SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.

SEMI-ANNUAL REPORT 2016

16

August 2016

Section I Important Statements, Contents and Terms

The board of directors (the “Board”), the board of supervisors (the “Board of Supervisors”) as well as the directors, supervisors and senior management of Shenzhen Properties & Resources Development (Group) Ltd. (the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of the Report, and shall be jointly and severally liable for any false representation, misleading statements or material omissions in the Report.

All the directors attended the board meeting for the review of the Report.

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

Chen Yugang, head of the Company, Wang Hangjun, accounting head for the Report, and Shen Xueying, head of the accounting organ (head of accounting), hereby guarantee that the Financial Report carried in the Report is factual, accurate and complete.

The Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Contents

Section II Corporate Profile

I Corporate information

Stock name	SZPRD A, SZPRD B	Stock code	000011, 200011
Stock exchange	Shenzhen Stock Exchange		
Company name in Chinese	深圳市物业发展(集团)股份有限公司		
Abbr. (if any)	深物业集团		
Company name in English (if any)	ShenZhen Properties & Resources Development（Group） Ltd.		
Abbr. (if any)	SZPRD		
Legal representative	Chen Yugang		

II Contact information

	Board Secretary	Securities Representative
Name	Fan Weiping	Qian Zhong, Huang Fengchun
Address	42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China	42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China
Tel.	0755-82211020	0755-82211020
Fax	0755-82210610 82212043	0755-82210610 82212043
E-mail	000011touzizhe@szwuye.com.cn	000011touzizhe@szwuye.com.cn

III Other information

1. Ways to contact the Company

Did any change occur to the registered address, office address and their postal codes, website address and email address of the Company during the Reporting Period?

□ Applicable √ Not applicable

The registered address, office address and their postal codes, website address and email address of the Company did not change during the Reporting Period. The said information can be found in the 2015 Annual Report.

2. About information disclosure and the place where the Report is kept

Did any change occur to information disclosure media and the place where the Report is kept during the Reporting Period?

□ Applicable √ Not applicable

The newspapers designated by the Company for information disclosure, the website designated by the CSRC for disclosing the Report and the location where the Report is placed did not change during the Reporting Period. The said information can be found in the 2015 Annual Report.

3. Change of the registered information

Did any change occur to the registered information during the Reporting Period?

□ Applicable √ Not applicable

The registration date and place of the Company, its business license No., taxation registration No. and organizational code did not change during the Reporting Period. The said information can be found in the 2015 Annual Report.

Section III Highlights of Accounting Data and Financial Indicators

I Major accounting data and financial indicators

Whether the Company performs any retroactive adjustments to or restatements of its accounting data of last year due to change in accounting policies or correction of accounting errors

□ Yes √ No

	Reporting Period	Same period of last year	+/- (%)
Operating revenues (RMB)	372,057,479.96	338,761,310.39	9.83%
Net profit attributable to shareholders of the Company (RMB)	-5,248,704.63	31,162,831.74	-116.84%
Net profit attributable to shareholders of the Company after excluding exceptional profit and loss (RMB)	-5,865,281.91	26,946,876.19	-121.77%
Net cash flows from operating activities (RMB)	1,509,256,494.79	-221,909,180.93	780.12%
Basic earnings per share (RMB/share)	-0.0088	0.0523	-116.83%
Diluted earnings per share (RMB/share)	-0.0088	0.0523	-116.83%
Weighted average return on equity (%)	-0.25%	1.52%	-1.77%
	As at the end of the Reporting Period	As at the end of last year	+/- (%)
Total assets (RMB)	5,910,285,347.18	4,379,763,486.10	34.95%
Net assets attributable to shareholders of the Company (RMB)	2,047,980,551.38	2,099,906,766.61	-2.47%

II Differences in accounting data under domestic and overseas accounting standards

1. Differences in the net profit and the net assets disclosed in the financial reports prepared under international and Chinese accounting standards

□ Applicable √ Not applicable

No such differences for the Reporting Period.

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

□ Applicable √ Not applicable

No such differences for the Reporting Period.

III Exceptional profit and loss

√ Applicable □ Not applicable

Unit: RMB

Item	Reporting Period	Note
Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions)	-6,300.00	
Impairment provision reversal for accounts receivable on which the impairment test is carried out separately	11,729.17	
Non-operating income and expense other than the above	790,677.90	
Less: Corporate income tax	179,529.79	
Total	616,577.28	--

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

□ Applicable √ Not applicable

No such cases in the Reporting Period.

Section IV Report by the Board of Directors

I Overview

1. General performance

China's real estate market continued to heat up in the beginning of 2016 as it did in 2015. In the first quarter of the year, market expectations were great with accommodative policy and credit settings and property transactions went up steadily as a result, but some third-and-fourth-tier cities were still under great pressure of de-stocking. Since the second quarter, in order to prevent over-heat of property prices, Shanghai and Shenzhen has unveiled tightening measures. Meanwhile, some needs have been overdrawn in a market that has been active from the second half of last year. In addition, house prices are high in hotspot cities such as Suzhou and Dongguan. Consequently, the wait-and-see mood is growing in the market. Property sales in Shenzhen dropped slightly from the first quarter, slowing down the growth in the neighboring markets such as Dongguan and Huizhou.

In face of a complex environment, we put our annual targets at the heart of everything we did, strengthened management and implementation, seized opportunities in the market and accelerated progress on our major projects to ensure the achievement of our annual targets. For the first half of the year, we achieved operating revenues of RMB372.06 million.

2. Our real estate business

In the first half of 2016, our main business of real estate generated revenue of RMB101.95 million, up 17.32% year on year, mainly because Yangzhou Project Phase I started the move-in in June 2015 and 10,798 ㎡ was sold in the first half of 2016, while only 1,898 ㎡ of all of our real estate projects was sold in the same period of last year. Meanwhile, our sidelines such as property leasing, property management and auto transportation maintained steady development.

In the first half of the year, we mainly had three projects on the market, namely, Shenzhen Qianhai Gangwan Garden, Dongguan Songhu Langyuan and Yangzhou Hupan Yujing. Grasping opportunities arising from the radiation of growth from first-tier cities to second-and-third-tier cities, we drew up the best selling prices and strategies through many discussions, and the said three projects all yielded desired sales results. The Shenzhen Qianhai Gangwan Garden project was open for sale at the end of 2015 and had sold 471 units by June 2016, generating revenue of approximately RMB2.168 billion. For our projects outside Shenzhen (Yangzhou, Dongguan, etc.), we strengthened the marketing teams and market research and adopted integrated marketing measures in a timely, effective manner according to the characteristics of and changes in the local markets, which greatly boosted the sales of the projects. Concerning the project in Dongguan, the average price has risen from RMB6800/㎡ at the beginning of its sale to an amount over RMB10,000/㎡, and 1,166 units have been sold for a sales income of around RMB948 million. As for the project in Yangzhou, 271 units have been sold for about RMB0.4 billion.

3. Progress on our major projects

SZPRD-Hupan Yujing project (in Yangzhou): an investment of RMB63.86 million in the Reporting Period, and accumulative investments at RMB877.20 million. External decoration completed for Building No. 1, 2 and 3, other buildings going through internal and external decoration, and pre-sale license obtained for Building No. 8.

SZPRD-Banshan Yujing project (in Xuzhou): an investment of RMB18.65 million in the Reporting Period, and accumulative investments at RMB612.34 million. General construction and landscaping completed; and except for planning acceptance, other acceptances completed.

SZPRD-Songhu Langyuan project (in Dongguan): an investment of RMB62.87 million in the Reporting Period, and accumulative investments at RMB667.21 million. 95% completed for internal and external decoration; 85% completed for mechanical and electrical installation; and 88% completed for landscaping.

SZPRD-Qianhai Gangwan Garden project: an investment of RMB86.69 million in the Reporting Period, and accumulative investments at RMB563.05 million. 91% completed for external decoration and mechanical & electrical installation; 79% completed for internal decoration; and 44% completed for landscaping.

SZPRD-Golden Collar's Holiday project: an investment of RMB19.44 million in the Reporting Period, and accumulative investments at RMB175.56 million. Flooring for basements ongoing; and 4% completed for the main structure.

II Analysis of main business

YoY movements in major financial data

Unit: RMB

	Reporting Period	Same period of last year	YoY +/-%	Main reason for movement
Operating revenues	372,057,479.96	338,761,310.39	9.83%	
Operating costs	295,007,821.86	199,054,160.59	48.20%	Increased sold area
Selling expenses	16,539,759.59	12,658,266.69	30.66%	Increase in advertising expenses and the like for strengthening sales promotion
Administrative expenses	44,572,155.45	48,330,181.70	-7.78%	
Finance costs	-7,038,438.94	-4,714,375.50	49.30%	Increase in interest income
Corporate income tax	2,611,980.49	11,362,044.97	-77.01%	Decreased profit
Net cash flows from operating activities	1,509,256,494.79	-221,909,180.93	780.12%	Increase in property sales income
Net cash flows from investing activities	-1,245,993.48	-7,669,730.46	-83.75%	Net outflows decreased mainly due to the decrease in the taxi renewal expenses of the subsidiary
Net cash flows from financing activities	-326,276,049.87	-96,151,660.47	239.33%	Less loans secured and more loans repaid
Net increase in cash and cash equivalents	1,182,718,159.91	-325,965,954.84	462.83%	Increase in property sales income
Business tax and surtaxes	23,744,962.40	46,781,146.09	-49.24%	Decrease in land VAT due to a decreased average gross profit margin for projects in different cities
Asset impairment loss	3,810,897.96	357,797.60	965.10%	Provision for falling prices of the SZPRD-Hupan Yujing

				Phase II project in the Reporting Period
Return on investment	1,158,576.32	6,767,542.26	-82.88%	Earnings on disposal of available-for-sale financial assets, etc. in the same period of last year
Net profit attributable to owners of the Company	-5,248,704.63	31,162,831.74	-116.84%	Greatly different gross profit margins for projects in different cities

Major changes to the profit structure or sources of the Company in the Reporting Period:

□ Applicable √ Not applicable

No such cases in the Reporting Period.

Reporting Period progress of the future development planning in the disclosed documents of the Company such as share-soliciting prospectuses, offering prospectuses, asset reorganization reports, etc.:

□ Applicable √ Not applicable

No such cases in the Reporting Period.

Review the progress of the previously disclosed business plan in the Reporting Period:

Not applicable

III Breakdown of main business

Unit: RMB

	Operating revenue	Operating cost	Gross profit margin	Operating revenue: YoY +/-%	Operating cost: YoY +/-%	Gross profit margin: YoY +/-%
By business segment						
Real estate development	101,946,400.67	96,718,311.22	5.13%	17.32%	424.24%	-73.64%
Property leasing	37,319,562.60	7,437,378.02	80.07%	5.39%	-11.56%	3.82%
Property management	160,630,495.16	152,040,225.20	5.35%	7.28%	11.65%	-3.71%
Passenger transportation	29,370,584.42	16,135,517.42	45.06%	-1.19%	20.45%	-9.87%
Catering service	11,632,035.39	9,986,071.96	14.15%	-0.02%	4.66%	-3.84%
Others	31,158,401.72	12,690,318.04	59.27%	22.85%	-3.02%	10.87%
By product						
Property for sale	101,946,400.67	96,718,311.22	5.13%	17.32%	424.24%	-73.64%
Property for	37,319,562.60	7,437,378.02	80.07%	5.39%	-11.56%	3.82%

leasing						
Property management service	160,630,495.16	152,040,225.20	5.35%	7.28%	11.65%	-3.71%
Passenger transportation service	29,370,584.42	16,135,517.42	45.06%	-1.19%	20.45%	-9.87%
Catering service	11,632,035.39	9,986,071.96	14.15%	-0.02%	4.66%	-3.84%
Others	31,158,401.72	12,690,318.04	59.27%	22.85%	-3.02%	10.87%
By geographical segment						
Shenzhen	164,781,760.26	101,558,442.04	38.37%	-34.50%	-18.63%	-12.02%
Outside Shenzhen	207,275,719.70	193,449,379.82	6.67%	137.76%	160.58%	-8.17%

IV Core competitiveness analysis

Shenzhen has enjoyed a booming real estate market since 2015. Our finances are in good shape for our SZPRD-Qianhai Gangwan Garden and SZPRD-Songhu Langyuan projects, respectively located in Shenzhen and Dongguan, have yielded more economic benefits than expected and our SZPRD-Hupan Yujing project in Yangzhou is selling well. We also have the SZPRD-Golden Collar’s Holiday project under construction in the core of Shenzhen, which together with the aforesaid projects would generate considerable revenue over RMB10 billion, laying a solid foundation for our subsequent growth. Meanwhile, upon years of experience in developing local and non-local real estate projects, as well as the formulation and implementation of new mechanisms and rules, our real estate development and management capability keeps improving. In addition, as for our sidelines of property management, taxi service, etc., we also keep reforming the businesses, introducing new thinking in operation and increasing our competitiveness.

V Investment analysis

1. Investments in equities of external parties

(1) Investments in external parties

□ Applicable √ Not applicable

No such cases in the Reporting Period.

(2) Equity-holdings in financial enterprises

□ Applicable √ Not applicable

No such cases in the Reporting Period.

(3) Securities investments

□ Applicable √ Not applicable

No such cases in the Reporting Period.

(4) Shareholdings in other listed companies

√ Applicable □ Not applicable

Our shareholdings in other listed companies:

Stock code	Stock name	Initial investment cost (RMB)	Shareholding (share)	Closing book value (RMB)	Profit/loss in the Reporting Period (RMB)	Change in owner's equity in the Reporting Period	Accounting title	Stock source
400016	Gintian A	3,103,315.60	1,484,840	3,103,315.60			Available-for-sale financial asset	Obtained in debt restructuring
420016	Gintian B	465,105.68	447,217	465,105.68			Available-for-sale financial asset	Obtained in debt restructuring
Total		3,568,421.28	-	3,568,421.28	0.00	0.00		

2. Cash management entrustment, derivative financial instrument investments and entrusted loans

(1) Cash management entrustment

□ Applicable √ Not applicable

No such cases in the Reporting Period.

(2) Derivative financial instrument investments

□ Applicable √ Not applicable

No such cases in the Reporting Period.

(3) Entrusted loans

□ Applicable √ Not applicable

No such cases in the Reporting Period.

3. Use of raised funds

□ Applicable √ Not applicable

No such cases in the Reporting Period.

4. Main controlled and joint stock companies

√ Applicable □ Not applicable

Main controlled and joint stock companies:

Unit: RMB

Company name	Relationship with the Company	Industry	Main products/services	Registered capital	Total assets	Net assets	Operating revenues	Operating profit	Net profit
Shenzhen Huangcheng Real Estate Co., Ltd.	Subsidiary	Real estate	Real estate development	30,000,000.00	1,963,132,954.43	856,344,900.86	25,642,977.21	-8,098,807.07	-6,145,204.92
SZPRD Real Estate Development Co., Ltd.	Subsidiary	Real estate	Real estate development	30,950,000.00	98,323,354.79	67,392,725.48	218,570.57	2,072,912.66	1,544,847.97
Shenzhen International Trade Center Car Industry Co., Ltd.	Subsidiary	Motor passenger transportation	Motor passenger transportation	29,850,000.00	455,220,513.00	228,060,722.02	22,443,055.29	4,935,339.98	3,757,055.56
Shenzhen International Trade Center Property Management Co., Ltd.	Subsidiary	Property management and leasing	Property management and leasing	20,000,000.00	290,210,007.55	95,035,699.71	171,889,179.09	11,003,036.04	7,550,678.34
SZPRD Yangzhou Real Estate Development Co., Ltd.	Subsidiary	Real estate	Real estate development	50,000,000.00	735,538,245.82	15,844,734.82	101,946,400.67	-7,856,848.07	-7,786,848.07
Dongguan ITC Changsheng Real Estate Development Co., Ltd.	Subsidiary	Real estate	Real estate development	20,000,000.00	1,543,892,237.63	-12,292,345.66	0.00	-1,314,034.98	-888,645.87
SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd.	Subsidiary	Real estate	Real estate development	50,000,000.00	517,637,357.11	-94,316,036.67	0.00	-1,270,779.03	-1,270,779.03

5. Significant projects invested with non-raised funds

√ Applicable □ Not applicable

Unit: RMB'0,000

Project name	Total planned investment	Investment in the Reporting Period	Cumulative actual investment up to the period-end	Project progress	Project earnings	Disclosure date (if any)	Index to disclosed information (if any)
SZPRD-Hupan Yujing Phase I and II	108,913	6,386	87,720				
SZPRD-Banshan Yujing Phase I and II	84,000	1,865	61,234				
SZPRD-Songhu Langyuan	89,523	6,287	66,721				
SZPRD-Qianhai Gangwan Garden	79,920	8,669	56,305				
SZPRD-Golden Collar's Holiday	152,140	1,944	17,556				
Total	514,496	25,151	289,536	--	--	--	--

VI Performance forecast for January-September 2016

Warning of possible loss or considerable YoY movement in the accumulated net profit made during the period-beginning to the end of the next Reporting Period, as well as the reasons

√ Applicable □ Not applicable

Forecast: Considerable decrease at the same direction

Type of the forecast data: exact data

	January-September 2016	January-September 2015	+/- (%)	
Forecast accumulative net profit (RMB'0,000)	-900	4,646	Down	-119.37%
Basic earnings per share (RMB/share)	-0.0151	0.0779	Down	-119.37%
Notes to the forecast	Reason for the forecast considerable fluctuation of our business results: The average gross profit margin for all our sold projects in different cities would decrease considerably on a year-on-year basis. The forecast above is just a preliminary estimate we provide according to the current sales of our real estate projects. Investors are kindly reminded to note that our actual earnings for January-September 2016 shall be subject to the data to be disclosed in our report on the third quarter			

	of 2016.

VII Explanation of the Board of Directors and the Board of Supervisors on the "non-standard" auditor's report issued by the CPAs firm for the Reporting Period

□Applicable √ Not applicable

VIII Explanation of the Board of Directors on the issues mentioned in the "non-standard" auditor's report issued by the CPAs firm for last year

□Applicable √ Not applicable

IX Profit distribution in the Reporting Period

Profit distribution plan implemented in the Reporting Period, especially execution and adjustment of any cash dividend plan and any plan for converting capital reserve into share capital

√ Applicable □ Not applicable

On 22 April 2016, the Plan for Profit Distribution 2015 was considered and approved at the 2015 Annual General Meeting. The implementation plan was disclosed on 16 May 2016. According to the said plan, with 23 May 2016 as the book closure day, we entrusted the Shenzhen branch of China Securities Depository and Clearing Co., Ltd. to transfer the cash dividends for our A-shareholders to their capital accounts through their custodian securities companies (or other custodian entities) on 24 May 2016, and to transfer the cash dividends for our B-shareholders to their capital accounts through their custodian securities companies or custodian banks on 26 May 2016.

For the detailed implementation plan, please refer to the Announcement No. 2016-14 on Implementation of the Plan for Profit Distribution 2015 disclosed on Securities Times, Ta Kung Pao and http//www.cninfo.com.cn dated 16 May 2016.

Special statement about the cash dividend policy	
In compliance with the Company's Articles of Association and the resolution of the general meeting	Yes
Specific and clear dividend standard and ratio	Yes
Complete decision-making procedure and mechanism	Yes
Independent directors fulfilled their responsibilities and played their due role.	Yes
Minority shareholders have the chance to fully express their opinion and desire and their legal rights and interests were fully protected.	Yes
In adjustment or alteration of the cash dividend policy, the conditions and procedure were in compliance with regulations and transparent.	N/A

X Preliminary plan for profit distribution and converting capital reserve into share capital for the Reporting Period

□ Applicable √ Not applicable

The Company plans not to distribute cash dividends or bonus shares or convert capital reserve into share capital for the first half of the year.

XI Visits paid to the Company for purposes of research, communication, interview, etc.

√ Applicable □ Not applicable

Date of visit	Place of meeting	Way of visit	Type of visitor	Visitor	Main discussion and materials provided by the Company
2016-04-15	Office of the Company	By phone	Individual	Investor	Implementation dates for profit distribution
2016-05-25	Office of the Company	By phone	Individual	Investor	Sales status of our SZPRD-Qianhai Gangwan Garden project
2016-06-13	Office of the Company	By phone	Individual	Investor	When the SZPRD-Golden Collar's Holiday project would be open for sale, etc.

Section V Significant Events

I. Corporate governance

There is not discrepancy between the corporate governance and Company Law, relevant regulations of CSRC.

II. Lawsuits or arbitrations

Significant lawsuits or arbitrations

□ Applicable √ Not applicable

No such cases in the Reporting Period.

Other lawsuits or arbitrations

□ Applicable √ Not applicable

III. Media's queries

□ Applicable √ Not applicable

No such cases in the Reporting Period.

IV. Bankruptcy and reorganization

□ Applicable √ Not applicable

Bankruptcy and reorganization did not occur to the Company in the Reporting Period.

V. Asset transactions

1. Purchase of assets

□ Applicable √ Not applicable

No such cases in the Reporting Period.

2. Sale of assets

□ Applicable √ Not applicable

No such cases in the Reporting Period.

3. Business combination

□ Applicable √ Not applicable

No such cases in the Reporting Period.

VI. Implementation of equity incentive and its influence

□ Applicable √ Not applicable

The Company did not make or carry out any equity incentive plan during the Reporting Period.

VII. Significant related-party transactions

1. Related-party transactions concerning routine operation

□ Applicable √ Not applicable

No such cases in the Reporting Period.

2. Related-party transactions arising from asset acquisition or sale

□ Applicable √ Not applicable

No such cases in the Reporting Period.

3. Significant related-party transactions arising from joint investment in external parties

□ Applicable √ Not applicable

No such cases in the Reporting Period.

4. Credits and liabilities with related parties

√ Applicable □ Not applicable

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

√ Yes □ No

The credits and liabilities with related parties' receivable:

Related party	Relationship	Reason	Non-operating capital occupation or not?	Opening balance (RMB'0,000)	Newly increase amount in Reporting Period (RMB'0,000)	Amount received in Reporting Period (RMB'0,000)	Rate	Interest in Reporting Period (RMB'0,000)	Closing balance (RMB'0,000)
Anhui Nanpeng Papermaking Co., Ltd	The Company held a 30% stake in it.	Working funds	No	805					831
Shenzhen Wufang Pottery &	The Company held a 26%	Working funds	No	175					175

Porcelain Industrial Co., Ltd	stake in it.								
Shenzhen Guest House Co., Ltd.	Under the same control of the parent company of the Company	Intra-Group funds	No	91					91
Influence of the credits and liabilities with related parties on the Company's operating results and financial situation		All under the risk control of the Company and will not affect the Company's operating results and financial situation							

The credits and liabilities with related parties' payable:

Related party	Relationship	Reason	Opening balance (RMB'0,000)	Newly increase amount in Reporting Period (RMB'0,000)	Amount returned in Reporting Period (RMB'0,000)	Rate	Interest in Reporting Period (RMB'0,000)	Closing balance (RMB'0,000)
SZPRD Jifa Warehouse Co., Ltd	Joint venture of the Company	Intra-Group funds	2,630					2,630
Shenzhen Tian'an International Building Property Management Co., Ltd	Joint venture of the Company	Intra-Group funds	521					521
Influence of the credits and liabilities with related parties on the Company's operating results and financial situation		All under the risk control of the Company and will not affect the Company's operating results and financial situation						

5. Other significant related-party transactions

□ Applicable √ Not applicable

No other significant related-party transactions occurred to the Company during the Reporting Period.

VIII. Particulars about the non-operating occupation of funds by the controlling shareholder and other related parties of the Company

□ Applicable √ Not applicable

The Company was not involved in the non-operating occupation of funds by the controlling shareholder and other related parties during the Reporting Period.

IX. Particulars about significant contracts and their fulfillment

1. Particulars about trusteeship, contract and lease

(1) Trusteeship

□ Applicable √ Not applicable

There was no any trusteeship of the Company in the Reporting Period.

(2) Contract

□ Applicable √ Not applicable

There was no any contract of the Company in the Reporting Period.

(3) Lease

□ Applicable √ Not applicable

There was no any lease of the Company in the Reporting Period.

2. Guarantees provided by the Company

□ Applicable √ Not applicable

There was no any guarantee provided by the Company in the Reporting Period.

3. Other significant contracts

□ Applicable √ Not applicable

No such cases in the Reporting Period.

4. Other significant transactions

□ Applicable √ Not applicable

No such cases in the Reporting Period.

X. Commitments made by the Company or any shareholder holding over 5% of the Company's shares in the Reporting Period or such commitments carried down into the Reporting Period

□ Applicable √ Not applicable

No such commitments in the Reporting Period.

XI. Engagement and disengagement of the CPAs firm

Has the semi-annual financial report been audited?

□ Yes √ No

The semi-annual financial report had not been audited.

XII. Punishments and rectifications

□ Applicable √ Not applicable

No punishments or rectifications in the Reporting Period.

XIII. Delisting risk due to violation of any law or regulation

□ Applicable √ Not applicable

No such risk in the Reporting Period.

XIV. Other significant events

□ Applicable √ Not applicable

No other significant event in the Reporting Period that needs to be explained.

XV. Related situation of the corporate bonds

Whether there was any public issuance of the corporate bonds which listed on the securities exchange that had not due on the approved presentation date of the half-annual report or failed to pay in full amount.

No

Section VI Share Changes and Shareholders' Profile

I. Change in shares

Reasons for changes in shares

□ Applicable √ Not applicable

Approval of share changes

□ Applicable √ Not applicable

Transfer of share ownership

□ Applicable √ Not applicable

Effects of changes in shares on the basic EPS, diluted EPS, net assets per share attributable to common shareholders of the Company and other financial indexes over the last year and the last Reporting Period

□ Applicable √ Not applicable

Other contents that the Company considers necessary or is required by the securities regulatory authorities to disclose

□ Applicable √ Not applicable

Change of the total shares, shareholder structure, asset structure and liability structure

□ Applicable √ Not applicable

II. Total number of shareholders and their shareholdings

Unit: Share

Total number of common shareholders at the end of the Reporting Period			44,723	Total number of preferred share holders who had resumed their voting right at the end of the Reporting Period (if any) (see note 8)				0
Shareholdings of common shareholders holding more than 5% shares or top 10 common shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of common shares held at the end of the Reporting Period	Increase/decrease of shares during the Reporting Period	Number of restricted common shares held	Number of non-restricted common shares held	Pledged or frozen shares	
							Status of shares	Number of shares
SHENZHEN CONSTRUCTION INVESTMENT HOLDINGS	State-owned corporation	54.33%	323,796,324		293,997,370	29,798,954		

CORPORATION								
SHENZHEN INVESTMENT MANAGEMENT CORPORATION	State-owned corporation	9.49%	56,582,573		56,582,573			
ZHOU QUN	Domestic individual	0.44%	2,638,150					
DU XINYE	Domestic individual	0.43%	2,525,800					
DU YUNFENG	Domestic individual	0.40%	2,283,800					
SHENZHEN DUTY-FREE COMMODITY ENTERPRISES CO., LTD.	Domestic non-state-owned corporation	0.29%	1,730,300		1,730,300			
MAI FURONG	Foreign individual	0.27%	1,514,600					
SHENZHEN SONGKAI EQUIPMENT CO., LTD.	Domestic non-state-owned corporation	0.22%	1,315,500					
YANG YAOCHU	Domestic individual	0.21%	1,270,620					
CHEN LIYING	Domestic individual	0.18%	1,076,051					
Explanation on associated relationship or/and persons acting in concert among the above-mentioned shareholders:	The first and second biggest shareholders of the Company are under Shenzhen Investment Holding Corporation, the actual controlling shareholder of the Company. Other than that, it is unknown whether the remaining 8 shareholders are related parties or act-in-concert parties or not.							

Shareholdings of the top ten common shareholders holding non-restricted shares			
Name of shareholder	Number of non-restricted common shares held at the period-end	Type of shares	
		Type	Number
SHENZHEN CONSTRUCTION INVESTMENT HOLDINGS CORPORATION	29,798,954	RMB ordinary share	29,798,954
ZHOU QUN	2,638,150	RMB ordinary share	2,638,150

DU XINYE	2,525,800	RMB ordinary share	2,525,800
DU YUNFENG	2,283,800	RMB ordinary share	2,283,800
MAI FURONG	1,514,600	Domestically listed foreign share	1,514,600
SHENZHEN SONGKAI EQUIPMENT CO., LTD.	1,315,500	RMB ordinary share	1,315,500
YANG YAOCHU	1,270,620	Domestically listed foreign share	1,270,620
CHEN LIYING	1,076,051	Domestically listed foreign share	1,076,051
CAO YIFAN	830,000	Domestically listed foreign share	830,000
ZHANG SHAOMING	737,700	RMB ordinary share	737,700
Explanation on associated relationship or/and persons acting in concert among the top ten non-restricted common shareholders and between the top ten non-restricted common shareholders and the top ten common shareholders	The first and second biggest shareholders of the Company are under Shenzhen Investment Holding Corporation, the actual controlling shareholder of the Company. Other than that, it is unknown whether the remaining 8 shareholders are related parties or act-in-concert parties or not.		
Particular about shareholder participate in the securities lending and borrowing business (if any) (note 4)	Zhou Qun, Du Xinye and Du Yunfeng hold the shares in their credit accounts.		

Did any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conduct any promissory repo during the Reporting Period?

□ Yea √ No

No such cases in the Reporting Period.

III. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the Reporting Period

□ Applicable √ Not applicable

The controlling shareholder of the Company did not change in the Reporting Period.

Change of the actual controller in the Reporting Period

□ Applicable √ Not applicable

The actual controller of the Company did not change in the Reporting Period.

IV. Any shareholding increase plan proposed or implemented by any shareholder or its act-in-concert party during the Reporting Period

□ Applicable √ Not applicable

To the best knowledge of the Company, no shareholder or its act-in-concert party proposed or implemented any shareholding increase plan during the Reporting Period.

Section VII Preference Shares

□ Applicable √ Not applicable

No preference shares in the Reporting Period.

Section VIII Directors, Supervisors & Senior Management Staff

I. Change of shareholdings of Directors, Supervisors and Senior Management Staff

□ Applicable √ Not applicable

There was no change in the shareholdings of Directors, Supervisors and Senior Management Staff in the Reporting Period. For details, please refer to the 2015 Annual Report.

II. Change of Directors, Supervisors and Senior Management Staff

□ Applicable √ Not applicable

There was no change of the Directors, Supervisors and Senior Management Staff. For details, please refer to the 2015 Annual Report.

Section IX Financial Report

I. Audit report

Has this semi-annual report been audited?

□ Yes √ No

The semi-annual financial report has not been audited.

II. Financial statements

Currency unit for the statements in the notes to these financial statements: RMB

1. Consolidated balance sheet

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

30 June 2016

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	2,128,458,135.68	945,739,975.77
Settlement reserves		
Intra-group lendings		
Financial assets measured at fair value of which changes are recorded in current profits and losses		
Derivative financial assets		
Notes receivable		
Accounts receivable	40,962,133.32	38,772,146.41
Accounts paid in advance	193,415,543.75	28,415,733.43
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable		
Dividend receivable		
Other accounts receivable	13,724,081.63	11,619,503.47
Financial assets purchased under		

agreements to resell		
Inventories	2,602,147,091.53	2,466,342,278.85
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	174,382,120.00	174,382,120.00
Total current assets	5,153,089,105.91	3,665,271,757.93
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	18,068,421.28	14,500,000.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	35,684,753.73	34,526,177.41
Investing real estate	229,265,743.99	237,260,788.82
Fixed assets	78,626,061.41	85,929,516.37
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	89,063,832.47	92,640,083.99
R&D expense		
Goodwill		
Long-term deferred expenses	1,760,556.59	2,024,722.07
Deferred income tax assets	297,451,802.80	240,335,370.51
Other non-current assets	7,275,069.00	7,275,069.00
Total of non-current assets	757,196,241.27	714,491,728.17
Total assets	5,910,285,347.18	4,379,763,486.10
Current liabilities:		
Short-term borrowings		8,000,000.00
Borrowings from the Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Financial liabilities measured at fair		

value of which changes are recorded in current profits and losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	183,713,716.76	191,524,938.54
Accounts received in advance	2,606,286,303.68	652,369,778.20
Financial assets sold and repurchased		
Handling charges and commissions payable		
Payroll payable	50,688,216.71	63,791,816.49
Tax payable	753,528,090.51	833,797,372.43
Interest payable		479,413.09
Dividend payable		
Other accounts payable	131,817,842.77	128,243,079.68
Reinsurance premiums payable		
Insurance contract reserves		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within 1 year		121,243,352.00
Other current liabilities		
Total current liabilities	3,726,034,170.43	1,999,449,750.43
Non-current liabilities:		
Long-term borrowings		144,840,006.83
Bonds payable		
Of which: preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities	834,999.50	834,999.50
Deferred income	17,726,018.23	19,072,625.05

Deferred income tax liabilities	19,014.31	23,985.24
Other non-current liabilities	116,828,506.27	114,773,265.38
Total non-current liabilities	135,408,538.31	279,544,882.00
Total liabilities	3,861,442,708.74	2,278,994,632.43
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Of which: preference shares		
Perpetual bonds		
Capital reserves	119,951,533.93	119,951,533.93
Less: Treasury stock		
Other comprehensive income	-3,045,786.70	-4,046,603.46
Specific reserves		
Surplus reserves	154,664,631.59	154,664,631.59
Provisions for general risks		
Retained profits	1,180,431,080.56	1,233,358,112.55
Total equity attributable to owners of the Company	2,047,980,551.38	2,099,906,766.61
Minority interests	862,087.06	862,087.06
Total owners' equity	2,048,842,638.44	2,100,768,853.67
Total liabilities and owners' equity	5,910,285,347.18	4,379,763,486.10

Legal representative: Chen Yugang Person-in-charge of the accounting work: Wang Hangjun

Chief of the accounting division: Shen Xueying

2. Balance sheet of the Company

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	916,436,536.69	296,196,656.86
Financial assets measured at fair value of which changes are recorded in current profits and losses		
Derivative financial assets		
Notes receivable		

Accounts receivable	3,604,627.14	979,569.49
Accounts paid in advance	109,881,588.42	
Interest receivable		
Dividend receivable		
Other accounts receivable	1,643,273,514.29	1,766,392,354.21
Inventories	616,590,937.34	530,588,344.24
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	174,382,120.00	174,382,120.00
Total current assets	3,464,169,323.88	2,768,539,044.80
Non-current assets:		
Available-for-sale financial assets	3,798,921.28	230,500.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	282,242,014.71	281,083,438.39
Investing real estate	151,881,941.45	157,390,561.34
Fixed assets	9,233,472.73	9,828,388.19
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets		
R&D expense		
Goodwill		
Long-term deferred expenses	1,210,833.27	1,297,321.41
Deferred income tax assets	87,653,476.09	29,561,006.63
Other non-current assets		
Total of non-current assets	536,020,659.53	479,391,215.96
Total assets	4,000,189,983.41	3,247,930,260.76
Current liabilities:		
Short-term borrowings		
Financial liabilities measured at fair value of which changes are recorded in current profits and losses		

Derivative financial liabilities		
Notes payable		
Accounts payable	27,046,212.13	25,436,021.13
Accounts received in advance	1,650,908,603.85	311,717,646.30
Payroll payable	9,309,755.32	11,467,533.06
Tax payable	57,873,161.20	62,939,128.44
Interest payable		858,385.21
Dividend payable		
Other accounts payable	1,029,986,543.89	1,163,240,004.88
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	2,775,124,276.39	1,575,658,719.02
Non-current liabilities:		
Long-term borrowings		404,840,006.83
Bonds payable		
Of which: preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities	834,999.50	834,999.50
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	834,999.50	405,675,006.33
Total liabilities	2,775,959,275.89	1,981,333,725.35
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Of which: preference shares		
Perpetual bonds		
Capital reserves	94,057,859.68	94,057,859.68

Less: Treasury stock		
Other comprehensive income		
Specific reserves		
Surplus reserves	154,007,821.15	154,007,821.15
Retained profits	380,185,934.69	422,551,762.58
Total owners' equity	1,224,230,707.52	1,266,596,535.41
Total liabilities and owners' equity	4,000,189,983.41	3,247,930,260.76

3. Consolidated income statement

Unit: RMB

Item	Reporting Period	Same period of last year
I. Operating revenues	372,057,479.96	338,761,310.39
Including: Sales income	372,057,479.96	338,761,310.39
Interest income		
Premium income		
Handling charge and commission income		
II. Operating costs	376,637,158.32	302,467,177.17
Including: Cost of sales	295,007,821.86	199,054,160.59
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	23,744,962.40	46,781,146.09
Selling and distribution expenses	16,539,759.59	12,658,266.69
Administrative expenses	44,572,155.45	48,330,181.70
Financial expenses	-7,038,438.94	-4,714,375.50
Asset impairment loss	3,810,897.96	357,797.60
Add: Gain/(loss) from change in fair value ("-" means loss)		

Gain/(loss) from investment ("-" means loss)	1,158,576.32	6,767,542.26
Including: share of profits in associates and joint ventures	1,158,576.32	666,409.17
Foreign exchange gains ("-" means loss)		
III. Business profit ("-" means loss)	-3,421,102.04	43,061,675.48
Add: non-operating income	1,083,100.40	561,079.38
Including: Gains on disposal of non-current assets		
Less: non-operating expense	298,722.50	1,097,878.15
Including: Losses on disposal of non-current assets	6,300.00	426,921.60
IV. Total profit ("-" means loss)	-2,636,724.14	42,524,876.71
Less: Income tax expense	2,611,980.49	11,362,044.97
V. Net profit ("-" means loss)	-5,248,704.63	31,162,831.74
Net profit attributable to owners of the Company	-5,248,704.63	31,162,831.74
Minority shareholders' income		
VI. After-tax net amount of other comprehensive incomes	1,000,816.76	-2,950,901.16
After-tax net amount of other comprehensive incomes attributable to owners of the Company	1,000,816.76	-2,950,901.16
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses	1,000,816.76	-2,950,901.16
1. Enjoyable shares in other comprehensive incomes in investees that		

will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		-2,933,175.45
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference	1,000,816.76	-17,725.71
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders		
VII. Total comprehensive incomes	-4,247,887.87	28,211,930.58
Attributable to owners of the Company	-4,247,887.87	28,211,930.58
Attributable to minority shareholders		
VIII. Earnings per share		
(I) Basic earnings per share	-0.0088	0.0523
(II) Diluted earnings per share	-0.0088	0.0523

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: Chen Yugang Person-in-charge of the accounting work: Wang Hangjun

Chief of the accounting division: Shen Xueying

4. Income statement of the Company

Unit: RMB

Item	Reporting Period	Same period of last year
I. Total sales	32,157,014.88	29,852,953.97
Less: cost of sales	7,594,195.01	8,215,152.66
Business taxes and surcharges	2,899,233.08	4,150,101.48

Distribution expenses	6,136,543.02	
Administrative expenses	14,880,235.70	19,815,940.03
Financial costs	-4,131,129.54	-2,306,571.44
Impairment loss	-1,191,328.44	-616,823.91
Add: gain/(loss) from change in fair value ("-" means loss)		
Gain/(loss) from investment ("-" means loss)	1,158,576.32	6,600,847.72
Including: income form investment on associates and joint ventures	1,158,576.32	666,409.17
II. Business profit ("-" means loss)	7,127,842.37	7,196,002.87
Add: non-operating income	437,769.89	15,814.45
Including: Gains on disposal of non-current assets		
Less: non-operating expense	19,444.98	466,563.12
Including: Losses on disposal of non-current assets		82,007.63
III. Total profit ("-" means loss)	7,546,167.28	6,745,254.20
Less: Income tax expense	2,233,667.81	1,373,908.21
IV. Net profit ("-" means loss)	5,312,499.47	5,371,345.99
V. After-tax net amount of other comprehensive incomes		-2,933,175.45
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses		-2,933,175.45
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and		

losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		-2,933,175.45
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
6. Other		
VI. Total comprehensive incomes	5,312,499.47	2,438,170.54
VII. Earnings per share		
(I) Basic earnings per share	0.0089	0.0090
(II) Diluted earnings per share	0.0089	0.0090

5. Consolidated cash flow statement

Unit: RMB

Item	Reporting Period	Same period of last year
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	2,343,478,998.38	460,272,796.97
Net increase of deposits from customers and dues from banks		
Net increase of loans from the central bank		
Net increase of funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase of deposits of policy holders and investment fund		
Net increase of disposal of financial assets measured at fair value of which		

changes are recorded into current gains and losses		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received		
Other cash received relating to operating activities	21,560,365.45	8,644,723.51
Subtotal of cash inflows from operating activities	2,365,039,363.83	468,917,520.48
Cash paid for goods and services	310,221,091.98	279,997,430.62
Net increase of customer lendings and advances		
Net increase of funds deposited in the central bank and amount due from banks		
Cash for paying claims of the original insurance contracts		
Cash for paying interest, handling charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	171,546,331.67	160,964,525.60
Various taxes paid	336,887,702.10	205,830,929.07
Other cash payment relating to operating activities	37,127,743.29	44,033,816.12
Subtotal of cash outflows from operating activities	855,782,869.04	690,826,701.41
Net cash flows from operating activities	1,509,256,494.79	-221,909,180.93
II. Cash flows from investing activities:		
Cash received from withdrawal of investments		6,511,297.75
Cash received from return on investments		580,374.89
Net cash received from disposal of fixed assets, intangible assets and other	132,000.00	605,705.00

long-term assets		
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	132,000.00	7,697,377.64
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,377,993.48	15,367,108.10
Cash paid for investment		
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	1,377,993.48	15,367,108.10
Net cash flows from investing activities	-1,245,993.48	-7,669,730.46
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings	15,441,282.23	126,303,000.00
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	15,441,282.23	126,303,000.00
Repayment of borrowings	289,524,641.06	85,000,000.00
Cash paid for interest expenses and distribution of dividends or profit	52,096,691.04	137,350,160.47
Including: dividends or profit paid by subsidiaries to minority shareholders		

Other cash payments relating to financing activities	96,000.00	104,500.00
Sub-total of cash outflows from financing activities	341,717,332.10	222,454,660.47
Net cash flows from financing activities	-326,276,049.87	-96,151,660.47
IV. Effect of foreign exchange rate changes on cash and cash equivalents	983,708.47	-235,382.98
V. Net increase in cash and cash equivalents	1,182,718,159.91	-325,965,954.84
Add: Opening balance of cash and cash equivalents	933,337,815.77	808,963,376.68
VI. Closing balance of cash and cash equivalents	2,116,055,975.68	482,997,421.84

6. Cash flow statement of the Company

Unit: RMB

Item	Reporting Period	Same period of last year
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,367,709,105.57	28,663,455.97
Tax refunds received		
Other cash received relating to operating activities	396,680,197.27	224,852,837.51
Subtotal of cash inflows from operating activities	1,764,389,302.84	253,516,293.48
Cash paid for goods and services	76,068,523.48	54,228,447.00
Cash paid to and for employees	11,613,157.13	10,672,508.89
Various taxes paid	180,302,568.05	49,447,323.75
Other cash payment relating to operating activities	414,343,352.68	269,534,102.88
Subtotal of cash outflows from operating activities	682,327,601.34	383,882,382.52
Net cash flows from operating activities	1,082,061,701.50	-130,366,089.04
II. Cash flows from investing activities:		
Cash received from withdrawal of investments		6,511,297.75
Cash received from return on		580,374.89

investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		260.00
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities		7,091,932.64
Cash paid to acquire fixed assets, intangible assets and other long-term assets	15,072.00	31,074.00
Cash paid for investment		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	15,072.00	31,074.00
Net cash flows from investing activities	-15,072.00	7,060,858.64
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings	15,441,282.23	58,303,000.00
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	15,441,282.23	58,303,000.00
Repayment of borrowings	422,491,189.06	
Cash paid for interest expenses and distribution of dividends or profit	54,721,045.91	139,703,417.96
Other cash payments relating to financing activities		
Sub-total of cash outflows from	477,212,234.97	139,703,417.96

financing activities		
Net cash flows from financing activities	-461,770,952.74	-81,400,417.96
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-35,796.93	-217,671.81
V. Net increase in cash and cash equivalents	620,239,879.83	-204,923,320.17
Add: Opening balance of cash and cash equivalents	296,196,656.86	338,036,109.52
VI. Closing balance of cash and cash equivalents	916,436,536.69	133,112,789.35

7. Consolidated Statement of Changes in Owners' Equity

Reporting Period

Unit: RMB

Item	Reporting Period												
	Equity attributable to owners of the Company											Minority interests	Total owners' equity
	Share capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Other	Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	General risk reserve	Retained profit		
I. Balance at the end of the previous year	595,979,092.00				119,951,533.93		-4,046,603.46		154,664,631.59		1,233,358,112.55	862,087.06	2,100,768,853.67
Add: change of accounting policy													
Correction of errors in previous periods													
Business mergers under the same control													
Other													
II. Balance at the beginning of the year	595,979,092.00				119,951,533.93		-4,046,603.46		154,664,631.59		1,233,358,112.55	862,087.06	2,100,768,853.67
III. Increase/ decrease in the							1,000,816.76				-52,927,031.99		-51,926,215.23

period ("-" means decrease)													
(I) Total comprehensive incomes							1,000,816.76				-5,248,704.63		-4,247,887.87
(II) Capital increased and reduced by owners													
1. Common shares increased by shareholders													
2. Capital increased by holders of other equity instruments													
3. Amounts of share-based payments recognized in owners' equity													
4. Other													
(III) Profit distribution											-47,678,327.36		-47,678,327.36
1. Appropriations to surplus reserves													
2. Appropriations to general risk provisions													
3. Appropriations to owners (or shareholders)											-47,678,327.36		-47,678,327.36
4. Other													
(IV) Internal carry-forward of owners' equity													
1. New increase of capital													

(or share capital) from capital public reserves													
2. New increase of capital (or share capital) from surplus reserves													
3. Surplus reserves for making up losses													
4. Other													
(V) Specific reserve													
1. Withdrawn for the period													
2. Used in the period													
(VI) Other													
IV. Closing balance	595,979,092.00				119,951,533.93		-3,045,786.70		154,664,631.59		1,180,431,080.56	862,087.06	2,048,842,638.44

Same period of last year

Unit: RMB

Item	Same period of last year												
	Equity attributable to owners of the Company											Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	General risk reserve	Retained profit		
		Preference shares	Perpetual bonds	Other									
I. Balance at the end of the previous year	595,979,092.00				119,951,533.93		-4,006,141.53		136,591,232.84		1,225,726,944.83	862,087.06	2,075,104,749.13
Add: change of accounting policy													
Correction of errors in previous periods													

Business mergers under the same control													
Other													
II. Balance at the beginning of the year	595,979,092.00				119,951,533.93		-4,006,141.53		136,591,232.84		1,225,726,944.83	862,087.06	2,075,104,749.13
III. Increase/ decrease in the period ("-" means decrease)							-2,950,901.16				-99,952,568.50		-102,903,469.66
(I) Total comprehensive incomes							-2,950,901.16				31,162,831.74		28,211,930.58
(II) Capital increased and reduced by owners													
1. Common shares increased by shareholders													
2. Capital increased by holders of other equity instruments													
3. Amounts of share-based payments recognized in owners' equity													
4. Other													
(III) Profit distribution											-131,115,400.24		-131,115,400.24
1. Appropriations to surplus reserves													
2. Appropriations to general risk provisions													

3. Appropriations to owners (or shareholders)											-131,115,400.24		-131,115,400.24
4. Other													
(IV) Internal carry-forward of owners' equity													
1. New increase of capital (or share capital) from capital public reserves													
2. New increase of capital (or share capital) from surplus reserves													
3. Surplus reserves for making up losses													
4. Other													
(V) Specific reserve													
1. Withdrawn for the period													
2. Used in the period													
(VI) Other													
IV. Closing balance	595,979,092.00				119,951,533.93		-6,957,042.69		136,591,232.84		1,125,774,376.33	862,087.06	1,972,201,279.47

8. Statement of changes in owners' equity of the Company

Reporting Period

Unit: RMB

Item	Reporting Period										
	Share capital	Other equity instruments			Capital reserve	Less: treasury	Other comprehe	Specific reserve	Surplus reserve	Retained profit	Total owners'
		Prefere	Perpetu	Other							

		nce shares	al bonds			stock	nsive incomes				equity
I. Balance at the end of the previous year	595,979,092.00				94,057,859.68				154,007,821.15	422,551,762.58	1,266,596,535.41
Add: change of accounting policy											
Correction of errors in previous periods											
Other											
II. Balance at the beginning of the year	595,979,092.00				94,057,859.68				154,007,821.15	422,551,762.58	1,266,596,535.41
III. Increase/ decrease in the period ("-" means decrease)										-42,365,827.89	-42,365,827.89
(I) Total comprehensive incomes										5,312,499.47	5,312,499.47
(II) Capital increased and reduced by owners											
1. Common shares increased by shareholders											
2. Capital increased by holders of other equity instruments											
3. Amounts of share-based payments recognized in owners' equity											
4. Other											
(III) Profit distribution										-47,678,327.36	-47,678,327.36
1.											

Appropriations to surplus reserves											
2. Appropriations to owners (or shareholders)										-47,678,327.36	-47,678,327.36
3. Other											
(IV) Internal carry-forward of owners' equity											
1. New increase of capital (or share capital) from capital public reserves											
2. New increase of capital (or share capital) from surplus reserves											
3. Surplus reserves for making up losses											
4. Other											
(V) Specific reserve											
1. Withdrawn for the period											
2. Used in the period											
(VI) Other											
IV. Closing balance	595,979,092.00				94,057,859.68				154,007,821.15	380,185,934.69	1,224,230,707.52

Same period of last year

Unit: RMB

Item	Same period of last year										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	Retained profit	Total owners' equity
		Preference	Perpetual bonds	Other							

		shares									
I. Balance at the end of the previous year	595,979,092.00				94,057,859.68		2,933,175.45		135,934,422.40	391,006,574.07	1,219,911,123.60
Add: change of accounting policy											
Correction of errors in previous periods											
Other											
II. Balance at the beginning of the year	595,979,092.00				94,057,859.68		2,933,175.45		135,934,422.40	391,006,574.07	1,219,911,123.60
III. Increase/ decrease in the period ("-" means decrease)							-2,933,175.45			-125,744,054.25	-128,677,229.70
(I) Total comprehensive incomes							-2,933,175.45			5,371,345.99	2,438,170.54
(II) Capital increased and reduced by owners											
1. Common shares increased by shareholders											
2. Capital increased by holders of other equity instruments											
3. Amounts of share-based payments recognized in owners' equity											
4. Other											
(III) Profit distribution										-131,115,400.24	-131,115,400.24
1.											

Appropriations to surplus reserves											
2. Appropriations to owners (or shareholders)										-131,115,400.24	-131,115,400.24
3. Other											
(IV) Internal carry-forward of owners' equity											
1. New increase of capital (or share capital) from capital public reserves											
2. New increase of capital (or share capital) from surplus reserves											
3. Surplus reserves for making up losses											
4. Other											
(V) Specific reserve											
1. Withdrawn for the period											
2. Used in the period											
(VI) Other											
IV. Closing balance	595,979,092.00				94,057,859.68				135,934,422.40	265,262,519.82	1,091,233,893.90

III. Company Profile

Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as "company " or "the Company") is a joint stock limited company incorporated upon the reorganization of Shenzhen Properties & Resources Development Corp. with the approval from the Document SFBF [1991] No. 831 from the People's Government of Shenzhen Municipality, Guangdong Province. The number of our business license is 440301103570124.

Up to 30 June 2016, the registered capital of the Company was RMB595,979,092 and the paid-in capital was RMB595,979,092.

The registered capital of the Company increased to RMB541,799,175 after a bonus issue of one share for every existing 10 shares based on the total shares of the Company in 1996 and increased to RMB595,979,092 after another bonus issue of one share for every existing 10 shares based on the total shares of 541,799,175 in 2009.

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

Registered office: Shenzhen Municipal, Guangdong Province, PRC

Organization form: joint-stock company with limited liability

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

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 operates the development of real estate; property management; buildings and the building devices maintenance, garden afforest and cleaning service; houses and building leasing; passenger traffics and leasing of motor vehicles; 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

By the end of the Reporting Period, the controlling shareholder of the Company is still Shenzhen Construction Investment Holdings in register book. In 2004, People’s Government of Shenzhen Municipality incorporated Shenzhen Construction Investment Holdings with the other two municipal asset management companies, namely Shenzhen Investment Management Corporation and Shenzhen Trade and Business Holding Company, and established Shenzhen Investment Holdings Co., Ltd. Thus, the Company’s actual controlling shareholder is Shenzhen Investment Holdings Co., Ltd., a sole state-funded limited company, who was established in October 13, 2004. Its main business scope is to execute the investment, operation and management on the state-owned equities of the wholly owned, controlling as well as the shares holding enterprises through the methods such as the reorganization and integration, capital operation and capital disposal; to engage in the real estate development and operating business within the scope which the land use right acquired legally; to execute the policy-based and strategic investment according to the requirements from municipal State-owned Assets Supervision and Administration Commission; to provide guarantee for the municipal state-owned enterprises; other business develop under the authorization from the municipal State-owned Assets Supervision and Administration Commission. 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.

4. Authorization and date of issuing the financial statements

The financial statements were approved and authorized for issue by the 4th session of the 8th Board of Directors of the Company on 26 August 2016.

Up to the end of the Reporting Period, there were 26 subsidiaries included in the consolidation financial statement, and for the details, please refer to Notes IX. 1 of Section IX. Financial Report.

For the changes of consolidation financial statement scope of the Reporting Period, please refer to Notes VIII. of Section IX. Financial Report.

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 the 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:
Not applicable

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 starts on 1 Jan. and ends on 31 Dec. 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 regarded Renminbi as the recording currency. The Hong Kong subsidiaries of the Company confirmed the Hong Kong Dollar as its recording currency according the currency among its major economic environment of the operation. The Group adopted Renminbi when compiling the financial statements.

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:

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

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

A. In the individual financial statements, the initial investment cost 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.

④Where 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 financial statements up to 30 June 2015 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 polices.

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 the Reporting Period

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

For any subsidiary acquired by the Company through business combination under the common control, when the consolidated income statement for the current period are being prepared, revenue, expense and profit for the period from the beginning of the consolidated period to the year end of the Reporting Period are included in the consolidated income statement, 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 the Reporting Period, revenue, expense and profit for the period from acquisition date to the year end of the Reporting Period is included in the consolidated income statement 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 the 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: ① these transactions are formatted under the situation of contemporary or considering of the mutual influences; ② only 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) 13.

(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 the Reporting Period) ruling at the transaction date. The foreign exchange difference arisen from the translation of foreign currency financial statements shall be presented separately under the owner's equity in the balance sheet. The translation of comparative financial statements shall be subject to the aforesaid provisions.

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 measured by fair value and its changes included in the current gains and losses

Financial assets measured by fair value and its changes included in the current gains and losses, 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: A. The purpose to acquire the said financial assets 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 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 assts 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 individual test, and the Company confirmed the ratio of the withdrawal of the bad debt provision based on the actual loss rate of the accounts receivable portfolios possessed similar credit risk characteristics that divided according to the aging phase combined with the current situation, of which the actual loss rate was the same to or similar with that of the previous years)	Aging of accounts

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 individually

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

(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 wrappage: the low-value consumption goods and wrappage 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.

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

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

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

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

13. Divided as assets held for sale

(1) Recognition criteria of the assets held for sale

The Group recognizes the enterprise compose part (or the non-current assets, similarly hereinafter) that simultaneously meets with the following conditions as assets held for sale:

① The compose part must be immediately sold only according to the usual terms of selling the compose part of this kind under the current conditions;

② The relevant power institutions of the Group had made agreement on disposing the compose part, if receive the approval from the shareholders according to the rules, which equals to had received the approved of the Annual General Meeting or the corresponding power institution;

③ The Group has signed the irrevocable transfer agreement with the assignee;

④ The sale transaction is highly probable to be completed within one year

(2) Accounting treatments of the assets held for sale

Non-current assets held for sale include single-item assets and disposal groups. Where a disposal group is an asset group and the goodwill obtained in the business combination is apportioned to the asset group according to the "Accounting Standard No. 8 for Business Enterprises—Asset Impairment", or a disposal group is an operation in such an asset group, the disposal group shall include the goodwill in the business combination.

As for the non-current assets and disposal group which be classified held for sale by the Group, shall be measured at the lower one of the net amounts of the book value and the fair value after deducting the disposal expense. If the net amount the fair value minuses the disposal expenses is lower than the original book value, the difference should be included in the current gains and losses as the assets impairment losses; if the held for sale is the disposal group, the assets impairment losses should be firstly distributed to the goodwill and then included in the current gains and losses by amortized according to the proportion and attributed to the other non-current assets within the held for sale assets scope. The deferred income tax assets, the financial assets standardized by No. 22 of ASBE-Recognition and Measurement of Financial Instruments, investment property and biological assets measured by fair value, contacts rights occurred from the insurance contacts and the assets occurred from the employee benefits are not suit for the held for sale measurement, but be individually measured or be measured by being regarding as part of certain disposal group according to the relevant criterion or the relevant accounting policies formulated by the Group.

An asset or an disposal group was classified as held for sale before, but if it couldn't meet the recognition conditions for held-for-sale non-current asset later, the Company shall cease to classify it as held for sale, and measure it by the lower amount of the followings: (1) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or impairment before the asset (or disposal group) being classified as held for sale; or (2) its recoverable amount on the date of the subsequent decision not to sell.

14. Long-term equity investments

Long-term equity investment including 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 earning is adjusted respectively. The business combination costs that are directly attributable to the combination, such as audit fees, valuation fees, legal service fees and so on are recognized in profit or loss during the current period when they occurred.

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

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

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

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

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

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

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 equity instruments that can be directly attributed to equity transaction are deducted from equity.

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 polices adopted by the investees is 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 form 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.

As for the equity investment on the associated enterpsies of the Group, of which part of them were through the venture capital Institutions, mutual fund, trust companies or indirectly held through the similar main bodies including the investment with insurance funds, and whether the above entities had significant impact on the part of the investemnt, the Group would chose to measure part of the investment held indirectly by fair value with the changes included in the gains and losses as well as adopted equity method to calculate the rest part according to No. 22 of the ASBE-Recogniztion and Measurement of the 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 As for the decrease of the shareholding proportion of the Group owning to the capital increase on its subsidiaries by other investment parties that led the Group lost the control right but still could execute the joint control or cause significant influence, should calculate the long-term equity investment from cost method to equity method among the individual financial statements. Firtsly, as for the difference between the shares of the increased net assets owning to the capital increase as well as the shares expansion of the original subsidiaires which should be enjoyed by the investment part that confirmed according to the new shareholding proportion and the original book value of the long-term equity investment accorded with the delined part of the shareholding proportion that should be carried forward, should be included in the current gains and losses; secondly, execute the adjustement as immediately adopting the equity method for measurement as acquiring the investment according to the new shareholding proportion.

(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:

① Land use right which has already been rented;

② Land use right which is held for transfer out after appreciation;

③ Property that has already been rented.

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

① It is probable that the future economic benefits that are associated with the investment property will flow to the Company;

②The cost of the investment property can be measured reliably.

(3) Initial measurement

An investment property is measured initially at its cost.

① The cost of a purchased investment property comprises its purchase price, related tax expenses and any directly attributable expenditure.

② The cost of a self-constructed investment property comprises all necessary construction expenditures incurred before the property is ready for its intended use.

③ The cost of a property acquired by other means shall be recognized according to relevant accounting standards.

(4) Subsequent measurement

After initial recognition, the Company adopts the cost model to measure its investment properties. The Company amortizes or depreciates its investment properties measured using cost model in the same way as fixed assets and intangible assets

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) Recognized standard

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 methods

Category of fixed assets	Method	Useful life	Expected net salvage value	Annual deprecation
Housing and building	Straight-line depreciation	20-25 years	5-10%	3.8-4.5%
Machinery equipments	Straight-line depreciation	10 years	5%	9.5%
Transportation vehicle	Straight-line depreciation	5 years	5%	19%
Electronic and other equipments	Straight-line depreciation	5 years	5%	19%
Decoration of fixed assets	Straight-line depreciation	5 years	0%	20%

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

(1) Recognition of intangible asset:

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

① It is probable that the economic benefits associated with that asset will flow to the Company;

② The cost of that asset can be measured reliably.

(2) Measurement of intangible assets

① An intangible asset is measured initially at its cost.

② Subsequent 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 polices 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 recover 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 assert 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 polices of the defined contribution plans;

the for the others except for the former, should be recognized according to above accounting polices 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 company should recognize the related obligation as a provision for liability when the obligation meets the following conditions:
① That obligation is a present obligation of the enterprise;
② It is probable that an outflow of economic benefits from the enterprise will be required to settle the obligation;
③ A reliable estimate can be made of the amount of the obligation.
(2) Measurement of estimated liabilities
To fulfill the present obligations, which initially measured by the best estimate of the expenditure required to settle the liability. Where there is a continuous range of possible amounts of the expenditure required to settle the liability, as all kinds of possibilities are at same level, the best estimate should be determined according to the average of the lower and upper limit of the range. In other cases, the best estimate should be determined in accordance with the following methods:
① Where the contingency involves a single item, the best estimate involves a singe item, the best estimate should be determined according to the most likely outcome;
② Where the contingency involves several items; The best estimate should be determined by weighting all possible outcomes by their associated probabilities of occurrence.
To determine the best estimate, it should be considered with factors such as: related contingency risks, uncertain matters and time value of currency. If time value of currency has a significant impact, the best estimate should be measured at its converted present value through the relevant future cash outflows.
Where some or all of the expenditures are expected to be reimbursed by a third party, the reimbursement should be separately recognized as an asset only when it is virtually received. The amount of the reimbursement should not exceed the carrying amount of the liability recognized.
At balance sheet date, the 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

The revenue of the Group including the commodities sales revenue, labor revenues and revenues from assets use right abalienation.
1. Commodities sales revenues
No revenue from selling goods may be recognized unless the following conditions are met simultaneously and

the significant risks and rewards of ownership of the goods have been transferred to the buyer by the enterprise; the enterprise retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods; the revenue amount, the related cost occurred or will occur could be reliable measured and when the relevant economic benefits probably flow into the enterprises, should confirm the commodities sales revenues.

The commodities sales revenues of the Group mainly are the sales revenues from the commercial residential buildings. Revenue from the sale of properties is recognized upon final acceptance of the construction of property is completed and the property is transferred to buyer, or regard which as transferred to buyer according to the sales contracts and receives and accepts all considerations of sale of property (down payment and mortgage received from bank for property purchasing by installments).

2. Labor revenues

The labor revenues of the Group mainly are property management revenues, engineering supervision service revenues and catering service revenues.

Property management revenues: the Group recognizes the property management revenues when the services had provided as well as the charges of which could flow in the enterprises according to the aggrement with the proprietors.

Other labor revenues: the Group recognizes the labor revenues when the services had provided as well as the economic benefits related to which could flow in the enterprises and the relevant cost could be reliable measured.

3. Revenues from assets use right abalienation

The revenues from assets use right abalienation of the Group including property rental, taxi passenger revenues, interests revenues and revenues from other use right and so on.

Property rental: the Group recognizes the property rental by straight line method according to the rental contrast signed with the lessees or the promises from the agreement. When the leasers provide rent-free period, they should execute the distribution of the total rental amount according to the straight line method or other reasonable methods during the whole lease term without deducting the rent-free period and during the rent-free period, the leasers should recognize the rental revenues.

Taxi passenger revenues: the Group recognizes the taxi passenger revenues according to the contract agreement signed with the contractors or the contract amount agreed from the protocol agreement.

Interests revenues: the Group recognizes which accoridng to the calculation from the time when others using the cash of the Company and the applicable rates with the royalty revenues be recognized accoridng to the calculation of the chargeable time and the methods from the contracts or the protocol agreement.

Revenues from other use right: the Group recognizes the revenues from assets use right abalienation when the revenues amount could be reliable measured and the related economic benefits probably flow in the enterprises.

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 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.

(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) Calculation 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 amortized and recognized in profit and loss during asset's using period. If related assets were disposed before using period ended, undistributed deferred income shall be shift to current profit and loss at once.
The Income approach for government grants, to retrieve expense or loss of the Company in further period, the government grants is recognized as deferred income, and shall be recorded in profit and loss when that expense or loss occurred. To retrieve expense or loss of the Company in current period, the government grants shall be recorded directly in current profit and loss.
③ Confirmed repayment of government grants according to the following circumstances respectively:
A. When deferred income exists, the repayment write-downs closing balance of deferred income, and the exceed part shall be recognized in current profit and loss;
B. When no deferred income exists, the repayment shall be recognized directly in current profit and loss.

(2) Judgment basis and accounting treatment of government subsidies related to profits

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 income refer to all the government subsides except those pertinent to assets. If the government subsidies documents had not definitely confirm the subsidy targets, the Group should divide them as the government subsidies related to profits except for those be indicated by the clear evidence that belongs to the government subsidies related to assets.
(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) Calculation 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 amortized and recognized in profit and loss during asset's using period. If related assets were disposed before using period ended, undistributed deferred income shall be shift to current profit and loss at once.
The Income approach for government grants, to retrieve expense or loss of the Company in further period, the government grants is recognized as deferred income, and shall be recorded in profit and loss when that expense or loss occurred. To retrieve expense or loss of the Company in current period, the government grants shall be recorded directly in current profit and loss.
③ Confirmed repayment of government grants according to the following circumstances respectively:
A. When deferred income exists, the repayment write-downs closing balance of deferred income, and the exceed part shall be recognized in current profit and loss;
B. When no deferred income exists, the repayment shall be recognized directly in current profit and loss.

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 conjecture 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 characterisitics of the relevant assest 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 transfees 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 as to acquire the relevant rights and to undertake the relevant obligations as the market participants of the transfees.

(2) Operation termination

Operation termination refers to the compose part that meet with one of the following conditions which had been disposed by the Group or be classified to held-to-sold as well as could be individually distinguished in operating and compiling the financial statement: ① the compose part represents an individual main business or a main operation area; ② the compose part is a part intends to dispose and plan an individual main business or a main operation area; ③ the compose part is a subsidiary which be acquired only for resold.

(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: (1) the compose part could cause revenues and expenses in the daily activities; (2) the management layer could periodically evaluate the operation results of the compose part and base which to distribute the resources and evaluate the performance;(3) 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 contract, the quality margin paid for the construction organizations should be detentioned and be included in the “accounts receivable” as well as to realize the payment accoridng to the actual situation of the contract agreement after the guarantee period.

(5) Maintenance funds

The property management company of the Group received the public maintenance fund which be entrusted for management by the proprietors and had be included in the “other non-current liabilities” that was specific used in the maintenance and renewal of the residential common areas, shared devices as well as the communal facilities of the property management area.

33. Changes in main accounting policies and estimates

(1) Change of accounting policies

□ Applicable √ Not applicable

(2) Change of main accounting estimates

□ Applicable √ Not applicable

34. Other

Not applicable

VI. Taxation

1. Main taxes and tax rate

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

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	16.5%
Other taxpaying bodies among the consolidated scope	25%

2. Tax preference

According to the regulations of No. 2, Property Service of No. 37, Commercial Service among the encouraging category of the Guidance Catalogue of Industry Structure Adjustment (Y2011), the western industry met with the conditions should be collected the corporate income tax according to 15% of the tax rate. The subsidiary of the Group Chongqing Shenzhen INTERNATIONAL TRADE CENTER Property Management Co., Ltd. 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.
According to the regulations of the Notice of the Small Profit-making Enterprise Income Tax Preferential Policies (CS [2015] No. 34) of the SAT, from 1 January 2015 to 31 December 2017, as for those small low-profit

enterprises whose amount of the taxable annual income lower than RMB0.2 million (including RMB0.2 million), their revenues should be included in the taxable income according to 50% of the income, and pay the corporate income tax according to 20% of the tax rate. And the subsidiary of the Group, Chongqing Aobo Elevator Co., Ltd. applicable for the policy since 2015 and had be collected taxable income according to 50% as well as be collected the corporate income tax according to 20% of the tax rate.

3. Other explanation

Not applicable

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

1. Monetary funds

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	299,819.32	208,170.99
Bank deposits	2,114,647,115.64	930,987,796.17
Other monetary funds	13,511,200.72	14,544,008.61
Total	2,128,458,135.68	945,739,975.77
Of which: the total amount deposited overseas	51,648,185.82	50,515,270.67

Other notes

The total L/G cash deposit with use restriction at the period-end was of RMB12,402,160.00 (presented among other monetary funds), which was the margin paid by the subsidiary of the Company Dongguan International Trade Changsheng Real Estate Development Co., Ltd. for entrusting the commercial bank to issue the Commercial Residential Building Quality Guarantee Letter. The subsidiary of the Company Dongguan International Trade Changsheng Real Estate Development Co., Ltd. should submit the commercial residential building quality guarantee letter after the occurrence of the liquidation situation such as the enterprise bankruptcy and dissolution when managing the pre-sale permit application of the commercial residential building owning to it belonged to the real estate development enterprise with provisional qualification. The letter was the irrevocable commercial residential building quality guarantee letter, of which the guarantee period of RMB1,468,870.00 lasts from 30 June 2015 to 31 December 2020 with the remained RMB10,933,290.00 from 1 July 2015 to 31 December 2020.

2. Financial assets measured by fair value and the changes be included in the current gains and losses

Unit: RMB

Item	Closing balance	Opening balance

Other notes:

3. Derivative financial assets

□ Applicable √ Not applicable

4. Notes receivable

(1) Notes receivable listed by category

Unit: RMB

Item	Closing balance	Opening 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

5. Accounts receivable

(1) Accounts receivable disclosed by category

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	

Accounts receivable with significant single amount with bad debt provision separately accrued	102,216,173.89	69.26%	102,216,173.89	100.00%	0.00	102,216,173.89	70.30%	102,216,173.89	100.00%	0.00
Accounts receivable withdrawn bad debt provision according to credit risks characteristics	43,484,486.78	29.46%	2,522,353.46	5.80%	40,962,133.32	41,288,506.76	28.40%	2,516,360.35	6.09%	38,772,146.41
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	1,884,022.38	1.28%	1,884,022.38	100.00%	0.00	1,884,022.38	1.30%	1,884,022.38	100.00%	0.00
Total	147,584,683.05	100.00%	106,622,549.73	72.24%	40,962,133.32	145,388,703.03	100.00%	106,616,556.62	73.33%	38,772,146.41

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)	Closing 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 Notes XIV. 2 of Section IX. Financial Report
Shenzhen Tewei Industry Co., Ltd.	2,836,561.00	2,836,561.00	100.00%	Uncollectible for a long period
Shenzhen Lunan Industry Development Co., Ltd.	2,818,284.84	2,818,284.84	100.00%	Poor operating conditions, uncollectible for a long period
Zhou Tanjin	2,750,000.00	2,750,000.00	100.00%	Uncollectible for a long period
Total	102,216,173.89	102,216,173.89	--	--

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

√ Applicable □ Not applicable

Unit: RMB

Aging	Closing balance

	Accounts receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Within 1 year (including 1 year)	39,673,776.25	1,190,213.29	3.00%
Subtotal within 1 year	39,673,776.25	1,190,213.29	3.00%
1 to 2 years	1,853,591.29	185,359.13	10.00%
2 to 3 years	1,051,523.97	315,457.19	30.00%
Over 3 years	128,355.13	64,177.57	50.00%
3 to 4 years	50,469.31	40,375.45	80.00%
4 to 5 years	726,770.83	726,770.83	100.00%
Over 5 years	43,484,486.78	2,522,353.45	5.80%

Notes of the basis of recognizing the group:

The basic of recognizing the group refer to Notes V. 11 of Section IX. Financial 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 the Reporting Period was of RMB5,993.11 the amount of the reversed or collected part during the Reporting Period was of RMB0.00.

Of which the significant amount of the reversed or collected part during the Reporting Period was of:

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 related transactions
Total	--	0.00	--	--	--

Notes of the write-off the accounts receivable:

There was no write-off the accounts receivable.

(4) Top 5 of the closing balance of the accounts receivable colleted according to the arrears party

Name of units	Closing balance	Proportion of the total year end balance of the accounts receivable (%)	Closing balance of bad debt provision
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	63.56	93,811,328.05
Huawei Technologies Co., Ltd.	5,473,521.31	3.71	164,205.64
Shenzhen Tewei Industry Co., Ltd.	2,836,561.00	1.92	2,836,561.00
Alibaba (China) Co., Ltd.	2,833,643.05	1.92	85,009.29
Shenzhen Lunan Industry Development Co., Ltd.	2,818,284.84	1.91	2,818,284.84
Total	107,773,338.25	73.02	99,715,388.82

(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) List by aging analysis:

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	181,654,620.49	93.92%	20,734,383.56	72.97%
1 to 2 years	4,188,912.57	2.17%	6,602,570.30	23.24%
2 to 3 years	6,694,900.30	3.46%	1,070,523.28	3.77%
Over 3 years	877,110.39	0.45%	8,256.29	0.03%
Total	193,415,543.75	--	28,415,733.43	--

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

No such cases.

(2) Top 5 of the closing balance of the prepayment colleted according to the prepayment target

Name of the unit	Closing balance	Proportion of the total year end balance of the accounts receivable (%)
Prepayment of taxes	180,730,158.63	93.44%
Prepayment of social security charges in building industry	7,502,167.95	3.88%
SHANGHAI MITSUBISHI ELEVATOR CO. LTD	2,028,500.00	1.05%
Zhanjiang West Guangdong Construction Engineering Co., Ltd.	900,000.00	0.47%
BYD Auto Sales Co., Ltd.	591,600.00	0.31%
Total	191,752,426.58	99.15%

Other notes:

Notes 1: the surpluses of the withholding tax of the Company were of unearned revenues of the real estate projects not reached the recognition conditions and were the taxes such as the business tax, city building duty and education Surcharged as well as the land value increment tax pre-paid according to the relevant regulations.

Notes 2: Social security charges in building industry refer to the social security expenses the construction enterprises pay for the employees such as the endowment insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance (including Individual pay part). Take the engineering project as unit, to execute the unified payment standard, to collect uniformly from the construction units and uniformly settled by the construction enterprises.

7. Interest receivable

(1) Category of interest receivable

Unit: RMB

Item	Closing balance	Opening balance

(2) Significant overdue interest

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

Other notes:

Not applicable

8. Dividend receivable

(1) Dividend receivable

Unit: RMB

Item (or investees)	Closing balance	Opening balance

(2) Significant dividend receivable aged over 1 year

Unit: RMB

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

Other notes:

Not applicable

9. Other accounts receivable

(1) Other accounts receivable disclosed by category

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with significant single amount with bad debt provision separately accrued	87,414,509.92	71.63%	87,414,509.92	100.00%	0.00	90,718,739.20	75.46%	87,150,317.92	96.07%	3,568,421.28
Accounts receivable withdrawn bad debt provision according to credit risks characteristics	24,930,120.41	20.43%	11,206,038.78	44.95%	13,724,081.63	19,789,422.31	16.46%	11,738,340.12	59.32%	8,051,082.19
Accounts receivable with insignificant single amount for which bad debt provision separately	9,699,533.34	7.95%	9,699,533.34	100.00%	0.00	9,711,262.51	8.08%	9,711,262.51	100.00%	0.00

accrued									
Total	122,044,163.67	100.00%	108,320,082.04	88.75%	13,724,081.63	120,219,424.02	100.00%	108,599,920.55	90.33%	11,619,503.47

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)	Closing balance			
	Other accounts receivable	Bad debt provision	Withdrawal proportion	Reason
Gintian Industry (Group) Co., Ltd	53,031,578.72	53,031,578.72	100.00%	There was no compensation assets according to the readjust plan of the debtors
Anhui Nanpeng Papermaking Co., Ltd	8,311,904.00	8,311,904.00	100.00%	Unrecoverable for a long term
Shenzhen Shengfenglu, INTERNATIONAL TRADE CENTER Jewel & Gold Co., Ltd	6,481,353.60	6,481,353.60	100.00%	No executable finance and difficult to recover
Shanghai Yutong Real estate development Co., Ltd	5,676,000.00	5,676,000.00	100.00%	Difficult to recover the lawsuit judgment
Wuliangye Restaurant	5,523,057.70	5,523,057.70	100.00%	Unrecoverable for a long term
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	87,414,509.92	87,414,509.92	--	--

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

√ Applicable □ Not applicable

Unit: RMB

Aging	Closing balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Within 1 year (including 1 year)	11,213,953.97	336,418.62	3.00%

Subtotal within 1 year	11,213,953.97	336,418.62	3.00%
1 to 2 years	1,593,545.44	159,354.54	10.00%
2 to 3 years	1,505,725.84	451,717.75	30.00%
Over 3 years	627,608.36	313,804.18	50.00%
3 to 4 years	222,715.55	178,172.44	80.00%
4 to 5 years	9,766,571.25	9,766,571.25	100.00%
Over 5 years	24,930,120.41	11,206,038.78	44.95%

Notes of the basis of recognizing the group:

The basis recognizing the group refer to Notes V. 11 of Section IX. Financial 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) Accounts receivable withdraw, reversed or collected during the Reporting Period

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB-533,401.79; the amount of the reversed or collected part during the Reporting Period was of RMB11,729.17.

Of which the significant amount of the reversed or collected part during the Reporting Period was of:

Unit: RMB

Name of units	Reversed or collected amount	Method
Paying service account	11,729.17	Collected the cash
Total	11,729.17	--

The withdrawn amount of the bad debt provision was of RMB-533,401.79 during the Reporting Period; the increased bad debt provision amount of the translation of the exchange rate of the withdrawn bad debt provision of the foreign claimable assets receivable and the translation of the foreign currency statement was of RMB265,292.45; and the reversed or collected amount of the bad debt provision was of RMB11,729.17.

(3) The actual write-off other accounts receivable

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 related transactions
Total	--	0.00	--	--	--

Notes of write-off other accounts receivable:

There was no write-off other accounts receivable.

(4) Other accounts receivable classified by the nature of accounts

Unit: RMB

Nature	Closing book balance	Opening book balance
Margin	11,379,608.70	12,540,024.90
Pretty cash borrowing	1,632,916.04	772,557.45
Accounts receivable of the related companies	10,969,128.65	10,704,936.65
Accounts receivable of the non-related companies	98,062,510.28	96,201,905.02
Total	122,044,163.67	120,219,424.02

(5) Top 5 of the closing balance of the other accounts receivable colleted according to the arrears party

Unit: RMB

Name of units	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable (%)	Closing balance of bad debt provision
Gintian Industry (Group) Co., Ltd	Accounts receivable of the non-related companies	53,031,578.72	Over 5 years	43.45%	53,031,578.72
Anhui Nanpeng Papermaking Co., Ltd	Accounts receivable of the related parties	8,311,904.00	Over 5 years	6.81%	8,311,904.00
Shenzhen Shengfenglu, INTERNATIONAL TRADE CENTER Jewel & Gold Co., Ltd	Accounts receivable of the non-related companies	6,481,353.60	Over 5 years	5.31%	6,481,353.60
Shanghai Yutong Real estate development Co., Ltd	Accounts receivable of the non-related companies	5,676,000.00	Over 5 years	4.65%	5,676,000.00
Wuliangye Restaurant	Accounts receivable of the non-related companies	5,523,057.70	Over 5 years	4.53%	5,523,057.70

Total	--	79,023,894.02	--	64.75%	79,023,894.02

(6) Accounts receivable involved with government subsidies

Unit: RMB

Name of units	Project of government subsidies	Closing balance	Closing 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:

10. Inventory

(1) Category of inventory

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Raw materials	1,276,641.32	489,227.20	787,414.12	1,602,571.24	529,191.39	1,073,379.85
Inventory goods	171,217.25		171,217.25	54,087.62		54,087.62
Low-value consumption goods	434,134.12		434,134.12	116,472.20		116,472.20
Products to be developed	121,070,697.97	6,648,404.13	114,422,293.84	121,070,697.97	6,648,404.13	114,422,293.84
Work in progress	2,372,174,980.73	104,287,376.50	2,267,887,604.23	2,135,119,545.31	99,897,376.50	2,035,222,168.81
Completed develop product	218,444,427.97		218,444,427.97	315,453,876.53		315,453,876.53
Total	2,713,572,099.36	111,425,007.83	2,602,147,091.53	2,573,417,250.87	107,074,972.02	2,466,342,278.85

(2) Falling price reserves of inventory

Unit: RMB

Item	Opening balance	Increased amount		Decreased amount		Closing balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	529,191.39	-39,964.19				489,227.20
Products to be developed	6,648,404.13					6,648,404.13
Work in progress	99,897,376.50	4,390,000.00				104,287,376.50
Total	107,074,972.02	4,350,035.81				111,425,007.83

(3) Notes of the closing balance of the inventory which includes capitalized borrowing expenses

The closing balance of the inventory included the total amount of the capitalized borrowings was of RMB85,815,861.19.

(4) Completed unsettled assets formed from the construction contact at the period-end

Unit: RMB

Item	Amount
Accumulative occurred cost	0.00
Accumulative recognized gross margin	0.00
Less: estimated losses	0.00
Amount had executed settlement	0.00

Other notes:

List of the inventories:

A. Products to be developed

Item	Closing balance		
	Book balance	Falling price provision	Book value
Hainan QiongShan land	6,648,404.13	6,648,404.13	
Fuchang Phase II Land	5,940,627.11		5,940,627.11
Shenhui Gardern Land	36,824,440.89		36,824,440.89
Shenzhen Properties & Recources • Banshanyujing Phase II Land	71,657,225.84		71,657,225.84
Total	121,070,697.97	6,648,404.13	114,422,293.84

Item	Opening balance		
	Book balance	Falling price provision	Book value

Hainan QiongShan land	6,648,404.13	6,648,404.13	
Fuchang Phase II Land	5,940,627.11		5,940,627.11
Shenhui Gardern Land	36,824,440.89		36,824,440.89
Shenzhen Properties & Recources • Banshanyujing Phase II Land	71,657,225.84		71,657,225.84
Total	121,070,697.97	6,648,404.13	114,422,293.84

B. Work in progress

Item	Starting time	Expected completion time	Expected total investment	Period-end		Year-begin	
				Book balance	Capitalized interest balance	Book balance	Capitalized interest balance
Shenzhen Properties & Resources • Banshanyujing Phase I	2011.09	2016.12	645,146,600.00	517,212,846.33	27,205,315.95	498,973,613.05	27,205,315.95
Shenzhen Properties & Resources • Hupanyujing Phase II	2015.08	2017.08	653,380,000.00	502,858,649.52		440,834,282.15	
Shenzhen Properties & Resources • Qianhai Harbor	2014.02	2016.10	799,200,000.00	529,431,275.11	14,633,486.15	448,310,252.81	10,944,354.97
Shenzhen Properties & Resources • Jinling Holiday	2014.03	2018.12	1,521,400,000.00	159,216,496.12	3,858,872.36	146,379,982.82	3,858,872.36
Shenzhen Properties & Resources • Songhulangyuan	2013.10	2016.12	895,230,000.00	663,455,713.65	30,539,392.65	600,621,414.48	30,357,575.40

Total			——	2,372,174,980.73	76,237,067.11	2,135,119,545.31	72,366,118.68

C. Completed developed products

Item	Year-begin balance	Time for completion	Increased	Decreased	Closing balance	Falling price provision
International Trade Center Plaza	1995.12	7,372,250.95			7,372,250.95	
Huangyuyuan	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			27,154,592.60	
Shenzhen Properties & Resources • Caitianyise	2015.06	276,048,491.88		97,202,269.36	178,846,222.52	
Other items		2,750,733.03	192,820.80		2,943,553.83	
Total		315,453,876.53	192,820.80	97,202,269.36	218,444,427.97	

11. Assets divided as held-to-sold

Unit: RMB

Item	Closing book value	Fair value	Estimated disposal expense	Estimated disposal time

Other notes:

Not applicable

12. Non-current assets due within 1 year

Unit: RMB

Item	Closing balance	Opening balance

Other notes:

Not applicable

13. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
1. House properties receivable of F14, F15 of Longyuan Chuangzhan Building	174,382,120.00	174,382,120.00
2. Original value of the assets group held to distribute to the owners of Hainan Xinda	69,437,140.28	69,437,140.28
Impairment provision of the assets group held to distribute to the owners of Hainan Xinda	-69,437,140.28	-69,437,140.28
3. Original value of the assets group held to be cancelled after verification	6,034,625.03	6,034,625.03
Impairment provision of the assets group held to be cancelled after verification	-6,034,625.03	-6,034,625.03
Total	174,382,120.00	174,382,120.00

Other notes:

Notes 1: See the details of the house properties receivable of F14, F15 of Longyuan Chuangzhan Building to XV. 4. of Section IX. Financial Report.

Notes 2: Assets group held to distribute to the owners of Hainan Xinda were the assets originally calculated from the long-term equity investment and accounts receivable of the Company after the 2014 bankruptcy and liquidation process of the original subsidiary Hainan Xinda Development Corporation and had presented to other circulating assets since Y2014, with the specific assets list as follows:

Original calculated items	Original value	Impairment provision	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	

Up to the period-end, the bankruptcy and liquidation administrator had not discovered any property available for cash of Hainan Xinda Development Corporation and the bankruptcy and liquidation process is under progress.

Notes 3: Assets group held to be cancelled after verification were the long-term equity investment and other accounts receivable of the original associated enterprise Shenzhen International Trade Development Co., Ltd. of the Company, and the enterprise had been written-off in April 2015 by the bankruptcy and liquidation administrator. And owning to the verification process remain ed unfinished, the assets above were presented in other circulating assets since Y2015 with the specific assets list as follows:

Original calculated items	Original value	Impairment provision	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	

14. Available-for-sale financial assets

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

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Available-for-sale equity instruments	36,158,171.08	18,089,749.80	18,068,421.28	32,501,237.68	18,001,237.68	14,500,000.00
Measured by fair value	3,568,421.28		3,568,421.28			
Measured by cost	32,589,749.80	18,089,749.80	14,500,000.00	32,501,237.68	18,001,237.68	14,500,000.00
Total	36,158,171.08	18,089,749.80	18,068,421.28	32,501,237.68	18,001,237.68	14,500,000.00

(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 debt instruments/amortized cost of debt instruments	3,568,421.28			3,568,421.28
Fair value	3,568,421.28			3,568,421.28
Varied amount of the fair value accumulatively included in other comprehensive income				0.00
Withdrawn impairment amount				0.00

(3) Available-for-sale financial assets measured by cost at the period-end

Unit: RMB

Investee	Book balance				Impairment provision				Shareholding proportion among the investees	Cash bonus of the Reporting Period
	Period-begin	Increase	Decrease	Period-end	Period-begin	Increase	Decrease	Period-end		
North	3,465,000.			3,465,000.	3,465,000.			3,465,000.	12.66%	

Machinery (Group) Co., Ltd.	00			00	00			00		
Guangdong Huayue Real Estate Co., Ltd.	8,780,645.20			8,780,645.20	8,780,645.20			8,780,645.20	8.47%	
Shenzhen INTERNATIONAL TRADE CENTER Petroleum Company Limited	8,500,000.00			8,500,000.00					100.00%	
Guangzhou Lishifeng Automobile Co., Ltd.	6,000,000.00			6,000,000.00					30.00%	
Sanya East Travel Co., Ltd.	1,350,000.00			1,350,000.00	1,350,000.00			1,350,000.00	0.28%	
Shenshan Co., Ltd.	17,695.09			17,695.09	17,695.09			17,695.09		
Macao Huashen Enterprise Co., Ltd.	81,339.81	1,640.77		82,980.58	81,339.81	1,640.77		82,980.58	10.00%	
Chongqing Guangfa Real estate development Co., Ltd.	2,468,143.72	49,787.09		2,517,930.81	2,468,143.72	49,787.09		2,517,930.81	27.25%	
Saipan Project	1,838,413.86	37,084.26		1,875,498.12	1,838,413.86	37,084.26		1,875,498.12	30.00%	
Total	32,501,237.68	88,512.12	0.00	32,589,749.80	18,001,237.68	88,512.12	0.00	18,089,749.80	--	0.00

(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	Foreign currency statement translation	Total
Withdrawn impairment balance at the period-begin	18,001,237.68			18,001,237.68
Withdrawn during the Reporting Period			88,512.12	88,512.12
Of which: transferred from other comprehensive income				0.00
Decreased during the Reporting Period				0.00
Of which: recovered or reserved of the fair value at the period-end				0.00
Withdrawn impairment balance at the period-end	18,001,237.68	0.00	88,512.12	18,089,749.80

(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
Total	0.00	0.00	--	--	0.00	--

Other notes

Notes 1: The Group measured the equity investment which had no quotation in the active market with the fair value could not be reliable measured by cost as well as no any disposal plan on the relevant equity investment in the foreseeable future.

Notes 2: The Company had not dispatched any personnel to serve in Guangzhou Lishifeng Automobile Co., Ltd., Chongqing Guangfa Housing development Co., Ltd. and Saipan Company, although the share holding proportion was more than 20% but lower than 50%, it had no any significant influence and be recognized as the available for sale financial assets according to the cost measurement.

Notes 3: The Company had not dispatched any personnel to serve in Guangzhou Lishifeng Automobile Co., Ltd., Chongqing Guangfa Housing development Co., Ltd. and Saipan Company, although the share holding proportion was more than 20% but lower than 50%, it had no any significant influence and be recognized as the available for sale financial assets according to the cost measurement.

Notes 4: In January 2008, Shenzhen INTERNATIONAL TRADE CENTER Automobile Industry Co., Ltd. and Shenzhen Guanghong Investment Co., Ltd. signed the Operation Contacts of the Gas Station Leasing, which agreed to the leasing the assets and equity as well as the operating management power such as the land of the gas station, refueling tent, operating houses, dormitory and facility instrument of gas station of the Shenzhen INTERNATIONAL TRADE CENTER Petroleum Co., Ltd. (Shenzhen INTERNATIONAL TRADE CENTER Automobile Industry Co., Ltd. held 100% equity of it) by Shenzhen Guanghong Investment Co., Ltd. and be operated by the later with the leasing period of 15 years. Since the starting date of the operating and leasing, the Company no more execute the control on Shenzhen INTERNATIONAL TRADE CENTER Petroleum Co., Ltd., and thus no more include it in the scope of the consolidation financial statement accrdoing to the regulations of the ASBE.

Notes 5: During the Reporting Period, the increase of the equity instruments measured by fair value was due to the acquired shares from Gintian Company owning to the debt restructuring of the original Gintian Company and as for the details, please refer to the Notes to events after date of other balance sheet of XV. 4 of Section X. Financial Report of the 2015 Annual Report of the Company.

15. Investment held-to-maturity

(1) List of investment held-to-maturity

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

(2) Significant held-to-maturity investment at the period-end

Unit: RMB

Bond item	Par value	Nominal interest rate	Actual interest rate	Due date

(3) Re-classified held-to-maturity investment during the Reporting Period

Not applicable

Other notes

Not applicable

16. Long-term accounts receivable

(1) List of long-term accounts receivable

Unit: RMB

Item	Closing balance	Opening balance	Discount rate

	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	range
Total	0.00	0.00		0.00	0.00		--

(2) Long-term accounts receivable which terminate the recognition owning to the transfer of the financial assets

Not applicable

(3) The amount of the assets and liabilities formed by the transfer and the continues involvement of long-term accounts receivable

Not applicable

Other notes

Not applicable

17. Long-term equity investment

Unit: RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		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., Ltd.	30,789,341.98			879,139.14						31,668,481.12	
Shenzhen Tian'an International Building Property Management Co., Ltd	3,736,835.43			279,437.18						4,016,272.61	
Subtotal	34,526,17			1,158,576						35,684,75	

	7.41			.32						3.73	
II. Associated enterprises											
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	18,983,614.14									18,983,614.14	18,983,614.14
Anhui Nanpeng Papermaking Co., Ltd	13,824,000.00									13,824,000.00	13,824,000.00
Subtotal	32,807,614.14									32,807,614.14	32,807,614.14
Total	67,333,791.55			1,158,576.32						68,492,367.87	32,807,614.14

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 book value				
1. Opening balance	463,309,590.49	7,969,954.40		471,279,544.89
2. Increased amount of the period	233,314.40			233,314.40
(1) Outsourcing				
(2) Transfer of inventory\fixed assets\project under construction				
(3) Increased from enterprise merger				
(4) Influence from	233,314.40			233,314.40

foreign currency statement translation				
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Closing balance	463,542,904.89	7,969,954.40		471,512,859.29
II. Accumulative depreciation and accumulative amortization				
1.Opening balance	228,649,493.40	5,369,262.67		234,018,756.07
2. Increased amount of the period	7,973,786.67	254,572.56		8,228,359.23
(1) Withdrawal or amortization	7,768,369.05	254,572.56		8,022,941.61
(2) Influence from foreign currency statement translation	205,417.62			205,417.62
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Closing balance	236,623,280.07	5,623,835.23		242,247,115.30
III. Depreciation reserves				
1.Opening balance				
2. Increased amount of the period				
(1) Withdrawal				
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				

4. Closing balance				
IV. Book value				
1. Closing book value	226,919,624.82	2,346,119.17		229,265,743.99
2. Opening book value	234,660,097.09	2,600,691.73		237,260,788.82

(2) Investment property adopted fair value measurement mode

□ Applicable √ Not applicable

(3) Details of investment property failed to accomplish certification of property

Unit: RMB

Item	Book value	Reason

Other notes

19. Fixed assets

(1) List of fixed assets

Unit: RMB

Item	Houses and buildings	Transportation equipment	Electronic and other equipments	Fixed assets decoration	Total
I. Original book value					
1. Opening balance	111,018,369.27	63,389,075.59	34,408,787.73	6,451,403.79	215,267,636.38
2. Increased amount of the period	107,974.02	345,049.40	468,763.80	0.00	921,787.22
(1) Purchase	0.00	345,049.40	468,763.80	0.00	813,813.20
(2) Transfer of project under construction					
(3) Increased from enterprise merger					
(4) Influence from foreign currency statement	107,974.02				107,974.02

translation					
3. Decreased amount of the period	0.00	229,600.00	0.00	0.00	229,600.00
(1) Disposal or scrap		229,600.00			229,600.00
4. Closing balance	111,126,343.29	63,504,524.99	34,877,551.53	6,451,403.79	215,959,823.60
II. Accumulative depreciation					
1.Opening balance	77,541,162.76	18,170,689.23	28,226,688.96	5,323,861.90	129,262,402.85
2. Increased amount of the period	1,448,700.89	5,645,821.86	827,861.39	211,001.70	8,133,385.84
(1) Withdrawal	1,359,000.98	5,645,821.86	827,861.39	211,001.70	8,043,685.93
(2) Influence from foreign currency statement translation	89,699.91				89,699.91
3. Decreased amount of the period	0.00	137,743.66	0.00	0.00	137,743.66
(1) Disposal or scrap		137,743.66			137,743.66
4. Closing balance	78,989,863.65	23,678,767.43	29,054,550.35	5,534,863.60	137,258,045.03
III. Depreciation reserves					
1.Opening 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. Closing balance			75,717.16		75,717.16
IV. Book value					

1. Closing book value	32,136,479.64	39,825,757.56	5,747,284.02	916,540.19	78,626,061.41
2. Opening book value	33,477,206.51	45,218,386.36	6,106,381.61	1,127,541.89	85,929,516.37

(2) List of temporarily idle fixed assets

Unit: RMB

Item	Original book value	Accumulative depreciation	Impairment provision	Book value	Notes
Houses and buildings	3,865,391.77	2,117,946.46		1,747,445.31	

(3) Fixed assets leased in from financing lease

Unit: RMB

Item	Original book value	Accumulative depreciation	Impairment provision	Book value

(4) Fixed assets leased out from operation lease

Unit: RMB

Item	Closing book value

(5) Details of fixed assets failed to accomplish certification of property

Unit: RMB

Item	Book value	Reason

Other notes

20. Construction in progress

(1) List of construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Total	0.00	0.00		0.00	0.00	

(2) Changes of significant construction in progress

Unit: RMB

Name o f item	Estimated number	Opening balance	Increased amount of the period	Amount that transferred to fixed assets of the period	Other decreased amount of the period	Closing balance	Proportion estimated of the project accumulative input	Project progress	Accumulative amount of capitalized interests	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period	Capital resources

(3) List of the withdrawal of the impairment provision of the construction in progress

Unit: RMB

Item	Withdrawn amount	Reason
Total	0.00	--

Other notes

Not applicable

21. Engineering material

Unit: RMB

Item	Closing balance	Opening balance

Other notes:

Not applicable

22. Liquidation of fixed assets

Unit: RMB

Item	Closing balance	Opening balance

Other notes:

Not applicable

23. Productive biological assets

(1) Productive biological assets adopted cost measurement mode

□ Applicable √ Not applicable

(2) Productive biological 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	Taxi operating license plate	Software	Total
I. Total original book value						
1. Opening balance				170,866,146.80	18,260.00	170,884,406.80
2. Increase in the Reporting Period						
(1) Purchase						
(2) Internal R &D						
(3) Increase from enterprise combination						
3. Decrease in the Reporting Period					18,260.00	18,260.00
(1) Purchase					18,260.00	18,260.00
4. Closing balance				170,866,146.80	0.00	170,866,146.80
II. Total accrued amortization						
1. Opening balance				78,226,062.81	18,260.00	78,244,322.81

2. Increase in the Reporting Period				3,576,251.52	0.00	3,576,251.52
(1) Withdrawal				3,576,251.52		3,576,251.52
3. Decrease in the Reporting Period					18,260.00	18,260.00
(1) Disposal					18,260.00	18,260.00
4. Closing balance				81,802,314.33	0.00	81,802,314.33
III. Total impairment provision						
1. Opening balance						
2. Increase in the Reporting Period						
(1) Withdrawal						
3. Decrease in the Reporting Period						
(1) Disposal						
4. Closing balance						
IV. Total book value of intangible assets						
1. Book value of the period-end				89,063,832.47	0.00	89,063,832.47
2. Book value of the period-begin				92,640,083.99	0.00	92,640,083.99

The proportion the intangible assets formed from the internal R&D through the Company amount the balance of the intangible assets at the period-end was 0.00%.

(2) Details of fixed assets failed to accomplish certification of land use right

Unit: RMB

Item	Book value	Reason

Other notes:

26. R&D expenses

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance

Other notes:

Not applicable

27. Goodwill

(1) Original book value of goodwill

Unit: RMB

Name of the investees or the events formed goodwill	Opening balance	Increase	Decrease	Closing balance

(2) Impairment provision of goodwill

Unit: RMB

Name of the investees or the events formed goodwill	Opening balance	Increase	Decrease	Closing 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 unamortized expenses

Unit: RMB

Item	Opening balance	Increase	Amortization amount	Decrease	Closing balance
Facilities reconstruction expenses	1,297,321.41		86,488.14		1,210,833.27
Renovation costs	727,400.66		177,677.34		549,723.32
Total	2,024,722.07		264,165.48		1,760,556.59

Other notes

29. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets had not been off-set

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	57,877,645.41	14,430,844.06	57,759,280.17	14,401,252.75
Unrealized internal sales gain and loss	54,136,355.54	13,534,088.89	39,385,119.40	9,846,279.85
Deductible losses	14,491,775.80	3,622,943.95	30,376,338.56	7,594,084.64
Accrued land VAT	644,810,617.96	161,202,654.49	738,683,130.68	184,670,782.67
Estimated profit calculated at pre-sale revenue of property enterprises	417,732,111.76	104,433,027.94	93,163,091.00	23,290,772.75
Payroll payable unpaid but withdrawn	69,928.08	17,482.02	1,293,791.92	323,447.97
Estimated liabilities	843,045.80	210,761.45	834,999.50	208,749.88
Total	1,189,961,480.35	297,451,802.80	961,495,751.23	240,335,370.51

(2) Deferred income tax liabilities had not been off-set

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Book value of the fixed	76,057.24	19,014.31	95,940.98	23,985.24

assets larger than the tax basis				
Total	76,057.24	19,014.31	95,940.98	23,985.24

(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	Amount of deferred income tax assets or liabilities after off-set at the period-end	Mutual set-off amount of deferred income tax assets and liabilities at the period-begin	Amount of deferred income tax assets or liabilities after off-set at the period-begin
Deferred income tax assets		297,451,802.80		240,335,370.51
Deferred income tax liabilities		19,014.31		23,985.24

(4) List of unrecognized deferred income tax assets

Unit: RMB

Item	Closing amount	Opening amount
Total	0.00	0.00

(5) Deductible losses of unrecognized deferred income tax assets will due the following years

Unit: RMB

Years	Closing amount	Opening amount	Note
Total	0.00	0.00	--

Other notes:

30. Other non-current assets

Unit: RMB

Item	Closing balance	Opening balance
Housing purchase prepayment	7,275,069.00	7,275,069.00
Total	7,275,069.00	7,275,069.00

Other notes:

31. Short-term loans

(1) Category of short-term loans

Unit: RMB

Item	Closing balance	Opening balance
Pledged and guaranteed loans	0.00	8,000,000.00
Total		8,000,000.00

Notes of short-term loans category:

(2) List of the short-term loans overdue but not return

The total amount of the overdue but not return short-term borrowings at the period-end was of RMB000, of which the situations of the significant overdue but not return short-term borrowings as follows:

Unit: RMB

Borrower	Closing balance	Borrowing rate	Overdue time	Overdue rate
Total	0.00	--	--	--

Other notes:

32. Financial liabilities measured by fair value and the changes included in the current gains and losses

Unit: RMB

Item	Closing balance	Opening balance

Other notes:

Not applicable

33. Derivative financial liabilities

□ Applicable √ Not applicable

34. Notes payable

Unit: RMB

Category	Closing balance	Opening balance

The total amount of the due but not pay notes payable at the period-end was of RMB000.

35. Accounts payable

(1) List of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Within 1 year (including 1 year)	104,851,734.58	102,357,186.61
1 to 2 years (including 2 years)	377,183.26	10,999,069.54
2 to 3 years (including 3 years)	30,348,762.38	20,968,866.58
3 to 4 years (including 4 years)	16,828,879.05	29,208,688.99
4 to 5 years (including 5 years)	4,505,436.40	1,054,522.02
Over 5 years	26,801,721.09	26,936,604.80
Total	183,713,716.76	191,524,938.54

(2) Notes of the accounts payable aging over one year

Unit: RMB

Item	Closing balance	Unpaid/ Un-carry-over reason
Shenzhen Luohu District Land and Resources Burea	25,000,000.00	Unsettled
Hunan Construction Engineering Group	12,887,087.00	Unsettled
Zhanjiang West Guangdong Construction Engineering Co., Ltd.	6,300,295.58	Unsettled
Shenzhen Yuanpeng Decoration Group Co., Ltd.	3,763,729.00	Unsettled
Shantou Chaoyang Construction Engineering Corporation	1,751,764.45	Unsettled
Total	49,702,876.03	--

Other notes:

36. Advance from customers

(1) List of advance from customers

Unit: RMB

Item	Closing balance	Opening balance
Within 1 year (including 1 year)	2,604,211,279.84	650,027,894.78
1 to 2 years (including 2 years)	1,035,424.13	1,802,283.71
2 to 3 years (including 3 years)	718,445.69	218,445.69
3 to 4 years (including 4 years)	950.00	950.00
4 to 5 years (including 5 years)		
Over 5 years	320,204.02	320,204.02

Total	2,606,286,303.68	652,369,778.20

(2) Significant advance from customers aging over one year

Unit: RMB

Item	Closing balance	Unpaid/ Un-carry-over reason
Total	0.00	--

(3) Particulars of settled but unfinished projects formed by construction contract at period-end.

Unit: RMB

Item	Amount

Other notes:

The closing balance of advance from customer increase 299.51%, comparing to the opening period, mainly was the prepayment of house of SZPRD-Dongguan Songhulangyuan Project, SZPRD-Front Sea Harbour Garden Project and SZPRD-Hupanyujing Phase II had increased.

There was no significant advance from customers aging over one year in the Company.

Prepayment of sale of real estate projects

Item	Aging	Closing balance	Estimate finished time
SZPRD-Front Sea Harbour Garden Project	Within 1 year	1,650,908,603.85	10 Jan. 2016
SZPRD-Dongguang Songhulangyuan Project	Within 1 year	874,483,910.00	12 Jan. 2016
SZPRD-Hupanyujing Phase I	Within 1 year	21,094,893.00	Completed
SZPRD-Hupanyujing Phase II	Within 1 year	43,372,635.00	12 Jan. 2017
Total		2,589,860,041.85	

37. Payroll payable

(1) List of Payroll payable

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term salary	63,264,379.19	125,058,867.11	137,997,703.59	50,325,542.71
II. Post-employment benefit-defined contribution plans	424,363.30	11,291,531.16	11,456,294.46	259,600.00
III. Termination benefits	103,074.00	88,321.00	88,321.00	103,074.00
Total	63,791,816.49	136,438,719.27	149,542,319.05	50,688,216.71

(2) List of Short-term salary

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus, allowance, subsidy	57,289,492.04	110,036,062.18	123,840,379.75	43,485,174.47
2. Employee welfare		1,639,313.03	1,639,313.03	0.00
3. Social insurance	50,673.60	4,712,821.91	4,763,495.51	0.00
Of which: 1. Medical insurance premiums	42,228.00	3,622,520.17	3,664,748.17	0.00
Work-related injury insurance	2,484.00	236,708.20	239,192.20	0.00
Maternity insurance	5,961.60	343,712.84	349,674.44	0.00
Other social security charges		509,880.70	509,880.70	
4. Housing fund	1,124,577.90	3,551,890.99	3,797,454.18	879,014.71
5. Labor union budget and employee education budget	4,799,635.65	3,600,293.26	2,438,575.38	5,961,353.53
8. Non-monetary benefits		1,518,485.74	1,518,485.74	
Total	63,264,379.19	125,058,867.11	137,997,703.59	50,325,542.71

(3) List of drawing scheme

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension benefits	414,427.30	9,170,857.15	9,325,684.45	259,600.00
2. Unemployment insurance		340,376.22	340,376.22	0.00
Annuity	9,936.00	1,780,297.79	1,790,233.79	0.00
Total	424,363.30	11,291,531.16	11,456,294.46	259,600.00

Other notes:

The demission welfare withdrawn by relieving the labor relationship was of RMB88,321.00 and the unpaid amount at the period-end was of RMB103,074.00.

38. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	-3,503,094.34	684,049.71
Business tax	-74,459.15	8,092,058.86
Corporate income tax	69,870,321.74	78,927,414.58
Personal income tax	1,006,107.20	742,060.64
Urban maintenance and construction tax	141,973.16	576,383.19
Stamp tax	-1,042.15	24,807.75
Education Surcharge	67,870.30	250,010.86
Local education surtax	43,412.55	167,498.25
Land VAT	684,255,597.53	742,704,599.09
Property tax	1,153,706.53	1,125,407.71
Levee fee	413.84	451.42
Others	567,283.30	502,630.37
Total	753,528,090.51	833,797,372.43

Other notes:

39. Interest payable

Unit: RMB

Item	Closing balance	Opening balance
Long-term loan interest of installment payment of interest and repay the due capital		467,184.76
Enterprise bond interest		12,228.33
Total		479,413.09

Particulars of significant overdue unpaid interest:

Unit: RMB

Entity	Overdue amount	Overdue reason
Total	0.00	--

Other notes:

40. Dividends payable

Unit: RMB

Item	Closing balance	Opening balance

Note: Including significant unpaid dividends payable over one year, the unpaid reason shall be disclosed:

41. Other accounts payable

(1) Other accounts payable listed by nature of the account

Unit: RMB

Item	Closing balance	Opening balance
Margin	35,544,896.20	35,877,241.66
Accounts receivable of the related companies	31,511,011.04	31,511,011.04
Accounts receivable of the non-related companies	42,314,828.80	44,937,756.84
Others	22,447,106.73	15,917,070.14
Total	131,817,842.77	128,243,079.68

(2) Other significant accounts payable with aging over one year

Unit: RMB

Item	Closing balance	Unpaid/ Un-carry-over reason
Shenzhen Jifa Warehouse Co., Ltd.	26,296,665.14	Come-and-go accounts without specific amortization period
Guangzhou Lishifeng Automobile Co., Ltd.	15,344,017.08	Come-and-go accounts without specific amortization period
Shenzhen International Trade Center Petroleum Company Limited	7,196,769.67	Come-and-go accounts without specific amortization 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	2,330,000.00	Margin within the leasing period
Total	56,381,797.79	--

Other notes

42. Liabilities classified as holding for sale

Unit: RMB

Item	Closing balance	Opening balance

Other notes:

43. Non-current liabilities due within 1 year

Unit: RMB

Item	Closing balance	Opening balance
Long-term loans due within 1 year		121,243,352.00
Total		121,243,352.00

Other notes:

Non-current liabilities due within 1 year decreased comparing to the opening period, mainly was the maturity repayment.

44. Other current-liabilities

Unit: RMB

Item	Closing balance	Opening balance

Changes on short term bonds payable:

Unit: RMB

Name of the bond	Book value	Issue date	Period	Issue amount	Opening balance	The current issue	Withdraw interest at par	Overflow discount amortization	Pay in current period		Closing balance

Other notes:

45. Long-term loan

(1) Category of long-term loan

Unit: RMB

Item	Closing balance	Opening balance
Guaranteed loan		144,840,006.83
Total		144,840,006.83

Notes of short-term loans category:

Other notes including interest rate range:

Long-term loan decreased in opening period, mainly was the repayment decreased.

46. Bonds payable

(1) Bonds payable

Unit: RMB

Item	Closing balance	Opening balance

(2) Increase /decrease of bonds payable (excluding other financial instruments classified as preferred stock, perpetual capital securities and others of financial liabilities)

Unit: RMB

(3) Explanation of convertible conditions, time for convertible company bonds

(4) Explanation of other financial instruments classified as financial liabilities

Basic situation of outstanding preferred stock, perpetual capital securities and other financial instrument at the period-end

Change in outstanding preferred stock, perpetual capital securities and other financial instrument at the period-end

Unit: RMB

Outstanding financial instrument	Opening period		Increase		Decrease		Closing period	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Notes to judgment of other financial instrument classified as financial liabilities

Other notes

47. Long-term payable

(1) Long-term payable listed by nature of the account

Unit: RMB

Item	Closing balance	Opening balance

Other notes:

48. Long-term payroll payable

(1) Long-term payroll payable

Unit: RMB

Item	Closing balance	Opening balance

(2) Change 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

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:

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

Other notes:

49. Special payable

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance	Formed reason

Other notes:

50. Estimated liabilities

Unit: RMB

Item	Closing balance	Opening balance	Formed reason
Pending litigation	834,999.50	834,999.50	For details, please refer to Section IX. Financial Report XIV. 2, (1)
Total	834,999.50	834,999.50	--

Other notes, including significant assumptions, valuation explanation related to significant estimated liabilities:

51. Deferred revenue

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance	Formed reason
Operating license plate rental income held to carry forward	8,802,625.05		646,610.82	8,156,014.23	Operating license plate rental
International Trade Center petroleum rental income held to carry forward	10,270,000.00		699,996.00	9,570,004.00	Rental of International Trade Center Petroleum Co., Ltd.
Total	19,072,625.05		1,346,606.82	17,726,018.23	--

Item involving government subsidies:

Unit: RMB

Item	Opening balance	Amount of newly subsidy	Amount recorded into	Other changes	Closing balance	Related to assets/related

			non-operating income in report period			income
Total		0.00	0.00	0.00		--

Other notes:

52. Other non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Utility specific fund	237,163.45	237,163.45
Housing principle fund	16,320,402.76	15,096,884.76
House warming deposit	7,146,184.35	7,770,164.12
Electric Equipment Maintenance fund	4,019,415.44	4,019,415.44
Deputed Maintenance fund	27,681,668.65	27,476,957.21
Taxi Deposit	42,765,817.07	41,606,566.60
Belong to equity of SIH Divestiture Assets.	17,494,078.26	18,253,188.54
Others	1,163,776.29	312,925.26
Total	116,828,506.27	114,773,265.38

Other notes:

53. Share capital

Unit: RMB

	Opening balance	Increase/decrease (+/-)					Closing balance
		New shares issued	Bonus shares	Capitalized Capital reserves	Others	Subtotal	
The sum of shares	595,979,092.00						595,979,092.00

Other notes:

54. Other equity instruments

(1) Basic situation of outstanding preferred stock, perpetual capital securities and other financial instrument at the period-end

(2) Change in outstanding preferred stock, perpetual capital securities and other financial instrument at the period-end

Unit: RMB

Outstanding financial instrument	Opening period		Increase		Decrease		Closing period	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Changes, reason of change and basis of relevant accounting treatment of other equity instruments in Reporting Period:

Other notes:

55. Capital surplus

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium	38,450,087.51			38,450,087.51
Other capital reserves	81,501,446.42			81,501,446.42
Total	119,951,533.93			119,951,533.93

Other notes, including changes and reason of change:

56. Treasury stock

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance

Other notes, including changes and reason of change:

57. Other comprehensive income

Unit: RMB

Item	Opening balance	Reporting Period					Closing balance
		Amount before income tax in current period	Less: recorded in other comprehensive income in prior period and transferred to profit or	Less: Income tax expense	Attributable to owners of the Company after tax	Attributable to minority shareholders after tax	

			loss in current period				
II. Other comprehensive reclassified into profits or losses	-4,046,603.46	1,000,816.76			1,000,816.76		-3,045,786.70
Converted difference of the foreign currency financial statement	-4,046,603.46	1,000,816.76			1,000,816.76		-3,045,786.70
Total	-4,046,603.46	1,000,816.76			1,000,816.76		-3,045,786.70

Other notes, including the adjustment of the recognition of initial amount of effective part of the cash flow hedging gains and losses transfer into arbitraged items:

58. Special reserves

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance

Other notes, including changes and reason of change:

59. Surplus reserves

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	154,664,631.59			154,664,631.59
Total	154,664,631.59			154,664,631.59

Other note, including changes and reason of change

60. Retained earnings

Unit: RMB

Item	Reporting Period	Last period
Opening balance of retained profits before adjustments	1,233,358,112.55	1,225,726,944.83
Opening balance of retained profits after adjustments	1,233,358,112.55	1,225,726,944.83
Add: Net profit attributable to owners of the Company	-5,248,704.63	31,162,831.74
Dividend of common stock payable	47,678,327.36	131,115,400.24
Closing retained profits	1,180,431,080.56	1,125,774,376.33

List of adjustment of opening retained profits:

1) RMB0.00 opening retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for

Business Enterprises and relevant new regulations.

2) RMB0.00 opening retained profits was affected by changes on accounting policies.

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

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

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

61. Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Sales revenue	Cost of sales	Sales revenue	Cost of sales
Main operations	345,547,471.22	287,490,422.42	317,901,168.02	191,090,391.49
Other operations	26,510,008.74	7,517,399.44	20,860,142.37	7,963,769.10
Total	372,057,479.96	295,007,821.86	338,761,310.39	199,054,160.59

62. Business tax and surcharges

Unit: RMB

Item	Reporting Period	Same period of last year
Business tax	14,203,065.56	16,137,424.04
Urban maintenance and construction tax	1,239,360.30	1,194,754.19
Education Surcharge	532,180.88	581,111.41
Local education surtax	353,463.79	277,110.87
Levee fee	-37.58	1,074.24
Property tax	1,451,965.74	2,079,423.80
Land use tax	291,904.46	
Land VAT	5,661,386.67	26,059,740.50
Other	11,672.58	450,507.04
Total	23,744,962.40	46,781,146.09

Other notes:

A YOY decrease of 49.24% in business tax and surcharges mainly was the settlement of the projects in different areas, gross rate had a YOY decreased which lead to the decrease of land value increment tax.

63. Sales expenses

Unit: RMB

Item	Reporting Period	Same period of last year
Employee’s remuneration	2,025,984.36	1,405,483.32

Office expenses of operating institutions	1,773,152.88	1,410,156.73
Sales agency fee, advertising expense and general publicity expense	10,539,707.09	9,154,883.00
Others	2,200,915.26	687,743.64
Total	16,539,759.59	12,658,266.69

Other notes:

The sales expenses increased 30.66% over the last period which mainly was enlarging sale power lead to the increase of relevant marketing expenses.

64. Administrative expenses

Unit: RMB

Item	Reporting Period	Same period of last year
Employee's remuneration	29,331,379.85	29,457,310.79
Administrative office cost	7,460,528.60	7,116,805.85
Assets amortization and depreciation expense	1,808,062.26	2,536,652.51
Litigation costs	235,352.87	2,211,000.00
Taxes	878,783.59	533,243.23
Others	4,858,048.28	6,475,169.32
Total	44,572,155.45	48,330,181.70

Other notes:

65. Financial expenses

Unit: RMB

Item	Reporting Period	Same period of last year
Interest expenses	0.00	0.00
Less: Interest income	7,499,149.56	5,421,472.92
Net losses of exchange	-32,303.30	215,050.38
Others	493,013.92	492,047.04
Total	-7,038,438.94	-4,714,375.50

Other notes:

The amount of the financial expenses of the period increase over the last period was mainly due to the increase of bank deposit.

66. Asset impairment loss

Unit: RMB

Item	Reporting Period	Same period of last year
I. Bad debt loss	-539,137.85	365,644.80
II. Inventory falling price loss	4,350,035.81	-7,847.20
Total	3,810,897.96	357,797.60

Other notes:

The amount of the assets impairment losses largely increased over the last period was mainly due to the reverse of the inventory falling price provision of SZPRD-Hupanyujing Phase II Project.

67. Gains and losses from 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	1,158,576.32	666,409.17
Investment income received from disposal of available-for-sale financial assets		5,709,098.20
Others		392,034.89
Total	1,158,576.32	6,767,542.26

Other notes:

The investment income decreased 82.88% over last period was mainly due to the investment income from disposal of available for sale financial assets.

69. Non-operating gains

Unit: RMB

Item	Reporting Period	Same period of last year	Recorded in the amount of the non-recurring gains and losses
Confiscated income	713,423.41	444,741.20	713,423.41
Others	369,676.99	116,338.18	369,676.99
Total	1,083,100.40	561,079.38	1,083,100.40

Government subsidies recorded into current profits and losses

Unit: RMB

Item	Distribution entity	Distribution reason	Nature	Whether subsidies influence the current profits and losses or not	Special subsidy or not	Reporting Period	Same period of last year	Related to assets/related income
Total	--	--	--	--	--	0.00	0.00	--

Other notes:

Non-operating gains increased 93.04% over last period was mainly due to the increase of confiscation of all kinds of deposit and overdue fund.

70. Non-operating expenses

Unit: RMB

Item	Reporting Period	Same period of last year	Recorded in the amount of the non-recurring gains and losses
Loss on disposal of non-current assets	6,300.00	426,921.60	6,300.00
Including: Loss on disposal of fixed assets	6,300.00	426,921.60	6,300.00
Taxes overdue payment fines and other fines	19,444.98	364,555.49	19,444.98
Others	272,977.52	298,401.06	272,977.52
Total	298,722.50	1,097,878.15	298,722.50

Other notes:

Non-operating expenses decreased 72.79% over last period was mainly due to the payment of penalty, overdue fund, losses from disposal of fix assets decreased.

71. Income tax expense

(1) Lists of income tax expense

Unit: RMB

Item	Reporting Period	Same period of last year
Current income tax expense	680,299.69	19,771,504.14
Deferred income tax expense	1,931,680.80	-8,409,459.17
Total	2,611,980.49	11,362,044.97

(2) Adjustment process of accounting profit and income tax expense

Unit: RMB

Item	Reporting Period
Total profits	-2,636,724.14
Current income tax expense accounted by tax and relevant regulations	-659,181.04
Influence of different tax rate suitable to subsidiary	1,425.21
Influence of income tax before adjustment	1,566,913.91
Influence of non taxable income	-289,644.08
Influence of not deductible costs, expenses and losses	-123,850.12
Influence of deductible losses of deferred income tax assets derecognized used in previous period	-42,227.03
Influence of deductible temporary difference or deductible losses of deferred income tax assets derecognized in Reporting Period.	2,158,543.63
Income tax expense	2,611,980.49

Other notes

The income tax expense decreased 77.01% over last period was mainly due to decreased of profits realized in Reporting Period.

72. Other comprehensive income

Refer to the Note. 57

73. Supplementary information to cash flow statement

(1) Other cash received relevant to operating activities:

Unit: RMB

Item	Reporting Period	Same period of last year
Interest income	7,499,149.56	5,421,472.92
Other small receivables	9,409,363.61	3,223,250.59
Net margins, security deposit and various special funds received	1,103,118.08	
Net amount of utilities, miscellaneous fees and accident fee and other receivables on behalf	3,548,734.20	
Total	21,560,365.45	8,644,723.51

Note to other cash received relevant to operating activities:

(2) Other cash paid relevant to operating activities:

Unit: RMB

Item	Reporting Period	Same period of last year
Paying administration expenses in cash	10,781,780.30	13,754,863.03
Paying sales expenses in cash	19,956,361.04	14,085,771.42
Net margins, security deposit and various special funds paid		1,469,582.18
Net amount of utilities, miscellaneous fees and accident fee and other payments on behalf		13,919,258.96
Other small payments	6,389,601.95	804,340.53
Total	37,127,743.29	44,033,816.12

Notes to other cash paid relevant to operating activities:

(3) Other cash received relevant to investment activities

Unit: RMB

Item	Reporting Period	Same period of last year

Notes to other cash received relevant to investment activities

(4) Other cash paid relevant to investment activity

Unit: RMB

Item	Reporting Period	Same period of last year

Note to other cash paid relevant to investment activities:

(5) Other cash received relevant to financing activities

Unit: RMB

Item	Reporting Period	Same period of last year

Notes to other cash received relevant to financing activities:

(6) Other cash paid relevant to financing activities

Unit: RMB

Item	Reporting Period	Same period of last year
Handling charges of significant loans	96,000.00	104,500.00
Total	96,000.00	104,500.00

Notes to other cash paid relevant to financing activities:

74. Supplemental information for Cash Flow Statement

(1) Information of net profit to net cash flows generated from operating activities

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	-5,248,704.63	31,162,831.74
Add: Provision for impairment of assets	3,810,897.96	357,797.60
Depreciation of fixed assets, of oil-gas assets, of productive biological assets	16,066,627.54	15,612,644.17
Amortization of intangible assets	3,576,251.52	3,576,251.52
Long-term unamortized expenses	264,165.48	264,165.48
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains: negative)	6,300.00	426,921.60
Financial cost (gains: negative)	96,000.00	104,500.00
Investment loss (gains: negative)	-1,158,576.32	-6,767,542.26
Decrease in deferred income tax assets (gains: negative)	-57,116,432.29	-8,359,611.70
Increase in deferred income tax liabilities (“-” means decrease)	-4,970.93	-228,468.69
Decrease in inventory (gains: negative)	-139,623,701.04	-170,954,590.39
Decrease in accounts receivable from operating activities (gains: negative)	-169,294,375.39	-23,560,177.24
Increase in payables from operating activities (decrease: negative)	1,857,883,012.89	-63,543,902.76
Net cash flows generated from operating activities	1,509,256,494.79	-221,909,180.93
2. Significant investing and financing activities without involvement of cash receipts and payments	--	--
3. Net increase in cash and cash equivalents:	--	--
Closing balance of cash	2,116,055,975.68	482,997,421.84
Less: Opening balance of cash	933,337,815.77	808,963,376.68
Net increase in cash and cash equivalents	1,182,718,159.91	-325,965,954.84

(2) Net Cash paid of obtaining the subsidiary

Unit: RMB

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

Other notes:

(3) Net Cash receive from disposal of the subsidiary

Unit: RMB

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

Other notes:

(4) Cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	2,116,055,975.68	933,337,815.77
Including: Cash on hand	299,819.32	208,170.99
Bank deposit on demand	2,114,647,115.64	930,987,796.17
Other monetary funds on demand	1,109,040.72	2,141,848.61
III. Closing balance of cash and cash equivalents	2,116,055,975.68	933,337,815.77

Other notes:

75. Notes to items of changes in owner's equity

Notes to name of "other" item adjusted closing balance and the adjustment amount:

Not applicable

76. The assets with the ownership or use right restricted

Unit: RMB

Item	Closing book value	Restricted reason

Monetary capital	12,402,160.00	Guarantee deposit, for details, please refer to Section IX. Financial Report VII. 1, XIV. 2, (1)
Total	12,402,160.00	--

Other notes:

77. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB

Item	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Monetary capital	--	--	51,712,574.39
HKD	60,503,772.54	0.8547	51,712,574.39
Other account payable			304,788.63
Of which: HKD	356,603.05	0.8547	304,788.63
Accounts payable			47,863.20
Of which: HKD	56,000.00	0.8547	47,863.20

Other notes:

(2) Note to oversea entities including: for significant oversea entities, shall disclose main operating place, recording currency and selection basis, if there are changes into recording currency, shall also disclose the reason.

√ Applicable □ Not applicable

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

78. Arbitrage

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

Not applicable

79. Other

Not applicable

VIII. Changes of merge scope

1. Business combination not under the same control

(1) Business combination under the same control during the Reporting Period

Unit: RMB

Name of acquiree	Time to obtain equity	Time to obtain cost	Equity proportion obtained	Way of equity obtained	Purchase date	Recognition judgment	Income of acquiree from purchase date to period-end	Net profit of acquiree from purchase date to period-end

Other notes:

Not applicable

(2) Combination cost and goodwill

Unit: RMB

Combination cost	

Notes to recognition method, contingent consideration and its changes in fair value of combination cost:

Not applicable

Main reason of large amount goodwill formed:

Not applicable

Other notes:

Not applicable

(3) The identifiable assets and liabilities of acquiree at purchase date

Unit: RMB

	Fair value on purchase date	Book value on purchase date

Recognition methods of identifiable assets and liabilities:

Not applicable

Contingent liabilities of acquiree bared in enterprises merger:

Not applicable

Other notes:

Not applicable

(4) The profit or loss from equity held by the date before acquisition in accordance with the fair value measured again

Whether there is a transaction that through multiple transaction step by step to realize enterprises merger and gaining the control during the Reporting Period

□ Yes √ No

(5) Note to merger could not be determined reasonable consideration or Identifiable assets, Fair value of liabilities of the acquiree at acquisition date or closing period of the merge

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 profits	Basis	Combination date	Recognition basis of combination date	Income from the period-begin to the combination date of the combination	Net profits from the Reporting Period to the combination date of the combination	Income during the period of comparison	Net profits during the period of comparison

Other notes:

Not applicable

(2) Combination cost

Unit: RMB

Combination cost	

Notes to contingent consideration or other changes:

Not applicable

Other notes:

Not applicable

(3) The book value of the assets and liabilities of the combined party at combining date

Unit: RMB

	Combination date	Period-end of last period

Contingent liabilities of the combined party undertaken in 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 subsidiary and lost control

□ Yes √ No

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in Reporting Period

□ Yes √ No

5. Other reasons for the changes in combination scope

Notes to reasons for the changes in combination scope (Newly established subsidiary and subsidiary of liquidation) and relevant information:

Not applicable

6. Other

Not applicable

IX. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

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	95.00%	5.00%	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 Estate Development Co., Ltd.	Dongguan	Dongguan	Property development	100.00%		Set-up
PRD Yangzhou Real Estate Development Co., Ltd.	Yangzhou	Yangzhou	Property development	100.00%		Set-up
SHENZHEN INTERNATIONAL TRADE CENTER PROPERTY MANAGERMENT CO., LTD.	Shenzhen	Shenzhen	Property management	95.00%	5.00%	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 Property Management Engineering Equipment Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen International Trade Center Food Co., Ltd.	Shenzhen	Shenzhen	Catering service	80.00%	20.00%	Set-up
Shenzhen Property Construction Supervision Co., Ltd.	Shenzhen	Shenzhen	Project supervision		100.00%	Set-up
Shenzhen Real Estate Exchange	Shenzhen	Shenzhen	Service	100.00%		Set-up
Shenzhen International Trade Center Vehicles Industry Co., Ltd.	Shenzhen	Shenzhen	Service	90.00%	10.00%	Set-up
Shenzhen International Trade Center Motor Rent Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen Tesu Vehicle Driver Training Center Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen International	Shenzhen	Shenzhen	Trading	95.00%	5.00%	Set-up

Trade Plaza						
Sichuan Tianhe Industry Co., Ltd.	Chengdu	Chengdu	Trading		100.00%	Set-up
Zhanjiang Shenzhen Real Estate Development Co., Ltd.	Zhanjiang	Zhanjiang	Property development	100.00%		Set-up
Shenzhen Shenxin Taxi Co., Ltd.	Shenzhen	Shenzhen	Service	100.00%		Business combination under the same control
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 structure entities and controlling basis in the scope of combination:

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

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

Since there are legal impediments in partial transfer of Divestiture Assets, FET Company and SX Company concluded and signed Contract on Entrusted Management of Divestiture Assets and Liabilities, promising that FET Company has entrusted SX Company to liquidate, manage and dispose of Divestiture Assets. The entrusted period ends on December 31, 2014. Since there are legal impediments in partial transfer of Divestiture Assets, FET Company and SX Company concluded and signed Supplement Contract on Entrusted Management of Divestiture Assets and Liabilities, promising that FET Company has entrusted SX Company to liquidate, manage and dispose of Divestiture Assets. The entrusted period ends on September 30, 2016. SX Company paid for FET Company with 313,000 Yuan income obtained from assets operation from Jun. 1, 2012 to December 31, 2012. Since then SX Company will pay 626,000 Yuan to FET Company each year and the remaining incomes gained from assets operation will be possessed by SX Company.

Balance of Divestiture Assets as of 30 June 2016 in consolidated statements is as follows:

Item	Amount	Item	Amount
Other accounts receivable	50.00	Other account payable	683,578.08
Investment property	8,869,702.93	Other non-current liabilities	17,494,078.26
Fixed assets	9,120,223.51		
Long-term unamortized expenses	187,679.90		
Total assets	18,177,656.34	Total liabilities and owners' equity	18,177,656.34

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

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

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

Naught

Other notes:

Naught

(2) Significant not wholly owned subsidiary

Unit: RMB

Name	Shareholding proportion of minority shareholder	The profits and losses arbitrate to the minority shareholders	Declaring dividends distribute to minority shareholder	Balance of minority shareholder at closing period

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

Naught

Other notes:

As of the end of Reporting Period, the balance of minority shareholders was RMB862,087.06; there was no significant non-wholly owned subsidiary in the Company.

(3) The main financial information of significant not wholly owned subsidiary

Unit: RMB

Name	Closing balance						Opening 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			
	Operation revenue	Net profit	Total comprehensive income	Operating cash flow	Operation revenue	Net profit	Total comprehensive income	Operating cash flow

Other notes:

Naught

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

Naught

(5) Provide financial support or other support for structure entities incorporate 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 owner’s equity share changed in subsidiary

Naught

(2) The transaction’s influence to equity of minority shareholders and attributable to the owner's equity of the parent company

Unit: RMB

Other notes

Naught

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Accounting treatment of the investment of 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 associate enterprise of Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd., Shenzhen INTERNATIONAL TRADE CENTER Industrial Development Co., Ltd. and Anhui Nanpeng Papermaking Co., Ltd. Now the aforesaid companies' financial statement can not be obtained, thus, the Company believed that they were insignificant associate 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 venture

Unit: RMB

	Closing balance/ Reporting Period		Opening balance /last period	
	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	40,290,793.13	7,276,178.04	38,895,590.21	5,555,289.81
Of which: cash and cash equivalence	29,129,164.09	6,723,458.04	27,170,290.21	5,279,230.56

Non-current assets	51,233.38	58,664,366.58	112,137.15	59,395,951.93
Total assets	40,342,026.51	66,113,227.61	39,007,727.36	64,951,241.74
Current liabilities	15,959,745.32	2,776,265.41	14,868,217.22	3,372,557.80
Non-current liability	16,349,735.99		16,665,839.28	
Total liabilities	32,309,481.31	2,776,265.41	31,534,056.50	3,372,557.80
Equity attribute to the parent company	8,032,545.20	63,336,962.20	7,473,670.86	61,578,683.94
Portion of net assets calculated according to proportion of shareholdings	4,016,272.60	31,668,481.10	3,736,835.43	30,789,341.97
Book value of equity investment to joint venture	4,016,272.60	31,668,481.10	3,736,835.43	30,789,341.97
Operation revenue	8,671,772.39	3,580,486.62	9,042,773.62	3,117,826.11
Financial expenses	29,837.17	-7,667.06	-1,005.14	-3,221.24
Income tax expense	186,291.45	290,916.24	219,258.92	225,013.86
Net profit	558,874.35	1,758,278.26	657,776.76	675,041.56
Total comprehensive income	558,874.35	1,758,278.26	657,776.76	675,041.56

Other notes

Naught

(3) Main financial information of significant associated enterprise

Unit: RMB

	Closing balance/ Reporting Period	Opening balance /last period

Other notes

The Company's long term equity investment had withdrawn bad debt provision for the associate enterprise of Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd., Shenzhen INTERNATIONAL TRADE CENTER Industrial Development Co., Ltd. and Anhui Nanpeng Papermaking Co., Ltd. Now the aforesaid companies' financial statement can not be obtained, thus, the Company believed that they were insignificant associate enterprises.

(4) Summary financial information of insignificant joint venture or associated enterprise

Unit: RMB

	Closing balance/ Reporting Period	Opening balance /last period

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 of the ability of joint venture or associated enterprise transfer funds to the Company

Naught

(6) The excess loss of joint venture or associated enterprise

Unit: RMB

Name	The cumulative recognized losses in previous accumulatively derecognized	The derecognized losses or the share of net profit in Reporting Period	The noncumulative unrecognized losses in Reporting Period

Other notes

Naught

(7) The unrecognized commitment related to joint venture investment

Naught

(8) Contingent liabilities related to joint venture or associated enterprise investment

Naught

4. Significant common operation

Name	Main operating place	Registration place	Nature of business	Proportion /share portion	
				Directly	Indirectly

Note to holding proportion or share portion in common operation different from voting proportion:

Naught

Basis of common operation as a single entity, classify as common operation

Naught

Other notes

Naught

5. Equity of structure entity not including in the scope of consolidated financial statements

Related notes to structure entity not including in the scope of consolidated financial statements

Naught

6. Other

Naught

X. The risk related 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 RMB43.4845 million except the aforesaid had withdrawn bad debt provision, mainly was the account receivable of property management, of which was account receivable RMB5.4735 million of Huawei Technologies Co., Ltd. was the total property management costs of several serve district of Huawei Technology Center. 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. 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 2, Note VII and 4, 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 it selves, 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.

The analysis of maturity term made by the Group’s financial liabilities in line with non discount cash flow of the contracts:

(1) The Group’s current liabilities including short-term loans payable, accounts payable, interest payable, other payables and non-current liabilities due within one year are expected paid within 1 year.

(2)The analysis of maturity term made by the Group's financial liabilities in line with non discount cash flow of the contracts:

Item	Closing balance (RMB Ten Thousand Yuan)				
	Within 1 year (including 1 year)	1-3years (including 3 years)	3-5 years (including 5 year)	Over 5 years	Total
Long term loan (interest included)	0.00	0.00			0.00

Item	Opening balance (RMB Ten Thousand Yuan)				
	Within 1 year (including 1 year)	1-3 years (including 3 year)	3-5 years (including 5 year)	Over 5 years	Total
Long term loan (interest included)	902.83	14,756.09			15,658.91

As of the end of Reporting Period, there were no current liabilities or long term loan in the Group.

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 followed.

Reflecting under the hypothesis of other variables constant, listed the reasonable and possible change of foreign exchange, due to the fair value of the monetary assets and monetary liabilities changes will impact on net income and shareholders' equity

Item	Reporting Period		Last period	
	Influence to the profits	Influence to equity of shareholders	Influence to the profits	Influence to equity of shareholders
RMB down 2% against HKD	-5,630.49	997,110.52	6,078.57	920,339.13
RMB up 2% against HKD	5,630.49	-997,110.52	-6,078.57	-920,339.13

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

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

(2) Interest rate risk

Interest rate risk is refers to fluctuation risk of the fair value or future cash flow of financial instrument change due to the change of market price.

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.

As of the end of Reporting Period, the Group had repaid all the bank loan, the debt with interest was RMB0.

(3) Other price risk

Other price risk, the risk changed from the change in market price except exchange rate risk and interest risk, no matter the change was due to the single financial instrument or issue party related factors or the relevant factor of similar financial instrument within transaction market.

The available for sale listed equity instrument held by the Group listed in SZSE and calculated at market offer on balance sheet date. The investment of available for sale equity instrument occurred investment price risk.
Sensitive analysis of other price risk of equity instrument investment was as followed.
Reflecting under the hypothesis of other variables constant, the fair value of equity instrument changes will impact on net income and shareholders' equity.

Item	Reporting Period	
	Influence to the profits	Influence to equity of shareholders
SZSE-fair value of available for sale equity instrument increase5%		133,815.80
SZSE-fair value of available for sale equity instrument decrease5%		-133,815.80

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

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

Note 3: without regard to the factor possible influence the profit sheet falling price.

XI. The disclosure of the fair value

1. Closing fair value of assets and liabilities calculated by fair value

Unit: RMB

Item	Closing 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	3,568,421.28	0.00	0.00	3,568,421.28
(2) Equity tool investment	3,568,421.28	0.00	0.00	3,568,421.28
Total assets of consistent fair value measurement	3,568,421.28	0.00	0.00	3,568,421.28
Total liabilities of consistent fair value measurement	0.00	0.00	0.00	0.00
II. Inconsistent fair value measurement	--	--	--	--
Total assets inconsistently measured at fair value	0.00	0.00	0.00	0.00
Total liabilities inconsistent measured at fair value	0.00	0.00	0.00	0.00

2. Market price recognition basis for consistent and inconsistent fair value measurement items at level 1

The closing price of securities transaction in SZSE on 30 June 2016

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 opening and closing book value of consistent fair value measurement items at level 3

Not applicable

6. Explain the reason for conversion and the policy governing 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 change

Not applicable

8. Fair value of financial assets and liabilities not measured at fair value

Not applicable

9. Other

Not applicable

XII. Related party and related Transaction

1. Information related to parent company of the Company

Name of parent company	Registration place	Nature of business	Registered capital	Proportion of share held by parent company against the Company (%)	Proportion of voting rights owned by parent company against the Company (%)

SHENZHEN INVESTMENT HOLDINGS CO., LTD	Shenzhen	Managing state-owned assets	RMB21.45 billion	63.82%	63.82%

Notes: Information on the parent company:

By the end of the Reporting Period, the controlling shareholder of the Company is still Shenzhen Construction Investment Holdings in register book. In 2004, People's Government of Shenzhen Municipality incorporated Shenzhen Construction Investment Holdings with the other two municipal asset management companies, namely Shenzhen Investment Management Corporation and Shenzhen Trade and Business Holding Company, and established Shenzhen Investment Holdings Co., Ltd. Thus, the Company's actual controlling shareholder is Shenzhen Investment Holdings Co., Ltd., a sole state-funded limited company, who was established in October 13, 2004.Its main business scope is investing, operating and managing the state-owned shares in sole-funded, holding and joint-stock enterprises by means of reorganization, capital running and assets proposal; carrying out real estate development and operation business after legally obtaining the land use right; making investment based on policies and strategies as required by Shenzhen SASAC, providing guarantee to municipal state-owned enterprises, and running other business authorized by Shenzhen SASAC. 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:

2. Subsidiaries of the Company

See details to Notes IX. 1

3. Information on the joint ventures and associated enterprises of the Company

See details to Notes IX. 3

Information on other joint venture and associated enterprise of occurring related party transactions with the Company in Reporting Period, or form balance due to related party transactions in previous period:

Name	Relationship

Other notes

4. Information on other related parties of the Company

Name	Relationship
Shenzhen Guesthouse Restaurant	Under the same control of the parent company of the Company
Shenzhen Foreign Economy & Trade Investment Co., Ltd.	Under the same control of the parent company of the Company
Shenzhen Investment Holdings Co., Ltd.	Under the same control of the parent company of the Company

Other notes

5. List of related-party transactions

(1) Information on acquisition of goods and reception of labor service (unit: ten thousand Yuan)

Information on acquisition of goods and reception of labor service

Unit: RMB

Related 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

Related party	Content	Reporting Period	Same period of last year
Shenzhen Investment Holdings Co., Ltd.	Provision of labor service	0.00	129,542.40

Notes:

(2) Related trusteeship/contract

Lists of related trusteeship/contract:

Unit: RMB

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

Notes:

Lists of entrust/contractee

Unit: RMB

Name of the entruster/contractee	Name of the entrustee/ contractor	Type	Initial date	Due date	Pricing basis	Charge recognized in the Reporting Period

Notes:

(3) Information of related lease

The Company was lessor:

Unit: RMB

Name of lessee	Category of leased assets	The lease income confirmed in this year	The lease income confirmed in last year

The Company was lessee:

Unit: RMB

lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets

Shenzhen Investment Holdings Co., Ltd.	Rental	100,715.80	172,421.46

Notes:

(4) Related-party 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:

The Company and its subsidiaries didn't provide guarantees for other companies beyond the range of consolidated financial statements. As of the end of Reporting Period, the Company had repaid the entire bank loan. The guarantees those Company and its subsidiaries provided to each other had been canceled.

(5) Inter-bank lending of capital of related parties：

Unit: RMB

Related party	Amount borrowed and loaned	Initial date	Due date	Explanation
Borrowed				
Loaned				

(6) Related party asset transfer and debt restructuring

Unit: RMB

Related party	Content	Reporting Period	Same period of last year

(7) Rewards for the key management personnel

Unit: RMB

Item	Reporting Period	Same period of last year
Total rewards for the key management personnel (tax included)	2,238,223.00	2,521,859.00

(8) Other related-party transactions

In November 2012, Shenzhen Foreign Economy & Trade Investment Co., Ltd. (hereinafter referred to as FET Company") and Shenzhen Shenxin Taxi Co., Ltd. (hereinafter referred to as "SX Company") concluded and signed Contract on Entrusted Management of Divestiture Assets and Liabilities, promising that FET Company has entrusted SX Company to liquidate, manage and dispose of Divestiture Assets, see 2, Section X Financial Report, (IX), (1) According to the Contract on Entrusted Management, during Reporting Period, SX Company paid the assets operating income of RMB626,000 to FET Company.

During the entrusted operating period in January-June of 2016, the situation of divestiture assets was as followed:

Item	Amount
Operation revenue	1,112,016.98
Operation cost	1,213,921.32
Business tax and surcharges	45,047.68
Administrative expenses	706,188.18
Total profits	-853,140.20
Income tax expense	-213,285.05
Net profit	-639,855.15

Notes: the management costs included paying operation income of RMB626,000 to FET Company.

6. Receivables and payables of related parties

(1) Receivables

Unit: RMB

Name o f item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Other accounts receivable	Anhui Nanpeng Papermaking Co., Ltd.	8,311,904.00	8,311,904.00	8,047,712.00	8,047,712.00
Other accounts receivable	Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	1,747,264.25	1,747,264.25	1,747,264.25	1,747,264.25
Other accounts receivable	Shenzhen Guesthouse Restaurant	909,960.40	909,960.40	909,960.40	909,960.40

(2) Payables

Unit: RMB

Name o f item	Related party	Closing book balance	Opening book balance
Other account payable	Shenzhen Jifa Warehouse Co.,	26,296,665.14	26,296,665.14

	Ltd.		
Other account payable	Tianan International Building Property Management Company of Shenzhen	5,214,345.90	5,214,345.90

7. Related party commitment

No such case in Reporting Period.

8. Other

Not applicable

XIII. Stock payment

1. The Stock payment overall situation

□ Applicable √ Not applicable

2. The Stock payment settled by equity

□ Applicable √ Not applicable

3. The Stock payment settled by cash

□ Applicable √ Not applicable

4. Modification and termination of the stock payment

Naught

5. Other

Naught

XIV. Commitments

1. Significant commitments

Significant commitments at balance sheet date

Item	Closing amount
Large amount contract of real estate development project signed but derecognized in financial statements.	1,087,871,451.87
Total	1,087,871,451.87

2. Contingency

(1) Significant contingency at balance sheet date

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

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

In September 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 September 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 March 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 August 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, now the Company is waiting for acceptance and inspection.

B. Lawsuit item about land approval of Meisi Company

In June 2004, Shenzhen Meisi Industrial Co., Ltd. (hereinafter referred to as "Meisi Company") prosecuted Shenzhen Luohu Economic Development Co., Ltd and the Company to Shenzhen Intermediate People's Court(hereinafter referred to as "Shenzhen Intermediate Court") for illegal use of land owned by Meisi Company and request for ceasing the infringing act and receiving a compensation amounted RMB8 million. In March 2005, Shenzhen Intermediate Court issued Civil Ruling Paper SZFMCZ (2004) No. 108 and adjudicated that the Company should return the land with an area of 4,782 square meters to Meisi Company within 3 months and other claims of Meisi Company were overruled. The Company refused to accept the verdict and appealed to Guangdong Higher Court. On November 25, 2005, Guangdong Higher Court adjudicated that the Civil Ruling Paper SZFMCZ (2004) No. 108 issued by Shenzhen Intermediate Court should be cancelled and the prosecution of Meisi Company were overruled.

During the process of trial of second instance, Meisi Company applied to Registration Center for Property of Real Estate of Shenzhen Municipality for revoking Property Ownership Certificates SFDZ No. 3000320987 and No. 300119899 owned by the Company. On July 7, 2005, Registration Center for Property of Real Estate of Shenzhen Municipality issued the reply of SFDH (2005) No. 84 to Meisi Company and judged that aforesaid certificates are legal and effective and should not be revoked. Meisi Company disagreed with this judgment and applied the administrative reconsideration to the People's Government of Shenzhen Municipality. On October 8, 2005, the People's Government of Shenzhen Municipality issued Decision on Administrative Reconsideration SFFJ (2005) No. 294 and judged that aforesaid 2 certificates were registered illegally and should be revoked, reply of SFDH (2005) No. 84 was canceled accordingly.

The Company refused to accept Decision on Administrative ReconsiderFation SFFJ (2005) No. 294 and prosecuted an administrative litigation to Shenzhen Intermediate Court on October 20, 2005. Shenzhen Intermediate Court issued Administrative Judgment SZFXCZ (2005) No. 23 and adjudicated that Decision on Administrative Reconsideration SFFJ (2005) No. 294 is sustained. The Company disagreed with this administrative judgment and appealed to Guangdong Higher Court on August 2, 2006. Guangdong Higher Court issued Administrative Judgment YGFXZZ (2006) No. 154 in which the appeal was rejected and Administrative Judgment SZFXCZ (2005) No. 23 was sustained. According to this Judgment, Shenzhen Municipal Bureau of Land Resources and Housing Management would reconsider the request of Meisi Company to revoke the Property Ownership Certificates SFDZ No. 3000320987 and No. 3000119899 of the Company.

On May 15, 2007, Registration Center for Property of Real Estate of Shenzhen Municipality issued Decision on Revoking the Property Ownership Certificates SFDZ No. 3000320987 and No. 3000119899 (SFZ (2007) No. 27). Registration Center for Property of Real Estate of Shenzhen Municipality decided to revoke property ownership certificates SFDZ No. 3000320987 and No. 3000119899 owned by the Company that indicating the ownership of occupied property of Meilin Workshop, Comprehensive Building and the land use right of 11,500 square meters and restore the registration of the ownership of occupied property of Meilin Workshop, Comprehensive Building and the land use right of certificates of SFDZ No. 0103142 and No. 0103139. The Company had the ownership of occupied property of Meilin Workshop, Comprehensive Building and the land use right of 11,500 square meters according to original property ownership certificates.

On July 9,2007, the Company applied the administrative reconsideration to the Administrative Reconsideration Office of the People’s Government of Shenzhen Municipality, which considered that those action that Registration Center for Property and Real Estate of Shenzhen Municipality revoked property ownership certificate SFDZ No. 3000320987 and No. 3000119899 owned by the Company and restore the registration of Meilin Workshop, Comprehensive Building and land use right violated the provisions of the Decision on Strengthening Land Market Management and further Enlivening and Standardizing Real Estate Market (SF (2001) No. 94) promulgated by People’s Government of Shenzhen Municipality, and requested People’s Government of Shenzhen Municipality to rescind the Decision. On September 6, 2007, the People’s Government of Shenzhen Municipality issued Decision on Administrative Reconsideration SFFJ (2007) No. 255 to sustain the administrative decision of Shenzhen Municipal Bureau of Land Resources and Housing Management.

In November 2007, Shenzhen Municipal Bureau of Land Resources and Housing Management rejected the application of Meisi Company for revoking Property Ownership Certificates SFDZ No. 0103142 and No. 0103139. Meisi Company prosecuted an administrative litigation to Shenzhen Futian People’s Court (hereinafter referred as to “Futian Court”) to ask for revoking the administrative decision of Shenzhen Municipal Bureau of Land Resources and Housing Management. The Company was involved as third party. Court session started on January 8, 2008 with litigation number of (2008) SFFXCZ No. 10 (hereinafter referred as to “No.10 Case”). On January 2008, Meisi Company prosecuted an administrative litigation to Futian Court for revoking the above administrative decision of Shenzhen Municipal Bureau of Land Resources and Housing Management, revoking Property Ownership Certificates SFDZ No. 0103142 and No. 0103139, and restoring the land use right to Meisi Company with the litigation number of SFFX (2008) No. 70 (hereinafter referred as to “No.70 Case”). On May 2008, the Futian Court made adjudication to No. 70 Case in which the property ownership certificates SFDZ No. 0103142 and No. 0103139 owned by the Company were revoked and Shenzhen Municipal Bureau of Land

Resources and Housing Management were required to re-investigate the application of Meisi Company. The company, the Shenzhen Municipal Bureau of Land Resources and Housing Management as well as Meisi Company refused to accept the verdict and made an appeal. On July 2008, the Company has received the Administrative Ruling Paper from Futian Court in which the trial of No. 10 Case was terminated.

On December 2008, Shenzhen Intermediate Court issued the Administrative Ruling Paper SZFXZZ (2008) No. 223, in which the final adjudication of appeal No. 70 Case was made and the original verdict was sustained. Moreover, the final adjudication stated that the controversy over the land use right in this case between Meisi Company and the Company should be settled through civil procedures; the Bureau of Land Resources and Housing Management of Shenzhen Municipality should not proceed the registration procedure until the controversy is final settled.

On February 11, 2009, the Company received the Civil Complaint from Futian Court; Meisi Company has made a civil prosecution against the Company and Shenzhen Luohu Commercial Development Co., Ltd. for the confirmation of Meisi Company’s land use right and the buildings in original Property Ownership Certificates SFDZ No., 0103142 and No., 0103139. Furthermore, Meisi Company requests that return of related land use right and a compensation of RMB7.5 Million. The Company has submitted an objection to jurisdiction. On March 4, 2009, Futian Court sent the Notice to the Company to inform that this case has been transferred to Shenzhen Intermediate Court for adjudication.

On 22 December 2009, the Company received court ruling delivered by the Guangdong Higher Court. After investigated by Guangdong Higher Court, it is considered that the retrial application to Shenzhen Intermediate Court Judgment SZFZ (2008) No. 223 by the company is complied to the law, and adjudicated: ① Arraign by Guangdong Highest People's Court ② suspended the execution of the original verdict during the retrial.

On 15 Aug. 2011, the Company received the Administrative Ruling Paper (YGFSJZ Zi (2010) No. 8) from the Guangdong Higher Court, which maintained the Administrative Ruling Paper (SZFXZ Zi (2008) No. 223), and it believed that the dispute on the land ownership for both parties was civil right confirmation, and both parties should find other legal way to solve.

The Company received the ruling of Shenzhen Medium People's Court in October 2012, at which the court approved legally Meisi Company’s application on canceling the lawsuit towards the Company. After receiving the above ruling, due to the Administrative Ruling Paper SZFXZ Zi (2008) No. 223 had clearly ruled that the dispute on Meilin land between the Company and Meisi Company should be settled through civil law procedures, therefore, the Company raised the civil lawsuit to Meisi Company and Luojingfa Company, requiring to recognize the ownership of the above involved land for the Company, and the court has accepted the above mentioned lawsuit. Then, Meisi Company raised the counterclaim towards the Company, requiring recognizing its ownership of the above involved land. And the two cases were combined for public trial on 1 March 2013, and now it’s waiting for ruling.

The Company believes that the land use right and ownership of above building should be legally confirmed to the Company. The Company will secure its own legal rights through all legal means, and the above issues do not have significant impact on the Company’s financial position.

C. Shenzhen Hetaiheng prosecuted the Company to undertake joint liability for the debts for Shenzhen International Trade Center Industry Development Co., Ltd.

On 31 July 2015, Shenzhen Luohu District People's Court issued (2015) SLFMECZ No. 2499 paper of civil judgment. It decided the Company and China (Shenzhen) Education Business Shares Co., Ltd. (“China Education Company”) shall undertake the joint liability for the debts for Shenzhen International Trade Center Industry Development Co., Ltd. (“International Trade Center Company”) declared under (2002) SLFJYCZ No. 582 paper of civil judgment.

According to (2002) SLFJYCZ No. 582 paper of civil judgment, Shenzhen Xinguang Industry Co., Ltd. ("Xinguang Company") shall, within ten days after the effectiveness of such paper, clean off 2.21 million of principal and interest thereon (such interest shall be counted from 22 Dec. 2000 to the date when the debts are paid off based on related regulations by the People's Bank of China as agreed under Loan Contract) to Shenzhen Shendong Branch of Industrial and Commercial Bank of China ("Shendong Branch of ICBC"); and International Trade Center Company shall undertake joint liability for cleaning off such debts.

After the effectiveness of (2002) SLFJYCZ No. 582 paper of civil judgment, Shendong Branch of ICBC has only been paid off 31,551, and then the creditor's right has been transferred to Shenzhen Office of China Orient Asset Management Corporation, who has applied for execution by force to the People's Court, but received no more payment. On 22 May 2008, Shenzhen Office of China Orient Asset Management Corporation further transferred the creditor's right to Dongfu Asset Management Corporation. On 24 Oct. 2010, Dongfu Asset Management Corporation again transferred such right to Shenzhen Hetaiheng Investment Co., Ltd., which has been paid 700,000 during the execution of this paper.

In 2013, International Trade Center Company was under bankruptcy liquidation. On 17 Dec. 2014, Shenzhen Intermediate People's Court issued (2013) SZFPZ No. 24-3 paper of civil judgment to end the bankruptcy proceeding on International Trade Center Company due to its liquidation failure since the Company's address was unknown and management failed to take over the Company's property and financial data. On 1 Apr.2015, the management of International Trade Center Company dissolved the company.

Under (2015) SLFMECZ No. 2499 paper of civil judgment, Shenzhen Hetaiheng Investment Co., Ltd. claimed that the Company and China Education Company shall undertake the joint liability for paying off the debts under (2002) SLFJYCZ No. 582 paper of civil judgment (By 31 Mar. 2015, 2,178,449.00 of principal, with the interest counted from the date as regulated by the law to the date when the debts are paid off).

It is decided in the first-instance judgment by Shenzhen Luohu District People's Court that the two sharing companies of International Trade Center Industry Company, namely the Company and China Education Company, as well as Shicai Company though not involved in this case, shall undertake the joint liability for the debts of International Trade Center Company under (2002) SLFJYCZ No. 582 paper of civil judgment since they failed to perform the liquidation liability and to provide accounting books during bankruptcy proceedings of International Trade Center Company, which led to the failure of an overall liquidation; as for the debt amount, this Court did not make any decision since such amount may be changed with the performance of paying off the debts under (2002) SLFJYCZ No. 582 paper of civil judgment by parties involved.

The Company refuses to accept the above judgment and has appealed against such decision.

During the Reporting Period, the Company estimated about 834,999.50 of debts based on (2015) SLFMECZ No. 2499 paper of civil judgment and its actual holding 38.33% of the shares of International Trade Center Company.

② Guarantee

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 June 2015 to 31 December 2020, and the remained were RMB10,933,290.00 from 1 July 2015 to 31 December 2020.

B. Guarantee for the owners: the Company and its subsidiaries are the purchasers providing mortgage guarantee for the bank. As of 30 June 2016, the unsettle guarantee amount was RMB1410.41 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

(2) The Company have no significant contingency to disclose, also should be stated

There was no significant contingency in the Company.

3. Other

Naught

XV. Events after balance sheet date

1. Significant events had not adjusted

Unit: RMB

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

2. Profit distribution

Unit: RMB

Planning allocation of profits or dividends	0.00
Profits or dividends approved, reviewed and issue by the declaration	0.00

3. Sales return

Naught

4. Notes of other significant events

Notes 1: as for the situation of the property receivable of F14, F15 of Longyuan Chuangzhan Building, please refer to Notes XIV. 2 of Section X. Financial Report. During Reporting Period, in line with the government website shown, Longyuan Chuangzhan Building had been recorded for the completion acceptance on 3 February 2016 On 26 April 2016 and 17 June 2016, Longyuan-Kaili and Huaneng Property had issued occupation Announcement, which stated that Longyuan Chuangzhan Building had passed the completion acceptance of government department, and had occupation conditions, from 22 June 2016,Longyuan Chuangzhan Building dealt with occupation procedure.

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	Cumulative impact

(2) Prospective application

Content	Processing program	Reason of adopting prospective application

2. Debt restructuring

Not applicable

3. Replacement of assets

(1) Non-monetary assets exchange

Not applicable

(2) Other assets replacement

Not applicable

4. Pension plan

Not applicable

5. Discontinuing operation

Unit: RMB

Item	Sales revenue	Expense	Total profits	Income tax expense	Net profit	Termination of the business profits attributable to the parent company owner

Other notes

Not applicable

6. Segment information

(1) Recognition basis and accounting policies of reportable segment

The Group's business includes real estate business, housing lease management, transportation, catering services, and other business (including: mechanical and electrical professional maintenance business, mechanics, 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. Transportation business division: operating passenger car

D. Diet services: catering service

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

The management considering the decision of resources and evaluation of performance, separately manage the operating results of each unit of business.

(2) The financial information of reportable segment

Unit: RMB

Item	Real estate	Property management	Transportation	Catering service	Others	Undistributed	Offset in segment	Total
Operation revenue	139,265,963.27	185,145,485.77	29,370,584.42	11,632,035.39	6,643,411.11			372,057,479.96
Trading revenues between divisions	1,403,925.18	2,485,429.51		444,273.58	2,820,875.92		-7,154,504.19	
Sales expenses	16,774,094.81						-234,335.22	16,539,759.59
Investment income to associated enterprises and joint ventures						1,158,576.32		1,158,576.32
Asset impairment loss	3,357,861.60	205,596.46	25,869.42	-572.04	-24,741.09		246,883.61	3,810,897.96
Depreciation	8,972,099.87	626,240.30	6,723,199.65	185,445.32	25,243.77		-44,062.02	16,488,166.8

and amortization charges								9
Total profits (losses)	-10,424,938.40	11,051,764.10	4,785,969.09	320,583.18	-515,583.68	1,801,550.65	-9,656,069.08	-2,636,724.14
Total assets	8,767,480,383.60	357,129,059.88	477,561,967.99	5,023,788.63	11,200,374.45	101,448,650.40	-3,809,558,877.77	5,910,285,347.18
Total liabilities	6,773,281,332.76	225,020,382.85	259,080,680.88	5,145,668.57	2,681,902.58	107,427,002.00	-3,511,194,260.90	3,861,442,708.74
Long term equity investments in associated companies and joint ventures						35,684,753.73		35,684,753.73
Non-current assets except long term equity investment	45,209,905.08	-347,735.74	-11,144,934.95	-151,400.33	-51,120.30			33,514,713.76

(3) There was no reportable segment, or the total amount of assets and liabilities of each part of reportable segment, shall disclose the reason.

Not applicable

(4) Other notes

Information of income of foreign trade:

A. Income of foreign trade of production and labor serve

Item	Reporting Period	Same period of last year
Real estate	139,265,963.27	122,309,636.98
Property management	185,145,485.77	166,954,853.87
Transportation	29,370,584.42	29,724,103.57
Catering service	11,632,035.39	11,173,151.84
Others	6,643,411.11	8,599,564.13
Total	372,057,479.96	338,761,310.39

B. Geography information

Distribution of foreign trade income:

Item	Reporting Period	Same period of last year

Mainland of China	371,895,633.55	338,535,035.22
Countries and regions outside the Chinese mainland	161,846.41	226,275.17
Total	372,057,479.96	338,761,310.39

Distribution of total non current assets liabilities:

Item	Closing balance	Opening balance
Mainland of China	755,033,380.91	712,036,061.65
Countries and regions outside the Chinese mainland	2,162,860.36	2,455,666.52
Total	757,196,241.27	714,491,728.17

C. Customers information

The customers of the Group were rather dispersed; there was no individual transaction over10%.

7. Other important transactions and events have an impact on investors' decision-making

Not applicable

8. Other

By 30 June 2016, the Company held 56,600,000.00 (reported under Other Receives) of creditor's right on Gintian Industry (Group) Co., Ltd. ("Gintian Industry") and 53,031,578.72 of withdrawn bad debt provision on the book.

On 29 January 2016, Shenzhen Intermediate People's Court issued (2015) SZFPZ No. 14-5 paper of civil judgment. It is considered that *The Reorganization Plan of Gintian Industry (Group) Co., Ltd.* has clearly defined the standard of successful execution of such plan as "the cash and shares distributed to creditors based on reorganization plan have been transferred to the accounts specified by creditors or deposited to those specified by the management". Under the supervision by the management, Gintian Industry, according to its reorganization plan and the creditors' payment instruction, has paid cash to the creditors, and meanwhile transferred its tradable share A, non-tradable share A and share B to the accounts specified by creditors. Besides, Gintian Industry has also deposited the payment and shares distributed based on the creditors' rights those not providing qualified capital accounts or securities accounts. Therefore, Gintian Industry has successfully executed the reorganization plan. As from suchexecution, Gintian Industry shall not undertake any liability for the debts reduced or exempted by in the reorganization plan. The paper further confirmed the successful execution of the reorganization plan by Gintian Industry and thus ended its bankruptcy proceedings.

Based on the final execution of *The Reorganization Plan of Gintian Industry (Group) Co., Ltd.*, the Company received 772,717 tradable A shares, 712,123 non-tradable A shares and 447,217 B shares distributed by Gintian Industry. Counted on the price issued on the last trading date before the trading suspension of Gintian Industry (10 Dec. 2014), 2.09 per A share and 1.04 per B share, the assets compensated shall be valued at 3,568,421.28.

According to (2015) SZFPZ No. 14-5 paper of civil judgment issued by Shenzhen Intermediate People's Court, Gintian Industry has successfully executed the reorganization plan, and as from such execution, Gintian Industry shall not undertake any liability for the debts reduced or exempted by in the reorganization plan. Therefore, the Company shall write off the receivables of 53,031,578.72 from Gintian. Since this asset item has withdrawn bad debt provision, it will not exert any influences on business results.

In line with the Processing Scheme of Reorganization of Drawing Share of Jintian Industrial (Group) Co., Ltd. administrative staff of Jintian Industrial (Group) Co., Ltd. The relevant drawing share of debtor with expected debt right had been negated, which can be used for additional distribution to all debtors, the total number of shares distributed was: A share tradable share: 3,865,491 shares, non-tradable share: 1,968,096 shares, B share: 2,180,872 shares (the actual share number recognized in line with the additional distribution plan of Jintian Industrial (Group) Co., Ltd. The number of the compensation share of the Company in the additional distribution had not yet been confirmed, which waited for the administrative personnel of Jintian Industrial (Group) Co., Ltd. to distribute.

XVII. Notes of main items in the financial statements of the Company

1. Accounts receivable

(1) Accounts receivable disclosed by category

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	96,647,889.05	95.67%	96,647,889.05	100.00%	0.00	96,647,889.05	98.08%	96,647,889.05	100.00%	
Accounts receivable withdrawal of bad debt provision of by credit risks characteristics:	4,315,043.21	4.27%	710,416.07	16.46%	3,604,627.14	1,828,824.21	1.86%	849,254.72	46.44%	979,569.49
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	54,380.35	0.05%	54,380.35	100.00%	0.00	54,380.35	0.06%	54,380.35	100.00%	
Total	101,017,312.61	100.00%	97,412,685.47	96.43%	3,604,627.14	98,531,093.61	100.00%	97,551,524.12	99.01%	979,569.49

Accounts receivable with single significant amount and withdrawal bad debt provision separately at end of period

√ Applicable □ Not applicable

Unit: RMB

Accounts receivable (classified by units)	Closing balance			
	Account 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 no executable property, please refer to Section IX. Financial Report XIV. 2. (1)
Shenzhen Tewei Industry Co., Ltd.	2,836,561.00	2,836,561.00	100.00%	Irrecoverable for long time
Total	96,647,889.05	96,647,889.05	--	--

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

√ Applicable □ Not applicable

Unit: RMB

Aging	Closing balance		
	Account receivable	Bad debt provision	Withdrawal proportion
Subentry within 1 year			
Within 1 year (including 1 year)	3,136,038.50	94,081.16	3.00%
Subtotal within 1 year	3,136,038.50	94,081.16	3.00%
2 to 3 years	803,814.00	241,144.21	30.00%
Over 5 years	375,190.71	375,190.71	100.00%
Total	4,315,043.21	710,416.07	16.46%

Notes:

For details, please refer to Section IX. Financial Report V. 11.

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 withdraw 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 the Reporting Period was of RMB-138,838.65; the amount of the reversed or collected part during the Reporting Period was of RMB000.

Significant amount of reversed or recovered bad debt provision:

Unit: RMB

Name of the entity	Amount	Method
Total	0.00	--

(3) The actual write-off accounts receivable

Unit: RMB

Item	Amount

Of which: significant actual verification of accounts receivable

Unit: RMB

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related party transactions
Total	--	0.00	--	--	--

Notes:

No such case in Reporting Period.

(4) Top five of account receivable of closing balance collected by arrears party

Name of the entity	Closing balance	Proportion (%)	Closing balance of bad debt provision
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	92.87%	93,811,328.05
Shenzhen Tewei Industry Co., Ltd.	2,836,561.00	2.81%	2,836,561.00
RAINBOW DEPARTMENT STORE CO., LTD	1,179,004.71	1.17%	616,334.91
China Pacific Property Insurance Co., Ltd.	1,063,757.50	1.05%	31,912.73
Seven Days Hotel (Shenzhen) Co., Ltd.	338,850.50	0.34%	10,165.52
Total	99,229,501.76	98.24%	97,306,302.21

(5) Derecogniziton of account receivable due to the transfer of financial assets

Naught

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

Naught

Other notes:

Naught

2. Other accounts receivable

(1) Other accounts receivable disclosed by category

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Other accounts receivable with insignificant single amount for which bad debt provision separately accrued	186,958,504.39	94.05%	89,306,676.72	47.77%	97,651,827.67	188,204,157.06	10.08%	89,137,842.62	47.36%	99,066,314.44
Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	1,554,439,963.77	89.14%	8,818,277.15	0.57%	1,545,621,686.62	1,676,949,946.25	89.79%	9,623,906.48	0.57%	1,667,326,039.77
Other accounts receivable with insignificant single amount for which bad debt provision separately accrued	2,415,326.23	0.14%	2,415,326.23	100.00%	0.00	2,415,326.23	0.13%	2,415,326.23	100.00%	
Total	1,743,813,794.39	100.00%	100,540,280.10	5.77%	1,643,273,514.29	1,867,569,429.54	100.00%	101,177,075.33	5.42%	1,766,392,354.21

Other receivable with single significant amount and withdrawal bad debt provision separately at end of period：

√ Applicable □ Not applicable

Unit: RMB

Other accounts receivable (unit)	Closing balance			
	Other accounts receivable	Bad debt provision	Withdrawal proportion	Withdrawal reason
Shum Yip Properties Development Co., Ltd.	105,067,052.17	7,415,224.50	7.06%	Irrecoverable for long time
Jintian Industrial (Group)	53,031,578.72	53,031,578.72	100.00%	No paid assets according to the creditors’

Co., Ltd.				reorganization plan
Anhui Nanpeng Papermaking Co., Ltd.	8,311,904.00	8,311,904.00	100.00%	Irrecoverable for long time
Advances the shopping mall gold business utilities	6,481,353.60	6,481,353.60	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
Wuyao Company	3,271,837.78	3,271,837.78	100.00%	Irrecoverable for long time
Dameisha Tourism Center	2,576,445.69	2,576,445.69	100.00%	Suspend of projects
Elevated Train Project	2,542,332.43	2,542,332.43	100.00%	Project son hold irrecoverable
Total	186,958,504.39	89,306,676.72	--	--

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

√ Applicable □ Not applicable

Unit: RMB

Aging	Closing balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Subentry within 1 year			
Within 1 year (including 1 year)	353,856.25	10,615.69	3.00%
Subtotal within 1 year	353,856.25	10,615.69	3.00%
1 to 2 years	307,600.00	30,760.00	10.00%
2 to 3 years	42,200.00	12,660.00	30.00%
3 to 4 years	4,853.16	2,426.58	50.00%
Over 5 years	8,761,814.88	8,761,814.88	100.00%
Total	9,470,324.29	8,818,277.15	93.11%

Notes:

For details, please refer to Section IX. Financial Report V. 11.

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 withdraw bad debt provision:

□ Applicable √ Not applicable

(2) Accounts receivable withdraw, reversed or collected during the Reporting Period

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB-805,629.33; the amount of the reversed or collected part during the Reporting Period was of RMB 95,357.90.

Of which the significant amount of the reversed or collected part during the Reporting Period:

Unit: RMB

Name of the entity	Reversed or collected amount	Method
Shum Yip Properties Development Co., Ltd.	95,357.90	Of which: recovered and reversed asset value
Total	95,357.90	--

The amount of bad debt provision was RMB-805,629.33; the increase of amount of bad debt provision of foreign currency of creditor's rights receivable after exchange was RMB264, 192.00, the amount of reversed or recovered bad debt provision in the report period RMB95,357.90.

(3) The actual write-off other accounts receivable

Unit: RMB

Item	Amount

Of which significant actual verification of other accounts receivable:

Unit: RMB

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related party transactions
Total	--	0.00	--	--	--

Notes of write-off other accounts receivable:

(4) Other accounts receivable classified by the nature of accounts

Unit: RMB

Nature	Closing book balance	Opening book balance
Margin	2,389,327.00	3,204,898.13
Pretty cash advance	186,178.00	47,200.00
Account receivable to subsidiary	1,650,090,170.42	1,769,778,048.64
Account receivable to affiliated company	10,059,168.25	9,794,976.25
Account receivable non-affiliated company	81,088,950.72	84,744,306.52
Total	1,743,813,794.39	1,867,569,429.54

(5) Top 5 of the closing balance of the other accounts receivable collected according to the arrears party

Unit: RMB

Name of the entity	Nature	Closing balance	Aging	Proportion%	Closing balance of bad debt provision

PRD Yangzhou Real Estate Development Co., Ltd.	Account receivable to subsidiary	605,369,836.60	Within 5 year	34.72%	
PRD Group Xuzhou Dapeng Real Estate Development Co., Ltd.	Account receivable to subsidiary	599,530,096.41	Within 5 year	34.38%	
Dongguan International Trade Center Changsheng Real Estate Development Co., Ltd.	Account receivable to subsidiary	264,541,793.00	Within 4 year	15.17%	
Shum Yip Properties Development Co., Ltd.	Account receivable to subsidiary	105,067,052.17	Over 5 years	6.03%	7,415,224.50
Shenzhen Huangcheng Real Estate Management Co., Ltd.	Account receivable to subsidiary	81,840,000.00	Within 2 year	4.69%	
Total	--	1,656,348,778.18	--	94.99%	7,415,224.50

(6) Account receivable involving government subsidies

Unit: RMB

Name of the entity	Project of government subsidies	Closing balance	Closing aging	Estimated recovering time, amount and basis
Total	--	0.00	--	--

Naught

(7) Other account receivable derecognized due to the transfer of financial assets

Naught

(8) Amount of transfer other account receivable and assets and liabilities formed by its continuous involvement

Naught

Other notes:

Naught

3. Long-term equity investment

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Investment to the subsidiary	278,521,260.98	31,964,000.00	246,557,260.98	278,521,260.98	31,964,000.00	246,557,260.98
Investment to joint ventures and associated enterprises	68,492,367.87	32,807,614.14	35,684,753.73	67,333,791.55	32,807,614.14	34,526,177.41
Total	347,013,628.85	64,771,614.14	282,242,014.71	345,855,052.53	64,771,614.14	281,083,438.39

(1) Investment to the subsidiary

Unit: RMB

Investee	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the Reporting Period	Closing balance of impairment provision
Shenzhen Huangcheng Real Estate Co., Ltd.	28,500,000.00			28,500,000.00		
SZPRD Real Estate Development Co., Ltd.	30,950,000.00			30,950,000.00		
PRD Yangzhou Real Estate Development Co., Ltd.	50,000,000.00			50,000,000.00		
Dongguan International Trade Center Changsheng Real Estate Development Co., Ltd.	20,000,000.00			20,000,000.00		
Shenzhen International Trade	29,850,000.00			29,850,000.00		

Center Vehicles Industry Co., Ltd.						
SHENZHEN INTERNATIONAL TRADE CENTER PROPERTY MANAGERMENT CO., LTD.	20,000,000.00			20,000,000.00		
Shenzhen Shenxin Motor Rent Co., Ltd.	12,877,260.98			12,877,260.98		
Shenzhen International Trade Center Food Co., Ltd.	1,600,000.00			1,600,000.00		1,600,000.00
Shenzhen Property Construction Supervision Co., Ltd.	3,000,000.00			3,000,000.00		
Shenzhen International Trade Plaza	12,000,000.00			12,000,000.00		12,000,000.00
Shenzhen Real Estate Exchange	1,380,000.00			1,380,000.00		
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
PRD Group Xuzhou Dapeng Real Estate Development Co., Ltd.	50,000,000.00			50,000,000.00		
Total	278,521,260.98			278,521,260.98		31,964,000.00

(2) Investment to joint ventures and associated enterprises

Unit: RMB

Investee	Opening balance	Increase/decrease in Reporting Period								Closing balance	Closing balance of impairment provision
		Additional investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profits	Withdrawn impairment provision	Others		
I. Joint ventures											
Shenzhen Jifa Warehouse Co., Ltd.	30,789,341.98			879,139.14						31,668,481.12	
Tianan International Building Property Management Company of Shenzhen	3,736,835.43			279,437.18						4,016,272.61	
Subtotal	34,526,177.41			1,158,576.32						35,684,753.73	
II. Associated enterprises											
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	18,983,614.14									18,983,614.14	18,983,614.14
Anhui Nanpeng Papermaking Co., Ltd.	13,824,000.00									13,824,000.00	13,824,000.00

Subtotal	32,807,614.14								32,807,614.14	32,807,614.14
Total	67,333,791.55			1,158,576.32					68,492,367.87	32,807,614.14

(3) Other notes

Naught

4. Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Sales revenue	Cost of sales	Sales revenue	Cost of sales
Main operations	32,157,014.88	7,594,195.01	29,852,953.97	8,215,152.66
Total	32,157,014.88	7,594,195.01	29,852,953.97	8,215,152.66

Other notes:

5. Investment income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	1,158,576.32	666,409.17
Investment income received from disposal of available-for-sale financial assets		5,709,098.20
Others		225,340.35
Total	1,158,576.32	6,600,847.72

6. Other

Not applicable

XVIII. Supplementary materials

1. Items and amounts of extraordinary gains and losses

√ Applicable □ Not applicable

Unit: RMB

Item	Amount	Explanation
Gains/losses on the disposal of non-current assets	-6,300.00	
Reverse of bad debt provision of account receivable individually conducting impairment test	11,729.17	
Other non-operating income and expenses other than the above	790,677.90	
Less: Income tax effects	179,529.79	
Total	616,577.28	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary 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 common shareholders of the Company	-0.25%	-0.0088	-0.0088
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	-0.28%	-0.0098	-0.0098

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 audit data adjusting differences had been foreign audited, should indicate the name of the foreign institutions

Not applicable

4. Other

Naught

Section X Documents Available For Reference

I. Financial statements with the signatures and seals of the Legal Representative, the Chief Financial Officer and the person in charge of the accounting work;
II. Texts of all the Company's documents ever disclosed on Securities Times and Hong Kong Ta Kung Pao in the Reporting Period, and the originals of the public notices.