                         |                      |
|---|----------------------|--------------------|----------------------|----------------------|-------------------------|----------------------|----------------------|--------------------|----------------------|---------------------|-------------------------|----------------------|
|   | Current assets       | Non-current assets | Total assets         | Current liabilities  | Non-current liabilities | Total liabilities    | Current assets       | Non-current assets | Total assets         | Current liabilities | Non-current liabilities | Total liabilities    |
| Shenzhen Rongyao Real Estate Development Co., Ltd.        | 4,650,977.97<br>6.49 | 137,576,247.00     | 4,788,554.22<br>3.49 | 1,730,779.98<br>3.83 | 3,001,348.08<br>9.90    | 4,732,128.07<br>3.73 | 4,265,252.71<br>5.28 | 114,182,786.33     | 4,379,435.50<br>1.61 | 224,326,385.22      | 4,029,600.00            | 4,253,926.38<br>5.22 |
| Yangzhou Shouxi Hu Jingyue Property Development Co., Ltd. | 18,565,365.94        | 1,106,169.89       | 19,671,535.83        | 8,205,301.82         | 181,236.45              | 8,386,538.27         | 15,397,601.22        | 877,958.80         | 16,275,560.02        | 6,442,127.49        |                         | 6,442,127.49         |
| Shenzhen Guomao Shenlv Garden Co., Ltd.                   | 31,903,583.82        | 778,232.97         | 32,681,816.79        | 28,564,967.87        |                         | 28,564,967.87        | 31,973,980.11        | 1,389,548.34       | 33,363,528.45        | 30,657,770.94       |                         | 30,657,770.94        |

Unit: RMB

| Name     | Amount of the current period |            |                            |                                      | Amount of the previous period |            |                            |                                      |
|----------|------------------------------|------------|----------------------------|--------------------------------------|-------------------------------|------------|----------------------------|--------------------------------------|
|          | Revenue                      | Net profit | Total comprehensive income | Cash flows from operating activities | Revenue                       | Net profit | Total comprehensive income | Cash flows from operating activities |
| Shenzhen |                              | -69,082,96 | -69,082,96                 | -219,358,7                           |                               | -217,986,0 | -217,986,0                 | -428,153,6                           |

|  |               |              |              |              |               |              |              |              |
|--|---------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Rongyao Real Estate Development Co., Ltd.                |               | 6.63         | 6.63         | 60.50        |               | 90.23        | 90.23        | 32.73        |
| Yangzhou Shouxihu Jingyue Property Development Co., Ltd. | 34,266,561.14 | 1,451,565.03 | 1,451,565.03 | 2,330,187.13 | 27,454,217.70 | 1,075,200.88 | 1,075,200.88 | 3,369,179.34 |
| Shenzhen Guomao Shenlv Garden Co., Ltd.                  | 16,814,920.86 | 1,411,091.41 | 1,411,091.41 | -181,629.00  | 13,548,955.86 | -909,323.54  | -909,323.54  | 1,413,554.68 |

Other notes:

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

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

Other notes:

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

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

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

Unit: RMB

|  |  |
|--|--|
|  |  |
|--|--|

Other notes:

### 3. Equity in Joint Ventures or Associated Enterprises

#### (1) Significant Joint Ventures or Associated Enterprises

| Name | Main operating place | Registration place | Nature of business | Shareholding percentage (%) |            | Accounting treatment of the investment to |
|------|----------------------|--------------------|--------------------|-----------------------------|------------|---|
|      |                      |                    |                    | Directly                    | Indirectly |   |
|      |                      |                    |                    |                             |            |   |

|  |          |          |                     |        |  | joint venture or associated enterprise |
|--|----------|----------|---------------------|--------|--|--|
| Shenzhen Real Estate Jifa Warehousing Co., Ltd.  | Shenzhen | Shenzhen | Warehouse service   | 50.00% |  | Equity method                          |
| Shenzhen Tian'an International Mansion Property Administration Co., Ltd. (Tian'an Company) | Shenzhen | Shenzhen | Property management | 50.00% |  | Equity method                          |

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

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

## (2) Main Financial Information of Significant Joint Ventures

Unit: RMB

|                                     | Closing balance/amount of the current period |  | Opening balance/amount of the previous period |  |
|-------------------------------------|--|--|---|--|
|                                     | Shenzhen Jifa Warehouse Co., Ltd.            | Shenzhen Tian'an International Mansion Property Administration Co., Ltd. (Tian'an Company) | Shenzhen Jifa Warehouse Co., Ltd.             | Shenzhen Tian'an International Mansion Property Administration Co., Ltd. (Tian'an Company) |
| Current assets                      | 77,995,898.01                                | 57,331,775.19  | 5,408,927.72                                  | 56,100,422.58  |
| Of which: Cash and cash equivalents | 9,519,579.27                                 | 36,510,372.60  | 5,408,401.36                                  | 35,387,944.60  |
| Non-current assets                  | 12,036,801.70                                | 64,052.07  | 75,370,802.09                                 | 49,234.16  |
| Total assets                        | 90,032,699.71                                | 57,395,827.26  | 80,779,729.81                                 | 56,149,656.74  |
| Current liabilities                 | 2,999,369.48                                 | 27,437,899.29  | 2,671,881.97                                  | 26,716,095.36  |
| Non-current liabilities             |  | 16,269,895.46  |   | 16,120,967.63  |
| Total liabilities                   | 2,999,369.48                                 | 43,707,794.75  | 2,671,881.97                                  | 42,837,062.99  |
| Equity attributable to              | 87,033,330.23                                | 13,688,032.51  | 78,107,847.84                                 | 13,312,593.75  |

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| shareholders of the Company as the parent                   |               |               |               |               |
| Net assets shares calculated at the shareholding proportion | 43,516,665.12 | 6,844,016.26  | 39,053,923.92 | 6,656,296.87  |
| Carrying value of equity investment to joint ventures       | 43,516,665.12 | 6,844,016.26  | 39,053,923.92 | 6,656,296.87  |
| Revenue   | 17,198,255.16 | 17,937,089.04 | 6,298,927.01  | 18,268,841.02 |
| Financial expenses  | -18,157.77    | -524,285.04   | -7,369.67     | -567,932.96   |
| Income tax expenses   | 2,981,339.69  | 128,978.80    | 184,895.52    | 130,585.02    |
| Net profit  | 8,925,482.39  | 375,438.76    | 878,304.52    | 389,891.64    |
| Total comprehensive income                                  | 8,925,482.39  | 375,438.76    | 878,304.52    | 389,891.64    |

Other notes:

### (3) Main Financial Information of Significant Associated Enterprise

Unit: RMB

|  | Closing balance/amount of the current period | Opening balance/amount of the previous period |
|--|--|---|
|  |  |   |

Other notes:

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

Unit: RMB

|   | Closing balance/amount of the current period | Opening balance/amount of the previous period |
|---|--|---|
| Joint venture:                                    | --   | --  |
| Sum calculated by shareholding ratio of each item | --   | --  |
| Associated enterprises:                           | --   | --  |
| Sum calculated by shareholding ratio of each item | --   | --  |

Other notes:

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

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

Unit: RMB

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

Other notes:

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

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

## 4. Significant Common Operation

| Name | Main operating place | Registration place | Nature of business | Proportion /Share portion |            |
|------|----------------------|--------------------|--------------------|---------------------------|------------|
|      |                      |                    |                    | Directly                  | Indirectly |
|      |                      |                    |                    |                           |            |

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

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

Other notes:

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

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

## 6. Other

## X. Risks Associated with Financial Instruments

The Company is engaged in risk management to achieve balance between risks and returns, minimizing the negative effects of risks on its operation performance and maximizing the interests of its shareholders and other equity investors. Based on that risk management goal, the fundamental strategy of its risk management is to identify and analyze various risks facing the Company, establish an appropriate risk bottom line, carry out risk management and monitor various risks in a timely and reliable manner to control them within a restricted scope.

The Company faces various risks related to financial instruments in its routine activities, mainly including credit risk, liquidity risk market risk. The management has reviewed and approved the policies of managing those risks, which are summarized as follows.

#### i. Credit risk

Credit risk means the risk of financial losses incurred to the other party when one party of a financial instrument is unable to fulfill its obligations.

## 1. Credit Risk Management Practice

### (1) Credit Risk Evaluation Method

On each balance sheet date, the Company shall evaluate whether the credit risk of relevant financial instruments has increased significantly since the initial recognition. After determining whether the credit risk has increased significantly since the initial recognition, the Company shall consider obtaining reasonable and reliable information without paying unnecessary extra costs or efforts, including qualitative and quantitative analysis based on historical data, external credit risk rating and forward-looking information. On the basis of the single financial instrument or combination of financial instruments with similar credit risk characteristics, the Company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date to determine the change of default risk of financial instruments during their expected duration.

When one or more of the following quantitative and qualitative criteria prevails, the Company shall believe the credit risk of financial instruments has increased significantly:

1) For the quantitative standard, it can be mainly analyzed from the probability of default for the remaining duration on the balance sheet date rises by more than a certain proportion compared with the initial confirmation.

2) For the qualitative standard, it can be mainly analyzed from the major adverse changes in the debtor's operation or financial situation, changes in existing or expected technology, market, economy or legal environment which shall have major adverse impacts on the debtor's repayment ability of the Company, etc.

3) The upper limit is that the debtor's contract payment (including principal and interest) is overdue for more than 90 days.

### (2) Definition of Default and Credit Impairment-Assets

When a financial instrument meets one or more of the following conditions, the Company shall define the financial asset as having defaulted, and its criteria are consistent with the definition of having incurred credit impairment:

#### 1) Quantitative Standard

The debtor fails to make the payment after the contract payment date for more than 90 days;

#### 2) Qualitative criteria

a) The debtor has major financial difficulties;

b) The debtor violates the binding provisions on the debtor in the contract;

c) The debtor is likely to go bankrupt or carry out other financial restructurings;

d) The creditor shall give the debtor concessions that will not be made in any other circumstances due to the economic or contractual considerations related to the debtor's financial difficulties.

## 2. Measurement of Expected Credit Loss

The key parameters for measuring expected credit loss included default probability, loss given default and exposure at default. The Company considers the quantitative analysis and forward-looking information of historical statistical data (such as counterparty rating, guarantee method, collateral type, repayment method, etc.) to establish exposure models of default probability, loss given default, and default risk.

3. Refer to Note VI-1, VI-2, VI-9 for details of the reconciliation statements of beginning balance and ending balance of financial instrument loss provision.

## 4. Credit Risk Exposure and Credit Risk Concentration

The Company's credit risk mainly comes from monetary assets and accounts receivable. To control the aforementioned relevant risks, the Company has adopted the following measures.

### (1) Monetary assets

The Company places its monetary assets with financial institutions of high credit ratings. Thus, its credit risk is low.

## (2) Accounts receivable

The Company conducts credit assessments on the customers trading in the mode of credit on a regular basis. Based on the credit assessment result, the Company chooses to trade with recognized customers with good credit and monitor the balance of the accounts receivable from them to ensure that the Company will not face any significant bad debt risk.

Due to the Company merely trades with the authorized third party with good credit, the guarantee is not required. Credit risk concentration is managed in accordance with the customers. As at 31 December 2021, there were certain credit concentration risks in the Company, and 57.71% of the accounts receivable of the Company (55.41% on 31 December 2020) came from the top 5 customers by balance. The Company hasn't held any guarantee or other credit enhancement for balance of accounts receivable.

The maximum credit risk exposure the Company undertook shall be the carrying value of each financial asset on balance sheet.

## ii. Liquidity risk

Liquidity risk refers to the risk of fund shortage occurring when the Company fulfills the settlement obligation in the mode of cash delivery or other financial assets. Liquidity risk may originate from the failure to sell financial assets at fair value as soon as possible; or from the other party's failure to pay off its contractual debts; or from the earlier maturity of debts; or from the failure to generate the expected cash flow.

To control the risk, the Company comprehensively adopts bank loans as financing approach, appropriately combines long-term and short-term financing modes and optimizes the financing structure to maintain the balance between financing sustainability and flexibility. The Company has obtained the line of credit from a number of commercial banks to satisfy its operation fund needs and capital expenditure.

## Financial liabilities classified by remaining maturity

| Item   | Ending balance   |                              |                  |                  |                |
|--|------------------|------------------------------|------------------|------------------|----------------|
|  | Carrying value   | Undiscounted contract amount | Within 1 year    | 1-3 years        | Over 3 years   |
| Banking borrowings                               | 3,524,500,000.00 | 4,061,471,066.60             | 181,841,910.20   | 3,473,322,700.29 | 406,306,456.11 |
| Accounts payable                                 | 337,126,528.68   | 337,126,528.68               | 337,126,528.68   |                  |                |
| Other payables                                   | 959,398,886.29   | 959,398,886.29               | 947,196,210.25   |                  | 12,202,676.04  |
| Current portion of other non-current liabilities | 68,984,050.47    | 68,984,050.47                | 68,984,050.47    |                  |                |
| Total  | 4,890,009,465.44 | 5,426,980,532.04             | 1,535,148,699.60 | 3,473,322,700.29 | 418,509,132.15 |

(Continued)

| Item               | Ending balance   |                              |                |                |                  |
|--------------------|------------------|------------------------------|----------------|----------------|------------------|
|                    | Carrying value   | Undiscounted contract amount | Within 1 year  | 1-3 years      | Over 3 years     |
| Banking borrowings | 3,587,800,000.00 | 4,314,545,187.20             | 184,013,456.59 | 499,101,299.39 | 3,631,430,431.22 |
| Accounts payable   | 468,269,685.65   | 468,269,685.65               | 468,269,685.65 |                |                  |
| Other payables     | 847,142,613.09   | 847,142,613.09               | 834,939,937.05 |                | 12,202,676.04    |
| Current portion of | 36,722,824.88    | 36,722,824.88                | 36,722,824.88  |                |                  |

|                               |                  |                  |                  |                |                  |
|-------------------------------|------------------|------------------|------------------|----------------|------------------|
| other non-current liabilities |                  |                  |                  |                |                  |
| Total                         | 4,939,935,123.62 | 5,666,680,310.82 | 1,523,945,904.17 | 499,101,299.39 | 3,643,633,107.26 |

iii. Market risk

Market risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments arising from changes in market prices. Market risk mainly includes interest rate risk and foreign exchange risk.

1. Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments arising from changes in market interest rates. Interest-bearing financial instruments with fixed interest rates may bring the fair value interest rate risk to the Company, while those with floating interest rate may bring the cash flow interest rate risk to the Company. The Company will determine the proportion between the financial instruments with fixed interest rate and those with floating interest rate in combination with market environment, and maintain an appropriate portfolio of financial instruments through regular review and monitoring. The interest rate risk of cash flows facing the Company is mainly related to the bank loans calculated by floating interest rate of the Company.

As at 31 December 2021, under the assumption of other fixed variables with 50 basis points changed in interest rate, the bank loan of RMB3,587,800,000.00 (RMB3,618,800,000.00 on 31 December 2020) calculated at floating rate would not result in significant influence on total profit and shareholders' equity of the Company.

2. Foreign exchange risk

Foreign exchange risk refers to the risk that may lead to the changes of fair value of financial instruments or future cash flows due to fluctuation in exchange rate. The risk of changes of exchange rate facing the Company is mainly related to foreign currency monetary assets and liabilities of the Company. The Company operates in mainland China, and the main activities are recorded by RMB. Thus, the foreign exchange market risk undertaken is insignificant for the Company.

## XI. Disclosure of Fair Value

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

Unit: RMB

| Item   | Ending fair value                       |   |   |              |
|--|---|---|---|--------------|
|  | Fair value measurement items at level 1 | Fair value measurement items at level 2 | Fair value measurement items at level 3 | Total        |
| I. Consistent fair value measurement                           | --                                      | --                                      | --                                      | --           |
| (III) Other equity instrument investment                       | 1,002,551.95                            |   |   | 1,002,551.95 |
| The total amount of assets consistently measured at fair value | 1,002,551.95                            |   |   | 1,002,551.95 |
| II. Inconsistent fair  | --                                      | --                                      | --                                      | --           |

|                   |  |  |  |  |
|-------------------|--|--|--|--|
| value measurement |  |  |  |  |
|-------------------|--|--|--|--|

## 2. Basis for determining the market price of continuous and non-continuous Level 1 fair value measurement items

Other equity instruments held by the Company belong to stocks of listed company, of which the closing price of stock exchange on December 31, 2021 shall be regarded as the fair value.

## 3. Continuous and non-continuous Level 2 fair value measurement items, valuation techniques used, and the qualitative and quantitative information of important parameters

## 4. Continuous and non-continuous Level 3 fair value measurement items, valuation techniques used, and the qualitative and quantitative information of important parameters

## 5. Continuous and non-continuous Level 3 fair value measurement items, information on the adjustment between the opening and closing carrying value, and sensitivity analysis of unobservable parameters

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

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

## 8. The fair value of financial assets and financial liabilities not measured at fair value

## 9. Others

# XII. Related Party and Related-party Transactions

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

| Name                                   | Registration place | Nature of business                                    | Registered capital | Proportion of share held by the Company as the parent against the Company (%) | Proportion of voting rights owned by the Company as the parent against the Company (%) |
|--|--------------------|---|--------------------|---|--|
| Shenzhen Investment Holdings Co., Ltd. | Shenzhen           | Limited liability company (solely-owned by the state) | RMB28,009 million  | 56.96%  | 56.96%   |

Notes: information on the Company as the parent

(1) The parent company of the Company is Shenzhen Investment Holdings Co., Ltd. (hereinafter referred to as "SIHC"), a newly-established and organized state-owned capital investment company based on the original three state-owned assets management companies in October 2004, and its main function is to manage the partial municipal state-owned companies according to the

authorization of Municipal SASAC. As a government department, Shenzhen State-owned Assets Supervision and Administration Bureau manages Shenzhen Investment Holdings Co., Ltd. on behalf of People's Government of Shenzhen Municipality.

(2) During the Reporting Period, SIHC, the controlling shareholder of the Company, transferred 38,037,890 common 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. Shenzhen State-owned Equity Management Co., Ltd. is a newly-established wholly-owned subsidiary of SIHC to manage the transferred state-owned equity in a special account. After the registration of the free transfer, SIHC held 301,414,637 shares of the Company, accounting for 50.575% of the total share capital of the Company, and Shenzhen State-owned Equity Management Co., Ltd. held 38,037,890 shares of the Company, accounting for 6.382% of the total share capital of the Company.

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

Other notes:

## 2. Subsidiaries of the Company

Refer to Note IX-1.

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

Refer to Note IX-3.

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

| Name | Relationship with the Company |
|------|-------------------------------|
|------|-------------------------------|

Other notes:

## 4. Information on Other Related Parties

| Name   | Relationship with the Company  |
|--|--|
| Shenzhen Bay Technology Development Co., Ltd.  | Wholly-owned subsidiary of the Company as the parent of the Company  |
| Shenzhen Hi-tech Zone Development Construction Co., Ltd.                                   | Wholly-owned subsidiary of Shenzhen Bay Technology Development Co., Ltd.                                   |
| Shenzhen Xinhai Holding Co., Ltd.  | The Company as the parent of Xinhai Rongyao of subsidiary Rongyao Real Estate by non-controlling interests |
| Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.                                  | Subsidiary Rongyao Real Estate by non-controlling interests  |
| Shenzhen Real Estate Jifa Warehousing Co., Ltd.  | Joint venture of the Company   |
| Shenzhen Tian'an International Mansion Property Administration Co., Ltd. (Tian'an Company) | Joint venture of the Company   |
| Shenzhen Wufang Ceramics Industrial Co., Ltd.  | Associated enterprise of the Company   |
| Hebei Shenbao Investment Development Co., Ltd.   | Parent company's grandson company  |

|  |   |
|--|---|
| Guosen Securities Co., Ltd.  | Subsidiary of the Company as the parent of the Company              |
| Shenzhen Shen Yue United Investment Co., Ltd.  | Wholly-owned subsidiary of the Company as the parent of the Company |
| Shenzhen Bay Wanyi Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd.                        | Wholly-owned parent company's grandson company                      |
| Shenzhen Bay Wanli Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd.                        | Wholly-owned parent company's grandson company                      |
| Shenzhen Infinova Limited  | Subsidiary of the Company as the parent of the Company              |
| Shenzhen General Institute of Architectural Design and Research Co., Ltd.                            | Wholly-owned subsidiary of the Company as the parent of the Company |
| Shenzhen Bay Area Urban Construction and Development Co., Ltd.                                       | Wholly-owned subsidiary of the Company as the parent of the Company |
| Shenzhen Convention & Exhibition Center Management Co., Ltd.   | Wholly-owned subsidiary of the Company as the parent of the Company |
| Shenzhen Shenzhen Hong Kong Science and Technology Innovation Cooperation Zone Development Co., Ltd. | Subsidiary of the Company as the parent of the Company              |
| Shenzhen Bay (Baoding) Innovation Development Co., Ltd.  | Wholly-owned parent company's grandson company                      |
| Shenzhen Tianjun Industrial Co., Ltd.  | Parent company's grandson company                                   |
| Shenzhen Total Logistics Service Co., Ltd.   | Parent company's grandson company                                   |
| Shenzhen Shenfubao (Group) Co., Ltd.   | Wholly-owned subsidiary of the Company as the parent of the Company |
| GUOREN PROPERTY AND CASUALTY INSURANCE CO., LTD.   | Subsidiary of the Company as the parent of the Company              |

Other notes:

## 5. List of Related-party Transactions

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

Information on acquisition of goods and reception of labor service

Unit: RMB

| Related party                                 | Content                | Amount of the current period | The approval trade credit | Whether exceed trade credit or not | Amount of the previous period |
|---|------------------------|------------------------------|---------------------------|------------------------------------|-------------------------------|
| Shenzhen Bay Technology Development Co., Ltd. | Management service fee | 79,121,747.44                | 80,000,000.00             | No                                 | 64,609,934.18                 |
| Shenzhen General Institute of                 | Project architectural  | 4,160,439.35                 |                           |                                    | 3,326,087.00                  |

|  |                                 |              |  |  |  |
|--|---------------------------------|--------------|--|--|--|
| Architectural Design and Research Co., Ltd.      | design plan                     |              |  |  |  |
| Shenzhen Infinova Limited                        | Intelligent engineering expense | 816,303.96   |  |  |  |
| GUOREN PROPERTY AND CASUALTY INSURANCE CO., LTD. | Insurance                       | 1,621,506.37 |  |  |  |

Information of sales of goods and provision of labor service

Unit: RMB

| Related party  | Content                  | Amount of the current period | Amount of the previous period |
|--|--------------------------|------------------------------|-------------------------------|
| Shenzhen Hi-tech Zone Development Construction Co., Ltd.   | Property service fee     | 1,592,696.30                 | 1,432,390.32                  |
| Shenzhen Bay Technology Development Co., Ltd.  | Property service fee     | 56,337,675.04                | 47,871,320.92                 |
| Shenzhen Bay Technology Development Co., Ltd.  | Consultant service fee   | 541,666.98                   |                               |
| Hebei Shenbao Investment Development Co., Ltd.   | Property service fee     | 6,826,046.08                 | 5,688,129.37                  |
| Shenzhen Bay Area Urban Construction and Development Co., Ltd.                                       | Property service fee     | 2,457,527.74                 | 2,072,632.08                  |
| Shenzhen Investment Holdings Co., Ltd.   | Consultant service fee   | 1,980,443.98                 | 70,679.25                     |
| Guosen Securities Co., Ltd.  | Property service fee     | 1,188,060.37                 |                               |
| Shenzhen Infinova Limited  | Property management fees | 286,508.61                   |                               |
| Shenzhen Shenyue United Investment Co., Ltd.   | Property service fee     | 4,426,434.93                 |                               |
| Shenzhen Shenzhen Hong Kong Science and Technology Innovation Cooperation Zone Development Co., Ltd. | Property service fee     | 431,567.61                   |                               |
| Shenzhen Bay (Baoding) Innovation Development Co., Ltd.  | Property service fee     | 202,133.32                   |                               |
| Shenzhen Convention & Exhibition Center Management Co., Ltd.   | Property service fee     | 1,778,221.08                 |                               |
| Shenzhen Total Logistics Service Co., Ltd.   | Property service fee     | 669,875.70                   |                               |

Notes on acquisition of goods and reception of labor service

## (2) Information on Related-party Trusteeship/Contract

Lists of trusteeship/contract:

Unit: RMB

| Name of the entruster/contractee                | Name of the trustee/contractor                           | Type                  | Start date      | Due date        | Pricing basis  | Income recognized in this Reporting Period |
|---|--|-----------------------|-----------------|-----------------|----------------|--|
| Shenzhen Shentou Property Development Co., Ltd. | ShenZhen Properties & Resources Development (Group) Ltd. | Investment Properties | 6 November 2019 | 5 November 2025 | Market pricing | 68,272,070.15                              |

Notes:

Lists of entrust/contractee

Unit: RMB

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

Notes:

## (3) Information on Related-party Lease

The Company was lessor:

Unit: RMB

| Name of lessee  | Category of leased assets | The lease income confirmed in the Reporting Period | The lease income confirmed in the same period of last year |
|---|---------------------------|--|--|
| Shenzhen Bay Wanyi Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd. | Investment Properties     | 504,175.20   |  |
| Shenzhen Bay Wanli Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd. | Investment Properties     | 616,214.13   |  |

The Company was lessee:

Unit: RMB

| Name of lessor | Category of leased assets | The lease fee confirmed in the Reporting Period | The lease fee confirmed in the same period of last year |
|----------------|---------------------------|---|---|
|----------------|---------------------------|---|---|

|  |                       |            |            |
|--|-----------------------|------------|------------|
| Shenzhen Shentou Property Development Co., Ltd.          | Investment Properties | 277,153.80 | 380,681.16 |
| Shenzhen Hi-tech Zone Development Construction Co., Ltd. | Investment Properties | 50,400.00  |            |

Notes:

**(4) Information on Related-party Guarantee**

The Company was guarantor:

Unit: RMB

| Secured party | Amount of guarantee | Start date | End date | Execution accomplished or not |
|---------------|---------------------|------------|----------|-------------------------------|
|---------------|---------------------|------------|----------|-------------------------------|

The Company was secured party

Unit: RMB

| Guarantor: | Amount of guarantee | Start date | End date | Execution accomplished or not |
|------------|---------------------|------------|----------|-------------------------------|
|------------|---------------------|------------|----------|-------------------------------|

Notes:

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

Unit: RMB

| Related party | Amount | Start date | Maturity date | Note |
|---------------|--------|------------|---------------|------|
| Borrowing     |        |            |               |      |
| Lending       |        |            |               |      |

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

Unit: RMB

| Related party | Content | Amount of the current period | Amount of the previous period |
|---------------|---------|------------------------------|-------------------------------|
|---------------|---------|------------------------------|-------------------------------|

**(7) Information on Remuneration for Key Management Personnel**

Unit: RMB

| Item                                      | Amount of the current period | Amount of the previous period |
|---|------------------------------|-------------------------------|
| Remuneration for key management personnel | 15,959,991.00                | 16,452,700.40                 |

**(8) Other Related-party Transactions****6. Accounts Receivable and Payable of Related Party****(1) Accounts Receivable**

Unit: RMB

| Project             | Related party  | Ending balance   |                    | Beginning balance |                    |
|---------------------|--|------------------|--------------------|-------------------|--------------------|
|                     |  | Carrying balance | Bad debt provision | Carrying balance  | Bad debt provision |
| Accounts Receivable | Shenzhen Bay Technology Development Co., Ltd.                  | 112,281,758.95   | 3,368,452.77       | 60,785,587.08     | 1,823,567.61       |
|                     | Hebei Shenbao Investment Development Co., Ltd.                 | 2,221,584.63     | 66,647.54          | 1,465,286.24      | 43,958.59          |
|                     | Shenzhen Hi-tech Zone Development Construction Co., Ltd.       | 2,038,315.65     | 75,908.99          | 583,120.29        | 17,493.61          |
|                     | Shenzhen Investment Holdings Co., Ltd.                         | 494,774.12       | 20,087.62          | 8,357,589.14      | 250,727.67         |
|                     | Shenzhen Shentou Property Development Co., Ltd.                | 3,618,388.27     | 108,551.65         |                   |                    |
|                     | Shenzhen Bay (Baoding) Innovation Development Co., Ltd.        | 28,814.40        | 864.43             |                   |                    |
|                     | Shenzhen Bay Area Urban Construction and Development Co., Ltd. | 90,000.00        | 2,700.00           |                   |                    |
|                     | Shenzhen Convention &  | 1,170,565.00     | 48,987.95          |                   |                    |

|                   |   |                |               |                |              |
|-------------------|---|----------------|---------------|----------------|--------------|
|                   | Exhibition Center Management Co., Ltd.  |                |               |                |              |
|                   | Shenzhen Hong Kong Science and Technology Innovation Cooperation Zone Development Co., Ltd. | 101,072.00     | 3,032.16      |                |              |
|                   | Shenzhen Total Logistics Service Co., Ltd.  | 395,202.42     | 11,856.07     |                |              |
| Total             |   | 122,440,475.44 | 3,707,089.18  | 71,191,582.75  | 2,135,747.48 |
| Prepayments       | Shenzhen Shenfubao (Group) Co., Ltd.  | 42,726,200.00  |               |                |              |
| Total             |   | 42,726,200.00  |               |                |              |
|                   |   |                |               |                |              |
| Other Receivables | Shenzhen Xinhai Holding Co., Ltd.   | 401,499,990.18 | 6,044,999.71  | 401,499,990.18 |              |
|                   | Shenzhen Xinhai Rongyao Real Estate Development Co., Ltd.                                   | 355,026,166.83 | 10,650,785.01 | 330,472,932.33 |              |
|                   | Shenzhen Wufang Ceramics Industrial Co., Ltd.   | 1,747,264.25   | 1,747,264.25  | 1,747,264.25   | 1,747,264.25 |
|                   | Shenzhen Bay Technology Development Co., Ltd.   | 11,809,060.35  | 419,496.75    | 931,784.90     | 27,953.55    |
|                   | Shenzhen Qianhai Advanced Information Service Co., Ltd.                                     | 8,430,575.27   | 252,917.26    |                |              |
|                   | Shenzhen Tianjun Industrial Co., Ltd.   | 10,000,000.00  |               |                |              |
|                   | Shenzhen  | 109,148.44     | 46,829.92     | 109,148.44     | 46,829.92    |

|       |  |                |               |                |              |
|-------|--|----------------|---------------|----------------|--------------|
|       | Investment Holdings Co., Ltd.                            |                |               |                |              |
|       | Shenzhen Hi-tech Zone Development Construction Co., Ltd. | 20,420.00      | 612.60        | 138,689.46     | 110,951.57   |
|       | Shenzhen Shentou Property Development Co., Ltd.          | 81,233.00      | 81,233.00     |                |              |
| Total |  | 788,723,858.32 | 19,244,138.50 | 734,899,809.56 | 1,932,999.29 |

**(2) Accounts Payable**

Unit: RMB

| Project          | Related party  | Closing book balance | Beginning carrying amount |
|------------------|--|----------------------|---------------------------|
| Accounts payable | Shenzhen Shentou Property Development Co., Ltd.  | 887,042.50           | 1,338,025.92              |
|                  | Shenzhen Hi-tech Zone Development Construction Co., Ltd.                                   | 252,198.81           |                           |
|                  | Shenzhen General Institute of Architectural Design and Research Co., Ltd.                  | 1,138,999.82         |                           |
| Total            |  | 2,278,241.13         | 1,338,025.92              |
| Other payables   | Shenzhen Shentou Property Development Co., Ltd.  | 10,874,467.40        | 14,781,098.23             |
|                  | Shenzhen Bay Technology Development Co., Ltd.  | 90,354,189.38        | 29,944,314.56             |
|                  | Shenzhen Bay Area Urban Construction and Development Co., Ltd.                             | 360,752.18           | 360,752.18                |
|                  | Shenzhen Real Estate Jifa Warehousing Co., Ltd.  | 38,796,665.14        | 35,796,665.14             |
|                  | Shenzhen Tian'an International Mansion Property Administration Co., Ltd. (Tian'an Company) | 5,214,345.90         | 5,214,345.90              |

|       |   |                |               |
|-------|---|----------------|---------------|
|       | Shenzhen Investment Holdings Co., Ltd.  | 769,277.91     |               |
|       | Shenzhen Infinova Limited   | 144,219.02     |               |
|       | Guosen Securities Co., Ltd.   | 228,813.86     |               |
|       | Shenzhen Bay Wanyi Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd. | 535,734.00     |               |
|       | Shenzhen Bay Wanli Hotel Branch of Shenzhen Wuzhou Hotel Management Co., Ltd. | 654,786.00     |               |
| Total |   | 147,933,250.79 | 86,097,176.01 |

## 7. Commitments of Related Party

## 8. Other

## XIII. Stock Payment

### 1. The overall situation of share-based payments

Applicable  Not applicable

### 2. Equity-settled share-based payments

Applicable  Not applicable

### 3. Cash-settled share-based payments

Applicable  Not applicable

### 4. Modification and termination of share-based payments

### 5. Others

## XIV. Commitments and Contingency

### 1. Significant Commitments

Significant commitments on balance sheet date

#### 1. Signed large amount contract under performing or to be performed

| Item  | Amount of current period | Same period of last year |
|---|--------------------------|--------------------------|
| Large amount contract signed but hasn't been recognized in financial statements |                          |                          |

|                        |                |               |
|------------------------|----------------|---------------|
| —Large amount contract | 136,224,550.92 | 18,400,472.41 |
|------------------------|----------------|---------------|

## 2. Contingency

### (1) Significant Contingency on Balance Sheet Date

#### (1) The action about transferring Jiabin Building contentious matter

In 1993, the Company signed *Right of Development Transfer Contract of Jiabin Building* with Shenzhen Jiyong Property Development Co., Ltd. (hereinafter referred to as “Jiyong Company”). Since the contract was not effectively executed, the Company subsequently filed a series of lawsuits against the parties involved in the project, but the outcome was not favorable to the Company. Therefore, the Company calculated and withdrew bad-debt provisions for accounts receivable from Jiyong Company in full in past years for the transfer of Jiabin Building. On 31 October 2018, Shenzhen Intermediate People’s Court made a civil award and ruled that the Company’s application for the bankruptcy of Jiyong Company would not be accepted. The Company appealed against the ruling. On 29 April 2019, the Guangdong Provincial Higher People’s Court ruled to reject the Company’s appeal and maintain the original ruling. As of the issuance date of the report, there is no new progress in the case.

#### (2) The contentious matters involved with all renovations, decorations, equipment and facilities in the floors 5-8 of Haiwai Lianyi Building

In 2008, Shenzhen Hailian Guest House, a subsidiary of the Company, signed the *Internal Contract of Hailian Guest House, House Leasing Contract* with Cai Baolin, obtained the use right of the rooms on the floors 5-8 of Haiwai Lianyi Building accordingly and further established Shenzhen Hailian Hotel Co., Ltd. for business operation of the rooms. For the above-mentioned contracts were terminated, Cai Baolin brought a civil lawsuit against Shenzhen Hailian Guest House, Shenzhen Jinhailian Property Management Co., Ltd. (“Jinhailian”) on all of the renovation, decoration, equipment and facilities made and installed in the rooms. The People’s Court at Luohu District, Shenzhen City issued the civil judgment (2019) Yue 0303 Min Chu 4458 on 26 December 2019 and ordered Jinhailian to accept the renovation, decoration, equipment and facilities remaining on the floors 5-8 of Haiwai Lianyi Building by the plaintiff Cai Baolin within ten days after the judgment became effective, and Jinhailian should pay the residual value RMB2,396,947.00 and Cai Baolin had no right to the above assets. This year, Jinhailian paid litigation compensation of RMB983,897.50 and still needs to pay RMB1,413,049.50 for compensation.

#### (3) The arbitration case of property contract dispute of Software Park Phase I between the Fourth Owners' Committee of Shenzhen Nanshan District Software Park (Applicant) and Shenzhen ITC Technology Park Service Co., Ltd. (Respondent 1, hereinafter referred to as the "ITC Technology Park Company"), plus the High-tech Zone Branch of Shenzhen ITC Technology Park Service Co., Ltd. (Respondent 2, hereinafter referred to as the "High-tech Zone Branch").

In February and March 2021, the High-tech Zone Branch and the ITC Technology Park Company received arbitration notices respectively of the case [2021] Shengguozhongshou No. 541 and [2021] Shengguozhongshou No. 1063. The Fourth Owners' Committee of Shenzhen Nanshan District Software Park applied for the following award: Respondent 1 shall return RMB9,893,677.82 and fund occupation fee of RMB3,272,665.99 (temporarily calculated from 1 July 2012 to 31 January 2021), totaling RMB13,166,343.81; respondent 1 shall bear the attorney's fee of RMB30,000.00; respondent 2 shall return RMB31,077,017.59 and RMB635,929.44 of fund occupation fee (temporarily calculated from 1 July 2020 to 31 January 2021), totaling RMB30,000.00; respondent 2 shall bear the attorney's fee of RMB30,000.00. The total amount of the above is RMB45,209,290.84.

The first session of the arbitration has been concluded, and the parties to the arbitration have disputed the number of amounts involved and have applied for an audit by a third-party auditor. The audit has now been completed and feedback is being sought from both parties to the dispute, and the final audit report will be issued shortly. As at the issuance date of the Report, the auditors have not

issued the formal report.

(4) The contentious matters concerning the dispute between Shenzhen Rongyao Real Estate Development Co., Ltd. (plaintiff) and Shenzhen Herunxiang Trade Co., Ltd. (defendant) over the compensation contract of property demolition and relocation

On 31 December 2019, for the implementation of the urban renewal project of Bangling Area on Guanlan Street in Shenzhen Longhua District, Shenzhen Rongyao Real Estate Development Co., Ltd. (hereinafter referred to as "Rongyao Real Estate") and Shenzhen Herunxiang Trade Co., Ltd. (hereinafter referred to as "Herunxiang") signed the *Agreement of Relocation Compensation on the Urban Renewal Project of Bangling Area from Guanlan Office of Shenzhen Longhua District*. Up to now, Herunxiang has not fulfilled the *Agreement* and cooperated with Rongyao Real Estate in handling the cancellation procedures for the certificate of real estate ownership of the relocated property, which has seriously damaged the legitimate rights and interests of Rongyao Real Estate. Therefore, Rongyao Real Estate has filed a lawsuit with the court, and required Herunxiang to cooperate in handling the cancellation procedures involving the Wanfa Furniture Town located in Guihua Village, Guanlan Street, Longhua District, Shenzhen, which includes the house property of the 1 and 2/F in Building 1, the 1, 2 and 3/F in Building 2, the 1, 2, 3 and 4/F in Building 3, and bearing the relevant taxes.

Shenzhen Rongyao Real Estate Development Co., Ltd. has taken property preservation measures against Shenzhen Herunxiang Trade Co., Ltd.

(Note: According to the *Agreement of Relocation Compensation on the Urban Renewal Project of Bangling Area from Guanlan Office of Shenzhen Longhua District* signed by Rongyao Real Estate and Herunxiang, the gross price of the aforementioned relocated properties is RMB200 million)

(5) The case of execution objection of Shenzhen Rongyao Real Estate Development Co., Ltd.

In handling the case of private loan dispute (involving an amount of about RMB19 million) between the plaintiff Zhou Guohan and defendants Zhang Zhulin, Chen Saifeng and Shenfat Arts Crafts Rosewood(Shenzhen) Joint Stock Limited Company (hereinafter referred to as "Shenfat Rosewood"), the Qianhai Court issued the *Notice of Property Sequestration* ([2021] Yue 0391 Zhibao No. 238-1) on 5 June 2021, in which the Shenfat Rosewood's land and plants located in Tonggudi, Bangling Villager Group, Guihua Village, Guanlan Street, Bao'an District, Shenzhen (i.e. 192 Guihua Road, Guanlan Street) would be sealed up for three years from March 12, 2021, together with the rights and interests during the residual useful life of the land and the ownership of the buildings and appurtenances on the land (the illegal buildings' code are 508-0405-11220-B, 508-0405-11007-B, 508-0405-11013-B, 508-0405-11008-B and 508-0405-11010-B respectively).

On July 16, 2021 (according to the case filing time), Herunxiang filed an execution objection to the Qianhai Court on the property sequestration. The Qianhai Court, on 30 September 2021, issued the *Application for Execution* ([2021] Yue 0391 Zhiyi No. 228), rejecting the execution objection of Herunxiang. Herunxiang refused to accept the ruling and filed a lawsuit of the execution objection with the Qianhai Court on 3 November 2021 (according to the case filing time), which has been accepted by the Qianhai Court.

Early in September 2021, Rongyao Real Estate formally filed an objection against the sequestration execution with the Qianhai Court (the case was filed on 13 September). The Qianhai Court issued the *Application for Execution* ([2021] Yue 0391 Zhiyi No. 289) on 9 December 2021, ruling to "suspend the execution of property preservation already carried out by the Qianhai Court". Zhou Guohan refused to accept the ruling and filed a lawsuit of the execution objection with the Qianhai Court on 29 December 2021. The case will be heard at 14:30 PM on 25 April 2022.

(6) Others

As a real estate developer, the Company provides mortgage loan guarantees and pays loan deposits for commercial housing purchasers according to the operation practice of the real estate industry. By 31 December 2021, the balance of the deposit not discharged with guarantee was RMB1,127,757.03, which would be discharged when the mortgage loans are paid off.

**(2) Explanation shall be given even if there is no significant contingency for the Company to disclose**

There was no significant contingency in the Company to disclose.

**3. Others****XV. Events after Balance Sheet Date****1. Significant non-adjustment matters**

Unit: RMB

| Item | Contents | Influence number to the financial position and operating results | Reason of inability to estimate influence number |
|------|----------|--|--|
|      |          |  |  |

**2. Distribution of Profit**

Unit: RMB

|   |                |
|---|----------------|
| Profit or dividend to be distributed                            | 405,265,782.56 |
| Profit or dividend announced to issue after review and approval | 405,265,782.56 |

**3. Sales Return****4. Notes to Other Events after Balance Sheet Date****(I) Distribution of profit after the balance sheet date**

On 29 March 2022, the 8th meeting of the 10th Board of Directors of the Company approved the profit distribution plan for 2021 as follows: a cash dividend of RMB6.80 (tax included) for every 10 shares are to be paid to all shareholders on the basis of 595,979,092 shares in total at the end of 2021. The total cash dividends will be RMB405,265,782.56, and the remaining undistributed profits will be carried forward to the next year. The plan will be implemented after approval by the Shareholders' Meeting.

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

On 18 February 2022, the Company and Yangzhou Lvfa Real Estate Co., Ltd., by joint bidding, won the state-owned land use right of Plot No. GZ342 in Pingshan Village, Yangzhou with a price of RMB835,352,910 in the online listing auction of state-owned construction land use right in Yangzhou.

**(III) The wholly-owned subsidiary of the Company acquired 100% equity of Shenzhen Foreign Trade Property Management Co., Ltd.**

On 29 December 2021, the Company convened the Second Extraordinary General Meeting of Shareholders in 2021, and reviewed and approved the *Proposal on the Acquisition of 100% Equity of Shenzhen Foreign Trade Property Management Co., Ltd. by the Wholly-owned Subsidiary and Related Transactions*, in which the transfer consideration is RMB20,898,800.00. China Shenzhen Foreign Trade (Group) Co., Ltd. (hereinafter referred to as the "Foreign Trade Group") holds 100% equity of Shenzhen Foreign Trade Property Management Co., Ltd., and Shenzhen Investment Holdings Co., Ltd. is the controlling shareholder of the Company and the Foreign Trade Group, thus the Foreign Trade Group is a related party of the Company, and the transaction

constitutes a related transaction according to the *Stock Listing Rules of the Shenzhen Stock Exchange*. In February 2022, the equity acquisition completed the registration procedures for relevant industrial and commercial changes, and obtained the *Notice of Change (for Record)* approved by Shenzhen Market Supervision Administration.

(IV) The wholly-owned subsidiary of the Company acquired 100% equity of three enterprises owned by Shenzhen Shenfubao (Group) Co., Ltd.

On 29 December 2021, the Company convened the Second Extraordinary General Meeting of Shareholders in 2021, and reviewed and approved the *Proposal on the Acquisition of 100% Equity of Three Enterprises (Shenzhen Shenfubao Property Development Co., Ltd., Shenzhen Shenfubao Hydropower Municipal Service Co., Ltd., and Shenzhen Free Trade Zone Security Service Co., Ltd.) Owned by Shenzhen Shenfubao (Group) Co., Ltd. (hereinafter referred to as "Shenfubao Group") by the Wholly-owned Subsidiary and Related Transactions*, in which the transfer consideration is RMB85,452,400.00. Shenzhen Investment Holdings Co., Ltd. is the controlling shareholder of the Company and Shenfubao Group, thus Shenfubao Group is a related party of the Company, and the transaction constitutes related transaction according to the *Stock Listing Rules of the Shenzhen Stock Exchange*. In February 2022, the equity acquisition completed the registration procedures for relevant industrial and commercial changes, and obtained the *Notice of Change (for Record)* approved by Shenzhen Market Supervision Administration.

(V) The wholly-owned subsidiary of the Company acquired 100% equity of Shenzhen Property Management Co., Ltd.

On 29 December 2021, the Company convened the Second Extraordinary General Meeting of Shareholders in 2021, and reviewed and approved the *Proposal on the Acquisition of 100% Equity of Shenzhen Property Management Co., Ltd. by the Wholly-owned Subsidiary and Related Transactions*, in which the transfer consideration is RMB196,676,700.00. ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. (hereinafter referred to as the "SPG") and Shenzhen SPG Investment Co., Ltd. (hereinafter referred to as the "SPG Investment") hold 100% equity of Shenzhen Property Management Co., Ltd. Shenzhen Investment Holdings Co., Ltd. (hereinafter referred to as the "SIHC") is the controlling shareholder of the Company and the SPG, and SPG is the controlling shareholder of the SPG Investment, thus the SPG and the SPG Investment are related party of the Company, and the transaction constitutes related transaction according to the *Stock Listing Rules of the Shenzhen Stock Exchange*. In February 2022, the equity acquisition completed the registration procedures for relevant industrial and commercial changes, and obtained the *Notice of Change (for Record)* approved by Shenzhen Market Supervision Administration.

(VI) Matters on application for comprehensive credit line and financing line in 2022

On 29 March 2021, the 8th meeting of the 10th Board of Directors of the Company approved the Company's plan to apply for comprehensive credit line and financing line. With the capital needs for production, business operation and investment expansion in 2022, the Company plans to apply for comprehensive credit line and financing line to bank or other (local) financial institutions by virtue of its own land use rights, buildings, equipment, inventory, rights to earnings, and pledge of accounts receivable. The total amount of the above quota will not exceed RMB9.4 billion (including new, extended and renewed loans), which shall be used for financing businesses including but not limited to immediate fund loans, project loans, fixed asset loans, annexation loans, guarantee, and financial leasing. The actual credit and financing types, amounts, terms, interest rates and fees are ultimately subjected to the financing line actually approved by financial institutions and other financing institutions, or subjected to the financing agreements actually signed.

## **XVI. Other Significant Events**

### **1. The Accounting Errors Correction in Previous Period**

#### **(1) Retrospective Restatement**

Unit: RMB

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

## (2) Prospective Application

| Content | Processing program | Reason for adopting prospective application |
|---------|--------------------|---|
|---------|--------------------|---|

## 2. Debt Restructuring

## 3. Assets Replacement

### (1) Non-monetary Assets Exchange

### (2) Other Assets Replacement

## 4. Pension Plans

## 5. Discontinued Operations

Unit: RMB

| Item | Revenue | Costs | Profit before taxation | Income tax expenses | Net profit | Profit from discontinued operations attributable to owners of the Company as the parent |
|------|---------|-------|------------------------|---------------------|------------|---|
|------|---------|-------|------------------------|---------------------|------------|---|

Other notes:

## 6. Segment Information

### (1) Determination Basis and Accounting Policies of Reportable Segment

In accordance with the internal organization structure, management requirements and internal report system, the Company identifies the reportable segment based on the business segment, and assesses the operational performance of real estate sales, property management and catering service. The assets and liabilities sharing with other segments shall be proportionally distributed among segments by scales.

### (2) The Financial Information of Reportable Segment

Unit: RMB

| Item              | Real estate       | Property management | Leasing business | Offset among segment | Total             |
|-------------------|-------------------|---------------------|------------------|----------------------|-------------------|
| Revenue           | 3,131,113,534.70  | 1,184,591,970.58    | 176,260,138.43   |                      | 4,491,965,643.71  |
| Operating cost    | 432,501,558.96    | 967,698,196.48      | 90,687,606.72    |                      | 1,490,887,362.16  |
| Total assets      | 12,478,006,632.00 | 1,392,212,021.31    | 711,678,498.45   |                      | 14,581,897,151.76 |
| Total liabilities | 8,884,746,662.73  | 909,055,078.93      | 257,004,945.52   |                      | 10,050,806,687.18 |

**(3) If There Was No Reportable Segment, or the Total Amount of Assets and Liabilities of Each Reportable Segment Could Not Be Reported, Relevant Reasons Shall Be Clearly Stated**

**(4) Other notes**

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

**8. Other**

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

**1. Accounts Receivable**

**(1) Listed by Category**

Unit: RMB

| Category  | Ending balance   |            |                    |                       |                | Beginning balance |            |                    |                       |                |
|---|------------------|------------|--------------------|-----------------------|----------------|-------------------|------------|--------------------|-----------------------|----------------|
|   | Carrying balance |            | Bad debt provision |                       | Carrying value | Carrying balance  |            | Bad debt provision |                       | Carrying value |
|   | Amount           | Proportion | Amount             | Withdrawal proportion |                | Amount            | Proportion | Amount             | Withdrawal proportion |                |
| Accounts receivable withdrawal of Bad debt provision separately accrued | 96,702,269.40    | 97.65%     | 96,702,269.40      | 100.00%               |                | 96,702,269.40     | 97.25%     | 96,702,269.40      | 100.00%               |                |
| Of which:   |                  |            |                    |                       |                |                   |            |                    |                       |                |
| Accounts receivable withdrawal of bad debt provision of by group        | 2,324,735.49     | 2.35%      | 100,760.83         | 4.33%                 | 2,223,974.66   | 2,735,781.29      | 2.75%      | 111,280.87         | 4.07%                 | 2,624,500.42   |

|           |               |         |               |        |              |               |         |               |        |              |
|-----------|---------------|---------|---------------|--------|--------------|---------------|---------|---------------|--------|--------------|
| Of which: |               |         |               |        |              |               |         |               |        |              |
| Total     | 99,027,004.89 | 100.00% | 96,803,030.23 | 97.75% | 2,223,974.66 | 99,438,050.69 | 100.00% | 96,813,550.27 | 97.36% | 2,624,500.42 |

Bad debt provision separately accrued: 96702269.40

Unit: RMB

| Name   | Ending balance   |                    |                       |   |
|--|------------------|--------------------|-----------------------|---|
|  | Carrying balance | Bad debt provision | Withdrawal proportion | Withdrawal reason                                   |
| Shenzhen Jiyong Properties & Resources Development Company | 93,811,328.05    | 93,811,328.05      | 100.00%               | Involved in lawsuit and with no executable property |
| Shenzhen Tewe Industry Co., Ltd.                           | 2,836,561.00     | 2,836,561.00       | 100.00%               | Long aging and expected unrecoverable               |
| Luohu District Economic Development Company                | 54,380.35        | 54,380.35          | 100.00%               | Long aging and expected unrecoverable               |
| Total  | 96,702,269.40    | 96,702,269.40      | --                    | --  |

Bad debt provision separately accrued:

Unit: RMB

| Name | Ending balance   |                    |                       |                   |
|------|------------------|--------------------|-----------------------|-------------------|
|      | Carrying balance | Bad debt provision | Withdrawal proportion | Withdrawal reason |
|      |                  |                    |                       |                   |

Withdrawal of bad debt provision by group: RMB100,,760.83

Unit: RMB

| Name                              | Ending balance   |                    |                       |
|-----------------------------------|------------------|--------------------|-----------------------|
|                                   | Carrying balance | Bad debt provision | Withdrawal proportion |
| Portfolio of credit risk features | 2,324,735.49     | 100,760.83         | 4.33%                 |
| Total                             | 2,324,735.49     | 100,760.83         | --                    |

Notes to the determination basis for the group:

For details, please refer to the financial statement in Section X

Withdrawal of bad debt provision by group: RMB100760.83

Unit: RMB

| Name                             | Ending balance   |                    |                       |
|----------------------------------|------------------|--------------------|-----------------------|
|                                  | Carrying balance | Bad debt provision | Withdrawal proportion |
| Within 1 year (including 1 year) | 2,202,624.45     | 66,078.73          | 3.00%                 |
| 1-2 years (including 2 years)    | 9,756.09         | 975.61             | 10.00%                |
| 2-3 years (including 3 years)    | 112,354.95       | 33,706.49          | 30.00%                |

|       |              |            |    |
|-------|--------------|------------|----|
| Total | 2,324,735.49 | 100,760.83 | -- |
|-------|--------------|------------|----|

Notes to the determination basis for the group:

Withdrawal of bad debt provision by group:

Unit: RMB

| Name | Ending balance   |                    |                       |
|------|------------------|--------------------|-----------------------|
|      | Carrying balance | Bad debt provision | Withdrawal proportion |

Notes to the determination basis for the group:

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

Applicable  Not applicable

Disclosure by aging

Unit: RMB

| Aging                            | Carrying balance |
|----------------------------------|------------------|
| Within 1 year (including 1 year) | 2,202,624.45     |
| 1 to 2 years                     | 9,756.09         |
| 2 to 3 years                     | 112,354.95       |
| Over 3 years                     | 96,702,269.40    |
| Over 5 years                     | 96,702,269.40    |
| Total                            | 99,027,004.89    |

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

Withdrawal of bad debt provision:

Unit: RMB

| Category                                  | Beginning balance | Changes in the Reporting Period |                      |              |        | Ending balance |
|---|-------------------|---------------------------------|----------------------|--------------|--------|----------------|
|   |                   | Withdrawal                      | Reversal or recovery | Verification | Others |                |
| Bad debt provision withdrawn separately   | 96,702,269.40     |                                 |                      |              |        | 96,702,269.40  |
| Bad debt provision withdrawn by portfolio | 111,280.87        | -10,520.04                      |                      |              |        | 100,760.83     |
| Total                                     | 96,813,550.27     | -10,520.04                      |                      |              |        | 96,803,030.23  |

Of which significant amount of reversed or recovered bad debt provision:

Unit: RMB

| Name of entity | Amount reversed or recovered | Way of recovery |
|----------------|------------------------------|-----------------|
|----------------|------------------------------|-----------------|

**(3) Accounts Receivable Written-off in Current Period**

Unit: RMB

| Item | Amount verified |
|------|-----------------|
|------|-----------------|

Of which the verification of significant accounts receivable:

Unit: RMB

| Name of entity | Nature | Amount verified | Reason for verification | Verification procedures performed | Whether occurred because of related-party transactions |
|----------------|--------|-----------------|-------------------------|-----------------------------------|--|
|----------------|--------|-----------------|-------------------------|-----------------------------------|--|

Notes to verification of accounts receivable:

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

Unit: RMB

| Name of entity   | Ending balance | Proportion to total ending balance of accounts receivable | Ending balance of bad debt provision |
|--|----------------|---|--------------------------------------|
| Shenzhen Jiyong Properties & Resources Development Company | 93,811,328.05  | 94.74%  | 93,811,328.05                        |
| Shenzhen Tewe Industry Co., Ltd.                           | 2,836,561.00   | 2.86%   | 2,836,561.00                         |
| Shenzhen Feihuang Industrial Co., Ltd.                     | 769,919.05     | 0.78%   | 23,097.57                            |
| Shenzhen Meige Xiazi Catering Management Co., Ltd.         | 542,366.40     | 0.55%   | 16,270.99                            |
| Shenzhen Youcui Catering Management Co., Ltd.              | 232,355.00     | 0.23%   | 6,970.65                             |
| Total  | 98,192,529.50  | 99.16%  | --                                   |

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

Other notes:

**(6) Accounts Receivable Derecognized due to the Transfer of Financial Assets****2. Other Receivables**

Unit: RMB

| Item              | Ending balance   | Beginning balance |
|-------------------|------------------|-------------------|
| Other Receivables | 2,412,506,681.28 | 145,325,697.20    |
| Total             | 2,412,506,681.28 | 145,325,697.20    |

**(1) Interest Receivable****1) Category of Interest Receivable**

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

**2) Significant Overdue Interest**

Unit: RMB

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

Other notes:

**3) Information of Withdrawal of Bad Debt Provision** Applicable  Not applicable**(2) Dividend Receivable****1) Dividend receivable classification**

Unit: RMB

| Project (or investee) | Ending balance | Beginning balance |
|-----------------------|----------------|-------------------|
|-----------------------|----------------|-------------------|

**2) Significant Dividends Receivable Aging over 1 Year**

Unit: RMB

| Project (or investee) | Ending balance | Aging | Reason | Whether occurred impairment and its judgment basis |
|-----------------------|----------------|-------|--------|--|
|-----------------------|----------------|-------|--------|--|

**3) Information of Withdrawal of Bad Debt Provision** Applicable  Not applicable

Other notes:

**(3) Other Receivables****1) Other Receivables Classified by Account Nature**

Unit: RMB

| Nature                          | Closing book balance    | Beginning carrying amount |
|---------------------------------|-------------------------|---------------------------|
| Guarantee deposit               | 2,328,581.00            | 2,201,527.00              |
| Reserve fund                    |                         |                           |
| Payment on behalf               |                         | 19,510.00                 |
| External intercourse funds      | 56,305,486.73           | 23,305,386.85             |
| Intercourse funds to subsidiary | 2,386,210,528.77        | 151,970,155.85            |
| <b>Total</b>                    | <b>2,444,844,596.50</b> | <b>177,496,579.70</b>     |

**2) Withdrawal of Bad Debt Provision**

Unit: RMB

| Bad debt provision                              | Stage 1                                    | Stage 2  | Stage 3   | Total         |
|---|--|--|---|---------------|
|   | Expected credit loss of the next 12 months | Expected loss in the duration (credit impairment not occurred) | Expected credit losses for the entire duration (with credit impairment) |               |
| Balance as at 1 January 2021                    | 15,688,940.37                              |  | 16,481,942.13   | 32,170,882.50 |
| Balance of 1 January 2021 in the Current Period | —  | —  | —   | —             |
| Withdrawal of the Current Period                | 32,416.37                                  |  |   | 32,416.37     |
| Reversal of the Reporting Period                | 134,616.35                                 |  |   | 134,616.35    |
| Balance as at 31 December 2021                  | 15,855,973.09                              |  | 16,481,942.13   | 32,337,915.22 |

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

 Applicable  Not applicable

Disclosure by aging

Unit: RMB

| Aging                            | Carrying balance |
|----------------------------------|------------------|
| Within 1 year (including 1 year) | 2,412,547,308.07 |
| 1 to 2 years                     | 69,800.00        |

|              |                  |
|--------------|------------------|
| Over 3 years | 32,227,488.43    |
| 3 to 4 years | 50,000.00        |
| 4 to 5 years | 56,962.82        |
| Over 5 years | 32,120,525.61    |
| Total        | 2,444,844,596.50 |

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

Withdrawal of bad debt provision:

Unit: RMB

| Category          | Beginning balance | Changes in the Reporting Period |                      |              |        | Ending balance |
|-------------------|-------------------|---------------------------------|----------------------|--------------|--------|----------------|
|                   |                   | Withdrawal                      | Reversal or recovery | Verification | Others |                |
| Other Receivables | 32,170,882.50     | 32,416.37                       | 134,616.35           |              |        | 32,337,915.22  |
| Total             | 32,170,882.50     | 32,416.37                       | 134,616.35           |              |        | 32,337,915.22  |

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

Unit: RMB

| Name of entity | Amount reversed or recovered | Way of recovery |
|----------------|------------------------------|-----------------|
|                |                              |                 |

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

Unit: RMB

| Item | Amount verified |
|------|-----------------|
|      |                 |

Of which the verification of significant other receivables:

Unit: RMB

| Name of entity | Nature | Amount verified | Reason for verification | Verification procedures performed | Whether occurred because of related-party transactions |
|----------------|--------|-----------------|-------------------------|-----------------------------------|--|
|                |        |                 |                         |                                   |  |

Notes to the verification of other receivables:

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

Unit: RMB

| Name of entity     | Nature               | Ending balance   | Aging    | Proportion to ending balance of total other receivables% | Ending balance of bad debt provision |
|--------------------|----------------------|------------------|----------|--|--------------------------------------|
| Dongguan Wuhe Real | Intercourse funds to | 2,113,760,170.00 | Within 1 | 86.46%   |                                      |

|   |                                 |                  |               |        |               |
|---|---------------------------------|------------------|---------------|--------|---------------|
| Estate Co., Ltd.                                      | subsidiary                      |                  | year          |        |               |
| Shenzhen Huangcheng Real Estate Co., Ltd.             | Intercourse funds to subsidiary | 145,907,073.23   | Within 1 year | 5.97%  |               |
| Shum Yip Properties Development Co., Ltd.             | Intercourse funds to subsidiary | 100,646,715.35   | Over 5 years  | 4.12%  | 7,011,384.95  |
| SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd. | Intercourse funds to subsidiary | 23,220,516.83    | Within 1 year | 0.95%  |               |
| Shanghai Yutong Real Estate Co., Ltd.                 | External intercourse funds      | 5,676,000.00     | Over 5 years  | 0.23%  | 5,676,000.00  |
| Total   | --                              | 2,389,210,475.41 | --            | 97.72% | 12,687,384.95 |

### 6) Accounts Receivable Involving Government Subsidies

Unit: RMB

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

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

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

Other notes:

### 3. Long-term Equity Investment

Unit: RMB

| Item  | Ending balance   |                      |                  | Beginning balance |                      |                  |
|---|------------------|----------------------|------------------|-------------------|----------------------|------------------|
|   | Carrying balance | Impairment provision | Carrying value   | Carrying balance  | Impairment provision | Carrying value   |
| Investment to subsidiaries                              | 1,127,829,880.39 | 68,364,000.00        | 1,059,465,880.39 | 1,093,829,880.39  | 68,364,000.00        | 1,025,465,880.39 |
| Investment to joint ventures and associated enterprises | 69,344,295.51    | 18,983,614.14        | 50,360,681.37    | 64,693,834.93     | 18,983,614.14        | 45,710,220.79    |
| Total   | 1,197,174,175.90 | 87,347,614.14        | 1,109,826,561.76 | 1,158,523,715.32  | 87,347,614.14        | 1,071,176,101.18 |

**(1) Investment to Subsidiaries**

Unit: RMB

| Investee   | Beginning balance (carrying value) | Increase/decrease     |                    |                                    |        | Ending balance (carrying value) | Ending balance of depreciation reserve |
|--|------------------------------------|-----------------------|--------------------|------------------------------------|--------|---------------------------------|--|
|  |                                    | Additional investment | Investment reduced | Withdrawal of impairment provision | Others |                                 |  |
| Shenzhen Huangcheng Real Estate Co., Ltd.                            | 35,552,671.93                      |                       |                    |                                    |        | 35,552,671.93                   |  |
| Shenzhen Wuhe Industry Investment Development Co., Ltd.              | 30,950,000.00                      | 14,000,000.00         |                    |                                    |        | 44,950,000.00                   |  |
| SZPRD Yangzhou Real Estate Development Co., Ltd.                     | 50,000,000.00                      |                       |                    |                                    |        | 50,000,000.00                   |  |
| Dongguan ITC Changsheng Real Estate Development Co., Ltd.            | 20,000,000.00                      |                       |                    |                                    |        | 20,000,000.00                   |  |
| Shenzhen International Trade Center Property Management Co., Ltd.    | 24,704,758.06                      | 170,633,093.17        |                    |                                    |        | 195,337,851.23                  |  |
| Shenzhen Property Engineering and Construction Supervision Co., Ltd. | 3,000,000.00                       |                       |                    |                                    |        | 3,000,000.00                    |  |

|   |                         |                       |                       |  |  |                         |                      |
|---|-------------------------|-----------------------|-----------------------|--|--|-------------------------|----------------------|
| SZPRD Commercial Operation Co., Ltd.                  | 62,821,767.90           | 687,352.42            |                       |  |  | 63,509,120.32           |                      |
| Zhanjiang Shenzhen Real Estate Development Co., Ltd.  | 0.00                    |                       |                       |  |  | 0.00                    | 2,530,000.00         |
| Shum Yip Properties Development Co., Ltd.             | 0.00                    |                       |                       |  |  | 0.00                    | 15,834,000.00        |
| SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd. | 0.00                    |                       |                       |  |  | 0.00                    | 50,000,000.00        |
| Shenzhen Rongyao Real Estate Development Co., Ltd.    | 508,000,000.00          |                       |                       |  |  | 508,000,000.00          |                      |
| Shenzhen ITC Technology Park Service Co., Ltd.        | 163,553,254.89          |                       | 163,553,254.89        |  |  |                         |                      |
| SZPRD Urban Renewal Co., Ltd.                         | 126,883,427.61          |                       | 7,767,190.70          |  |  | 119,116,236.91          |                      |
| Dongguan Wuhe Real Estate Co., Ltd.                   |                         | 20,000,000.00         |                       |  |  | 20,000,000.00           |                      |
| <b>Total</b>  | <b>1,025,465,880.39</b> | <b>205,320,445.59</b> | <b>171,320,445.59</b> |  |  | <b>1,059,465,880.39</b> | <b>68,364,000.00</b> |

**(2) Investment to Joint Ventures and Associated Enterprises**

Unit: RMB

| Investee | Begin | Increase/decrease |  |  | Ending | Ending |
|----------|-------|-------------------|--|--|--------|--------|
|----------|-------|-------------------|--|--|--------|--------|

|  | ning<br>balanc<br>e<br>(carry<br>ing<br>value) | Additio<br>nal<br>investm<br>ent | Investm<br>ent<br>reduced | Gains<br>and<br>losses<br>recogni<br>zed<br>under<br>the<br>equity<br>method | Adjust<br>ment of<br>other<br>compre<br>hensive<br>income | Other<br>equity<br>changes | Cash<br>bonus<br>or<br>profits<br>announ<br>ced to<br>issue | Withdr<br>awal of<br>impair<br>ment<br>provisi<br>on | Others | balance<br>(carryin<br>g<br>value) | balance<br>of<br>depreci<br>ation<br>reserve |
|--|--|----------------------------------|---------------------------|--|---|----------------------------|---|--|--------|------------------------------------|--|
| I. Joint ventures  |  |                                  |                           |  |   |                            |   |  |        |                                    |  |
| Shenzhe<br>n Real<br>Estate<br>Jifa<br>Warehou<br>sing Co.,<br>Ltd.  | 39,05<br>3,923.<br>92                          |                                  |                           | 4,462,7<br>41.20   |   |                            |   |  |        | 43,516,<br>665.12                  |  |
| Shenzhe<br>n<br>Tian'an<br>Internati<br>onal<br>Mansion<br>Property<br>Adminis<br>tration<br>Co., Ltd.<br>(Tian'an<br>Compan<br>y) | 6,656,<br>296.8<br>7                           |                                  |                           | 187,71<br>9.38   |   |                            |   |  |        | 6,844,0<br>16.25                   |  |
| Subtotal   | 45,71<br>0,220.<br>79                          |                                  |                           | 4,650,4<br>60.58   |   |                            |   |  |        | 50,360,<br>681.37                  |  |
| II. Associated enterprises   |  |                                  |                           |  |   |                            |   |  |        |                                    |  |
| Shenzhe<br>n<br>Wufang<br>Ceramic<br>s<br>Industria<br>l Co.,  |  |                                  |                           |  |   |                            |   |  |        |                                    | 18,983,<br>614.14                            |

|          |               |  |  |              |  |  |  |  |  |               |               |
|----------|---------------|--|--|--------------|--|--|--|--|--|---------------|---------------|
| Ltd.     |               |  |  |              |  |  |  |  |  |               |               |
| Subtotal |               |  |  |              |  |  |  |  |  |               | 18,983,614.14 |
| Total    | 45,710,220.79 |  |  | 4,650,460.58 |  |  |  |  |  | 50,360,681.37 | 18,983,614.14 |

### (3) Other Notes

## 4. Operating Revenue and Cost of Sales

Unit: RMB

| Item               | Amount of the current period |               | Amount of the previous period |               |
|--------------------|------------------------------|---------------|-------------------------------|---------------|
|                    | Revenue                      | Cost          | Revenue                       | Cost          |
| Lucrative business | 61,784,858.02                | 37,251,974.27 | 57,579,115.68                 | 36,717,719.01 |
| Others             | 18,744,743.91                | 1,319,976.00  | 6,572,253.92                  | 9,031,809.00  |
| Total              | 80,529,601.93                | 38,571,950.27 | 64,151,369.60                 | 45,749,528.01 |

Relevant information of revenue:

Unit: RMB

| Category of contracts          | Segment 1     | Segment 2 |  | Total         |
|--------------------------------|---------------|-----------|--|---------------|
| Product categories             | 80,529,601.93 |           |  | 80,529,601.93 |
| Of which:                      |               |           |  |               |
| House leasing business         | 80,529,601.93 |           |  | 80,529,601.93 |
| Classified by operating region | 80,529,601.93 |           |  | 80,529,601.93 |
| Of which:                      |               |           |  |               |
| Shenzhen                       | 80,529,601.93 |           |  | 80,529,601.93 |
| Of which:                      |               |           |  |               |
| Total                          | 80,529,601.93 |           |  | 80,529,601.93 |

Information about performance obligations:

The income of the parent company in this period was all income from leasing business.

Information in relation to the transaction price apportioned to the residual contract performance obligation:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet

was RMB0.00 at the period-end, among which RMBXXX was expected to be recognized in the year, RMBXXX in the year and RMBXXX in the year.

Other notes:

## 5. Investment Income

Unit: RMB

| Item  | Amount of the current period | Amount of the previous period |
|---|------------------------------|-------------------------------|
| Long-term equity investment income accounted by equity method | 4,650,460.58                 | 634,098.07                    |
| Interest income from entrusted loans                          | 129,717,557.63               | 115,612,421.39                |
| Total   | 134,368,018.21               | 116,246,519.46                |

## 6. Other

## XVIII. Supplementary Materials

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

√ Applicable   □ Not applicable

Unit: RMB

| Item   | Amount        | Note   |
|--|---------------|--|
| Gains/losses from the disposal of non-current assets   | -62,170.29    |  |
| Government grants recorded in the current profit or loss (except for those acquired in the ordinary course of company's business, in line with national policies and regulations, or granted continuously according to certain standard quotas or amounts) | 23,923,655.59 | Mainly received government grants recognized by corporate headquarters |
| Other non-operating income and expense other than the above  | 2,915,682.88  |  |
| Other profit and loss items in line with the definition of non-recurring gains and losses  | 169,262.03    |  |
| Less: Income tax effects   | 6,749,597.21  |  |
| Non-controlling interests effects  | 5,087.57      |  |
| Total  | 20,191,745.43 | --   |

Details of other profit and loss items in line with the definition of non-recurring gains and losses:

Applicable  Not applicable

There are no other profit and loss items in line with the definition of non-recurring gains and losses in the Company.

Note to defining the non-recurring profit and loss items listed in the Explanatory Notice of Information Disclosure by Companies Offering Securities to the Public No. 1 - Non-recurring Profit and Loss Items as recurring profit and loss items

Applicable  Not applicable

## 2. Return on Equity and Earnings Per Share

| Profit as of Reporting Period   | Weighted average ROE (%) | EPS       |             |
|---|--------------------------|-----------|-------------|
|   |                          | EPS-basic | EPS-diluted |
| Net profit attributable to ordinary shareholders of the Company   | 24.69%                   | 1.6846    | 1.6846      |
| Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss | 24.19%                   | 1.6507    | 1.6507      |

## 3. Accounting data differences under PRC GAAP and those under IFRSs

**( 1 ) Differences between disclosed net profits and net assets in financial report in accordance with International Accounting Standards and Chinese Accounting Standards.**

Applicable  Not applicable

**( 2 ) Differences between disclosed net profits and net assets in financial report in accordance with Domestic Accounting Standards and Chinese Accounting Standards.**

Applicable  Not applicable

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

## 4. Other