SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.

SEMIANNUAL FINANCIAL REPORT 2018

August 2018

Financial Report

I. Auditor's Report

Whether the interim report has been audited?

□Yes √ No

The interim report of the Company has not been audited.

II. Financial Statements

The unit of the financial statements attached: RMB

1. Consolidated Balance Sheet

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

30 June 2018

Unit: RMB

Item	30 June 2018	31 December 2017
Current assets:		
Monetary assets	2,147,138,565.07	2,477,028,815.21
Settlement reserve		
Interbank loans granted		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	67,064,515.20	46,272,600.86
Prepayments	33,041,588.11	28,149,956.60
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Interest receivable		
Dividends receivable		
Other receivables	18,843,587.76	91,345,782.84

Financial assets purchased under resale agreements		
Inventories	1,448,191,666.93	1,850,672,044.36
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	2,739,221.47	12,370,820.97
Total current assets	3,717,019,144.54	4,505,840,020.84
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	3,598,765.93	3,591,209.20
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	38,779,640.16	38,730,392.96
Investment property	416,075,311.14	426,849,558.05
Fixed assets	30,307,818.83	29,346,901.33
Construction in progress		
Engineering materials		
Proceeds from disposal of fixed assets		
Productive living assets		
Oil and gas assets		
Intangible assets		
R&D expense		
Goodwill		
Long-term prepaid expense	864,880.71	951,368.85
Deferred income tax assets	393,311,262.00	388,022,097.64
Other non-current assets		
Total non-current assets	882,937,678.77	887,491,528.03
Total assets	4,599,956,823.31	5,393,331,548.87
Current liabilities:		
Short-term borrowings		
Borrowings from central bank		
Customer deposits and deposits from banks and other financial institutions		
Interbank loans obtained		

Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	432,104,006.55	491,963,303.62
Advances from customers	192,254,264.83	516,984,711.11
Financial assets sold under repurchase agreements		
Handling charges and commissions payable		
Payroll payable	89,087,000.06	92,066,474.54
Taxes payable	886,485,068.67	1,192,587,256.66
Interest payable		
Dividends payable	56,188.32	29,642.40
Other payables	119,209,930.85	122,592,357.98
Reinsurance payables		
Insurance contract reserve		
Payables for acting trading of securities		
Payables for underwriting of securities		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	1,719,196,459.28	2,416,223,746.31
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Specific payables		
Provisions		
Deferred income		

Deferred income tax liabilities	6,654.18	8,668.15
Other non-current liabilities	53,603,668.64	54,543,253.27
Total non-current liabilities	53,610,322.82	54,551,921.42
Total liabilities	1,772,806,782.10	2,470,775,667.73
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	118,938,132.89	118,938,132.89
Less: Treasury shares		
Other comprehensive income	-3,696,227.06	-4,111,587.14
Specific reserve		
Surplus reserves	299,569,569.96	299,569,569.96
General reserve		
Retained profits	1,815,497,386.36	1,911,318,586.37
Total equity attributable to owners of the Company as the parent	2,826,287,954.15	2,921,693,794.08
Non-controlling interests	862,087.06	862,087.06
Total owners' equity	2,827,150,041.21	2,922,555,881.14
Total liabilities and owners' equity	4,599,956,823.31	5,393,331,548.87

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

Head of the financial department: Shen Xueying

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 June 2018	31 December 2017
Current assets:		
Monetary assets	1,584,060,958.18	1,754,272,751.45
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	1,396,908.79	479,462.50

Prepayments	549,329.09	496,729.09
Interest receivable		
Dividends receivable		
Other receivables	955,783,289.40	1,128,977,669.02
Inventories	304,048,272.99	303,797,408.60
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	85,558.19	85,558.19
Total current assets	2,845,924,316.64	3,188,109,578.85
Non-current assets:		
Available-for-sale financial assets	3,829,265.93	3,821,709.20
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	250,662,313.09	250,613,065.89
Investment property	327,769,993.31	336,964,573.31
Fixed assets	7,959,604.48	8,163,838.55
Construction in progress		
Engineering materials		
Proceeds from disposal of fixed assets		
Productive living assets		
Oil and gas assets		
Intangible assets		
R&D expense		
Goodwill		
Long-term prepaid expense	864,880.71	951,368.85
Deferred income tax assets	191,312,382.92	191,632,218.83
Other non-current assets		
Total non-current assets	782,398,440.44	792,146,774.63
Total assets	3,628,322,757.08	3,980,256,353.48
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		

Notes payable		
Accounts payable	116,027,139.28	119,489,366.28
Advances from customers	4,981,735.00	5,127,871.19
Payroll payable	31,017,499.62	34,296,032.66
Taxes payable	649,355,829.41	704,897,740.79
Interest payable		
Dividends payable	56,188.32	29,642.40
Other payables	73,641,223.36	206,876,957.12
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	875,079,614.99	1,070,717,610.44
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Specific payables		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	875,079,614.99	1,070,717,610.44
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	94,057,859.68	94,057,859.68
Less: Treasury shares		

Other comprehensive income		
Specific reserve		
Surplus reserves	298,912,759.52	298,912,759.52
Retained profits	1,764,293,430.89	1,920,589,031.84
Total owners' equity	2,753,243,142.09	2,909,538,743.04
Total liabilities and owners' equity	3,628,322,757.08	3,980,256,353.48

3. Consolidated Income Statement

Unit: RMB

Item	H1 2018	H1 2017
1. Revenue	825,013,984.97	1,317,146,732.43
Including: Operating revenue	825,013,984.97	1,317,146,732.43
Interest income		
Premium income		
Handling charge and commission income		
2. Operating costs and expenses	716,725,177.60	845,284,867.98
Including: Cost of sales	689,187,341.10	498,581,168.93
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surtaxes	7,299,438.66	357,170,022.95
Selling expense	9,296,529.76	10,856,348.95
Administrative expense	43,316,443.65	52,072,280.85
Finance costs	-27,617,224.65	-17,763,773.52
Asset impairment loss	-4,757,350.92	-55,631,180.18
Add: Gain on changes in fair value ("-" for loss)		
Investment income ("-" for loss)	49,247.20	1,412,812.91
Including: Share of profit or loss of	49,247.20	1,412,812.91

joint ventures and associates		
Foreign exchange gain (“-” for loss)		
Asset disposal income (“-” for loss)		
Other income		
3. Operating profit (“-” for loss)	108,338,054.57	473,274,677.36
Add: Non-operating income	1,533,491.43	608,155.97
Less: Non-operating expense	311,674.85	5,903,749.22
4. Profit before taxation (“-” for loss)	109,559,871.15	467,979,084.11
Less: Income tax expense	26,587,343.56	103,623,313.68
5. Net profit (“-” for net loss)	82,972,527.59	364,355,770.43
5.1 Net profit from continuing operations (“-” for net loss)	82,972,527.59	362,280,753.95
5.2 Net profit from discontinued operations (“-” for net loss)		2,075,016.48
Net profit attributable to owners of the Company as the parent	82,972,527.59	364,355,770.43
Net profit attributable to non-controlling interests		
6. Other comprehensive income, net of tax	415,360.08	-1,557,858.56
Attributable to owners of the Company as the parent	415,360.08	-1,557,858.56
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
6.2 Items that may subsequently be reclassified to profit or loss	415,360.08	-1,557,858.56
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
6.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		

6.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.4 Effective gain/loss on cash flow hedges		
6.2.5 Differences arising from translation of foreign currency-denominated financial statements	415,360.08	-1,557,858.56
6.2.6 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	83,387,887.67	362,797,911.87
Attributable to owners of the Company as the parent	83,387,887.67	362,797,911.87
Attributable to non-controlling interests		
8. Earnings per share		
8.1 Basic earnings per share	0.1392	0.6114
8.2 Diluted earnings per share	0.1392	0.6114

Where business mergers under the same control occurred in this Reporting Period, the net profit achieved by the merged parties before the business mergers was RMB0.00, with the corresponding amount for the last period being RMB0.00.

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

Head of the financial department: Shen Xueying

4. Income Statement of the Company as the Parent

Unit: RMB

Item	H1 2018	H1 2017
1. Operating revenue	33,455,791.84	940,995,898.09
Less: Cost of sales	11,792,652.03	178,852,582.93
Taxes and surtaxes	2,037,017.20	353,391,182.19
Selling expense	912,834.22	2,010,949.91
Administrative expense	15,024,782.80	18,830,274.59
Finance costs	-26,492,474.92	-9,769,289.38
Asset impairment loss	-2,246,956.93	-654,008.70
Add: Gain on changes in fair value		

("-" for loss)		
Investment income ("-" for loss)	49,247.20	449,788,115.18
Including: Share of profit or loss of joint ventures and associates	49,247.20	1,412,812.91
Asset disposal income ("-" for loss)		
Other income		
2. Operating profit ("-" for loss)	32,477,184.64	848,122,321.73
Add: Non-operating income	117,516.67	137,354.81
Less: Non-operating expense	9,233.27	5,530,004.77
3. Profit before taxation ("-" for loss)	32,585,468.04	842,729,671.77
Less: Income tax expense	10,087,341.39	98,162,711.16
4. Net profit ("-" for net loss)	22,498,126.65	744,566,960.61
4.1 Net profit from continuing operations ("-" for net loss)	22,498,126.65	729,488,994.69
4.2 Net profit from discontinued operations ("-" for net loss)		15,077,965.92
5. Other comprehensive income, net of tax		
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
5.1.2 Share of other comprehensive income of investees that will not be reclassified into profit or loss under equity method		
5.2 Items that may subsequently be reclassified to profit or loss		
5.2.1 Share of other comprehensive income of investees that will be reclassified into profit or loss under equity method		
5.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		
5.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		

5.2.4 Effective gain/loss on cash flow hedges		
5.2.5 Differences arising from translation of foreign currency-denominated financial statements		
5.2.6 Other		
6. Total comprehensive income	22,498,126.65	744,566,960.61
7. Earnings per share		
7.1 Basic earnings per share	0.0377	1.2493
7.2 Diluted earnings per share	0.0377	1.2493

5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2018	H1 2017
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	568,985,528.13	654,313,106.92
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in loans from central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Net increase in proceeds from disposal of financial assets at fair value through profit or loss		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Tax rebates		

Cash generated from other operating activities	39,349,722.92	22,545,465.74
Subtotal of cash generated from operating activities	608,335,251.05	676,858,572.66
Payments for commodities and services	242,009,085.68	266,068,343.54
Net increase in loans and advances to customers		
Net increase in deposits in central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	171,547,891.95	172,144,904.82
Taxes paid	386,783,731.37	694,201,173.52
Cash used in other operating activities	33,586,527.86	44,981,839.31
Subtotal of cash used in operating activities	833,927,236.86	1,177,396,261.19
Net cash generated from/used in operating activities	-225,591,985.81	-500,537,688.53
2. Cash flows from investing activities:		
Proceeds from disinvestments		
Investment income		
Net proceeds from disposal of fixed assets, intangible assets and other long-lived assets	42,583.50	2,978.00
Net proceeds from disposal of subsidiaries or other business units	76,797,409.69	
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	76,839,993.19	2,978.00
Payments for acquisition of fixed assets, intangible assets and other long-lived assets	2,807,222.59	921,803.49
Payments for investments		
Net increase in pledged loans granted		
Net payments for acquisition of		

subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	2,807,222.59	921,803.49
Net cash generated from/used in investing activities	74,032,770.60	-918,825.49
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Increase in borrowings obtained		
Net proceeds from issuance of bonds		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayment of borrowings		
Payments for interest and dividends	178,767,181.68	107,246,594.16
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	178,767,181.68	107,246,594.16
Net cash generated from/used in financing activities	-178,767,181.68	-107,246,594.16
4. Effect of foreign exchange rate changes on cash and cash equivalents	436,146.75	-1,610,551.59
5. Net increase in cash and cash equivalents	-329,890,250.14	-610,313,659.77
Add: Cash and cash equivalents, beginning of the period	2,464,626,655.21	2,857,353,056.85
6. Cash and cash equivalents, end of the period	2,134,736,405.07	2,247,039,397.08

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	H1 2018	H1 2017
1. Cash flows from operating activities:		

Proceeds from sale of commodities and rendering of services	34,091,919.99	29,690,910.90
Tax rebates		
Cash generated from other operating activities	138,780,669.81	701,712,992.57
Subtotal of cash generated from operating activities	172,872,589.80	731,403,903.47
Payments for commodities and services	5,004,956.42	40,558,204.30
Cash paid to and for employees	11,594,999.25	10,970,470.99
Taxes paid	70,155,089.07	331,025,759.51
Cash used in other operating activities	147,334,270.95	1,038,887,842.64
Subtotal of cash used in operating activities	234,089,315.69	1,421,442,277.44
Net cash generated from/used in operating activities	-61,216,725.89	-690,038,373.97
2. Cash flows from investing activities:		
Proceeds from disinvestments		
Investment income		798,375,302.27
Net proceeds from disposal of fixed assets, intangible assets and other long-lived assets	4,563.50	1,320.00
Net proceeds from disposal of subsidiaries or other business units	70,207,999.92	
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	70,212,563.42	798,376,622.27
Payments for acquisition of fixed assets, intangible assets and other long-lived assets	443,173.00	65,194.99
Payments for investments		
Net payments for acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	443,173.00	65,194.99
Net cash generated from/used in investing activities	69,769,390.42	798,311,427.28

3. Cash flows from financing activities:		
Capital contributions received		
Increase in borrowings obtained		
Net proceeds from issuance of bonds		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayment of borrowings		
Payments for interest and dividends	178,767,181.68	107,246,594.16
Cash used in other financing activities		
Sub-total of cash used in financing activities	178,767,181.68	107,246,594.16
Net cash generated from/used in financing activities	-178,767,181.68	-107,246,594.16
4. Effect of foreign exchange rate changes on cash and cash equivalents	2,723.88	-4,238.11
5. Net increase in cash and cash equivalents	-170,211,793.27	1,022,221.04
Add: Cash and cash equivalents, beginning of the period	1,754,272,751.45	1,566,655,340.88
6. Cash and cash equivalents, end of the period	1,584,060,958.18	1,567,677,561.92

7. Consolidated Statements of Changes in Owners' Equity

H1 2018

Unit: RMB

Item	H1 2018												
	Equity attributable to owners of the Company as the parent											Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained profits		
		Preferred shares	Perpetual bonds	Other									
1. Balances as of end of prior year	595,979,092.00				118,938,132.89		-4,111,587.14		299,569,569.96		1,911,318,586.37	862,087.06	2,922,555,881.14
Add: Adjustments for changed													

accounting policies													
Adjustments for corrections of previous errors													
Adjustments for business combinations involving enterprises under common control													
Other adjustments													
2. Balances as of beginning of the year	595,979,092.00				118,938,132.89		-4,111,587.14		299,569,569.96		1,911,318,586.37	862,087.06	2,922,555,881.14
3. Increase/ decrease in the period ("-" for decrease)							415,360.08				-95,821,200.01		-95,405,839.93
3.1 Total comprehensive income							415,360.08				82,972,527.59		83,387,887.67
3.2 Capital increased and reduced by owners													
3.2.1 Ordinary shares increased by shareholders													
3.2.2 Capital increased by holders of other equity instruments													
3.2.3 Share-based payments included in owners' equity													
3.2.4 Other													
3.3 Profit distribution											-178,793,727.60		-178,793,727.60
3.3.1													

Appropriation to surplus reserves													
3.3.2 Appropriation to general reserve													
3.3.3 Appropriation to owners (or shareholders)											-178,793,727.60		-178,793,727.60
3.3.4 Other													
3.4 Carryforwards 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 Surplus reserves used to make up losses													
3.4.4 Other													
3.5 Specific reserve													
3.5.1 Withdrawn for the period													
3.5.2 Used during the period													
3.6 Other													
4. Balances as of end of the period	595,979,092.00				118,938,132.89		-3,696,227.06		299,569,569.96		1,815,497,386.36	862,087.06	2,827,150,041.21

H1 2017

Unit: RMB

Item	H1 2017												
	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 shares	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained profits		
		Preferred shares	Perpetual bonds	Other									
1. Balances as of end of prior year	595,979,092.00				119,951,533.93		-697,548.70		253,569,569.96		1,441,632,088.56	862,087.06	2,411,296,822.81
Add: Adjustments for changed accounting policies													
Adjustments for corrections of previous errors													
Adjustments for business combinations involving enterprises under common control													
Other adjustments													
2. Balances as of beginning of the year	595,979,092.00				119,951,533.93		-697,548.70		253,569,569.96		1,441,632,088.56	862,087.06	2,411,296,822.81
3. Increase/ decrease in the period ("-" for decrease)							-1,557,858.56				257,079,533.87		255,521,675.31
3.1 Total comprehensive income							-1,557,858.56				364,355,770.43		362,797,911.87
3.2 Capital increased and reduced by owners													
3.2.1 Ordinary shares increased by shareholders													

3.2.2 Capital increased by holders of other equity instruments													
3.2.3 Share-based payments included in owners' equity													
3.2.4 Other													
3.3 Profit distribution											-107,276,236.56		-107,276,236.56
3.3.1 Appropriation to surplus reserves													
3.3.2 Appropriation to general reserve													
3.3.3 Appropriation to owners (or shareholders)											-107,276,236.56		-107,276,236.56
3.3.4 Other													
3.4 Carryforwards 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 Surplus reserves used to make up losses													
3.4.4 Other													
3.5 Specific reserve													
3.5.1 Withdrawn for the													

period													
3.5.2 Used during the period													
3.6 Other													
4. Balances as of end of the period	595,979,092.00				119,951,533.93		-2,255,407.26		253,569,569.96		1,698,711,622.43	862,087.06	2,666,818,498.12

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

H1 2018

Unit: RMB

Item	H1 2018										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Retained profits	Total owners' equity
		Preferred shares	Perpetual bonds	Other							
1. Balances as of end of prior year	595,979,092.00				94,057,859.68				298,912,759.52	1,920,589,031.84	2,909,538,743.04
Add: Adjustments for changed accounting policies											
Adjustments for corrections of previous errors											
Other adjustments											
2. Balances as of beginning of the year	595,979,092.00				94,057,859.68				298,912,759.52	1,920,589,031.84	2,909,538,743.04
3. Increase/ decrease in the period ("-" for decrease)										-156,295,600.95	-156,295,600.95
3.1 Total comprehensive income										22,498,126.65	22,498,126.65
3.2 Capital increased and reduced by owners											

3.2.1 Ordinary shares increased by shareholders											
3.2.2 Capital increased by holders of other equity instruments											
3.2.3 Share-based payments included in owners' equity											
3.2.4 Other											
3.3 Profit distribution										-178,793,727.60	-178,793,727.60
3.3.1 Appropriation to surplus reserves											
3.3.2 Appropriation to owners (or shareholders)										-178,793,727.60	-178,793,727.60
3.3.3 Other											
3.4 Carryforwards 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 Surplus reserves used to make up losses											
3.4.4 Other											
3.5 Specific reserve											

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

H1 2017

Unit: RMB

Item	H1 2017										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Retained profits	Total owners' equity
		Preferred shares	Perpetual bonds	Other							
1. Balances as of end of prior year	595,979,092.00				94,057,859.68				252,912,759.52	1,265,017,880.57	2,207,967,591.77
Add: Adjustments for changed accounting policies											
Adjustments for corrections of previous errors											
Other adjustments											
2. Balances as of beginning of the year	595,979,092.00				94,057,859.68				252,912,759.52	1,265,017,880.57	2,207,967,591.77
3. Increase/ decrease in the period ("-" for decrease)										637,290,724.05	637,290,724.05
3.1 Total comprehensive income										744,566,960.61	744,566,960.61
3.2 Capital increased and reduced by owners											
3.2.1											

Ordinary shares increased by shareholders											
3.2.2 Capital increased by holders of other equity instruments											
3.2.3 Share-based payments included in owners' equity											
3.2.4 Other											
3.3 Profit distribution										-107,276,236.56	-107,276,236.56
3.3.1 Appropriation to surplus reserves											
3.3.2 Appropriation to owners (or shareholders)										-107,276,236.56	-107,276,236.56
3.3.3 Other											
3.4 Carryforwards 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 Surplus reserves used to make up losses											
3.4.4 Other											
3.5 Specific reserve											
3.5.1 Withdrawn for the											

period											
3.5.2 Used during the period											
3.6 Other											
4. Balances as of end of the period	595,979,092.00				94,057,859.68				252,912,759.52	1,902,308,604.62	2,845,258,315.82

III Company Profile

Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as “Company” or “the Company”) was incorporated based on the reconstruction of Shenzhen Properties & Resources Development Co., Ltd. after obtaining approval of ZFBF [1991] No. 831 from People’s Government of Shenzhen Municipality. The registration number of Business License for Enterprises as Legal Person is ZQFZ No. 440301103570124. And the credibility code for the Company after the business license reform is 91440300192174135N.

The registered capital of the Company was RMB541, 799,175 after bonus issue of shares on the basis of one share for every existing 10 shares based on existing paid-in capital of the Company in 1996 and it changes to RMB595,979,092 after bonus issue of shares on the basis of one share for every existing 10 shares based on previous paid-in capital of RMB541,799,175 in 2009.

Up to 30 June 2018, the registered capital of the Company was RMB595,979,092 and the paid-in capital was RMB595,979,092.

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

Organization form: joint-stock company with limited liability

Registered office: Shenzhen Municipal, Guangdong Province, PRC

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

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

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

The Company and the subsidiary (hereinafter referred to as “the Group” in total) mainly operate the development of real estate; property management; buildings and the building devices maintenance, garden afforest and cleaning service; houses and building leasing; supervise and management of the engineering; retails of the Chinese food, Western-style food and wines.

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

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

4. Authorization and date of issuing the financial statements

The financial statements were approved and authorized for issue by the 2nd Meeting of the 9th Board of the Directors on 21 August 2018.

Up to the end of this Reporting Period, there were 20 subsidiaries included in the consolidation financial statement,

and for the details, please refer to X. 1 in Part X Financial Report herein.
For the changes of consolidation financial statement scope of this Reporting Period, please refer to VIII in Part X Financial Report herein.

IV Basis for the Preparation of Financial Statements

1. Preparation Basis

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

2. Continuation

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

V Important Accounting Policies and Estimations

Indication of specific accounting policies and estimations:

The company and subsidiary are mainly engaged in the real estate development and sales. They have formulated several specific accounting policies and accounting estimation on the revenue confirmation and other transactions and events according to the actual production and operation feature and related enterprise accounting principle provisions, and it can be seen in the description in Note V. 28 "Revenue"

1. Statement of Compliance with Enterprise Accounting Standards

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

2. Fiscal Period

The Group's fiscal year is from January 1st to December 31st of every year according to the Gregorian calendar.

3. Operating Cycle

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

4. Recording Currency

The Company and the domestic subsidiaries regard the Renminbi as the recording currency. The Hong Kong subsidiary of the Company confirms the Hong Kong dollar as its recording currency according to the major economic environment of the currency of its office place. When compiling the financial statements, the currency the Company adopted was the Renminbi.

5. Accounting Method of Business Combination under the Common Control and not under the Common Control

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

(2) The Company adopts acquisition method for business combination not under common control. The acquirer shall recognize the initial cost of combination under the following principles: ①When business combination is achieved through a single exchange transaction, the cost of a business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree; ②For the business combination involved more than one exchange transaction, accounting treatments will be carried out separately on individual and consolidated financial statements as the followings:

A. In the individual financial statements, the initial investment cost changed to be measured by the cost method of the particular project will be the sum of book value of equity in the entity before the date of acquisition and the newly added investment cost; the other comprehensive revenues recognized by adopting the equity method of the equity investment before the purchase date, should be executed accounting treatments based on the same basic of the relevant assets or liabilities directly disposed by the purchasers when disposing the investment. The equity investment held before the purchase date which is executed the accounting treatments according to the relevant regulations of No. 22 ASBE-Recognition and Measurement of the Financial Instruments, the accumulative fair value changes originally included into the other comprehensive income should be transferred into the current gains and losses by adopting the cost method.

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

③ Agency expenses and other administrative expenses such as auditing, legal consulting, or appraisal services occurred relating to the merger of entities are accounted into current income account when occurred; the transaction fees of equity certificates or liability certificates issued by the purchaser for payment for the acquisition are accounted at the initial amount of the certificates. ④ Where a business combination contract or agreement provides for a future event which may adjust the cost of combination, the Group shall include the amount of the adjustment in the cost of the combination at the acquisition date if the future event leading to the adjustment is probable and the amount of the adjustment can be measured reliably.

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

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

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

6. Methods for Preparing Consolidated Financial Statements

(1) Consolidation scope

The consolidation scope for financial statements is determined on the basis of control, including the annual financial statement up to 30 June 2018 of the Company and whole subsidiaries. The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. A subsidiary is an enterprise or entity controlled by the Group (including the segmental part among the enterprises and investees as well as the structuralized main bodies etc.) The term “control” is the power of the Group upon an investee, with which it can take part in relevant activities of the investee to obtain variable returns and is able to influence the amount of returns.

(2) Methods for preparing the consolidated financial statements

The Company compiles the consolidation financial statement according to other relevant materials based on the financial statement of itself and its subsidiaries.

The Company regards the whole enterprise group as an accounting main body when compiling the consolidation financial statement to reflect the whole financial conditions, operation results and cash flows according to the requirements of the recognition, measurement and presentation of the relevant ASBE and the unitize accounting policies.

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

(3) Statement of minority interests and profits or losses

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

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

(4) Accounting treatment of excess losses

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

(5) Accounting treatment on increase or decrease of the subsidiaries during this Reporting Period

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

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

When losing the control right of the original subsidiary owing to the disposing of party equity investment or other reasons, for the remaining equity investment after the disposing, should be remeasured according to the fair value of the date of losing the control right. The amount of the sum between the consideration of disposing the equity and the fair value of the remaining equity that minus the balance between the shares of net assets that gained from the original subsidiaries by continuously calculation according the original shareholding ratio since the purchasing date should accrued into the current investment benefits of losing the control right. The other comprehensive benefits related to the equity investment of the original subsidiaries should be transferred into the current investment benefits when losing the control right.

The balance between the newly gained long-term equity investment owning to the purchasing of the minority equities and the net identifiable assets enjoyed from the subsidiaries according to the newly increased shareholding ratio, and the balance between the dispose of remuneration which gained from the partly depose of the equity investment of the subsidiaries under the situation of not losing the control right and the corresponding shares of net assets from the subsidiaries when disposing the long-term equity investment, should both adjust the share premium of the capital surplus of the consolidate balance sheet. If the share premium of the capital surplus is not sufficient for adjustment, retained earning is adjusted respectively.

(6) Disposal on consolidation statement of disposing the equity step by step till lose the control right

If the each transaction of disposing the equity investment of the subsidiaries till lose the control right which belongs to package deal, each transaction would be executed accounting treatment as a transaction of disposing the subsidiaries that lose the control right; however, before losing the control right, for the balance between each disposal of the remuneration and the corresponding shares of net assets of investing the subsidiary, would be confirmed as other comprehensive benefits in the consolidate financial statement and would be transferred into the current gains and losses of losing the control right when losing it. If not belongs to the package deal, before losing the control right, or when losing it, should execute the accounting treatment according to the aforesaid situation of not losing the control right to dispose party equity investment of the subsidiaries as well as according to the accounting policy of losing the control right of the original subsidiaries.

If the regulations, conditions and its economic influences of each deal of disposing the equity investment of the subsidiary met with following one or more kinds of situations, it indicated that the multiple transactions would consolidate as package deal for accounting treatment: ①these transactions are formatted under the situation of contemporary or considering of the mutual influences; ②only the entirety of these transactions could achieve a complete commercial result; ③the happen of one transaction depends on at least the happen of other one transaction; ④to see independently of one transaction is not economic while to considered with other transactions are economic.

Execute the accounting treatment of the several financial statements of disposing the equity step by step till lose the control right according to the accounting policy of disposing the long-term equity investment.

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

(1) Category of joint arrangements

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

The joint arrangement achieves not through the individual main body should be divided as joint operation. Individual main body refers to the entity owns individual distinguishable financial structure, including the individual legal entities and the entities without legal entity qualification but gains the legal permits. The joint arrangement achieves through individual main body is usually divided into the joint venture, but for the joint arrangement with definite evidence indicants that meet with any condition of the followings and meet with the regulations of the relevant laws and regulations should be divided into joint operation; the legal form of other joint arrangement indicates that, the jointly owned party respectively enjoys the rights and burdens the obligations of the relevant assets and liabilities among the arrangement; the clauses of the contacts of the joint arrangement agrees that, the jointly owned party respectively enjoys the rights and burdens the obligations of the relevant assets and liabilities among the arrangement; other relevant facts and situation indicates that, the jointly owned party respectively enjoys the rights and burdens the obligations of the relevant assets and liabilities among the arrangement, for example, the jointly owned party enjoys almost all of the output related to the joint arrangement and the liquidation of the liabilities of the arrangement constantly depends on the support of the jointly owned party. It's forbidden to regard the jointly owned party which provides the liabilities for the joint arrangement as it has the responsibility to bear the relevant liabilities. For the jointly owned party takes the responsibility to pay the contributive obligations for the joint arrangement, not be considered to undertake the relevant liabilities related to the arrangement. For the relevant facts and the changes of the situation leads the rights enjoyed and the liabilities undertook amount the joint arrangement change, the Group should re-assess the category of the joint arrangement. For the structure agreement setting various joint arrangements for achieving different activities, the Group respectively recognizes each category of the joint arrangement.

For the details of the basis of recognizing the joint control and the accounting policies of the measurement of the joint venture, please refer to Notes V. 14.

(2) Accounting treatment of joint operations

The following projects related to the interests portion among the joint operation recognized by the Group and be executed according to the regulations of the relevant ASBE: recognizes the assets held alone and the assets joint held by recognizing according to the portion; recognizes the jointly-held assets and jointly-borne liabilities according to the Group's stake in the joint operation; recognizes the income from sale of the Group's share in the output of the joint operation; recognizes the income from sale of the joint operation's outputs according to the Group's stake in it; and recognizes the expense solely incurred to the Group and the expense incurred to the joint operation according to the Group's stake in it.

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

If the Group attributes to the participate party without joint control on the joint operation, if enjoys the relevant assets and undertakes the relevant liabilities of the joint operation, should execute accounting treatment according to the above principles; otherwise, should execute the accounting treatment according to the accounting policies of the measurement of the financial instruments or the long-term equity investment formulated by the Group.

8. Recognition Standard for Cash and Cash Equivalents

In the Group'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

The foreign currency transactions are both discounted as recording currency according to the spot rate on the trading date (usually refers to the middle price of the foreign exchange quotation on that very date issued by People's Bank of China, similarly hereinafter).

(1) Treatment of foreign currency exchange difference

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

(2) Translations of financial statements in foreign currencies

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

10. Financial Instruments

(1) Recognition of the financial instruments

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

(2) Category and measurement of the financial assets

① The Group based on the reasons such as risks management, investment strategies and objective of holding the financial assets, classifies the financial assets into the following four categories: a) financial assets at fair value through profit or loss; b) held-to-maturity investments; c) loans and receivables; and d) available-for-sale financial assets.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss, including trading financial assets and the financial assets appointed to be measured by fair value with its changes included in the current gains and losses of the initial recognition.

The financial assets meeting any of the following requirements shall be classified as transactional financial assets: The purpose to acquire the said financial assets is mainly for selling them in the near future; Forming a part of the identifiable combination of financial instruments which are managed in a centralized way and for which there are objective evidences proving that the enterprise may manage the combination by way of short-term profit making in the near future; Being a derivative instrument, excluding the designated derivative instruments which are effective hedging instruments, or derivative instruments to financial guarantee contracts, and the derivative instruments which are connected with the equity instrument investments for which there is no quoted price in the active market, whose fair value cannot be reliably measured, and which shall be settled by delivering the said equity instruments.

The financial assets meeting any of the following requirements shall be designated as financial assets which are measured at their fair values and the variation of which is recorded into the profits and losses of the current period for initial recognition: A. the designation can eliminate or significantly reduce the difference of relevant gains and losses between recognition and measurement causing from different bases for measurement of financial assets; B. The official written documents for risk management and investment strategies of the enterprise have clearly stated that it shall, manage, evaluate and report to important management personnel based on the fair value, about the financial assets group or the group of financial assets which the financial assets are belong to.

For the equity instruments investment without quotation in the active market and the fair value could not be reliable measured, should not be appointed as the financial assets measured by the fair value with its changes included in the current gains and losses.

B. Held-to-maturity investment

The term "held-to-maturity investment" refers to a non-derivative financial asset with a fixed date of maturity, a fixed or determinable amount of repo price and which the enterprise holds for a definite purpose or the enterprise is able to hold until its maturity.

C. Loans and the accounts receivables

Loans and the accounts receivables refer to non-derivative financial assets, which there is no quotation in the active market, with fixed recovery cost or recognizable.

D. Available-for-sale financial assets

Available-for-sale financial assets refer to the non-derivative financial assets which appointed available for sale when initially recognizes and the financial assets except for the above category of the financial assets.

After the Group classifies certain financial assets as the financial assets measured by fair value and included its changes in the current gains and losses when initially recognized, should not re-classified as other financial assets; other financial assets also should not be re-classified as the financial assets measured by fair value with its changes be included in the current gains and losses.

② The financial assets are initially recognized at fair value. Gains or losses arising from a change in the fair value of a financial asset at fair value through profit or loss is recognized in profit or loss when it incurred and relevant transaction costs are recognized as expense when it incurred. For other financial assets, the transaction costs are recognized as costs of the financial assets.

③ Subsequent measurement of financial assets

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

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

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

D. Available-for-sale financial assets are measured at fair value and the gain or loss arising from a change in the fair value of available-for-sale financial assets is recognized as capital reserve which is transferred into profit or loss when it is impaired or derecognized. Interests or cash dividends during the holding period are recognized in profit or loss for the current period. For the equity instruments investment without quotation in the active market and the fair value could not be reliable measured and the derivative financial assets linked up with the equity instruments and should be settled through handing over to the equity instruments, should be measured according to the cost.

④ Impairment provision of the financial assets

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

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

a) significant financial difficulty of the issuer or obligor;

b) a breach of contract, such as a default or delinquency in interest or principal payments;

c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

d) it becoming probable that the borrower will enter bankruptcy or other financial reorganization;

e) the disappearance of an active market for that financial asset because of financial difficulties;

f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including: (i) Adverse changes in the payment status of borrowers in the group or (ii) an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area, or adverse changes in industry conditions that affect the borrowers.

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

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

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

C. Measurement of impairment loss of financial assets

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

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

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

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

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

b) Available-for-sale financial assets

The Group takes the individual investment of impairment test for available-for-sale financial assets. On the balance sheet date, it could judge whether the fair value of available-for-sale financial assets are seriously or non-temporary decline: if the decline of the fair value of the individual available-for-sale financial assets exceeds 50% of the cost, or had continuously declined for over 12 months, should be recognized the available-for-sale financial assets had decreased and should recognized the impairment losses according to the impairment provision for the balance between the cost and the fair value. The cost at the period-end of available-for-sale financial assets is the amortized cost which is initially measured according to the investment cost when receiving and is calculated by the weighted average method when selling.

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

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

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

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

(3) Classification and measurement of financial liabilities

① The financial liabilities held by the Group are divided into the financial liabilities measured at fair values and whose changes are recorded in current gains and losses and other financial liabilities.

Financial liabilities measured by fair value and its changes included in the current gains and losses, including trading financial liabilities and the financial liabilities appointed to be measured by fair value with its changes included in the current gains and losses of the initial recognition.

The financial liabilities meeting any of the following requirements shall be classified as transactional financial liabilities： A. The purpose to acquire the said financial liabilities is mainly for selling them in the near future; B. Forming a part of the identifiable combination of financial instruments which are managed in a centralized way and for which there are objective evidences proving that the enterprise may manage the combination by way of short-term profit making in the near future; C. Being a derivative instrument, excluding the designated derivative instruments which are effective hedging instruments, or derivative instruments to financial guarantee contracts, and the derivative instruments which are connected with the equity instrument investments for which there is no quoted price in the active market, whose fair value cannot be reliably measured, and which shall be settled by delivering the said equity instruments.

The financial liabilities meeting any of the following requirements shall be designated as financial liabilities which are measured at their fair values and the variation of which is recorded into the profits and losses of the current period for initial recognition: A. the designation can eliminate or significantly reduce the difference of relevant gains and losses between recognition and measurement causing from different bases for measurement of financial assets; B. The official written documents for risk management and investment strategies of the enterprise have clearly stated that it shall, manage, evaluate and report to important management personnel based on the fair value, about the financial liabilities group or the group of financial liabilities which the financial liabilities are belong to; for the blender instruments including one or more items of derivative instruments, unless there no significant changes of the cash flow of the blender instruments by the embedded derivatives, or the embedded derivative instruments parentally should be stripped off from the relevant blender instruments; including the blender instruments that embedded into the derivative instruments needed to be stripped out but failed to execute individual measurement when acquired or on the follow-up balance sheet date.

After the Group classifies certain financial liabilities as the financial liabilities measured by fair value and included its changes in the current gains and losses when initially recognized, should not re-classified as other financial liabilities; other financial liabilities also should not be re-classified as the financial liabilities measured by fair value with its changes be included in the current gains and losses.

② Financial liabilities are initially measured at fair value. For the financial liability at fair value through profit or loss at its fair value, relevant transaction costs are recognized as expense when it incurred. For the other financial liabilities, relevant transaction costs are recognized as costs.

③ Subsequent measurement of financial liabilities

A. The Group recognizes a financial liability at fair value through profit or loss at its fair value. A gain or loss of change in fair value is recognized in the profit or loss of the current period.

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

(4) Recognition and measurement for transfer of financial assets

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

① the carrying amount of transferring financial assets;

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

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

① the carrying amount allocated to the part derecognized;

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

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

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

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

(5) De-recognition of financial liabilities

If the whole or partly of the current obligation of the financial liabilities of the Group is relieved, should derecognize the financial liabilities or partly of it. The Group signs an agreement with the creditors is of the method by undertaking the new financial liabilities to replace the current financial liabilities. if the new financial liabilities are different from the current one on the essence of contract terms, should derecognize the current financial liabilities and recognize the new one at the same time.

If the whole or partly of the financial liabilities had derecognized, should derecognize balance between partly of the book value and the paid consideration (including the turned out non-cash assets or the new financial liabilities) and accrued into the current gains and losses.

(6) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset. As for the financial assets and financial liabilities satisfy the following conditions at the same time, should be listed as the net amount within the balance sheet after the mutual offset: the Group had the legal right of the offset recognized amount and the right was executable for the moment; the Group planed to settle by net amount or at the same time discounted the financial assets and liquidated the financial liabilities. For the transfer of the financial assets not satisfy the de-recognition conditions, the transfer-out party should not offset the transfer financial assets and the relevant liabilities.

11. Receivables

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

Judgement basis or monetary standards of provision for bad debts of the individually significant accounts receivable	Accounts receivable with individual amount of more than 2 million (including 2 million).
Method of individual provision for bad debts of the individually significant accounts receivable	The Group made an independent impairment test on receivables with significant single amounts; if there was objective evidence indicated that the impairment had occurred should recognize the impairment losses and should withdraw the bad debt provision. The financial assets without impairment by independent impairment test should be included in financial assets portfolio with similar credit risk to take the impairment test.

(2) Accounts Receivable which the Bad Debt Provision is withdrawn by Credit Risk Characteristics

Name of portfolios	Bad debt provision method
Portfolios 1 (accounts receivable among the companies within the consolidated scope of the Group)	Other method
Portfolios 2 (accounts receivable except for the portfolios 1 which had not been impaired after the independent test, and the	Aging analysis method

Company analyzed and recognized the ratio of the withdrawal of the bad debt provision combined with the current situation and based on the actual losses rate of the accounts receivable group which possessed the similar credit risk characteristics divided according to the aging phase that were the same as or similar to the previous years)	

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

√ Applicable □ Not applicable

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

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

□ Applicable √ Not applicable

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

√ Applicable □ Not applicable

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

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

Reason of individually withdrawing bad debt provision	The Group made independent impairment test on receivables with insignificant amount but with special impairment indicated by objective evidence.
Withdrawal method for bad debt provision	The impairment test is carries out individually, the Company recognizes provision for impairment loss for the amount which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, and withdraws relevant bad debts provision.

12. Inventory

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

No

(1) Classification of inventory: inventory of the Group including the finished products or commodities held in the daily activities for sales, the unfinished products in the production process, the materials consumed in the production process or the process of providing the labor etc. Which are specific divided as: raw materials, finished goods, and low-value consumption goods, land use right held for real estate development, properties under development and completed properties for sale.

(2) Reorganization of inventory: the Company confirms the inventory when meeting the following conditions at the same time:

① the economic benefits related to the inventory possibility would flow into the enterprise;

② the cost of the inventory could be reliably calculated.

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

(4) Amortization method of low-value consumption goods and wrap page: the low-value consumption goods and wrap page should adopt the one time amortization according to the actual situation when requiring.

(5) Measurement of the inventories at the period-end: on the balance sheet date, the inventory should be measured according to the lower one between the cost and the net realizable value, if the inventory cost higher than the net realizable value, should withdraw the falling provision of the inventory and include in the current gains and losses.

① Estimation of net realizable value:

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

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

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

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

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

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

Where certain items of inventory have similar purposes or end uses and relate to the same product line produced and marketed in the same geographical area, and therefore cannot be practicably evaluated separately from other items in that product line, costs and net realizable values of those items may be determined on an aggregate basis.

(6) The perpetual inventory system is maintained for stock system.

13. Assets Held for Sale

(1) Confirmation criteria for assets held for sale

The Group classifies an asset into held-for-sale when its book value is mainly recovered by selling (including the exchanges of non-monetary assets with commercial substance) instead of a non-current asset or disposal group. A non-current asset or disposal group is classified as asset held-for-sale when it satisfies the following conditions:

① It can be sold immediately under current conditions based on the practice of selling such assets or disposal groups in similar transactions.

② The sale is highly likely to occur, that is, the Group has already made a resolution on a sale plan and obtained a confirmed purchase commitment, and the sale is expected to will be completed within one year. Moreover, the sale has been approved if relevant regulations require relevant authority or regulatory authority of the Group to approve it. A confirmed purchase commitment refers to a legally binding purchase agreement signed between the Group and other parties. The agreement includes important terms such as transaction price, time and severe penalties for breach of contract that make it unlikely that the agreement will be substantially adjusted or revoked.

Non-current assets or disposal groups specifically obtained by the Group for resale will be classified as held-for-sale on the acquisition date when they meet the stipulated conditions of “expected to be sold within one year” on the acquisition date, and may well satisfy the category of held-for-sale within a short time (which is usually 3 months).

A disposal group refers to a group of assets that are disposed of together as a whole by sale or other means in a transaction and the liabilities directly related to these assets transferred in the transaction. Where the asset group or combination of asset groups to which a disposal group belongs apportions the goodwill acquired in the business combination in accordance with the "Accounting Standards for Enterprises No. 8 - Asset Impairment", the disposal group shall include the goodwill allocated to it.

(2) Accounting methods for assets held-for-sale

For non-current assets and disposal groups classified as held-for-sale, the Group initially measures or re-measures the lower net amount from the book value and the fair value less the disposal expenses. If the book value is higher than the fair value minus the net amount of the sale costs, the book value will be written down to the net amount of fair value minus the sale costs, and the amount written down will be recognized as impairment loss of assets and included in the current profit and loss, and provision for impairment of held-for-sale assets will be made. For the confirmed amount of impairment loss of assets of the disposal groups held for sale, the book value of goodwill of the disposal groups will be offset first, and then the book value of various non-current assets in the disposal groups will be offset according to the proportions. If the net amount that the fair value of the non-current assets held for sale on the follow-up balance sheet date minus the sale costs increases, the previous written-down amount will be restored, and reversed to the asset impairment loss confirmed after the assets being classified as held-for-sale. The reversed amount will be included in the current profit or loss. Impairment losses on assets recognized prior to classification as held for sale are not reversed. If the net amount that the fair value of the disposal groups held for sale on the follow-up balance sheet date minus the sale costs increases, the previous written-down amount will be restored, and reversed to the asset impairment loss confirmed after the assets being classified as held-for-sale. The reversed amount will be included in the current profit or loss. The book value of deducted goodwill and the non-current assets applicable to the measurement of held-for-sale categories will not be reversed if the asset impairment loss is recognized before it is classified as held for sale. For the subsequent reversal amount of the asset impairment loss recognized by the disposal group held for sale, its book value shall be increased proportionately to the proportion of the book value of various non-current assets measured by the disposal group in addition to goodwill. Non-current assets held for sale or non-current assets in the disposal group are not subject to depreciation or amortization. Interest and other expenses of liabilities in the disposal group held for sale will be confirmed as before.

Deferred income tax assets, financial assets regulated by the “Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments”, investment real estate and biological assets measured at fair value, contractual rights arising from insurance contracts, and assets generated from the employee benefits do not apply the measurement method of the category held-for-sale. Instead, they are measured according to the relevant standards or the corresponding accounting policies formulated by the Group. Where a disposal group contains non-current assets that apply the measurement method of the held-for-sale category, the measurement method for the category held-for-sale shall apply to the whole disposal group. The measurement of liabilities in the disposal group applies relevant accounting standards.

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

14. Long-term Equity Investments

Long-term equity investments include the equity investment on the subsidiaries, joint ventures and associated enterprises.

(1) Initial measurement

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

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

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

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

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

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

b) For a business combination that involves more than one exchange transaction, the initial investment cost is the summation of the book value of the equity interests of the acquiree held by the Company before the acquisition date and the new investment cost on the acquisition date;

c) The fees incurred for audit, legal consultation, valuation services and other management expenses are to be recognized in profit or loss at the time such costs incurred. The transaction costs incurred by the acquirer for issuing equity securities or debt securities as the consideration of the acquisition are to be recognized as the initial amount of such equity security or debt security.

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

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

A. If the long-term equity investment is acquired in cash consideration, the initial cost is the actual payment which includes direct expenses paid to acquire the long-term equity investment, taxes and other necessary expense.

B. If the long-term equity investment is acquired by issuing equity securities, the initial cost is the fair value of the equity securities issued. However, cash dividends or profits that are declared but unpaid shall not be included in the initial cost. Transaction costs arising from issuing or obtaining the Company’s own equity instruments, if directly attributable to equity transactions, are deducted from equities.

C. For the long-term equity investment acquired through non-monetary asset exchange, the initial cost is recognized according to “Accounting Standards for Business Enterprises No. 7-Non-monetary transactions”.

D. For the long-term equity investment acquired through debt restructuring, the initial cost is recognized according to “Accounting Standards for Business Enterprises No. 12-Debt restructuring”.

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

(2) Subsequent measurement

The cost method is used among the individual financial statement when the long-term equity investment could execute control on the investees. The equity method is used when the Company has joint control or significant influence over the investee enterprise.

① The price of a long-term equity investment measured by adopting the cost method shall be included at its initial investment cost and append as well as withdraw the cost of investing and adjusting the long-term equity investment. As for the cash bonus or the profits be declared for distribution by the investees should be recognized as the current investment income.

② If the initial cost of a long-term equity investment is more than the Company's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted. If the initial cost of a long-term equity investment is less than the Company's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profits and losses and the cost of the long-term equity investment shall be adjusted simultaneously.

After acquired the long-term equity investment, respectively recognize investment income and other comprehensive income according to the net gains and losses as well as the portion of other comprehensive income which should be enjoyed or be shared, and at the same time adjust the book value of the long-term equity investment; corresponding reduce the book value of the long-term equity investment according to profits which be declared to distribute by the investees or the portion of the calculation of cash dividends which should be enjoyed; for the other changes except for the net gains and losses, other comprehensive income and the owners’ equity except for the profits distribution of the investees, should adjust the book value of the long-term equity investment as well as include in the owners' equities. The investing enterprise shall, on the ground of the fair value of all identifiable assets of the invested entity when it obtains the investment, recognize the attributable share of the net profits and losses of the invested entity after it adjusts the net profits of the invested entity. If the accounting policies adopted by the investees are not accord with that of the Group, should be adjusted according to the accounting policies of the Group and the financial statement of the investees during the accounting period and according which to recognize the investment income as well as other comprehensive income. The Group shall recognize the net losses of the invested enterprise until the book value of the long-term equity investment and other long-term rights and interests which substantially from the net investment made to the invested entity are reduced to zero. However, if the Group has the obligation to undertake extra losses, it shall be recognized as the estimated liabilities in accordance with the estimated duties and then recorded into investment losses at current period. If the invested entity realizes any net profits later, the Group shall, after the amount of its attributable share of profits offsets against its attributable share of the un-recognized losses, resume recognizing its attributable share of profits.

For equity investments of the Group in associates, some of which are indirectly held by the Group through venture capital institutions, mutual funds, trust companies, investment-linked insurance funds or other similar subjects, whether or not these subjects have significant influence over such investments, the Group measures these indirectly held investments at their fair value and records the changes in their fair value into profits and losses, and measures other investments adopting the equity method as per the Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments.

When calculating and recognizing the net gains and losses enjoyed or be burdened by the investees, the part attributed to the Group which measured according to the enjoyed proportion from the unrealized internal transactions with the joint ventures and associated enterprises should be written off and be recognized as investment income on the basis. As for the unrealized internal transactions losses attributed to the assets impairment losses occurred between the Group and the investees, should be recognized in full amount.

③ When the Group disposing the long-term equity investment, as for the difference between the book value and the actual required price, should be included in the current gains and losses. As for the long-term equity investment measured by equity method, when disposing the investment, should execute the accounting treatment on the part which be originally included in the other comprehensive income according to the corresponding proportion based on the same basic of the relevant assets or liabilities be directly disposed by the investees.

④ Where any other investor increases its investment in a subsidiary of the Group, causing a decreased shareholding of the Group in the subsidiary and the cease of the Group's control over the subsidiary, but the Group is still able to execute joint control or have significant influence over the subsidiary, the measurement method of the said long-term equity investment of the Group in the subsidiary shall change from the cost method to the equity method in the individual financial statements. Firstly, the difference between the share of the Group in the increment in the subsidiary's net assets as per the Group's new shareholding percentage in the subsidiary and the former book value of the said long-term equity investment associated with the shareholding decrease that should be carried forward shall be recorded into the current profits and losses; and then the said long-term equity investment shall be restated as per the Group's new shareholding percentage in the subsidiary as if the equity method had been adopted in the measurement of the said long-term equity investment since it was obtained by the Group.

(3) Basic of recognizing the joint control and significant influences on the investees

Joint control, refers to the control jointly owned according to the relevant agreement on an arrangement by the Group and the relevant activities of the arrangement should be decided only after the participants which share the control right make consensus. Significant influence refers to the power of the Group which could anticipate in the

finance and the operation polices of the investees, but could not control or jointly control the formulation of the policies with the other parties.
(4) Impairment test method and withdrawal method of impairment provision
The impairment test method and the withdrawal method of impairment provision of long-term equity investment are executed according to the accounting polices of "Long-term assets impairment" formulated by the Group.

15. Investment Real Estates

Measurement mode of investment real estates

Measurement of cost method

Depreciation or amortization method

(1) Investment properties of the Company are properties held to earn rentals or for capital appreciation or both, mainly comprising:
①Land use right which has already been rented;
②Land use right which is held for transfer out after appreciation;
③Property that has already been rented.
(2) Investment property shall be recognized as an asset when the following conditions are satisfied:
①It is probable that the future economic benefits that are associated with the investment property will flow to the Company;
②The cost of the investment property can be measured reliably.
(3) Initial measurement
An investment property is measured initially at its cost.
①The cost of a purchased investment property comprises its purchase price, related tax expenses and any directly attributable expenditure.
②The cost of a self-constructed investment property comprises all necessary construction expenditures incurred before the property is ready for its intended use.
③The cost of a property acquired by other means shall be recognized according to relevant accounting standards.
(4) Subsequent measurement
After initial recognition, the Company adopts the cost model to measure its investment properties. The Company amortizes or depreciates its investment properties measured using cost model in the same way as fixed assets and intangible assets
If the Group had definite evidence indicated the usage of the property had changed, when transferring the self-used real estate or the inventories as the investment real estate or transferring the investment real estate as the self-used real estate, the book value before the transfer should be regarded as the entry value after transfer.
The Group values the investment property measured using cost model at the lower of its cost and its recoverable amount at the end of the period. Where the cost exceeds the recoverable amount, the difference shall be recognized as impairment loss. Once a provision for impairment loss is made, it cannot be reversed.

16. Fixed Assets

(1) Recognition Conditions

Fixed assets are tangible assets that: 1) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and 2) have useful life more than one year. A fixed asset shall be initially recognized at cost when the following conditions are satisfied: ① It is probable that future economic benefits associated with the assets will flow to the Company; ② The cost of the assets can be measured reliably.

(2) Depreciation Method

Category of fixed assets	Depreciation method	Depreciation year	Salvage ratio	Annual deprecation ratio
Housing and building	Straight-line method	20-25	5%-10%	3.8%-4.5%
Transportation vehicle	Straight-line method	5	5%	19%
Electronic and other equipments	Straight-line method	5	5%	19%
Decoration of fixed assets	Straight-line method	5		20%

The depreciation method of the Company's fixed assets is straight-line depreciation. Subsequent expenditure related to the fixed assets should accrued into the cost of fixed assets if met with the stipulated reorganization conditions of fixed assets; if not, should accrued directly into the current gains and losses when occurred.

The Group will execute reexamine for the service life, estimated net salvage and the depreciation method of the fixed assets after each accounting year. If there was difference between the service life and the original estimated number, should adjust the useful life of the fixed assets; if there was difference between the estimated net salvage and the original estimated number, should adjust the estimated net salvage; if there were significant changes of the realization method of the economic benefits related to the fixed assets, should changes the depreciation method of the fixed assets. The changes of the useful life, estimated net salvage and the depreciation method of the fixed assets should be regarded as the accounting estimate changes.

Impairment of fixed asset refers to accounting policy "Long-term assets impairment" of the Group.

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

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

17. Construction in Progress

(1) The valuation of the construction in progress: recognizes the engineering cost according to the cost actual occurred. The cost of construction in progress also includes the borrowing expenses and exchange gains and losses which should be capitalized.

(2) The Company should transfer the construction in progress into fixes assets when the construction in progress is ready for their intended use. If the built construction had reached the state ready for intended use but had not settled the fixed assets of completion settlement, should recognized as fixed assets according to the estimated value as well withdrew and depreciated; after execute the completion settlement procedure, it should adjust the

original provisional estimate value according to the actual cost but not the original withdrew depreciation amount.
(3) Impairment of construction in progress refers to accounting policy "Long-term assets impairment" of the Group.

18. Borrowing Costs

(1) Recognition principles for capitalization of borrowing costs and capitalization period

The costs of borrowings designated for acquisition or construction of qualifying assets should be capitalized as part of the cost of the assets. Capitalization of borrowing costs starts when
① The capital expenditures have incurred;
② The borrowing costs have incurred;
③ The acquisition and construction activities that are necessary to bring the asset to its expected usable condition have commenced.
Other borrowing costs that do not qualify for capitalization should be expensed off during current period.
Capitalization of borrowing costs should be suspended during periods in which the acquisition or construction is interrupted abnormally, and the interruption period is three months or longer. These borrowing costs should be recognized directly in profit or loss during the current period. However, capitalization of borrowing costs during the suspended periods should continue when the interruption is a necessary part of the process of bringing the asset to working condition for its intended use.
Capitalization of borrowing costs ceases when the qualifying asset being acquired or constructed is substantially ready for its intended use. Subsequent borrowing costs should be expensed off during the period in which they are incurred.
The term "assets eligible for capitalization" refers to the fixed assets, investment real estate, inventories and other assets, of which the acquisition and construction or production may take quite a long time to get ready for its intended use or for sale.
(2) Calculation method of capitalized amount of borrowing costs
To the extent that funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of the borrowing.
To the extent that funds are borrowed generally and used for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the weighted average of excess of accumulated expenditures on qualifying asset over that on specific purpose borrowing. The capitalization rate is the weighted average rate of the general borrowings.
During the period of capitalization, the exchange balance on foreign currency special borrowings shall be capitalized; the exchange balance on foreign currency general borrowings shall be recorded into current profits and losses.

19. Biological Assets

Not applicable

20. Oil-gas Assets

Not applicable

21. Intangible Assets

(1) Pricing Method, Useful Life and Impairment Test

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

Recognition of intangible asset:

The Company recognizes an intangible asset when that intangible asset fulfills both of the following conditions:
①It is probable that the economic benefits associated with that asset will flow to the Company;
②The cost of that asset can be measured reliably.
Measurement of intangible assets
①An intangible asset is measured initially at its cost.
②Subsequent measurement of intangible assets
A. For an intangible asset with finite useful life, the Company estimates its useful life at the time of acquisition and amortizes it during its useful life in a reasonable and systematic way. The amount of amortization is allocated to relevant costs and expenses according to the nature of beneficial items. The Company does not amortize intangible asset with infinite useful life.
At the end of period, the Group shall check the service life and amortization method of intangible assets with finite service life, if there is any change, it shall be regarded as a change of the accounting estimates. Besides, the Group shall check the service life of intangible assets without certain service life, if there is any evidence showing that the period of intangible assets to bring the economic benefits to the enterprise can be prospected, it shall be estimated the service life and amortized in accordance with the amortization policies for intangible assets with finite service life.
B. Impairment of the intangible assets should be executed according to the accounting policies of “Long-term assets impairment” formulated by the Group.

(2) Accounting Policies of Internal R&D Expenses

Not applicable

22. Impairment of Long-term Assets

Following indications indicate that there occurs the impairment:
(1) The current market price of the assets greatly decreased with the range of a price drop obviously higher than the estimated decline owning to the passage of time or the normal employ.
(2) The environment the economy, technology and laws of the Group involved, and the market the assets involved, if there are significant changes occur in the current period or in recent period, would cause harmful influences on the Group.
(3) The market interests rate or other market investment return rate had improved in the current period, thus influenced and the discount rate for calculating the estimated current value of the future cash flow of the assets by

the enterprises, which would led to the sharply decrease of the recoverable amount.
(4) There are evidences indicate the assets are of obsolescence or the entity had been damaged.
(5) The assets had been or will be left unused, cease using or planed to dispose in advance.
(6) The evidence of the internal report of the Group indicant that the economy performance had been lower or would be lower than estimations, for example, the net cash flow or the operation profits (or losses) realized were far lower than the estimated amount etc.
(7) Other assets indicate there are indications there occurs the impairment.
The Group judges each assets such as the long-term equity investment, fixed assets, engineering materials, intangible assets (except for those with uncertain usage life) which adapt to the No. 8 of ASBE-Assets Impairment on the balance sheet date and executes the recovery by impairment test-estimations when there are impairment indications. The recoverable amount is recognized through the fair value of the assets which minus the higher one between the net amount after disposal and the current value of the assets estimated future cash flow. If the recoverable amount lower than the book value of the assets, the book value should be written down as the recoverable amount with the written-down amount be recognized as the assets impairment losses and included in the current gains and losses and at the same time withdraw the assets impairment provision.
If there are indications indicate any asset occur impairment, the Group usually estimates its recoverable amount base on the individual asset. If it is difficult to estimate the recoverable amount of the individual asset, which asset group it belongs to should be recognized the recoverable amount base on the asset group.
The asset group is the smallest asset group that could be recognized by the Group, and its cash inflow is basically independent of other asset or asset group. The asset group is composed by the relevant assets which create the cash inflow. The recognition of the asset group is based on whether the main cash inflow caused by the asset group is independent of the cash inflow of the other assets or the asset group.
The Group executes the impairment test every year on the goodwill formed by the enterprise combination and the intangible assets with uncertain service life no mater there are impairment indications or not. The impairment test of the goodwill is executed by combining with the relevant asset group or the asset group combination.
Once the asset impairment losses had been recognized, should not be reversed in the accounting period afterwards.

23. Amortization Method of Long-term Deferred Expenses

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

24. Payroll

(1) Accounting Treatment of Short-term Compensation

Employee compensation refers to the reward or compensation of various modes provided by the Group which wants to receive the service offering by the employees or to execute the release of the labor relationship. The employee compensation including the short-term salary, departure benefits, demission benefits and other long-term employee benefits. The Group provides the benefits for the spouses, children, supported families of the employees, the members of the deceased's employees and other beneficiaries, which are also employee compensations.

The short-term compensation actually happened during the accounting period when the active staff offering the service for the Group should be recognized as liabilities and is included in the current gains and losses or relevant assets cost except for those be required or permitted to included in the assets cost by other ASBE.

(2) Accounting Treatment of the Welfare after Demission

The Group divides the departure benefits plan into defined contribution plans and defined benefit plans. Benefits plan of after demission refer to the agreement between the Group and employees on the departure benefits, or the regulations or methods formulated by the Group for providing welfares after demission for the employees. Of which, defined contribution plans refers to the departure benefits plan that the Group no more undertake the further payment obligations after the payment and deposit of the fixed expenses for the independent funds; defined benefit plans refers to the departure benefits plan except for the defined contribution plans.

A. Defined contribution plans

During the accounting period when providing the service for the employees, the Group will recognize the deposited amount as the liabilities which measured by defined contribution plans and include in the current gains and losses or the relevant assets cost.

B. Defined benefit plans

Other long-term employee benefits the Group had not executed the defined contribution plans or met with the conditions of defined benefit plans.

(3) Accounting Treatment of the 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 the Welfare of the Long-term Employees

The Group provides the other long-term employee benefits for the employees, and for those met with the defined contribution plans, should be disposed according to the above accounting policies of the defined contribution plans; the for the others except for the former, should be recognized according to above accounting policies of the defined benefit plans and measure the net liabilities or net assets of other long-term employee benefits.

25. Estimated Liabilities

(1) Recognition criteria of estimated liabilities

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

①That obligation is a present obligation of the enterprise;

②It is probable that an outflow of economic benefits from the enterprise will be required to settle the obligation;

③A reliable estimate can be made of the amount of the obligation.

(2) Measurement of estimated liabilities

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

①Where the contingency involves a single item, the best estimate involves a single item, the best estimate should be determined according to the most likely outcome;

②Where the contingency involves several items; The best estimate should be determined by weighting all possible outcomes by their associated probabilities of occurrence.

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

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

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

26. Share-based Payment

Not applicable

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

Not applicable

28. Revenue

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

No

The revenue of the Group including the commodities sales revenue, real estate sales revenues, property leasing revenues, labor revenues and the revenues from the using of the assets of the Company by others.

(1) Commodities sales revenues

The Group had transferred the major risks and the remunerations of the ownership of the commodities to the buyers and neither remained the continuous management right that usually related to the ownership nor executed the efficient control of the sold commodities. As for the revenues amount and the relevant costs occurred or will occur which could be reliable measured, should confirm the revenues of the sales of the commodities when the relevant economic benefits would probably flow into the enterprise.

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

(2) Provide labor income

The labor income provided by the Group mainly comes from property management income, project supervision service income and catering service income.
Property management income: the property management income is realized when the property management service has been provided and the service fee as agreed with the owner is able to flow into the enterprise.
Other labor income: the labor income is realized when the labor service has been provided and the related economic interest is able to flow into the enterprise and related cost is able to be reliably measured.
(3) Income from transferring asset use right
The income from transferring asset use right includes property lease income, taxi income, interest income and other use right income.
Property lease income: the property lease income is realized by the method of straight line as agreed in the lease contract or agreement signed with the leasee. If there are lease periods free of any rent, the lessor shall distribute the total rent, not deducting the rent during those periods free of any rent, within the entire lease period by the method of straight line or other reasonable means. During the periods free of any rent, the lessor shall recognize the lease income.
Taxi income: the taxi income is recognized as the contract amount agreed under the contracting contract or agreement signed with the contractor.
Interest income: the interest income is recognized by the duration you use the Company's cash and the applicable interest rate. The fee income is recognized by the charging time and method as regulated in related contract or agreement.
Income from other use right: the income from transferring asset use right is recognized when the income amount is able to be reliably measured and related economic interest is possible to flow into the enterprise.

29. Government Subsidies

(1) Judgment Basis and Accounting Treatment of Government Subsidies Related to Assets

The government subsidies divides into the government subsidies related to the assets and the government subsidies realted to the profits. The government subsidies pertinent to assets mean the government assets that are obtained by enterprises used for purchase or construction, or forming the long-term assets by other ways. The government subsidies pertinent to income refer to all the government subsides except those pertinent to assets. If the government subsidies documents had not definitely confirm the subsidy targets, based on the basic requirements necessary for the subsidies, the government subsidies based on long-term assets formed through purchase and construction and other methods are regarded as government subsidies related to assets. Beyond that, the rest are divided as the government subsidies related to income.
(1) Recognition of the government subsidies
If the government subsidies meet with the following conditions at the same, should be recognized:
① The entity will comply with the condition attaching to them;
② The grants will be received from government.
(2) Measurement of the government subsidies:
① If monetary grants are received, it recognized at actual received or receivable amount. If non-monetary grants are received, it recognized at fair value, replacing with nominal amount while fair value is not reliable.
② The Capital approach for government grants, the grant is recognized as deferred income when it is acquired. Since the related assets achieve its intended using status, the deferred income is recognized into gains and losses by stage through reasonable and systematic methods during asset's using period. If related assets were disposed

before using period ended, balance of undistributed deferred income shall be shifted to current gains and losses.
The Income approach for government grants, to retrieve cost expense or loss of the Company in further period, the government grants is recognized as deferred income, and shall be recorded in profit and loss when that cost expense or loss occurred. To retrieve cost expense or loss of the Company in current period, the government grants shall be recorded directly in current profit and loss.
Government subsidies related to daily activities shall be recorded into other income; government subsidies that have nothing to do with daily activities shall be recorded into non-operating income and expenses.

③ Policy-based discounted loan discounts are distinguished by the following two methods for accounting::

A. The government finance department allocates the discounted funds to the lending bank. If the lending bank provides loans to the Group at a policy-based preferential interest rate, the fair value of the loan is used as the entry value of the loan and the borrowing costs are calculated according to the actual interest rate. The difference between the actual amount received and the fair value of the loan is confirmed as deferred income. Deferred income is amortized by the actual interest rate in the duration of the loan to reduce the related borrowing costs.

B. When the government finance department directly allocates the interest-subsidy funds to the Group, the corresponding discount will be used to offset the relevant borrowing costs.
④ As for the confirmed repayment of government grants should be handled respectively according to the following situation:
A. When deferred income exists, the repayment write-downs closing balance of deferred income, and the exceed part shall be recognized in current profit and loss;
B. When under other conditions, the repayment shall be recognized directly in current profit and loss.

(2) Judgment Basis and Accounting Treatment of Government Subsidies Pertinent to Incomes

The government subsidies divides into the government subsidies related to the assets and the government subsidies related to the profits. The government subsidies pertinent to assets mean the government assets that are obtained by enterprises used for purchase or construction, or forming the long-term assets by other ways. The government subsidies pertinent to income refer to all the government subsides except those pertinent to assets. If the government subsidies documents had not definitely confirm the subsidy targets, based on the basic requirements necessary for the subsidies, the government subsidies based on long-term assets formed through purchase and construction and other methods are regarded as government subsidies related to assets. Beyond that, the rest are divided as the government subsidies related to income.
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② The Capital approach for government grants, the grant is recognized as deferred income when it is acquired. Since the related assets achieve its intended using status, the deferred income is recognized into gains and losses by stage through reasonable and systematic methods during asset's using period. If related assets were disposed before using period ended, balance of undistributed deferred income shall be shifted to current gains and losses.
The Income approach for government grants, to retrieve cost expense or loss of the Company in further period, the government grants is recognized as deferred income, and shall be recorded in profit and loss when that cost

expense or loss occurred. To retrieve cost expense or loss of the Company in current period, the government grants shall be recorded directly in current profit and loss.

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

B. When under other conditions, the repayment shall be recognized directly in current profit and loss.

30. Deferred Income Tax Assets/Deferred Income Tax Liabilities

The Company executes the accounting treatments of the income tax by adopting the balance sheet liability method.

(1) Deferred income tax assets

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

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

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

(2) Deferred income tax liabilities

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

31. Lease

(1) Accounting Treatment of Operating Lease

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

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

(2) Accounting Treatments of Financial Lease

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

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

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

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

32. Other Significant Accounting Policies and Estimates

(1) Measurement of fair value

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

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

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

The input value used for the fair value measurement is divided into three levels and the first level of the input value is initially used, then come to the second level and the third one the last. The first level input value is the quotation acquired from the active market of the same assets or liabilities that had not be adjusted; the second input value is the input value could be directly or indirectly observed of the relevant assets or liabilities except for the first level input value; the third level input value is the not observable input value of the relevant assets or liabilities.

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

(2) Termination of operation

Termination of operation refers to a separately identifiable constituent part that satisfies one of the following conditions that has been disposed of by the Company or is classified as held-for-sale:

A. This constituent part represents an independent main business or a separate main business area.

B. This constituent part is part of an associated plan that is intended to be disposed of in an independent main business or a separate major business area.

C. This constituent part is a subsidiary that is specifically acquired for resale.

The Group lists profit and loss from continuing operations and profit and loss from terminated operations in the consolidated income statement and profit statement respectively. For non-current assets or disposal groups held for sale that do not meet the definition of terminated operations, the impairment loss, reversal amount and disposal profit or loss are presented as continuing profits and losses. The operating profit or loss and disposal profit or loss such as impairment loss and reversal amount from the terminated business is reported as operation profit or loss.

For the terminated operations for the current period, in the current financial statements, the information previously presented as a profit or loss from continuing operations is reclassified as the profit or loss from terminated operations of the comparable accounting period. If a non-selling disposal group that will no longer be used satisfies the conditions for relevant components of the definition of terminated operation, it shall be reported as a terminated operation from the date of cessation of use. If the Group loses control of a subsidiary due to the sale of investment to the subsidiary or other reasons, and the subsidiary meets the definition of terminated operation, the related profit and loss from the termination shall be reported in the consolidated income statement.

(3) Segmental report

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

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

(4) Quality margin

According to the regulations of the construction contact, the Group should execute the retention of the quality margin for construction organizations and should include which into the “accounts payable” and to pay according to the actual situation and the contacts agreement after the guarantee period.

(5) Maintenance funds

The received public maintenance funds for the entrusted management of the owner from the property management company of the Group should be included in the “non-current liabilities”, which were specially used for the maintenance and updating for the residential common areas, common equipments and the communal facilities of the realty management area.

33. Changes in Main Accounting Policies and Estimates

(1) Change of Accounting Policies

□ Applicable √ Not applicable

(2) Significant Changes in Accounting Estimates

□ Applicable √ Not applicable

34. Other

Not applicable

VI Taxes

1. Main Taxes and Tax Rates

Category of tax	Taxable amount	Tax rate
VAT	Operating revenue	3%, 5%, 6%, 11%, 17%
Urban maintenance and construction tax	Turnover tax payable	1%, 7%
Enterprise income tax	Taxable income	15%, 16.5%, 20%, 25%
Educational surtax	Turnover tax payable	3%
Local educational surtax	Turnover tax payable	2%
Levee fee	Operating revenue	0.01%
Land value appreciation tax	Added amount from transfer of real property	Four progressive levels with the tax rate ranging from 30% to 60%

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

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

2. Tax Preference

According to the regulations of No. 2, Property Service of No. 37, Commercial Service among the encouraging category of the No. 9 from Guidance Catalogue of Industry Constructure Adjustment (Y2011), the western industry met with the conditions should be collected the corporate income tax according to 15% of the tax rate. The subsidiary of the Group Chongqing Shenzhen International Trade Center Property Management Co., Ltd. had be regarded as the western enterprise of the property service by Local Taxation Bureau of Chongqing Jiulong District on 4 May 2014, and had be collected the corporate income tax according to 15% of the tax rate from 1 January 2013.

According to the regulations of the notice of the income tax preferential policies of the small low-profit enterprises issued by SAT of CS [2018] No. 77, from 1 January 2018 to 31 December 2020, as for those small low-profit enterprises with the annual after-tax amount lower than RMB1 million (including RMB1 million), of which 50% of the revenues should be included into the taxable income and should be collected the corporate income tax according to 20% of the tax rate. The subsidiary of the Company, Chongqing Aobo Elevator Co., Ltd, has applied to this policy since 2018, which 50% of the revenues is included into the taxable income and is collected the corporate income tax according to 20% of the tax rate.

3. Other

Naught

VII. Notes to Main Items of Consolidated Financial Statements

1. Monetary Funds

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	321,178.07	164,502.21
Bank deposits	2,133,299,421.62	2,463,348,038.01
Other monetary funds	13,517,965.38	13,516,274.99
Total	2,147,138,565.07	2,477,028,815.21
Of which: the total amount deposited overseas	50,783,840.19	50,317,518.31

Other notes

RMB12,402,160.00 of the restricted L/G deposits used at the period-end was the cash deposits paid by the subsidiary of the Company-Dongguan International Trade Center Changsheng Property Development Co., Ltd. by entrusting the commercial bank to issue the Commercial Housing Quality Guarantee Letter. Owning the subsidiary of the Company-Dongguan International Trade Center Changsheng Property Development Co., Ltd. was the real estate development enterprise with provisional qualification, when handling the application of the pre-sale permit of the commercial residential housing should submit the quality guarantee letter of the commercial residential housing after the liquidation situation such as the enterprise bankruptcy and dissolution. The guarantee letter was the irrepealably commercial residential quality guarantee letter, of which the guarantee period of RMB 1,468,870.00 was from 30 June 2015 to 31 December 2020 and the guarantee period of the remained RMB 10,933,290.00 was from 1 July 2015 to 31 December 2020.

2. Financial assets at fair value through profit or loss

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

Not applicable

3. Derivative Financial Assets

□ Applicable √ Not applicable

4. Notes Receivable

(1) Notes Receivable Listed by Category

Unit: RMB

Item	Ending balance	Beginning balance

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

Unit: RMB

Item	Amount

(3) 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

(4) Notes Transferred to Accounts Receivable because Drawer of the Notes Fails to Executed the Contract or Agreement

Unit: RMB

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

Other notes:

Not applicable

5. Accounts Receivable

(1) Accounts Receivable Disclosed by Category

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with significant single amount with bad debt provision separately accrued	99,466,173.89	58.05%	99,466,173.89	100.00%		99,466,173.89	66.53%	99,466,173.89	100.00%	
Accounts receivable withdrawn bad debt provision according to credit risks	70,932,276.10	41.40%	3,867,760.90	5.45%	67,064,515.20	49,088,778.72	32.84%	2,816,177.86	5.74%	46,272,600.86

characteristics									
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	942,824.55	0.55%	942,824.55	100.00%		942,824.55	0.63%	942,824.55	100.00%	
Total	171,341,274.54	100.00%	104,276,759.34	60.86%	67,064,515.20	149,497,777.16	100.00%	103,225,176.30	69.05%	46,272,600.86

Accounts receivable with significant single amount for which bad debt provision separately accrued at the period-end：

√Applicable □ Not applicable

Unit: RMB

Accounts receivable (classified by units)	Ending balance			
	Accounts receivable	Bad debt provision	Proportion	Reason
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	93,811,328.05	100.00%	Involved in lawsuit and no executable property, and see details in Notes XIV. 2 of Section X
Shenzhen Tewei Industry Co., Ltd.	2,836,561.00	2,836,561.00	100.00%	Uncollectible for a long period
Lunan Industry Corporation	2,818,284.84	2,818,284.84	100.00%	Poor operating conditions, uncollectible for a long period
Total	99,466,173.89	99,466,173.89	--	--

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

√ Applicable □ Not applicable

Unit: RMB

Aging	Ending balance		
	Accounts receivable	Bad debt provision	Withdrawal proportion
Sub-item within 1 year			
Within 1 year (including 1 year)	63,230,494.41	1,896,914.83	3.00%
Subtotal within 1 year	63,230,494.41	1,896,914.83	3.00%
1 to 2 years	4,432,516.50	443,251.65	10.00%
2 to 3 years	2,220,953.47	666,286.04	30.00%
3 to 4 years	222,554.96	111,277.48	50.00%
4 to 5 years	378,629.28	302,903.42	80.00%
Over 5 years	447,127.48	447,127.48	100.00%

Total	70,932,276.10	3,867,760.90	5.45%

Notes of the basis of recognizing the group:

The basic of recognizing the group refers to Notes V. 11 of Section X of the report.

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

□ Applicable √ Not applicable

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

Not applicable

(2) Accounts Receivable Withdraw, Reversed or Collected during the Reporting Period

The withdrawal amount of the bad debt provision during this Reporting Period was of RMB1,051,583.04; the amount of the reversed or collected part during this Reporting Period was of RMB0.00.

Of which significant amount of the reversed or collected:

Unit: RMB

Name of the units	Reversed or collected amount	Method
Total	0.00	--

(3) The Actual Write-off Accounts Receivable

Unit: RMB

Item	Amount

Of which the significant actual write-off accounts receivable:

Unit: RMB

Name of the units	Nature	Amount	Reason	Process	Whether occurred from the connected transactions
Total	--	0.00	--	--	--

Notes of the write-off the accounts receivable:

Not applicable

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

Name of units	Ending balance	Proportion of the total ending balance of the accounts receivable (%)	Ending balance of bad debt provision
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	54.75%	93,811,328.05
Alibaba (China) Co., Ltd	5,040,379.23	2.94%	151,211.38

Chongqing Xiyong Micro-electronics Industrial Park	3,033,000.38	1.77%	90,990.01
Shenzhen Tewei Industry Co., Ltd.	2,836,561.00	1.66%	2,836,561.00
Aramark Customer Service Industry Co., Ltd	1,888,351.95	1.10%	56,650.56
Total	106,609,620.61	62.22%	96,946,741.00

(5) Account Receivable which Terminate the Recognition owning to the Transfer of the Financial Assets

Not applicable

(6) The Amount of the Assets and Liabilities Formed by the Transfer and the Continues Involvement of Accounts Receivable

Not applicable

Other notes:

Not applicable

6. Prepayment

(1) Listed by Aging Analysis

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	21,045,559.56	63.69%	16,414,273.12	58.31%
1 to 2 years	11,500,161.05	34.81%	11,704,985.06	41.58%
2 to 3 years	485,825.35	1.47%	20,656.62	0.07%
Over 3 years	10,042.15	0.03%	10,041.80	0.04%
Total	33,041,588.11	--	28,149,956.60	--

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

The prepayment aging over 1 year was mainly land value increment tax prepaid according to the regulations, and its relevant items were not liquidated for not meeting the requirements of liquidation yet.

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

Name of units	Ending balance	Proportion of the total ending balance of the accounts receivable (%)
Prepayment of taxes	31,619,678.36	95.70

State Grid Chongqing Electric Power Co., Ltd	550,000.00	1.66
Shenzhen Tianfu Fire Engineering Co., Ltd	266,000.00	0.81
Shenzhen Hongyuanlin Computer Software Co., Ltd	192,000.00	0.58
Shenzhen Jian'an (Group) Co., Ltd	116,000.00	0.35
Total	32,743,678.36	99.10

Other notes:

The balance of prepayment of taxes of the Company still didn't reach the prepaid various taxes, like VAT, Urban construction tax, and educational surtax of prepayment of real estate projects with according the recognition of income conditions to tax law

7. Interest Receivable

(1) Category of Interest Receivable

Unit: RMB

Item	Ending balance	Beginning balance

(2) Significant Overdue Interest

Borrower	Ending balance	Overdue time	Reason	Whether occurred impairment and its judgment basis

Other notes:

8. Dividend Receivable

(1) Dividend Receivable

Unit: RMB

Item (or investees)	Ending balance	Beginning balance

(2) Significant Dividend Receivable Aged over 1 Year

Unit: RMB

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

Other notes:

9. Other Accounts Receivable

(1) Other Accounts Receivable Disclosed by Category

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with significant single amount with bad debt provision separately accrued	21,046,888.91	36.40%	21,046,888.91	100.00%		21,046,888.91	15.94%	21,046,888.91	100.00%	
Accounts receivable withdrawn bad debt provision according to credit risks characteristics	32,093,513.26	55.51%	13,249,925.50	41.29%	18,843,587.76	105,826,852.42	80.16%	14,481,069.58	13.68%	91,345,782.84
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	4,680,116.06	8.09%	4,680,116.06	100.00%		5,144,059.49	3.90%	5,144,059.49	100.00%	
Total	57,820,518.23	100.00%	38,976,930.47	67.41%	18,843,587.76	132,017,800.82	100.00%	40,672,017.98	30.81%	91,345,782.84

Other accounts receivable with significant single amount for which bad debt provision separately accrued at the period-end

√ Applicable □ Not applicable

Unit: RMB

Other accounts receivable (classified by units)	Ending balance			
	Other accounts receivable	Bad debt provision	Withdrawal proportion	Reason
Shenzhen Shengfeng Road, Guomao Jewel & Gold Co., Ltd.	6,980,273.01	6,980,273.01	100.00%	No executable finance and difficult to recover
Shanghai Yutong Real estate development Co.,	5,676,000.00	5,676,000.00	100.00%	Difficult to recover the lawsuit judgment

Ltd.				
Hong Kong Yueheng Development Co., Ltd.	3,271,837.78	3,271,837.78	100.00%	Unrecoverable for a long term
Dameisha Tourism Center	2,576,445.69	2,576,445.69	100.00%	Projects construction ce ased
Elevated Train Project	2,542,332.43	2,542,332.43	100.00%	Projects construction ceased
Total	21,046,888.91	21,046,888.91	--	--

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

√Applicable □ Not applicable

Unit: RMB

Aging	Ending balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Sub-item within 1 year			
Within 1 year (including 1 year)	12,964,828.75	388,944.86	3.00%
Subtotal within 1 year	12,964,828.75	388,944.86	3.00%
1 to 2 years	2,969,890.57	296,989.06	10.00%
2 to 3 years	4,228,139.09	1,268,441.73	30.00%
3 to 4 years	730,050.00	365,025.00	50.00%
4 to 5 years	1,350,400.00	1,080,320.00	80.00%
Over 5 years	9,850,204.85	9,850,204.85	100.00%
Total	32,093,513.26	13,249,925.50	41.29%

Notes of the basis of recognizing the group:

The basis recognizing the group refers to Notes V. 11 of Section X of the report.

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

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

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

The withdrawal amount of the bad debt provision during this Reporting Period was of RMB-1,231,613.69; the amount of the reversed or collected part during this Reporting Period was of RMB0.00.

Of which significant amount of the reversed or collected:

Unit: RMB

Name of units	Reversed or collected amount	Method
Total	0.00	--

The withdrawal amount of bad debt provision in current period is RMB-1,231,613.69; the exchange rate translation for the foreign-currency loans withdrawal amount of bad debt provision receivable and foreign-currency financial statement translation increased bad debt provision is RMB463,473.82.

(3) Particulars of the Actual Write-off Other Accounts Receivable during the Reporting Period

Unit: RMB

Item	Amount

Of which the significant write-off other accounts receivable:

Unit: RMB

Name of units	Nature	Amount	Reason	Process	Whether occurred from the connected transactions
Total	--	0.00	--	--	--

Notes of write-off other accounts receivable:

Not applicable

(4) Other Account Receivable Classified by Account Nature

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Margin	15,717,565.78	12,215,257.47
Pretty cash borrowing	2,584,760.20	1,546,769.34
Accounts receivable of the connected companies	1,747,264.25	1,747,264.25
Accounts receivable of the non-connected companies	37,770,928.00	116,508,509.76
Total	57,820,518.23	132,017,800.82

(5) The Top Five Other Account Receivable Classified by Debtor at Period-end

Unit: RMB

Name of units	Nature	Ending balance	Aging	Proportion of the total ending balance of the accounts receivable (%)	Ending balance of bad debt provision
Shenzhen Shengfeng Road, Guomao Jewel & Gold Co., Ltd.	Accounts receivable of the non-connected companies	6,980,273.01	Over 5 years	12.07%	6,980,273.01
Shanghai Yutong	Accounts receivable	5,676,000.00	Over 5 years	9.82%	5,676,000.00

Real estate development Co., Ltd.	of the non-connected companies				
Hong Kong Yueheng Development Co., Ltd.	Accounts receivable of the non-connected companies	3,271,837.78	Over 5 years	5.66%	3,271,837.78
Yangzhou Housing Loans Guarantee Service Center	Accounts receivable of the non-connected companies	2,750,000.00	1-5 years	4.76%	534,000.00
Dameisha Tourism Center	Accounts receivable of the non-connected companies	2,576,445.69	Over 5 years	4.46%	2,576,445.69
Total	--	21,254,556.48	--	36.76%	19,038,556.48

(6) Accounts Receivable Involved with Government Subsidies

Unit: RMB

Name of units	Project of government subsidies	Ending balance	Ending age	Estimated received time, amount and basis
Total	--	0.00	--	--

Not applicable

(7) Other Account Receivable which Terminate the Recognition owning to the Transfer of the Financial Assets

Not applicable

(8) The Amount of the Assets and Liabilities Formed by the Transfer and the Continues Involvement of Other Accounts Receivable

Not applicable

Other notes:

Not applicable

10. Inventory

(1) Classification of Inventory

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Falling price reserves	Carrying value	Carrying amount	Falling price reserves	Carrying value
Raw materials	1,247,032.37	495,936.21	751,096.16	1,157,601.08	506,000.68	651,600.40
Inventory good	34,453.10		34,453.10	37,870.66		37,870.66
Low-value consumption goods	173,139.89		173,139.89	180,774.01		180,774.01
Planned developed products	120,261,739.37	6,648,404.13	113,613,335.24	121,297,297.97	6,648,404.13	114,648,893.84
Developed products in construction	490,807,110.18		490,807,110.18	400,891,667.55		400,891,667.55
Finished developed products	849,573,639.57	6,761,107.21	842,812,532.36	1,365,998,591.00	31,737,353.10	1,334,261,237.90
Total	1,462,097,114.48	13,905,447.55	1,448,191,666.93	1,889,563,802.27	38,891,757.91	1,850,672,044.36

Whether the Company needs to comply with the disclosure requirements of Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 4 - Listed companies engaged in seed industry and planting business

No

(2) Falling Provision of Inventory

Unit: RMB

Item	Beginning balance	Increased amount		Decreased amount		Ending balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	506,000.68	-10,064.47				495,936.21
Planned developed products	6,648,404.13					6,648,404.13
Finished developed products	31,737,353.10	-4,567,255.79		20,408,990.10		6,761,107.21
Total	38,891,757.91	-4,577,320.26		20,408,990.10		13,905,447.55

The Company made the falling provision for the finished developed products with RMB-4,567,255.79 due to the rise of actual selling price during the Reporting Period; resold the falling price reserves for the finished developed products with RMB20,408,990.10 due to the settlement.

(3) Amount of Borrowing Capitalization in Ending Balance of the Inventory

The ending balance of the inventory included a total amount of the capitalized borrowings of RMB24,598,914.52, details were listed as follows:

Category	Item	Accumulative amount	Beginning amount	Increase	Decrease	Ending amount
Completed development product	Banshan Yujing I	27,205,315.95	7,207,754.95		3,158,568.33	4,049,186.62
Completed development product	Front Sea Harbor Garden	14,633,486.15	5,031,818.17			5,031,818.17
Development product in progress	Golden Collar’s Resort	3,858,872.36	3,858,872.36			3,858,872.36
Completed development product	Songhu Langyuan	30,539,392.65	4,504,890.24			4,504,890.24
Completed development product	Langqiao International	83,077,702.96	4,655,259.52			4,655,259.52
Completed development product	Hupan Yujing I	10,446,911.43	2,897,207.03		398,319.42	2,498,887.61
Total		169,761,681.50	28,155,802.27		3,556,887.75	24,598,914.52

(4) Completed Unsettled Assets Formed from the Construction Contact at the Period-end

Unit: RMB

Item	Amount

Other notes:

(5) Specific Details of Planned Developed Products, Developed Production in Construction, and Finished Developed Products are as follows:

A. Planned Developed Products

Name of project	Estimated date of commencement	Estimated date of completion	Estimated total investment (RMB’0,000)	Beginning balance	Ending balance	Falling price reserves
Land of Hainan Qiongshan	-	-	-	6,648,404.13	6,648,404.13	6,648,404.13
Land of Fuchang II	December 2018	June 2021	90,439.00	6,024,627.11	6,222,627.11	
Land of Shenhui Park	-	-	-	36,966,040.89	36,975,940.89	
Banshan Yujing II	December 2018		17,000.00	71,658,225.84	70,414,767.24	
Total			107,439.00	121,297,297.97	120,261,739.37	6,648,404.13

B. Developed Production in Construction

Name of project	Date of	Estimated date	Estimated total	Beginning balance	Ending balance	Falling price

	commencement	of completion	investment			reserves
SZPRD• Golden Collar’s Resort	2014.03	2019.03	1,071,390,000.00	400,891,667.55	490,807,110.18	
Total			1,071,390,000.00	400,891,667.55	490,807,110.18	

C. Finished Developed Products

Project	Date of completion	Beginning balance	Increase	Decrease	Ending balance	Falling price reserves
International Trade Center Plaza	1995.12	4,839,083.10			4,839,083.10	
Huangyuyuan A Area	2001.06	790,140.58			790,140.58	
Podium Building of Fuchang Building	1999.11	645,532.65			645,532.65	
Shenzhen Properties & Resources• Xihua Town	2010.06	692,134.84			692,134.84	
Shenzhen Properties & Resources• Langqiao International	2012.12	27,154,592.60		868,105.00	26,286,487.60	
Shenzhen Properties & Resources• Hupan Yujing Phase I	2015.06	99,025,705.00		12,623,544.52	86,402,160.48	
Shenzhen Properties & Resources• Front Sea Harbor Garden	2016.10	240,944,014.85			240,944,014.85	
Shenzhen Properties & Resources• Banshan Yujing Phase I	2016.11	179,738,838.08		71,932,488.66	107,806,349.42	6,761,107.21
Shenzhen Properties & Resources• Songhu Langyuan	2017.7	156,800,740.01			156,800,740.01	
Shenzhen Properties & Resources• Hupanyujing Phase II	2017.11	652,374,545.06		431,043,777.64	221,330,767.42	
Other projects		2,993,264.23	42,964.39		3,036,228.62	
Total		1,365,998,591.00	42,964.39	516,467,915.82	849,573,639.57	6,761,107.21

11. Held-for-sale Assets

Unit: RMB

Item	Ending carrying value	Fair value	Estimated disposal expense	Estimated disposal time

Other notes:

Not applicable

12. Non-current Assets Due within 1 Year

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

Not applicable

13. Other Current Assets

Unit: RMB

Item	Ending balance	Beginning balance
1. Original value of the assets group (investment to Hainan Xinda and accounts receivable) held to cancel after verification	69,437,140.28	69,437,140.28
Depreciation reserves of the assets group (investment in Hainan Xinda and accounts receivable) held to cancel after verification	-69,437,140.28	-69,437,140.28
2. Original value of the assets group (investment to Nanpeng Papermaking and accounts receivable) held to cancel after verification	21,949,664.00	21,949,664.00
Depreciation reserves of the assets group (investment in Nanpeng Papermaking and accounts receivable) held to cancel after verification	-21,949,664.00	-21,949,664.00
3. Original value of the assets group (investment to International Trade Industry and accounts receivable) held to cancel after verification	6,034,625.03	6,034,625.03
Depreciation reserves of the assets group (investment in International Trade Industry and accounts receivable) held to	-6,034,625.03	-6,034,625.03

cancel after verification		
4. Original carrying value of the assets group (accounts receivable from Jintian Industry) held to cancel after verification and other accounts receivable	53,034,143.94	53,034,143.94
Bad-debt provision for assets (accounts receivable from Jintian Industry) held to cancel after verification and other accounts receivable	-53,034,143.94	-53,034,143.94
5. Pre-paid VAT	2,705,408.86	12,301,387.50
6. Deducted input tax	33,812.61	69,433.47
Total	2,739,221.47	12,370,820.97

Other notes:

Note 1: The asset group to be written off (investment and receivables for Hainan Xinda), which was reported as long-term equity and other receivables, is a asset group that was reported as other current asset - held to be allocated to the owners of Hainan Xinda since 2014 after the bankruptcy liquidation procedures of the Company subsidiary Hainan Xinda Development Corporation (hereinafter referred to as Hainan Xinda) were started in 2014. On 13 February 2017, Hainan Xinda Development Corporation (hereinafter referred to as Hainan Xinda) was declared as bankruptcy according to HZFPZ No.1-1 Ruling from Haikou Intermediate People’s Court (2014), the Company needs to cancel the long-term equity investment and other receivables for Hainan Xinda. As the verification process of the Company has not been completed, the asset group was reported as other current assets - to be written off, and the list of specific assets is as follows:

Original calculation subjects	Original value	Depreciation reserves	Net value
Long-term equity investment	20,000,000.00	20,000,000.00	
Other accounts receivable	49,437,140.28	49,437,140.28	
Total	69,437,140.28	69,437,140.28	

Notes 2: Assets group held to cancel after verification (investment in Nanpeng Papermaking and accounts receivable) were the long-term equity investment and the other accounts receivable of the original associated enterprise-Anhui Nanpeng Papermaking Co., Ltd. which was judged by Anhui Huinan Intermediate People’s Court that its bankruptcy proceedings were terminated in August 2017 and owning to the cancellation and verification process had not been complete, the above assets were reported as the other current assets-assets group held to cancel after verification. The specific assets were listed as follows:

Original calculation subjects	Original value	Depreciation reserves	Net value
Long-term equity investment	13,824,000.00	13,824,000.00	
Other accounts receivable	8,125,664.00	8,125,664.00	
Total	21,949,664.00	21,949,664.00	

Notes 3: Assets group held to cancel after verification (investment in International Trade Industry and accounts receivable) were the long-term equity investment and the other accounts receivable of the original associated enterprise-Shenzhen International Trade Center Industrial Development Co., Ltd. The enterprise had been written off by the bankruptcy liquidation administrator in April 2015 and owning to the cancellation and verification process had not been complete, the above assets were reported as the other current assets-assets group held to

cancel after verification. The specific assets were listed as follows:

Original calculation subjects	Original value	Depreciation reserves	Net value
Long-term equity investment	3,682,972.55	3,682,972.55	
Other accounts receivable	2,351,652.48	2,351,652.48	
Total	6,034,625.03	6,034,625.03	

Notes 4: Assets group held to cancel after verification (accounts receivable from Jintian Industry) were the other accounts receivable from Shenzhen Jintian Industry (Group) Co., Ltd. which was judged by the court that its reforming were planned to be completed in February 2016 and owning to the cancellation and verification process had not been complete, the above assets were reported as the other current assets-assets group held to cancel after verification.

14. Available-for-sale Financial Assets

(1) List of Available-for-sale Financial Assets

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
Available-for-sale equity instruments	20,508,261.85	16,909,495.92	3,598,765.93	20,462,995.80	16,871,786.60	3,591,209.20
Measured by fair value	3,598,765.93		3,598,765.93	3,591,209.20		3,591,209.20
Measured by cost	16,909,495.92	16,909,495.92		16,871,786.60	16,871,786.60	
Total	20,508,261.85	16,909,495.92	3,598,765.93	20,462,995.80	16,871,786.60	3,591,209.20

(2) Available-for-sale Financial Assets Measured by Fair Value at the Period-end

Unit: RMB

Category of the available-for-sale financial assets	Available-for-sale equity instruments	Available-for-sale liabilities instruments		Total
Cost of the equity instruments/amortized cost of the debt instruments	3,598,765.93			3,598,765.93
Fair value	3,598,765.93			3,598,765.93

(3) Available-for-sale Financial Assets Measured by Cost at the Period-end

Unit: RMB

Investee	Carrying amount				Depreciation reserves				Shareholding proportion among the investees	Cash bonus of the Reporting Period
	Period-begin	Increase	Decrease	Period-end	Period-begin	Increase	Decrease	Period-end		
North Machinery (Group) Co., Ltd.	3,465,000.00			3,465,000.00	3,465,000.00			3,465,000.00	12.66%	
Guangdong Huayue Real Estate Co., Ltd.	8,780,645.20			8,780,645.20	8,780,645.20			8,780,645.20	8.47%	
Sanya East Travel Co., Ltd.	230,500.00			230,500.00	230,500.00			230,500.00	0.28%	
Shenshan Co., Ltd.	17,695.09			17,695.09	17,695.09			17,695.09		
Macao Huashen Enterprise Co., Ltd.	81,155.34	699.03		81,854.37	81,155.34	699.03		81,854.37	10.00%	
Chongqing Guangfa Real estate development Co., Ltd.	2,462,546.35	21,211.07		2,483,757.42	2,462,546.35	21,211.07		2,483,757.42	27.25%	
Saipan Project	1,834,244.62	15,799.22		1,850,043.84	1,834,244.62	15,799.22		1,850,043.84	30.00%	
Total	16,871,786.60	37,709.32		16,909,495.92	16,871,786.60	37,709.32		16,909,495.92	--	

(4) Changes of the Impairment of the Available-for-sale Financial Assets during the Reporting Period

Unit: RMB

Category of the available-for-sale financial assets	Available-for-sale equity instruments	Available-for-sale liabilities instruments		Total
Withdrawn impairment	16,871,786.60			16,871,786.60

balance at the period-begin				
Withdrawal in the Reporting Period	37,709.32			37,709.32
Withdrawn impairment balance at the period-end	16,909,495.92			16,909,495.92

(5) Relevant Notes of the Fair Value of the Available-for-sale Equity Instruments which Seriously Fell or Temporarily Fell but not Withdrawn the Impairment Provision

Unit: RMB

Item of available-for-sale equity instruments	Investment cost	Fair value of the period-end	Falling range of the fair value against the cost	Continued falling time (month)	Withdrawn amount of impairment	Reason of not withdrawn the impairment

Other notes

Note 1: The Company measured the equity investment without quote in active market and fair value measured reliably by cost. Besides, there's no disposal planning of equity investment in the foreseeable future.

Notes 2: The reason of the changes of the long-term equity investment of Macau Huashen Investment Co., Ltd., Saipan Project and Chongqing Guangfa Housing Development Co., Ltd. and the impairment provision was occurred owing to the discount of the foreign currency statement.

Notes 3: The available-for-sale financial assets measured in fair value held by the Company were based on the final execution of The Reorganization Plan of Gintian Industry (Group) Co., Ltd, the Company received 772,717 tradable A shares, 412,123 non-tradable A shares and 447,217 B shares distributed by Gintian Industry on 26 January 2016, received 163,488 tradable A shares, 83,239 non-tradable A shares and 92,238 B shares additionally distributed on 15 March 2017. The cost of available-for-sale financial assets was recognized based on the price issued on the last trading date before the trading suspension of Gintian Industry (10 December 2014), RMB2.09 per A share and US$0.17 per B share.

15. Held-to-maturity Investment

(1) List of Held-to-maturity Investment

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Bad debt provision	Carrying value	Carrying amount	Bad debt provision	Carrying value

(2) Significant Held-to-maturity Investment

Unit: RMB

Item	Par value	Coupon rate	Actual interest rate	Due date

(3) Held-to-maturity Investment Reclassified in the Reporting Period

Not applicable

Other notes

Not applicable

16. Long-term Accounts Receivable

(1) List of Long-term Accounts Receivable

Unit: RMB

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

(2) Long-term Accounts Receivable Derecognized Due to the Transfer of Financial Assets

Not applicable

(3) Amount of Assets and Liabilities Generated from the Transfer and Continuous Involvement of Long-term Accounts Receivable

Not applicable

Other notes

Not applicable

17. Long-term Equity Investment

Unit: RMB

Investees	Beginning balance	Increase/decrease								Ending balance	Ending balance of depreciation reserves
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of depreciation reserves	Other		
I. Joint ventures											
Jifa Warehouse Co., Ltd.	33,498,612.76			-236,464.43						33,262,148.33	
Shenzhen	5,231,780			285,711.6						5,517,491	

Tian'an International Building Property Management Co., Ltd.	.20			3						.83	
Subtotal	38,730,392.96			49,247.20						38,779,640.16	
II. Associated enterprises											
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	18,983,614.14									18,983,614.14	18,983,614.14
Subtotal	18,983,614.14									18,983,614.14	18,983,614.14
Total	57,714,007.10			49,247.20						57,763,254.30	18,983,614.14

Other notes:

18. 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	681,598,337.33	3,885,469.40		685,483,806.73
2. Increased amount of the period	967,505.21			967,505.21
(1) Outsourcing				
(2) Transfer from inventory\fixed	868,105.00			868,105.00

assets\construction in progress				
(3) Enterprise combination increase				
(4) Influence of the translation of foreign currency denominated financial statements	99,400.21			99,400.21
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance	682,565,842.54	3,885,469.40		686,451,311.94
II. Accumulative depreciation and accumulative amortization				
1. Beginning balance	255,287,168.42	3,347,080.26		258,634,248.68
2. Increased amount of the period	11,555,249.56	186,502.56		11,741,752.12
(1) Withdrawal or amortization	11,460,819.36	186,502.56		11,647,321.92
(2) Influence of the translation of foreign currency denominated financial statements	94,430.20			94,430.20
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance	266,842,417.98	3,533,582.82		270,376,000.80
III. Depreciation reserves				
1. Beginning balance				
2. Increased amount of the period				
(1) Withdrawal				

3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance				
IV. Carrying value				
1. Ending carrying value	415,723,424.56	351,886.58		416,075,311.14
2. Beginning carrying value	426,311,168.91	538,389.14		426,849,558.05

(2) Investment Property Adopted the Fair Value Measurement Mode

□ Applicable √ Not applicable

(3) Investment Property Failed to Accomplish Certification of Property

Unit: RMB

Item	Carrying value	Reason

Other notes

Not applicable

19. Fixed Assets

(1) List of Fixed Assets

Unit: RMB

Item	Houses and buildings	Transportation equipment	Electronic and other equipment	Decoration of the fixed assets	Total
I. Original carrying value					
1. Beginning balance	92,775,910.74	9,058,794.34	15,771,409.46	4,163,727.48	121,769,842.02
2. Increased amount of the period	46,000.76	2,034,923.15	977,318.31		3,058,242.22
(1) Purchase		2,034,923.15	977,318.31		3,012,241.46
(2) Transfer from construction in progress					

(3) Enterprise combination increase					
(4) Influence of the translation of foreign currency denominated financial statements	46,000.76				46,000.76
3. Decreased amount of the period		1,182,690.00	765,594.19		1,948,284.19
(1) Disposal or Scrap		1,182,690.00	765,594.19		1,948,284.19
4. Ending balance	92,821,911.50	9,911,027.49	15,983,133.58	4,163,727.48	122,879,800.05
II. Accumulative depreciation					
1. Beginning balance	69,068,851.85	7,460,443.52	11,948,746.10	3,869,182.06	92,347,223.53
2. Increased amount of the period	937,248.87	330,361.45	595,777.71	134,379.48	1,997,767.51
(1) Withdrawal	895,846.38	330,361.45	595,777.71	134,379.48	1,956,365.02
(2) Influence of the translation of foreign currency denominated financial statements	41,402.49				41,402.49
3. Decreased amount of the period		1,123,555.50	725,171.48		1,848,726.98
(1) Disposal or Scrap		1,123,555.50	725,171.48		1,848,726.98
4. Ending balance	70,006,100.72	6,667,249.47	11,819,352.33	4,003,561.54	92,496,264.06
III. Depreciation reserves					
1. Beginning balance			75,717.16		75,717.16
2. Increased amount of the period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal or Scrap					

4. Ending balance			75,717.16		75,717.16
IV. Carrying value					
1. Ending carrying value	22,815,810.78	3,243,778.02	4,088,064.09	160,165.94	30,307,818.83
2. Beginning carrying value	23,707,058.89	1,598,350.82	3,746,946.20	294,545.42	29,346,901.33

(2) List of Temporarily Idle Fixed Assets

Unit: RMB

Item	Original carrying value	Accumulative depreciation	Impairment provision	Carrying value	Note
Houses and buildings	4,059,207.77	2,468,908.74		1,590,299.03	

(3) Fixed Assets Leased in by Financing Lease

Unit: RMB

Item	Original carrying value	Accumulative depreciation	Impairment provision	Carrying value

(4) Fixed Assets Leased out by Operation Lease

Unit: RMB

Item	Ending carrying value

(5) Fixed Assets Failed to Accomplish Certification of Property

Unit: RMB

Item	Carrying value	Reason

Other notes

20. Construction in Progress

(1) List of Construction in Progress

Unit: RMB

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

		reserves			reserves	

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

Unit: RMB

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

(3) List of the Withdrawal of the Impairment Provision for Construction in Progress

Unit: RMB

Item	Amount withdrawn	Reason for withdrawal

Other notes

Not applicable

21. Engineering Materials

Unit: RMB

Item	Ending balance	Beginning balance

Other notes

Not applicable

22. Liquidation of Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance

Other notes

Not applicable

23. Productive Living Assets

(1) Productive Living Assets Adopted Cost Measurement Mode

□ Applicable √ Not applicable

(2) Productive Living Assets Adopted Fair Value Measurement Mode

□ Applicable √ Not applicable

24. Oil and Gas Assets

□ Applicable √ Not applicable

25. Intangible Assets

(1) List of Intangible Assets

Unit: RMB

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

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

The proportion of intangible assets formed from the internal R&D of the Company at the Period-end to the ending balance of intangible assets was 0.00%.

(2) Land Use Right with Certificate of Title Uncompleted

Unit: RMB

Item	Carrying value	Reason

Other notes:

Not applicable

26. R&D Expense

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance

Other notes:

Not applicable

27. Goodwill

(1) Original Carrying Value of Goodwill

Unit: RMB

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

(2) Impairment Provision for Goodwill

Unit: RMB

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

Notes of the testing process of goodwill impairment, parameters and the recognition method of goodwill impairment losses:

Not applicable

Other notes:

Not applicable

28. Long-term Prepaid Expense

Unit: RMB

Item	Beginning balance	Increased amount	Amortization amount of the period	Other decreased amount	Ending balance
Facilities reconstruction expenses	951,368.85		86,488.14		864,880.71
Total	951,368.85		86,488.14		864,880.71

Other notes

29. 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	126,207,666.97	31,406,702.16	127,814,574.78	31,824,813.21
Internal unrealized profit	55,662,498.64	13,915,624.66	50,232,811.52	12,558,202.88
Deductible losses	532,055,652.68	133,013,913.17	325,096,396.59	81,274,099.15
Accrued land VAT	848,229,109.00	212,057,277.25	1,048,229,108.99	262,057,277.25
Estimated profit calculated at pre-sale revenue of property enterprises	11,649,315.76	2,912,328.94	1,158,823.50	289,705.88
Payroll payable unpaid but withdrawn	21,663.28	5,415.82	71,997.16	17,999.27
Total	1,573,825,906.33	393,311,262.00	1,552,603,712.54	388,022,097.64

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

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
The carrying value of fixed assets was larger than the tax basis	26,616.72	6,654.18	34,672.60	8,668.15
Total	26,616.72	6,654.18	34,672.60	8,668.15

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

Unit: RMB

Item	Mutual set-off amount of deferred income tax assets and liabilities at the period-end	Ending balance of deferred income tax assets or liabilities after off-set	Mutual set-off amount of deferred income tax assets and liabilities at the period-begin	Beginning balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets		393,311,262.00		388,022,097.64
Deferred income tax liabilities		6,654.18		8,668.15

(4) List of Unrecognized Deferred Income Tax Assets

Unit: RMB

Item	Ending balance	Beginning balance

Deductible losses	139,139,257.42	132,145,322.40
Provision for assets impairment	217,375,870.86	241,361,068.56
Estimated profit calculated at pre-sale revenue of property enterprises	8,992,112.70	72,335,705.85
Internal unrealized profit	4,166,377.28	15,134,932.80
Total	369,673,618.26	460,977,029.61

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

Unit: RMB

Years	Ending amount	Beginning amount	Notes
Y2018	8,299,613.89	8,320,354.75	The deductible losses of 2013
Y2019	4,759,435.01	4,766,878.24	The deductible losses of 2014
Y2020	3,816,994.62	4,461,538.13	The deductible losses of 2015
Y2021	5,411,121.82	6,158,740.02	The deductible losses of 2016
Y2022	108,437,811.26	108,437,811.26	The deductible losses of 2017
Y2023	8,414,280.82		The deductible losses of 2018
Total	139,139,257.42	132,145,322.40	--

Other notes:

30. Other Non-current Assets

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

Not applicable

31. Short-term Borrowings

(1) Category of Short-term Borrowings

Unit: RMB

Item	Ending balance	Beginning balance

Notes:

(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 of RMBXXX, of which the significant overdue unpaid short-term loans are as follows:

Unit: RMB

Borrower	Ending balance	Interest rate	Overdue time	Overdue charge rate

Other notes:

32. Financial Liabilities at Fair Value through Profit or Loss

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

33. Derivative Financial Liabilities

□ Applicable √ Not applicable

34. Notes Payable

Unit: RMB

Category	Ending balance	Beginning balance

The total amount of notes payable due but unpaid was RMB0.00.

35. Accounts Payable

(1) List of Accounts Payable

Unit: RMB

Item	Ending balance	Beginning balance
Within 1 year (including 1 year)	167,082,363.72	210,969,598.73
1 to 2 years (including 2 years)	104,772,575.22	197,803,229.69
2 to 3 years (including 3 years)	95,150,733.19	17,921,262.66
3 to 4 years (including 4 years)	5,983,687.33	5,988,339.85
4 to 5 years (including 5 years)	5,151,480.33	5,508,792.28
Over 5 years	53,963,166.76	53,772,080.41
Total	432,104,006.55	491,963,303.62

(2) Significant Accounts Payable Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason
The Second Construction Co., Ltd. of China Construction Third Engineering	81,258,600.00	Unsettled

Bureau		
Jinchen Group Limited Company	52,305,944.28	Unsettled
Shenzhen Luohu District Land and Resources Bureau	25,000,000.00	Unsettled
Hunan Construction Engineering Group	12,107,087.00	Unsettled
Shenzhen Risheng Landscaping Co., Ltd.	7,418,373.63	Unsettled
Total	178,090,004.91	--

Other notes:

36. Advances from Customers

(1) List of Advances from Customers

Unit: RMB

Item	Ending balance	Beginning balance
Within 1 year (including 1 year)	180,085,004.26	278,516,155.14
1 to 2 years (including 2 years)	10,519,009.23	236,833,304.63
2 to 3 years (including 3 years)	913,707.77	898,707.77
3 to 4 years (including 4 years)	379,173.45	379,173.45
4 to 5 years (including 5 years)	7,068.10	36,216.10
Over 5 years	350,302.02	321,154.02
Total	192,254,264.83	516,984,711.11

(2) Significant Advances from Customers Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason
SZPRD-Qianhai Gangwan Project	4,981,735.00	The project has not met the term of settlement.
SZPRD-Dongguan Songhulangyuan Project	304,765.00	The project has not met the term of settlement.
Total	5,286,500.00	--

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

Unit: RMB

Item	Amount

Other notes:

Prepayment of sale of real estate projects were as follows:

Item	Ending carrying amount	Beginning carrying amount	Estimate finished time	Presale
SZPRD-Songhu Langyuan	101,261,040.00	604,765.00	31 July 2017	93.03%
SZPRD-Hupanyujing Phase II	40,290,321.00	455,923,289.00	30 November 2017	76.85%
SZPRD-Banshanyujing Phase I	13,125,888.00	18,346,748.00	30 November 2016	91.14%
SZPRD-Hupan Yujing Phase I	6,531,209.00	7,968,002.00	30 June 2015	80.22%
SZPRD-Qianhai Gangwan Project	4,981,735.00	4,981,735.00	30 October 2016	66.42%
Total	166,190,193.00	487,824,539.00		

37. Payroll Payable

(1) List of Payroll Payable

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
I. Short-term salary	91,496,562.39	154,203,032.61	156,869,174.00	88,830,421.00
II. Post-employment benefit-defined contribution plans	477,112.15	13,288,585.74	13,509,118.83	256,579.06
III. Termination benefits	92,800.00	950,636.23	1,043,436.23	
Total	92,066,474.54	168,442,254.58	171,421,729.06	89,087,000.06

(2) List of Short-term Salary

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Salary, bonus, allowance, subsidy	83,449,073.72	135,815,614.05	139,096,622.58	80,168,065.19
2. Employee welfare		2,998,615.34	2,998,615.34	
3. Social insurance	254.95	5,485,163.58	5,485,418.53	
Of which: 1. Medical insurance premiums		4,679,707.67	4,679,707.67	
Work-related injury insurance		312,648.19	312,648.19	
Maternity insurance	254.95	314,169.63	314,424.58	

Other social security charges		178,638.09	178,638.09	
4. Housing fund	504,216.12	4,172,907.18	4,281,107.70	396,015.60
5. Labor union budget and employee education budget	7,543,017.60	3,996,210.50	3,272,887.89	8,266,340.21
8. Non-monetary benefits		1,734,521.96	1,734,521.96	
Total	91,496,562.39	154,203,032.61	156,869,174.00	88,830,421.00

(3) List of Defined Contribution Plans

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Basic pension benefits	477,112.15	10,897,019.84	11,117,552.93	256,579.06
2. Unemployment insurance		335,086.39	335,086.39	
3. Annuity		2,056,479.51	2,056,479.51	
Total	477,112.15	13,288,585.74	13,509,118.83	256,579.06

Other notes:

The current termination benefits withdrawn for severing labor relation were RMB950,636.23, the amount payable but unpaid at the end of the reporting period was RMB0.00.

38. Taxes Payable

Unit: RMB

Item	Ending balance	Beginning balance
VAT	6,938,826.82	6,311,231.88
Corporate income tax	27,304,077.82	135,064,846.34
Personal income tax	960,932.60	829,379.86
Urban maintenance and construction tax	398,706.59	317,880.65
Stamp tax	2,828.90	36,803.91
Education Surcharge	180,273.34	144,949.71
Local education surtax	127,400.58	105,286.00
Land VAT	848,141,330.86	1,048,229,108.99
Property tax	2,115,100.09	1,097,050.21
Levee fee	1,395.51	1,462.07
Other	314,195.56	449,257.04

Total	886,485,068.67	1,192,587,256.66

Other notes:

Note 1: Some of the Company projects did not meet the land value-added tax liquidation requirements, but the Company has provided for a land value-added tax of RMB848,141,330.86 to reflect the Company operation performance in comply with the relevant requirements of accounting standards and GSF [2006] No. 187 document "Notice of the State Administration of Taxation on Issues Related to Liquidation Management of Land Value-added Tax in Real Estate Development Enterprises".

Note 2: The Company reports accumulative realized sales revenue of real estate development projects as income from land tax increase, and calculated estimates deductible cost of accumulative sales area as a proportion of the saleable area as the deductible cost of land tax increment, so as estimate the land appreciation value and the appreciation rate of projects. Taking into account that land value-added tax may be affected by the local tax bureau, the actual amount of payment may be higher or lower than the amount estimated on the balance sheet date.

The estimated land value-added tax is a reasonable estimate of the land value-added tax that may be paid in the future, which is made according to the requirements of accounting standards, the matching principle and the principle of prudence. The estimate is the Company accounting process and has nothing to do with the Company current tax liability.

39. Interest Payable

Unit: RMB

Item	Ending balance	Beginning balance

List of the significant overdue unpaid interest:

Unit: RMB

Borrower	Overdue amount	Overdue reasons

Other notes:

Not applicable

40. Dividends Payable

Unit: RMB

Item	Ending balance	Beginning balance
Ordinary share dividends	56,188.32	29,642.40
Total	56,188.32	29,642.40

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

The dividends payable unpaid for over one year was RMB29,642.40, which was caused by the failure of contacting shareholders when distributing dividends.

41. Other Accounts Payable

(1) Other Accounts Payable Listed by Nature of Account

Unit: RMB

Item	Ending balance	Beginning balance
Margin	36,116,574.41	35,896,553.11
Accounts payable of connected companies	34,511,011.04	34,511,011.04
Accounts payable of non-connected companies	38,529,359.07	40,077,862.40
Others	10,052,986.33	12,106,931.43
Total	119,209,930.85	122,592,357.98

(2) Significant Other Accounts Payable Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/Un-carry-over reason
Shenzhen Jifa Warehouse Co., Ltd.	29,296,665.14	Come-and-go accounts without specific amortization period
Margin of sporadic lease	6,286,267.38	Margin within the leasing period
Tianan International Building Property Management Company of Shenzhen	5,214,345.90	Come-and-go accounts without specific amortization period
RAINBOW DEPARTMENT STORE CO., LTD	2,380,000.00	Margin within the leasing period
Shenzhen Branch of CPIC	1,022,842.00	Margin within the leasing period
Total	44,200,120.42	--

Other notes

42. Held-for-sale Liabilities

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

Not applicable

43. Non-current Liabilities Due within One Year

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

Not applicable

44. Other Current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance

Increase/decrease of the short-term bonds payable:

Unit: RMB

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

Other notes:

Not applicable

45. Long-term Borrowings

(1) Category of Long-term Borrowings

Unit: RMB

Item	Ending balance	Beginning balance

Notes to the category of long-term borrowings:

Not applicable

Other notes, including the interval of interest rate:

Not applicable

46. Bonds Payable

(1) List of Bonds Payable

Unit: RMB

Item	Ending balance	Beginning balance

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

Unit: RMB

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

Not applicable

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

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

Not applicable

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

Unit: RMB

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

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

Not applicable

Other notes

Not applicable

47. Long-term Accounts Payable

(1) Long-term Accounts Payable Listed by Nature of Account

Unit: RMB

Item	Ending balance	Beginning balance

Other notes

Not applicable

48. Long-term Payroll Payable

(1) List of Long-term Payroll Payable

Unit: RMB

Item	Ending balance	Beginning balance

(2) Changes in Defined Benefit Plans

Obligation present value of defined benefit plans:

Unit: RMB

Item	Reporting period	Same period of last year

Plan assets:

Unit: RMB

Item	Reporting period	Same period of last year

Net liabilities (net assets) of defined benefit plans:

Unit: RMB

Item	Reporting period	Same period of last year

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

Not applicable

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

Not applicable

Other notes

Not applicable

49. Specific Accounts Payable

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Reason for formation

Other notes

Not applicable

50. Provisions

Unit: RMB

Item	Ending balance	Beginning balance	Reason for formation

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

Not applicable

51. Deferred Income

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Reason for formation

Item involving government subsidies:

Unit: RMB

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

Other notes

Not applicable

52. Other Non-current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Utility specific fund	237,163.63	237,163.63
Housing principle fund	12,715,332.15	14,107,346.01
House warming deposit	7,361,787.56	7,220,523.83
Electric Equipment Maintenance fund	4,019,415.44	4,019,415.44
Deputed Maintenance fund	27,771,951.30	27,687,597.11
Other	1,498,018.56	1,271,207.25
Total	53,603,668.64	54,543,253.27

Other notes

53. Share Capital

Unit: RMB

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

Other notes

54. Other Equity Instrument

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

Not applicable

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

Unit: RMB

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

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

Not applicable

Other notes:

Not applicable

55. Capital Reserves

Unit: RMB

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

Other notes, including changes and reason of change:

56. Treasury Shares

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance

Other notes, including changes and reason of change:

Not applicable

57. Other Comprehensive Income

Unit: RMB

Item	Beginning balance	Reporting Period					Ending balance
		Income before taxation in the Current Period	Less: recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
II. Other comprehensive income that may subsequently be reclassified to profit or loss	-4,111,587.14	415,360.08			415,360.08		-3,696,227.06
Differences arising from translation of foreign currency-denominated financial statements	-4,111,587.14	415,360.08			415,360.08		-3,696,227.06

Total of other comprehensive income	-4,111,587.14	415,360.08			415,360.08		-3,696,227.06

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

58. Specific Reserve

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance

Other notes, including changes and reason of change:

Not applicable

59. Surplus Reserves

Unit: RMB

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

Notes, including changes and reason of change:

60. Retained Profits

Unit: RMB

Item	Reporting Period	Same period of last year
Beginning balance of retained profits before adjustments	1,911,318,586.37	1,441,632,088.56
Beginning balance of retained profits after adjustments	1,911,318,586.37	1,441,632,088.56
Add: Net profit attributable to owners of the Company as the parent	82,972,527.59	364,355,770.43
Dividend of ordinary shares payable	178,793,727.60	107,276,236.56
Ending retained profits	1,815,497,386.36	1,698,711,622.43

List of adjustment of beginning retained profits:

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

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

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

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

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

61. Operating Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same Period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	795,673,204.34	677,352,002.41	1,292,726,904.41	488,359,574.96
Other operations	29,340,780.63	11,835,338.69	24,419,828.02	10,221,593.97
Total	825,013,984.97	689,187,341.10	1,317,146,732.43	498,581,168.93

62. Taxes and Surtaxes

Unit: RMB

Item	Reporting Period	Same Period of last year
Urban maintenance and construction tax	2,070,311.78	4,710,083.18
Education Surcharge	888,097.95	2,014,580.53
Property tax	2,175,077.03	2,437,151.74
Land use tax	281,571.20	711,891.87
Business tax	1,090,668.20	29,954,387.90
Local education surtax	592,065.31	1,343,214.98
Levee fee	6,066.73	789.40
Land VAT		315,690,830.48
Other	195,580.46	307,092.87
Total	7,299,438.66	357,170,022.95

Other notes:

The current taxes and surtaxes decreased 97.96% compared to that of the same period of last year, which was mainly generated from the decrease of land VAT withdrawn caused by the relatively low value-added rate of carry-forward projects in the Reporting Period.

63. Selling Expense

Unit: RMB

Item	Reporting Period	Same Period of last year
Employee’s remuneration	1,959,228.72	2,099,178.56
Office expenses of operating institutions	1,257,235.21	1,315,902.76
Sales agency fee, advertising expense and general publicity expense	4,025,656.06	5,111,763.25

Other	2,054,409.77	2,329,504.38
Total	9,296,529.76	10,856,348.95

Other notes:

64. Administrative Expense

Unit: RMB

Item	Reporting Period	Same Period of last year
Employee’s remuneration	29,151,108.54	34,585,361.42
Administrative office cost	6,013,327.64	9,101,588.30
Assets amortization and depreciation expense	1,473,571.76	1,739,356.66
Litigation costs	101,668.21	1,042,032.19
Other	6,576,767.50	5,603,942.28
Total	43,316,443.65	52,072,280.85

Other notes:

65. Finance Costs

Unit: RMB

Item	Reporting Period	Same Period of last year
Interest expense		
Less: Interest income	28,372,895.58	18,393,351.08
Foreign exchange gains or losses	434,629.66	144,567.09
Other	321,041.27	485,010.47
Total	-27,617,224.65	-17,763,773.52

Other notes:

The current interest income of financial expenses increased 55.47% compared to that of the same period of last period, which was mainly generated from the increase of fixed term deposit and seven-day notice deposit.

66. Asset Impairment Loss

Unit: RMB

Item	Reporting Period	Same Period of last year
I. Bad debt loss	-180,030.66	776,978.24
II. Inventory falling price loss	-4,577,320.26	-55,783,723.64
XIV. Other		-624,434.78
Total	-4,757,350.92	-55,631,180.18

Other notes:

67. Gain on Changes in Fair Value

Unit: RMB

Sources	Reporting Period	Same period of last year

Other notes:

68. Investment Income

Unit: RMB

Item	Reporting Period	Same Period of last year
Long-term equity investment income accounted by equity method	49,247.20	1,412,812.91
Total	49,247.20	1,412,812.91

Other notes:

The current investment incom decrease 96.51% compared to that of the same period of last year, which was mainly caused by the decrease in realized income of joint ventures.

69. Asset Disposal Income

Unit: RMB

Sources	Reporting Period	Same period of last year

70. Other Income

Unit: RMB

Sources	Reporting Period	Same period of last year

71. Non-operating Income

Unit: RMB

Item	Reporting Period	Same Period of last year	Amount recorded in the current non-recurring profit or loss
Total income from scrap of non-current assets	5,171.33	23,539.00	5,171.33
Income from Renting security deposit for breach of contracts	1,528,320.10	584,616.97	1,528,320.10
Total	1,533,491.43	608,155.97	1,533,491.43

Government subsidies recorded into current profit or loss

Unit: RMB

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

Other notes:

72. Non-operating Expense

Unit: RMB

Item	Reporting Period	Same Period of last year	Amount recorded in the current non-recurring profit or loss
Total losses from scrap of non-current assets	51,457.63	13,282.17	51,457.63
Penalty and overdue payment	12,367.88	20,007.28	12,367.88
Compensations		5,819,228.52	
Other	247,849.34	51,231.25	247,849.34
Total	311,674.85	5,903,749.22	311,674.85

Other notes:

73. Income Tax Expense

(1) List of Income Tax Expense

Unit: RMB

Item	Reporting Period	Same Period of last year
Current income tax expense	31,828,441.73	123,419,468.08
Deferred income tax expense	-5,241,098.17	-19,796,154.40
Total	26,587,343.56	103,623,313.68

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

Unit: RMB

Item	Reporting Period
Profit before taxation	109,559,871.15
Current income tax expense accounted at statutory/applicable tax rate	27,389,967.79
Influence of applying different tax rates by subsidiaries	250,407.47

Influence of income tax before adjustment	2,907,048.37
Influence of non-taxable income	0.00
Influence of not deductable costs, expenses and losses	180,869.20
Influence of deductable loss of unrecognized deferred income tax assets in prior period	-4,203,288.76
Influence of deductable temporary difference or deductable losses of unrecognized deferred income tax in the Reporting Period	62,339.49
Income tax expense	26,587,343.56

Other notes

74. Other Comprehensive Income

Refer to Note VII-57 for details

75. Cash Flow Statement

(1) Cash Generated from Other Operating Activities

Unit: RMB

Item	Reporting Period	Same Period of last year
Interest income	28,372,895.58	18,393,351.08
Other small receivables	6,380,771.38	4,152,114.66
Large intercourse funds	3,800,000.00	
Net margins, security deposit and various special funds received	796,055.96	
Total	39,349,722.92	22,545,465.74

Notes:

(2) Cash Used in Other Operating Activities

Unit: RMB

Item	Reporting Period	Same Period of last year
Paying administrative expense in cash	14,106,982.05	13,129,786.98
Paying selling expense in cash	5,790,331.31	10,355,626.60
Net margins, security deposit and various special funds paid		1,325,019.39
Net amount of utilities, miscellaneous fees and accident fee and other payments	11,029,061.45	4,055,467.35

on behalf		
Payment for litigation execution		10,750,093.41
Other small payments	2,660,153.05	5,365,845.58
Total	33,586,527.86	44,981,839.31

Notes:

(3) Cash Generated from Other Investing Activities

Unit: RMB

Item	Reporting Period	Same Period of last year

Notes:

(4) Cash Used in Other Investing Activities

Unit: RMB

Item	Reporting Period	Same Period of last year

Notes:

(5) Cash Generated from Other Financing Activities

Unit: RMB

Item	Reporting Period	Same Period of last year

Notes:

(6) Cash Used in Other Financing Activities

Unit: RMB

Item	Reporting Period	Same Period of last year

Notes:

76. Supplemental Information for Cash Flow Statement

(1) Supplemental Information for Cash Flow Statement

Unit: RMB

Supplemental information	Reporting Period	Same period of last year
1. Reconciliation of net profit to net cash flows generated from operating activities	--	--
Net profit	82,972,527.59	364,355,770.43
Add: Provision for impairment of assets	-4,757,350.92	-55,631,180.18

Depreciation of fixed assets, oil-gas assets, and productive living assets	13,603,686.94	19,542,847.69
Amortization of intangible assets		3,576,251.52
Amortization of long-term prepaid expenses	86,488.14	264,165.48
Losses on scrap of fixed assets (gains: negative)	46,286.30	-10,256.83
Finance costs (gains: negative)	-7,556.73	14,907.69
Investment loss (gains: negative)	-49,247.20	-1,412,812.91
Decrease in deferred income tax assets (gains: negative)	-5,289,164.36	-19,792,776.10
Increase in deferred income tax liabilities ("-" means decrease)	-2,013.97	-3,378.31
Decrease in inventory (gains: negative)	405,964,906.28	172,080,653.00
Decrease in accounts receivable generated from operating activities (gains: negative)	-20,167,130.30	-10,877,893.88
Increase in accounts payable used in operating activities (decrease: negative)	-697,993,417.58	-972,643,986.13
Net cash generated from/used in operating activities	-225,591,985.81	-500,537,688.53
2. Significant investing and financing activities without involvement of cash receipts and payments	--	--
3. Net increase/decrease of cash and cash equivalent:	--	--
Ending balance of cash	2,134,736,405.07	2,247,039,397.08
Less: beginning balance of cash	2,464,626,655.21	2,857,353,056.85
Net increase in cash and cash equivalents	-329,890,250.14	-610,313,659.77

(2) Net Cash Paid For Acquisition of Subsidiaries

Unit: RMB

	Amount
Of which:	--
Of which:	--
Of which:	--

Other notes:

(3) Net Cash Receive from Disposal of the Subsidiaries

Unit: RMB

	Amount
Of which:	--
Of which:	--
Add: cash or cash equivalents received in the Reporting Period from previous disposal of subsidiaries	76,797,409.69
Of which:	--
Shenzhen International Trade Center Car Industry Co., Ltd.	65,894,097.67
Shenzhen Shenxin Taxi Co., Ltd.	10,903,312.02
Net cash received from disposal of subsidiaries	76,797,409.69

Other notes:

(4) Cash and Cash Equivalent

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	2,134,736,405.07	2,464,626,655.21
Including: Cash on hand	321,178.07	204,530.91
Bank deposit on demand	2,133,299,421.62	2,246,678,453.69
Other monetary fund on demand	1,115,805.38	156,412.48
III. Ending balance of cash and cash equivalents	2,134,736,405.07	2,464,626,655.21

Other notes:

The cash and cash equivalents excluding the cash and cash equivalents with limitation on the use by the Company as the parent or subsidiaries of the Group were of RMB12,402,160.00.

77. 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

78. Assets with Restricted Ownership or Right to Use

Unit: RMB

Item	Ending carrying value	Reason for restriction
Monetary capital	12,402,160.00	Note 1
Inventory	4,839,083.09	Property preservation guarantee, for

		details, please refer to Section X. Financial Report XIV. 2. (1) Guarantee
Fixed assets	964,322.41	Property preservation guarantee, for details, please refer to Section X. Financial Report XIV. 2. (1) Guarantee
Investment property	42,128,749.14	Property preservation guarantee, for details, please refer to Section X. Financial Report XIV. 2. (1) Guarantee
Total	60,334,314.64	--

Other notes:

Note 1: At the end of the Reporting Period, the restricted L/G deposits used by the Company amounted to RMB12,402,160.00, which were the cash deposits paid by the subsidiary of the Company-Dongguan International Trade Center Changsheng Property Development Co., Ltd. by entrusting the commercial bank to issue the Commercial Housing Quality Guarantee Letter. Because the subsidiary of the Company - Dongguan International Trade Center Changsheng Property Development Co., Ltd. was the real estate development enterprise with provisional qualification, when handling the application of the pre-sale permit of the commercial residential housing, it should submit the quality guarantee letter of the commercial residential housing after the liquidation situation such as the enterprise bankruptcy and dissolution. The guarantee letter was the irrevocable commercial residential quality guarantee letter, of which the guarantee period of RMB1,468,870.00 was from 30 June 2015 to 31 December 2020 and the guarantee period of the remaining RMB10,933,290.00 was from 1 July 2015 to 31 December 2020.

79. Foreign Currency Monetary Items

(1) Foreign Currency Monetary Items

Unit: RMB

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
Monetary capital	--	--	51,145,519.13
HKD	60,663,645.04	0.8431	51,145,519.13
Available-for-sale financial assets			606,794.69
Of which: USD	91,707.93	6.6166	606,794.69
Other accounts payable			300,652.20
Of which: HKD	356,603.25	0.8431	300,652.20
Accounts payable			47,213.60
Of which: HKD	56,000.00	0.8431	47,213.60

Other notes:

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

√ Applicable □ Not applicable

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

80. Arbitrage

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

Not applicable

81. Other

(2) Accounting Process of Basic EPS and Diluted EPS

(A) Basic EPS

Item	Reporting Period	Same period of last year
Consolidated net profit attributable to ordinary shareholders of the Company as the parent	82,972,527.59	364,355,770.43
Weighted average of ordinary shares outstanding	595,979,092.00	595,979,092.00
Basic EPS (RMB/per share)	0.1392	0.6114
Of which: Continuing operations	0.1392	0.6079
Discontinued operations		0.0035

The basic EPS was accounted based on the current net profit attributable to ordinary shareholders of the Company divided by the weighted average of ordinary shares outstanding.

The accounting process of the weighted average of ordinary shares outstanding was as follows:

Item	Reporting Period	Same period of last year
Number of ordinary shares outstanding at period-beginning	595,979,092.00	595,979,092.00
Weighted average ordinary shares outstanding	595,979,092.00	595,979,092.00

(B) Diluted EPS

There were no possible diluted ordinary shares of the Company.

(2) Net profit from discontinued operations

The Company sold out the subsidiary engaged in taxies in 2017 and there was no business of discontinued operations in the Reporting Period. The operating result from the business of discontinued operations during the Reporting Period was presented as follows:

Item	Reporting Period	Same period of last

		year
I. Operating revenue		29,835,241.39
Less: costs and expenses		27,139,722.89
Less: withdrawal and reversal of provisions for impairment		72,281.81
Add: net non-operating income		37,137.98
II. Total profit from discontinued operations		2,660,374.67
Less: Income tax expense		585,358.19
III. Net Profit from discontinued operations		2,075,016.48
Of which: net profit from discontinued operations attributable to owners of the Company as the parent		2,075,016.48
IV. Total net profit from discontinued operations		2,075,016.48
Of which: total net profit from discontinued operations attributable to owners of the Company as the parent		2,075,016.48

The cash flow from discontinued operations during the Reporting Period was listed as follows:

Item	Reporting Period	Same period of last year
Net cash generated from/used in operating activities		4,588,079.73
Net cash generated from/used in investing activities		-16,404.00
Net cash generated from/used in financing activities		-15,077,965.92

The cash received during the Reporting Period from the sale of the subsidiary engaged in taxies in 2017 was RMB76,797,409.69.

As for the above current discontinued operations, the Company presented again the information listed as profit or loss of continuing operations as profit or loss of discontinued operations for the comparable accounting period in the current financial statements of the Company.

VIII. Changes of Consolidation Scope

1. Business Combination Not under the Same Control

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

Unit: RMB

Name of acquiree	Time and place of gaining the equity	Cost of gaining the equity	Proportion of equity	Way to gain the equity	Purchase date	Recognition basis of purchase date	Income of acquiree from the purchase date to period-end	Net profits of acquiree from the purchase date to period-end

Other notes:

Not applicable

(2) Combination Cost and Goodwill

Unit: RMB

Combination cost	

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

Not applicable

The main formation reason for the large goodwill:

Not applicable

Other notes:

Not applicable

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

Unit: RMB

	Fair value on purchase date	Carrying value on purchase date

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

Not applicable

Contingent liability of acquiree undertaken in the business combination

Not applicable

Other notes:

Not applicable

(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

Not applicable

(6) Other Notes

Not applicable

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-beginning to the combination date of the acquiree	Net profits from the period-beginning 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:

Not applicable

(2) Combination Cost

Unit: RMB

Combination cost	

Note to contingent consideration and other changes:

Not applicable

Other notes:

Not applicable

(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

Not applicable

Other notes:

Not applicable

3. Counter Purchase

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

Not applicable

4. The Disposal of Subsidiary

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

□ Yes √ No

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

□ Yes √ No

5. Changes in Combination Scope for Other Reasons

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

Not applicable

6. Other

Not applicable

IX. Equity in Other Entities

1. Equity in Subsidiary

(1) Subsidiaries

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
				Directly	Indirectly	
Shenzhen Huangcheng Real Estate Co., Ltd.	Shenzhen	Shenzhen	Property development	100.00%		Set-up
Szprd Real Estate Development Co., Ltd.	Shenzhen	Shenzhen	Property development	95.00%	5.00%	Set-up
Prd Group Xuzhou Dapeng Real Estate Development Co., Ltd.	Xuzhou	Xuzhou	Property development	100.00%		Set-up
Dongguan International Trade Center Changsheng Real	Dongguan	Dongguan	Property development	100.00%		Set-up

Estate Development Co., Ltd.						
Prd Yangzhou Real Estate Development Co., Ltd.	Yangzhou	Yangzhou	Property development	100.00%		Set-up
Shenzhen International Trade Center Property Management Co., Ltd.	Shenzhen	Shenzhen	Property management	100.00%		Set-up
Shenzhen Huangcheng Real Estate Management Co., Ltd.	Shenzhen	Shenzhen	Property management		100.00%	Set-up
Shandong Shenzhen International Trade Center Property Management Co., Ltd.	Jinan	Jinan	Property management		100.00%	Set-up
Chongqing Shenzhen International Trade Center Property Management Co., Ltd.	Chongqing	Chongqing	Property management		100.00%	Set-up
Chongqing Ao'Bo Elevator Co., Ltd.	Chongqing	Chongqing	Service		100.00%	Set-up
Shenzhen Tianque Elevator Technology Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen International Trade Center	Shenzhen	Shenzhen	Service		100.00%	Set-up

Property Management Engineering Equipment Co., Ltd.						
Shenzhen International Trade Center Food Co., Ltd.	Shenzhen	Shenzhen	Catering service	100.00%		Set-up
Shenzhen Property Construction Supervision Co., Ltd.	Shenzhen	Shenzhen	Project supervision		100.00%	Set-up
SZPRD Operation and Management of Real Estate Assets Co., Ltd.	Shenzhen	Shenzhen	Service	100.00%		Set-up
Zhanjiang Shenzhen Real Estate Development Co., Ltd.	Zhanjiang	Zhanjiang	Property development	100.00%		Set-up
Shum Yip Properties Development Co., Ltd.	Hong Kong	Hong Kong	Property development	100.00%		Set-up
Wayhang Development Co., Ltd.	Hong Kong	Hong Kong	Property development		100.00%	Set-up
Chief Link Properties Co., Ltd.	Hong Kong	Hong Kong	Property development		70.00%	Set-up
Syndis Investment Co., Ltd.	Hong Kong	Hong Kong	Property development		70.00%	Business combination not under the same control

Notes: holding proportion in subsidiary different from voting proportion:

Naught

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

Naught

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

Naught

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

Naught

Other notes:

Naught

(2) Significant Non-wholly-owned Subsidiary

Unit: RMB

Name	Shareholding proportion of non-controlling shareholders	The profit or loss attributable to the non-controlling shareholders	Declaring dividends distributed to non-controlling shareholders	Balance of non-controlling shareholders at the period-end

Holding proportion of minority shareholder in subsidiary different from voting proportion:

Naught

Other notes:

As of the period-end, the balance of non-controlling shareholders of the Company was RMB862,087.06. There was no significant non-wholly-owned subsidiary of the Company.

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

Unit: RMB

Name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities

Unit: RMB

Name	Reporting Period				Same period of last year			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities

Other notes:

Naught

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

Naught

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

Naught

Other notes:

Naught

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

Naught

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

Unit: RMB

Other notes:

Naught

3. Equity in Joint Ventures or Associated Enterprises

(1) Significant Joint Ventures or Associated Enterprises

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

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

The Company's long-term equity investment had withdrawn bad debt provision for the associated enterprise of

Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd. Now the aforesaid company' financial statement cannot be obtained, thus, the Company believed that it was insignificant associated enterprises.

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:

Naught

(2) Main Financial Information of Significant Joint Ventures

Unit: RMB

	Ending balance/Reporting Period		Beginning balance/The same period of last year	
	Tianan International Building Property Management Company of Shenzhen	Shenzhen Jifa Warehouse Co., Ltd.	Tianan International Building Property Management Company of Shenzhen	Shenzhen Jifa Warehouse Co., Ltd.
Current assets	49,657,326.33	6,909,814.50	47,958,558.83	6,879,862.65
Of Which: Cash and cash equivalents	34,072,009.16	6,473,730.48	34,268,115.61	5,890,362.65
Non-current assets	25,841.34	63,178,239.79	29,349.24	63,528,043.92
Total assets	49,683,167.67	70,088,054.29	47,987,908.07	70,407,906.57
Current liabilities	22,346,123.22	3,563,757.65	21,253,083.10	3,410,681.06
Non-current liability	16,302,060.79		16,271,264.57	
Total liabilities	38,648,184.01	3,563,757.65	37,524,347.67	3,410,681.06
Equity attributable To owners of the Company as the parent	11,034,983.66	66,524,296.64	10,463,560.40	66,997,225.51
Portion of net Assets calculated according to proportion of shareholdings	5,517,491.83	33,262,148.33	5,231,780.20	33,498,612.76
Carrying value of equity investment to joint ventures	5,517,491.83	33,262,148.33	5,231,780.20	33,498,612.76
Operating revenue	10,019,051.54	1,332,229.50	9,006,071.80	4,169,092.56
Finance expense	-48,189.40	-7,950.24	-504,717.70	-4,625.32
Income tax expense	190,474.42		457,681.11	484,194.16
Net profit	571,423.26	-472,928.87	1,373,043.31	1,452,582.49
Total comprehensive income	571,423.26	-472,928.87	1,373,043.31	1,452,582.49

Other notes:

Naught

(3) Main Financial Information of Significant Associated Enterprise

Unit: RMB

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

Other notes:

Naught

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

Unit: RMB

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

Other notes:

Naught

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

Naught

(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:

Naught

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

Naught

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

Naught

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:

Naught

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

Naught

Other notes:

Naught

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:

Naught

6. Other

Naught

X. The Risk Related to Financial Instruments

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

1. Credit Risk

Credit risk was one party of the contract failed to fulfill the obligations and causes loss of financial assets of the other party.

The Group manages the credit risk according to the combination of credit risk classification; the credit risk mainly occurred in bank deposit, account receivable and other account receivables. The source of credit risk of financial assets was the default of the other party. The biggest risk exposure was equivalent to book value of the instruments.

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

There were lots of account receivables withdrawn individually in the Group and had withdrawn bad debt provision, which fully reveal the existence of credit risk. Amount of balance of account receivables was RMB70.9323 million except the aforesaid had withdrawn bad debt provision, mainly was the account receivable of property management, of which was account receivable RMB5.0404 million of Alibaba (China) Network Co., Ltd. was the total property management costs of several serve district of Alibaba (China) Network Co., Ltd. Other client receivables were widely dispersed owners and tenants. The Group conducted continuous supervisor to the account receivables to ensure the Group not facing significant bad debt risk.

For the quantized data of credit risk exposure incurred by account receivables and other account receivables, see 5, Note (VII) and 9, Note (VII).

2. Liquidity Risk

Liquidity risk was referred to the risk of incurring capital shortage when performing settlement obligation in the way of cash payment or other financial assets.

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

All financial liabilities of the Company were expected to be paid at maturity within one year.

3. Market Risk

Market risk was referred to risk of the fair value or future cash flow of financial instrument changed due to the change of market price, including: exchange rate risk, interest rate risk and other price risk.

(1) Exchange rate risk

Exchange rate risk is referred to the fair value and future cash flow of financial instruments change due to the change of foreign exchange rate.

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

Item	Reporting period		The same period of last year	
	Change in net profit	Change in equity of shareholders	Change in net profit	Change in equity of shareholders
RMB down 2% against HKD	308.37	-1,037,813.74	-2,358.76	-1,061,597.67
RMB up 2% against HKD	-308.37	1,037,813.74	2,358.76	1,061,597.67
RMB down 2% against USD	9,101.92	9,101.92	9,318.99	9,318.99
RMB up 2% against USD	-9,101.92	-9,101.92	-9,318.99	-9,318.99

Notes 1: the above-mentioned expressed as a positive number increase, a negative number decrease.

Notes 2: the above-mentioned expressed as changes in shareholder's equity does not include retained earnings

(2) Interest rate risk

Interest rate risk was referred to risk of the fair value or future cash flow of financial instrument changed due to the change of market interest risk.

The interest risk of the Group incurred from bank loan, interest rate risk of a floating interest rate of financial liabilities that lead to the group facing cash flow interest rate risk, financial liabilities with a fixed interest rate lead to the group facing cash flow interest rate risk. Besides, the Company had no interest-bearing debts.

4. Fair Value

Refer to Note (XI) for details.

XI. The Disclosure of Fair Value

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

Unit: RMB

Item	Ending fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
(II)Available-for-sale financial assets	3,598,765.93			3,598,765.93
(2) equity instrument investment	3,598,765.93			3,598,765.93
The total amount of assets measured at fair value	3,598,765.93			3,598,765.93
II. Inconsistent fair value measurement	--	--	--	--

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

The ending price in the national stock transfer system for small and medium sized enterprises on 30 June 2018.

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

9. Other

Not applicable

XII. Connected Party and Connected Transaction

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	Managing state-owned assets	RMB23,149 million	63.82%	63.82%

Notes to information on the Company as the parent of the Company:

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

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

Other notes:

Naught

2. Subsidiaries of the Company

Refer to Note IX-1 for details.

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

Refer to Note IX-3 for details of significant joint ventures or associated enterprises of the Company.

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

Name	Relationship with the Company

Other notes:

Naught

4. Information on Other Connected Parties

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

Other notes:

Naught

5. List of Connected Transactions

(1) Information on Acquisition of Goods and Reception of Labor Service (Unit:RMB'0,000)

Information on acquisition of goods and reception of labor service

Unit: RMB

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

Information of sales of goods and provision of labor service

Unit: RMB

Connected party	Content	Reporting Period	Same period of last year

Notes:

Applicable

(2) Information on Connected Trusteeship/Contract

Lists of related trusteeship/contract:

Unit: RMB

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

Notes:

Not applicable

Lists of entrust/contractee

Unit: RMB

Name of the	Name of the	Type	Start date	Due date	Pricing basis	Charge

entruster/contractee	entrustee/ contractor					recognized in this Reporting Period

Notes:

Not applicable

(3) Information on Connected Lease

The Company was lessor:

Unit: RMB

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

The Company was lessee:

Unit: RMB

Name of lessor	Category of leased assets	The lease fee confirmed in the Reporting Period	The lease fee confirmed in the same period of last year
Shenzhen Investment Holdings Co., Ltd.	Rental	182,934.00	179,350.20

Notes:

Not applicable

(4) Information on Connected Guarantee

The Company was guarantor:

Unit: RMB

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

The Company was secured party

Unit: RMB

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

Notes:

Not applicable

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

Unit: RMB

Connected party	Amount	Start date	End date	Note
Borrowing				
Lending				

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

Unit: RMB

Connected party	Content	Reporting period	Same period of last year

(7) Information on Remuneration for Key Management Personnel

Unit: RMB

Item	Reporting period	Same period of last year
Total remuneration paid to key management personnel (including the personal income tax)	3,661,480.66	2,288,910.00

(8) Other Connected Transactions

Not applicable

6. Accounts Receivable and Payable of Connected Party

(1) Accounts Receivable

Unit: RMB

Item	Connected party	Ending balance		Beginning balance	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Other accounts receivable	Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	1,747,264.25	1,747,264.25	1,747,264.25	1,747,264.25

(2) Accounts Payable

Unit: RMB

Item	Connected party	Ending carrying amount	Beginning carrying amount
Other accounts payable	Shenzhen Jifa Warehouse Co., Ltd.	29,296,665.14	29,296,665.14
Other accounts payable	Tianan International Building Property Management Company of Shenzhen	5,214,345.90	5,214,345.90

7. Commitments of Connected Party

No such cases in the Reporting Period.

8. Other

Naught

XIII. Stock Payment

1. The Overall Situation of Stock Payment

□ Applicable □ Not applicable

2. The Stock Payment Settled in Equity

□ Applicable □ Not applicable

3. The Stock Payment Settled in Cash

□ Applicable □ Not applicable

4. Modification and Termination of the Stock Payment

Naught

5. Other

Naught

XIV. Commitments and Contingency

1. Significant Commitments

Significant commitments on the balance sheet date

Item	Period-end
Large amount contract of real estate development project signed but derecognized in financial statements.	348,973,775.00
Total	348,973,775.00

2. Contingency

(1) Significant Contingency on Balance Sheet Date

①Pending Action

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

In 1993, the Company signed Right of Development Transfer Contract of Jiabin Building (name of Jiabin Building has been changed to Jinlihua Commercial Plaza) with Shenzhen Haibin Property Development Co., Ltd. (name of which has been changed to Shenzhen Jiyong Property Development Co., Ltd., hereinafter referred to as Jiyong Company). In January 1999, Jiyong Company sued the company to Guangdong Higher People's Court (hereinafter referred to as "Guangdong Higher Court") for termination of the transfer contract and refund of the transfer consideration and construction payment paid on the ground that the area of premises was in discrepancy with the contract. With respect to this, the Company counterclaimed the opposing party to pay back the rest transfer consideration and applied for sealing up their property with an area of 28,000 square meters.

On 29 July 2001, Guangdong Higher Court issued *Civil Court Judgment* YGFM (1999) No. 3 (hereinafter referred to as Judgment No. 3) to judge that ① the Company should transfer the title of land use right specified in the transfer contract to Jiyong Company within 30 days from the date the judgment taking into effect and ②Jiyong Company should pay off the transfer consideration amounting to RMB143, 860,000.00 within 60 days from the date the Company transferred the title of land use right. On 27 November 2001, the Company applied to Guangdong Higher Court for forcible execution, however Guangdong Higher Court adjudicated to release the sealing property of Jiyong Company approximately 10,000 square meters since Industrial & Commercial Bank of China Zhejiang Branch disagree to seal the properties.

The Company thought the applicable law of the decision was error, and raised an objection to High Court of Guangdong province.

In Sep.2005, the High Court of Guangdong province delivered unlocked decision to the Departments of Land and House Property Registers of Shenzhen. The aforesaid about ten thousand square meters of real estate was officially unlocked.

In January 2006, Guangdong Higher Court issued *Civil Court Judgment* YGFZ (2002) No. 1 and adjudicated because that ① the Company has not yet transferred the title of land use right specified in the transfer contract to Jiyong Company and ② Jiyong Company cannot provide other properties available for execution and the Company also cannot provide the property available for execution, the second judgment of the Judgment No. 3 - "Jiyong Company should pay off the transfer consideration amounted RMB143,860,000 within 60 days from the date the Company transferred the title of land use right" is terminated for execution. When the conditions causing termination for execution of the second judgment are eliminated, the second judgment should still be executed.

In March 2006, according to the ordain of Guangdong Higher People's Court, the properties in Jiabin Building that have been sealed up in this case have been released automatically. On September 2009, company received YGFZ (2002) No. 1-1 Resume Execution Notice from Guangdong Province Higher Court claimed to resume execution the case that the transfer money owed by Jiyong company about Jiabin building project.

In October 2009, the Company received (Verdict YGFZ (2002) No. 1-2) from Guangdong Higher Court. The verdict claimed: The resume execution of this case is according to the "The requirements for the Guangdong Higher Court to concentrate the implementation of accumulated cases" Through the investigation conducted by Guangdong Higher Court to Shenzhen department of motor vehicles, Shenzhen Securities Registration and Settlement Organizations, Shenzhen Land resources and real estate administration and the opening bank of the executed party, the executed party – Jiyong Company does not have any executable property. For these, Guangdong Higher Court adjudicated: ① Terminate the executive procedure of Verdict YGFZ (2002) No. 1② When the execution conditions are satisfied, the applicant can apply for resume execution.

According to note (VII) 3, Shenzhen Longyuan-Kaili-Hengfeng Real Estate Co., Ltd. (hereinafter as the "Longyuan-Kaili") and Shenzhen Huaneng-Jindi Property Co., Ltd. (hereinafter as the "Huaneng Property") plan to conduct reconstructions to the plaza, On 3 mar. 2011, the Company, The First Administration Under Shenzhen Planning And Land Resources Committee Directly and Longyuan-Kaili had registered the land of Jin Lihua Building to its name according to SDHZ (1992) No. 0228 *Second Supplementary Agreement of Shenzhen Grant*

Contract of Land Use Right signed in 2011 and *Meeting Summery about Research of Dealing with Problem Building Issued* (No. 481) by Shenzhen Municipal Government.

In April 2012, the Company raised the subrogation right lawsuit to Shenzhen Luohu District People's Court, based on the creditor's right for Jiyong Company decided by the Civil Ruling Paper YGFMC (1999) No. 3, prosecuting the obligor of Jiyong Company—Shenzhen Zongli Investment Co., Ltd. (hereinafter referred to as "Zongli Company"), which was required to compensate for the Company within its debt range for Jiyong Company. Meanwhile, due to it was highly similar in the management level of Shenzhen Huaneng-Jindi Property Co., Ltd. (hereinafter referred to as "Huaneng-Jindi Company") and Zongli Company, the Company believed that there was significant related-party relationship between Huaneng-Jindi Company and Zongli Company, therefore, the Company also prosecuted Huaneng-Jindi Company, which was required to undertake the joint liability for the debts born by Zongli Company. On 11 Sep. 2013 Shenzhen Luohu District People's Court issued (2012) SLFMECZ No. 1150 paper of civil judgment; the decision rejected the Company's claims. The Company refused to accept the verdict, has instituted an appeal to the Shenzhen Intermediate People's Court, In Mar. 2015, Shenzhen Intermediate People's Court made Civil Judgment (2014) SZFSZZ No. 400, the decision to reject the appeal of the Company, and maintain the original judgment.

As the executable property are not found in the case so far, the Company withdraw bad debt provision for Shenzhen Jiyong Properties & Resources Development Company's transfer amount of Jin Lihua Commercial Plaza. In Aug. 2015, the Company as a creditor applied to Shenzhen Intermediate People's Court for the bankruptcy and insolvency of Shenzhen Jiyong Properties & Resources Development Company. And now the case is still under the review for bankruptcy filing.

②Guarantee

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

B. Guarantee for the owners: the Company and its subsidiaries are the purchasers providing mortgage guarantee for the bank, As of 30 June. 2018, the unsettle guarantee amount was RMB902.628 million, the guarantee event was provided by real estate developer for small owners' purchases of commercial houses of the Company, which was the common phenomenon in the industry.

C. During the civil proceedings of the Company and Shenzhen Meisi Industrial Co., Ltd. (refer to Note (XIV)-2-(2)-A in the Annual Report in 2017,), to protect the plant and comprehensive building in Meilin as well as the corresponding the land use rights of the dispute, On 19 December 2012, the Company applied to Shenzhen Intermediate People's Court for the sealing up of the land and property specified in the original real estate certificate SFDZ No. 0103139 and No. 0103142, and provided the Company self-owned property - 41 suites in International Trade Center Plaza as property preservation in this case according to the provisions of the Civil Procedure Law. The total area of the properties is 8,342.24 square meters, and the carrying value was RMB47.9322 million as of 30 June 2018. The Guangdong Higher People's Court had made the final judgment regarding the case on 21 December 2017. And as of the disclosure date of the Interim Report of 2018, its real estate for property preservation guarantee was under the discharge of guarantee.

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

There was no significant contingency in the Company.

3. Other

Naught

XV. Events after Balance Sheet Date

1. Significant Non-adjusted Events

Unit: RMB

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

2. Profit Distribution

Unit: RMB

Profits or dividends planned to distribute	0.00
Reviewed and approved profits or dividends declared to distribute	0.00

3. Sales Return

Naught

4. Notes to Other Events after Balance Sheet Date

In 2017, the Company transferred all shares of Shenzhen International Trade Center Car Industry Co., Ltd. and Shenzhen Shenxin Taxi Co., Ltd. it held (refer to Section IV-VI-2. Event regarding the Sale of Significant Stock Rights in the Annual Report in 2017 of the Company). The Company received the final payment of this stock rights transactions respectively of RMB76.7974 million and RMB3.104 million respectively in March and July of 2018. So far, the full amount of the stock rights transfers has been collected.

XVI. Other Significant Events

1. The Accounting Errors Correction in Previous Period

(1) Retrospective Restatement

Unit: RMB

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

(2) Prospective Application

Content	Processing program	Reason for adopting prospective application

2. Debt Restructuring

Not applicbale

3. Assets Replacement

(1) Non-monetary Assets Exchange

Not applicbale

(2) Other Assets Replacement

Not applicbale

4. Pension Plan

Not applicbale

5. Discontinued Operations

Unit: RMB

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

Other notes

Not applicable

6. Segment Information

(1) Determination Basis and Accounting Policies of Reportable Segment

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

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

B. The property management business divisions: building management

C. Diet services: catering service

D. Other business: operating mechanical and electrical professional maintenance business, engineering supervision business, and parking lot

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

(2) The Financial Information of Reportable Segment

Unit: RMB

Item	Real estate	Property management	Catering service	Others	Undistributed	Offset among segment	Total
Operation revenue	594,838,729.82	213,379,017.06	11,510,169.69	5,286,068.40			825,013,984.97
Trading revenues among divisions	1,571,327.66	1,808,051.85	901,683.96	3,367,046.39		-7,648,109.86	
Selling expense	9,802,660.67					-506,130.91	9,296,529.76
Income from investment to associated enterprises and joint ventures					49,247.20		49,247.20
Asset impairment loss	-6,587,282.80	1,117,040.62	-403.77	726.48		712,568.55	-4,757,350.92
Depreciation and amortization charges	12,762,574.04	777,471.04	155,974.31	38,217.71		-44,062.02	13,690,175.08
Total profit (losses)	98,197,794.32	13,024,509.03	233,509.26	892,506.37	49,247.20	-2,837,695.03	109,559,871.15
Total assets	6,832,250,538.85	452,262,882.69	5,100,881.12	14,018,176.90	38,779,640.16	-2,742,455,296.41	4,599,956,823.31

Total liabilities	3,852,330,980.53	364,886,855.22	3,193,985.02	6,857,692.69		-2,454,462,731.36	1,772,806,782.10
Long-term equity investments to associated enterprises and joint ventures					38,779,640.16		38,779,640.16
Increase in non-current assets excluding long-term equity investment	1,857,414.85	964,687.80	183,839.81	6,299.00			3,012,241.46

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

Not applicable

(4) Other Notes

A. Foreign Trade Income regarding Products and Labor Services

Item	Reporting Period	Same period of last year
Real estate	594,838,729.82	1,092,505,000.97
Property management	213,379,017.06	180,892,643.85
Transportation		27,861,938.33
Catering service	11,510,169.69	12,007,374.58
Other	5,286,068.40	3,879,774.70
Total	825,013,984.97	1,317,146,732.43

B. Geography Information

Distribution of Foreign Trade Income

Item	Reporting Period	Same period of last year
Mainland of China	825,013,984.97	1,317,146,732.43
Countries and regions outside the Chinese mainland		
Total	825,013,984.97	1,317,146,732.43

Distribution of Non-current Assets

Item	Ending balance	Beginning balance
Mainland of China	446,137,201.98	456,036,976.47
Countries and regions outside the Chinese mainland	1,110,808.70	1,110,851.76
Total	447,248,010.68	457,147,828.23

C. Information on Key Accounts

The customers of the Group were rather dispersed and there was no individual customer with transactions with the Company over 10%.

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

Not applicable

8. Other

Not applicable

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

1. Accounts Receivable

(1) Accounts Receivable Disclosed by Category

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with significant single amount for which bad debt provision separately accrued	96,647,889.05	98.27%	96,647,889.05	100.00%		96,647,889.05	99.03%	96,647,889.05	100.00%	
Accounts receivable withdrawal of bad debt provision of by credit risks characteristics:	1,651,264.18	1.68%	254,355.39	15.40%	1,396,908.79	893,820.19	0.92%	414,357.69	46.36%	479,462.50
Accounts receivable	54,380.3	0.06%	54,380.3	100.00%		54,380.	0.05%	54,380.35	100.00%	

with insignificant single amount for which bad debt provision separately accrued	5		5			35				
Total	98,353,533.58	100.00%	96,956,624.79	98.58%	1,396,908.79	97,596,089.59	100.00%	97,116,627.09	99.51%	479,462.50

Accounts receivable with significant single amount for which bad debt provision separately accrued at the period-end:

√ Applicable □ Not applicable

Unit: RMB

Accounts receivable（by unit）	Ending balance			
	Accounts receivable	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, please refer to Section X Financial Statement-(XIV)-2
Shenzhen Tewei Industry Co., Ltd.	2,836,561.00	2,836,561.00	100.00%	Not recovered for a long time
Total	96,647,889.05	96,647,889.05	--	--

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

√ Applicable □ Not applicable

Unit: RMB

Aging	Ending balance		
	Accounts receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Within 1 year (including 1 year)	1,385,267.47	41,558.02	3.00%
Subtotal within 1 year	1,385,267.47	41,558.02	3.00%
4 to 5 years	265,996.71	212,797.37	80.00%
Total	1,651,264.18	254,355.39	15.40%

Notes to the determination basis for the group:

For details, please refer to Section XI Financial Statement-V-11.

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

□ Applicable √ Not applicable

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

Naught

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

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB-160,002.30; the amount of the reversed or collected part during the Reporting Period was of RMB0.00.

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

Unit: RMB

Name of the entity	Amount	Way of recovery
Total	0.00	--

There was no bad debt provision reversed or recovered during the Reporting Period.

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

Unit: RMB

Item	Amount verified

Of which the verification of significant accounts receivable:

Unit: RMB

Name	Nature	Amount verified	Reason for verification	Verification procedures performed	Whether generated from connected transactions
Total	--	0.00	--	--	--

Notes:

There was no accounts receivable with actual verification during the Reporting Period.

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

Name	Ending balance	Proportion to the ending balance of accounts receivable (%)	Ending balance of bad debt provision withdrawn
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	95.38	93,811,328.05
Shenzhen Tewei Industry Co., Ltd.	2,836,561.00	2.88	2,836,561.00
Shenzhen Meigexiazi Catering Management Co., Ltd.	542,711.52	0.55	16,281.35
CPIC	536,992.00	0.55	16,109.76
Rainbow Department Store Co., Ltd	265,996.71	0.27	212,797.37
Total	97,993,589.28	99.63	96,893,077.53

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

Naught

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

Naught

Other notes:

Naught

2. Other Accounts Receivable

(1) Other Accounts Receivable Disclosed by Category

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Other accounts receivable with significant single amount for which bad debt provision separately accrued	124,731,841.16	12.53%	28,561,096.71	22.90%	96,170,744.45	123,873,986.03	10.58%	28,557,101.98	23.05%	95,316,884.05
Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	868,595,085.39	87.23%	8,982,540.44	1.03%	859,612,544.95	1,044,669,585.77	89.21%	11,008,800.80	1.05%	1,033,660,784.97
Other accounts receivable with insignificant single amount for which bad debt provision separately accrued	2,415,326.23	0.24%	2,415,326.23	100.00%		2,415,326.23	0.21%	2,415,326.23	100.00%	
Total	995,742,252.78	100.00%	39,958,963.38	4.01%	955,783,289.40	1,170,958,898.03	100.00%	41,981,229.01	3.59%	1,128,977,669.02

Other accounts receivable with significant single amount for which bad debt provision separately accrued at the period-end

√ Applicable □ Not applicable

Unit: RMB

Other accounts receivable (unit)	Ending balance			
	Other accounts receivable	Bad debt provision	Withdrawal proportion	Withdrawal reason
Shum Yip Properties Development Co., Ltd.	103,684,952.25	7,514,207.80	7.30%	Uncollectible for a long period
Shenzhen Shengfenglu International Trade Jewelry Co., Ltd.	6,980,273.01	6,980,273.01	100.00%	The Company was enforced to conduct, irrecoverable
Shanghai Yutong Real estate development Co., Ltd.	5,676,000.00	5,676,000.00	100.00%	Judgments, irrecoverable
Everglow Development Limited	3,271,837.78	3,271,837.78	100.00%	Uncollectible for a long period
Dameisha Tourism Center	2,576,445.69	2,576,445.69	100.00%	Suspension of projects
Elevated Train Project	2,542,332.43	2,542,332.43	100.00%	Suspension of projects
Total	124,731,841.16	28,561,096.71	--	--

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

√ Applicable □ Not applicable

Unit: RMB

Aging	Ending balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Subentry within 1 year			
Within 1 year (including 1 year)	2,488,401.21	74,652.04	3.00%
Subtotal of within 1 year	2,488,401.21	74,652.04	3.00%
1 to 2 years	593,235.28	59,323.53	10.00%
2 to 3 years	43,300.00	12,990.00	30.00%
4 to 5 years	92,200.00	73,760.00	80.00%
Over 5 years	8,761,814.88	8,761,814.88	100.00%
Total	11,978,951.37	8,982,540.44	74.99%

Notes to the determination basis for the Group:

Refer to Section X Financial Statement-V-11 in the Report for details.

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

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

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

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB-2,022,265.63; the amount of the reversed or collected part during the Reporting Period was of RMB0.00.

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
Total	0.00	--

There was no bad debt provision reversed or recovered in the Reporting Period.

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

Unit: RMB

Item	Amount verified

Of which the verification of significant other accounts receivable:

Unit: RMB

Name of entity	Nature	Amount verified	Reason for verification	Verification procedures performed	Whether generated from connected transactions
Total	--	0.00	--	--	--

Notes:

There was no other accounts receivable with actual verification in the Reporting Period.

(4) Other Account Receivable Classified by Account Nature

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Margin	2,218,894.63	2,211,109.83
Pretty cash advance	337,899.51	86,342.50
Account receivable to subsidiary	960,354,565.04	1,065,434,315.98
Accounts receivable to affiliated companies	1,747,264.25	1,747,264.25
Account receivable to non-affiliated company	31,083,629.35	101,479,865.47
Total	995,742,252.78	1,170,958,898.03

(5) Top 5 Other Accounts Receivable in Ending Balance Collected according to the Arrears Party

Unit: RMB

Name of the entity	Nature	Ending balance	Aging	Proportion to total ending balance of	Ending balance of bad debt provision

				other accounts receivable	
SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.	Account receivable to subsidiary	429,838,221.77	Within 5 years	43.17%	
SZPRD Yangzhou Real Estate Development Co., Ltd.	Account receivable to subsidiary	213,589,836.60	Within 4 years	21.45%	
Shenzhen Huangcheng Real Estate Management Co., Ltd.	Account receivable to subsidiary	133,070,074.29	Within 2 years	13.36%	
Shenzhen Huangcheng Real Estate Co., Ltd.	Account receivable to subsidiary	103,684,952.25	Over 5 years	10.41%	7,514,207.80
Shenzhen Huangcheng Property Management Co., Ltd.	Account receivable to subsidiary	76,265,906.77	Within 5 years	7.66%	
Total	--	956,448,991.68	--	96.05%	7,514,207.80

(6) Account Receivable Involving Government Subsidies

Unit: RMB

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

Naught

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

Naught

(8) Amount of Assets and Liabilities Generated from the Transfer and Continuous Involvement of Other Accounts Receivable

Naught

Other notes:

Naught

3. Long-term Equity Investment

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserve	Carrying value	Carrying amount	Depreciation reserve	Carrying value
Investment to subsidiaries	231,846,672.93	19,964,000.00	211,882,672.93	231,846,672.93	19,964,000.00	211,882,672.93
Investment to joint ventures and associated enterprises	57,763,254.30	18,983,614.14	38,779,640.16	57,714,007.10	18,983,614.14	38,730,392.96
Total	289,609,927.23	38,947,614.14	250,662,313.09	289,560,680.03	38,947,614.14	250,613,065.89

(1) Investment to the Subsidiary

Unit: RMB

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

Shenzhen International Trade Center Catering Co., Ltd.	1,600,001.00			1,600,001.00		1,600,000.00
Shenzhen Property Construction Supervision Co., Ltd.	3,000,000.00			3,000,000.00		
Shenzhen Real Estate Exchange	2,380,000.00			2,380,000.00		
Zhanjiang Shenzhen Real Estate Development Co., Ltd.	2,530,000.00			2,530,000.00		2,530,000.00
Shum Yip Properties Development Co., Ltd.	15,834,000.00			15,834,000.00		15,834,000.00
SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.	50,000,000.00			50,000,000.00		
Total	231,846,672.93			231,846,672.93		19,964,000.00

(2) Investment to Joint Ventures and Associated Enterprises

Unit: RMB

Investee	Beginning balance	Increase/decrease								Ending balance	Ending balance of depreciation reserve
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint ventures											
Shenzhen Jifa Warehouse Co.,	33,498,612.76			-236,464.43						33,262,148.33	

Ltd.											
Tianan International Building Property Management Company of Shenzhen	5,231,780.20			285,711.63						5,517,491.83	
Subtotal	38,730,392.96			49,247.20						38,779,640.16	
II. Associated enterprises											
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd. (26%)	18,983,614.14									18,983,614.14	18,983,614.14
Subtotal	18,983,614.14									18,983,614.14	18,983,614.14
Total	57,714,007.10			49,247.20						57,763,254.30	18,983,614.14

(3)Other Notes

Naught

4. Operating Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	33,455,791.84	11,132,664.03	940,995,898.09	178,192,594.93
Other operations		659,988.00		659,988.00
Total	33,455,791.84	11,792,652.03	940,995,898.09	178,852,582.93

Other notes:

Naught

5. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by cost method		448,375,302.27
Long-term equity investment income accounted by equity method	49,247.20	1,412,812.91
Total	49,247.20	449,788,115.18

6. Other

Not applicable

XVIII. Supplementary Materials

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

√ Applicable □ Not applicable

Unit: RMB

Item	Amount	Note
Gains/losses on the disposal of non-current assets	-46,286.30	
Other non-operating income and expense other than the above	1,268,102.88	
Less: Income tax effects	212,423.31	
Total	1,009,393.27	--

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

□ Applicable √ Not applicable

2. Return on Equity and Earnings Per Share

Profit as of Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to ordinary shareholders of the Company	2.80%	0.1392	0.1392
Net profit attributable to ordinary shareholders of the Company after	2.77%	0.1375	0.1375

deduction of non-recurring profit and loss			

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

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

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

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

Not applicable

4. Other

Naught