

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

2014 ANNUAL REPORT

2015-02

March 2015

Section I. Important Reminders, Catalogue & Explanation

The Board of Directors, the Supervisory Committee, directors, supervisors and senior management staff of Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as “the Company”) warrant that this report is factual, accurate and complete without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.

All directors attended the board session for reviewing this report.

The Company’s profit distribution preplan upon review and approval of this board session: Based on the total shares of the Company as at 31 Dec. 2014, a cash dividend of RMB 2.20 (tax included) will be distributed for every 10 shares held by shareholders. No bonus shares will be granted and no capital reserve will be turned into share capital.

Mr. Chen Yugang, Company Principal, Mr. Wang Hangjun, Person in Charge of Accounting Work, and Ms. Shen Xueying, Person-in-charge of the accounting organ (Chief of Accounting), hereby confirm that the Financial Report enclosed in the Annual Report is true and complete.

This report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Catalogue

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Explanation

Term	Refers to	Contents
Company, the Company	Refers to	Shenzhen Properties & Resources Development (Group) Ltd.
Shenzhen SASAC	Refers to	Shenzhen Municipal People's Government State-owned Assets Supervision and Administration Commission
SIHC	Refers to	Shenzhen Investment Holdings Co., Ltd.
SCIHC	Refers to	Shenzhen Construction Investment Holdings Corporation
SIM	Refers to	Shenzhen Investment Management Co., Ltd.

Reminder of Major Risks

1. Changes in the government's real estate and financial policies; 2. Changes in real estate supply and demand.

Section II. Company Profile

I. Company information

Stock abbreviation	SWYA, SWYB	Stock code	000011, 200011
Stock exchange listed with	Shenzhen Stock Exchange		
Chinese name of the Company	深圳市物业发展(集团)股份有限公司		
Abbr. of the Chinese name of the Company	深物业集团		
English name of the Company (if any)	ShenZhen Properties & Resources Development (Group) Ltd.		
Abbr. of the English name of the Company (if any)	SZPRD		
Legal representative of the Company	Mr. Chen Yugang		
Registered address	39/F and 42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China		
Postal code for the registered address	518014		
Office address	39/F and 42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China		
Postal code for the office address	518014		
Internet website of the Company	www.szwuye.com.cn		
Email address	000011touzizhe@szwuye.com.cn		

II. Contact us

	Company Secretary	Securities Affairs Representative
Name	Fan Weiping	Qian Zhong, Huang Fengchun
Contact 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
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III. About information disclosure and where this report is placed

Newspapers designated by the Company for information disclosure	A-share: Securities Times B-share: Ta Kung Pao (HK)
Internet website designated by CSRC for disclosing this report	www.cninfo.com.cn
Where this report is placed	BOD Office, 42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China

IV. Change of the registered information

	Registration date	Registration place	Business license No.	Registration code of taxation	Organizational code
Initial registration	17 Jan. 1983	Industrial and Commercial Administration Bureau of Shenzhen Municipal Government	440301103570124	440301192174135	19217413-5
At the end of the reporting period	10 May 2013	Industrial and Commercial Administration Bureau of Shenzhen Municipal Government	440301103570124	440301192174135	19217413-5
Changes of the main business since listing (if any)	Unchanged				
Changes of the controlling shareholder (if any)	Unchanged				

V. Other information

The CPAs firm hired by the Company:

Name	Union Power CPAs Co., Ltd. (LLP)
Office address	2~9/F, Union Power Building, 169 Donghu Road, Wuchang District, Wuhan, Hubei Province, P.R.China
Signing accountants	Zhang Jun, Dong Hanlan

Sponsor engaged by the Company to conduct sustained supervision during the reporting period

Applicable Inapplicable

Financial consultant engaged by the Company to conduct sustained supervision during the reporting period

Applicable Inapplicable

Section III. Accounting & Business Highlights

I. Major accounting data and financial indicators

Does the Company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

Yes No

	2014	2013		Increase or decrease of this year over last year (%)	2012	
		Before adjustment	After adjustment		After adjustment	Before adjustment
Operating revenue (RMB Yuan)	1,268,451,451.86	1,619,227,227.60	1,619,227,227.60	-21.66%	1,861,298,830.99	1,861,298,830.99
Net profit attributable to shareholders of the Company (RMB Yuan)	417,498,679.91	300,840,563.81	300,840,563.81	38.78%	375,422,129.64	375,422,129.64
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	253,778,668.88	300,239,183.47	300,239,183.47	-15.47%	337,545,206.86	337,545,206.86
Net cash flows from operating activities (RMB Yuan)	-14,627,057.08	110,424,330.10	110,424,330.10	-113.25%	805,714,197.38	805,714,197.38
Basic EPS (RMB Yuan/share)	0.7005	0.5048	0.5048	38.77%	0.6299	0.6299
Diluted EPS (RMB Yuan/share)	0.7005	0.5048	0.5048	38.77%	0.6299	0.6299
Weighted average ROE (%)	21.82%	18.19%	18.19%	3.63%	28.42%	28.42%
	As at 31 Dec. 2014	As at 31 Dec. 2013		Increase or decrease of this year-end than last year-end (%)	As at 31 Dec. 2012	
		Before adjustment	After adjustment		After adjustment	Before adjustment
Total assets (RMB Yuan)	3,883,288,145.46	3,873,252,714.32	3,873,252,714.32	0.26%	3,950,705,938.73	3,950,705,938.73
Net assets attributable to shareholders of the Company (RMB Yuan)	2,074,242,662.07	1,802,781,292.68	1,802,781,292.68	15.06%	1,503,156,542.93	1,503,156,542.93

II. 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 Inapplicable

Unit: RMB Yuan

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	2014	2013	Closing amount	Opening amount
According to Chinese accounting standards	417,498,679.91	300,840,563.81	2,074,242,662.07	1,802,781,292.68
Items and amounts adjusted according to international accounting standards				
According to international accounting standards	417,498,679.91	300,840,563.81	2,074,242,662.07	1,802,781,292.68

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

Applicable Inapplicable

Unit: RMB Yuan

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	2014	2013	Closing amount	Opening amount
According to Chinese accounting standards	417,498,679.91	300,840,563.81	2,074,242,662.07	1,802,781,292.68
Items and amounts adjusted according to overseas accounting standards				
According to overseas accounting standards	417,498,679.91	300,840,563.81	2,074,242,662.07	1,802,781,292.68

3. Explain reasons for the differences between accounting data under domestic and overseas accounting standards

Applicable Inapplicable

No difference

III. Items and amounts of extraordinary gains and losses

Applicable Inapplicable

Unit: RMB Yuan

Item	2014	2013	2012	Note
Gains/losses on the disposal of non-current assets (including the offset part of the asset impairment provisions)	219,223,848.63	72,626.95	534,657.73	Mainly the gains on transferring the 50% stake in Shenzhen Guomao Tian'an Properties Co., Ltd. and disposal of some investing real estate
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents			1,720,000.00	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	4,500.00			
Gain/loss on non-monetary asset swap			47,444,108.36	
Expenses on business reorganization, such as expenses on staff arrangements, integration, etc.			-3,152,560.00	
Current net gains and losses of subsidiaries acquired in business combination under the same control from period-begin to combination date			1,312,539.70	
Impairment provision reversal of accounts receivable on which the impairment test is carried out separately	429,994.49	833,813.78	623,086.75	
Non-operating income and expense other than the above	-22,799,362.40	-724,421.19	778,062.12	Paid inactivity fees for the land of Fuchang Phase II
Other gain/loss items that meet the definition of an extraordinary gain/loss	5,895,627.11			Reversal of the inventory falling price provision on the land of Fuchang Phase II
Less: Income tax effects	39,034,596.80	-419,360.80	11,982,949.11	
Minority interests effects (after tax)			-599,977.23	
Total	163,720,011.03	601,380.34	37,876,922.78	--

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 Inapplicable

No such cases in the reporting period.

Section IV. Report of the Board of Directors

I. Overview

In 2014, the Company achieved operating revenues of RMB 1,268.45 million and net profit of RMB 417.5 million (attributable to the Company without subsidiaries). As at the end of 2014, the total assets stood at RMB 3.883 billion, the equities attributable to shareholders of the Company without subsidiaries at RMB 2,074.24 million, the weighted average ROE at 21.82%, the EPS at RMB 0.70/share and the net asset value per share at RMB 3.48/share.

In 2014, the Company's real estate projects in Shenzhen went into their last rounds of sale. Meanwhile, projects in the third-and fourth-tier cities didn't reach the carry-over conditions yet, causing a great YoY decrease in the area available for carry-over and the income. All these posed great challenges to the Company's main business of real estate. As countermeasures, the Company, according to the market situation, adjusted its marketing strategy in time, expanded marketing channels and proactively push forward projects under construction. At the same time, it also worked on the sidelines such as property management and taxi passenger transportation, promoting a steady development in the sidelines. According to the overall planning, the Company kept operating in a prudent manner. In 2014, the Company convened two general meetings to review 10 proposals, 6 board meetings to review 24 proposals, 4 meetings of the Audit Committee under the board to review the annual report audit, one meeting of the Nomination Committee and two meetings of the Remuneration Committee. In the year, the Company disclosed 34 announcements, including periodic reports and interim announcements, covering various aspects of the Company's operation and management. No careless omission occurred to all these 34 announcements throughout the year.

II. Main business analysis

1. Overview

Overview of the reporting period progress of development strategies and business plans disclosed in previous periods:

For the reporting period, the Company achieved operating revenues of RMB 1.268 billion, operating profits of RMB 575 million and a net profit of RMB 417 million, up 38.78% from the year earlier. The Company specializes in real estate development with taxi passenger transportation, property management, etc. as its sidelines. It achieved a main business income of RMB 1.209 billion throughout the year.

State the reasons why the Company's actual business performance is 20% lower or higher than the earning forecast for the reporting period which has been publicly disclosed earlier:

Applicable Inapplicable

Changes of the main operation mode

Applicable Inapplicable

2. Revenues

Notes:

In 2014, the Company's real estate projects in Shenzhen went into their last rounds of sale. Meanwhile, projects in the third-and fourth-tier cities didn't reach the carry-over conditions yet, causing a great YoY decrease in the area available for carry-over and the income.

Are the Company's goods selling revenue higher than the service revenue?

Yes No

Industry	Item	Unit	2014	2013	YoY +/-%
Real estate development	Sales volume	RMB Yuan	809,260,338.23	1,230,875,723.09	-34.25%
House leasing and management	Sales volume	RMB Yuan	307,136,733.64	264,369,404.67	16.17%
Transportation	Sales volume	RMB Yuan	62,476,507.32	61,507,993.96	1.57%
Catering service	Sales volume	RMB Yuan	24,634,302.99	22,446,168.75	9.75%
Others	Sales volume	RMB Yuan	5,937,003.71	4,197,563.98	41.44%
Total	Sales volume		1,209,444,885.89	1,583,396,854.45	-23.62%

Reasons for any over-30% YoY movement of the data above:

Applicable Inapplicable

The real estate projects available for carry-over in 2014 decreased considerably, leading to a YoY decrease in the relevant income.

Major orders on hand:

Applicable Inapplicable

Significant change or adjustment of the Company's products or services during the reporting period:

Applicable Inapplicable

Major customers:

Total sales to the top 5 customers (RMB Yuan)	139,256,265.89
Ratio of the total sales to the top 5 customers to the annual total sales (%)	10.98%

Information about the top 5 customers:

Applicable Inapplicable

Serial No.	Name of customer	Sales (RMB Yuan)	Proportion in annual total sales (%)
1	Huawei Technologies Co., Ltd.	50,949,219.01	4.02%
2	Natural person	38,139,765.00	3.01%
3	Alibaba (China) Co., Ltd.	20,665,515.88	1.63%
4	Natural person	16,739,025.00	1.32%
5	Natural person	12,762,741.00	1.01%
Total	--	139,256,265.89	10.98%

Other information about the major customers:

Applicable Inapplicable

3. Costs

Classified by industry:

Unit: RMB Yuan

Industry	Item	2014		2013		YoY +/- (%)
		Amount	Proportion in operating costs (%)	Amount	Proportion in operating costs (%)	
Real estate development		162,645,492.90	32.99%	444,718,995.23	60.25%	-282,073,502.33%
House leasing and management		279,143,261.38	56.62%	239,726,322.65	32.48%	39,416,938.73%
Transportation		30,388,793.31	6.16%	29,516,365.05	4.00%	872,428.26%
Catering service		20,202,098.26	4.10%	18,894,389.77	2.56%	1,307,708.49%
Others		5,269,572.72	1.07%	5,231,518.34	0.71%	38,054.38%
Total		497,649,218.57	100.00%	738,087,591.04	100.00%	-240,438,372.47%

Classified by product:

Unit: RMB Yuan

Product	Item	2014		2013		YoY +/- (%)
		Amount	Proportion in operating costs (%)	Amount	Proportion in operating costs (%)	

Notes:

The projects available for carry-over in 2014 decreased considerably and the cost carry-over decreased accordingly.

Major suppliers:

Total purchases from the top 5 suppliers (RMB Yuan)	465,228,337.78
Ratio of the total purchases from the top 5 suppliers to the annual total purchases (%)	95.92%

Information about the top 5 suppliers:

Applicable Inapplicable

Serial No.	Name of supplier	Procurement amount (RMB Yuan)	Proportion in annual total procurement (%)
1	The Second Construction Co., Ltd. of China Construction Third Engineering	375,586,019.69	77.44%

	Bureau		
2	China Construction Second Engineering Bureau Ltd.	44,249,361.09	9.12%
3	Xuzhou Tongshan Electric Power Supply Company	21,258,077.00	4.38%
4	Shenzhen Risheng Gardening Co., Ltd.	14,928,880.00	3.08%
5	Shenzhen Property Construction Supervision Co., Ltd.	9,206,000.00	1.90%
Total	--	465,228,337.78	95.92%

Other information about the major suppliers:

Applicable Inapplicable

We specialize in real estate development and operation. When developing a project, according to the bid invitation regulations of the Central Government and the project's local government, we select our general construction contractor and specific suppliers through public invitation of bids via the government's construction trading service center, a bid invitation company, etc. The bid-winning contractor will be responsible for procurement of the main construction materials for the project. Except for imperfect competition markets (such as power, water and gas supply for some regions), we make our own procurement mainly for marketing center decoration, model house decoration, outdoor landscaping and some engineering design. Regarding the aforesaid bid invitation or procurement, we organize bid invitation and determine contractors according to the projects' local regulations and the Company's rules for bid invitation. Through bidding and competition, we are able to reduce and keep the project costs under a rational level.

4. Expense

YoY changes of the selling expenses, administrative expenses, financial expenses and income tax expenses:

Item	Jan.-Dec. 2014 (RMB Yuan)	Jan.-Dec. 2013 (RMB Yuan)	YoY +/-%
Selling expenses	26,318,080.91	40,219,755.20	-34.56%
Administrative expenses	103,915,932.80	109,662,479.90	-5.24%
Financial expenses	-12,697,790.50	-6,334,701.69	100.45%
Income tax expenses	136,266,283.67	122,093,910.62	11.61%

Notes: Selling expenses decreased 34.56% year on year mainly because we controlled expense through cutting down marketing expenses on advertising and sales service. The financial expenses for the reporting period and last year were both negative, i.e. gains, and the gains for the reporting period increased 100.45% year on year mainly because the interest income increased.

5. R&D expenses

Inapplicable

6. Cash flows

Unit: RMB Yuan

Item	2014	2013	YoY +/- (%)
Subtotal of cash inflows from operating activities	1,169,054,597.62	1,094,310,185.61	6.83%
Subtotal of cash outflows from operating activities	1,183,681,654.70	983,885,855.51	20.31%
Net cash flows from operating activities	-14,627,057.08	110,424,330.10	-113.25%
Subtotal of cash inflows from investing activities	238,169,791.85	18,659,065.60	1,176.43%
Subtotal of cash outflows from investing activities	13,949,481.24	12,696,883.02	9.87%
Net cash flows from investing activities	224,220,310.61	5,962,182.58	3,660.71%
Subtotal of cash inflows from financing activities	316,370,000.00	461,243,352.00	-31.41%
Subtotal of cash outflows from financing activities	693,077,717.73	397,380,895.98	74.41%
Net cash flows from financing activities	-376,707,717.73	63,862,456.02	-689.87%
Net increase in cash and cash equivalents	-168,208,437.52	179,447,502.83	-193.74%

Reasons for any over-30% YoY movement of the data above:

Applicable Inapplicable

- ① Net cash flows from operating activities decreased from last year mainly because the funds input to project development increased.
- ② Cash inflows and net cash flows from investing activities increased from last year mainly because of the cash received from disposal of the 50% stake in the Tian'an subsidiary.
- ③ Cash outflows from investing activities decreased from last year mainly because subsidiaries renewed fewer vehicles.
- ④ Cash inflows from financing activities decreased from last year mainly because new borrowings decreased.
- ⑤ Cash outflows from financing activities increased from last year mainly because loan repayments increased and the Company paid the cash dividends for 2013.
- ⑥ Net cash flows from financing activities decreased from last year mainly because the Company secured a smaller total amount of borrowings, repaid more and paid the cash dividends for 2013.
- ⑦ Net increase in cash and cash equivalents decreased from last year mainly because the Company input more to project development, secured a smaller total amount of borrowings, repaid more and paid the cash dividends for 2013.

Reasons for a big difference between the operating cash flows and the net profit:

√ Applicable □ Inapplicable

Net cash flows from operating activities of the Company in the reporting period stood at RMB -14,627,057.08, representing a big difference with the net profit of RMB 417,498,679.91, which was mainly because ① some project sales achieved last year were settled in the reporting period; ② new project inputs in the reporting period did not reach the settlement conditions yet; and ③ the investment gain of RMB 215 million in the net profit was cash flows from investing activities.

III. Breakdown of main business

Unit: RMB Yuan

	Operating revenue	Operating cost	Gross profit rate (%)	Increase/decrease of operating revenue over last year (%)	Increase/decrease of operating cost over last year (%)	Increase/decrease of gross profit rate over last year (%)
Classified by industry:						
Real estate development	809,260,338.23	162,645,492.90	79.90%	-34.25%	-63.43%	16.03%
House leasing and management	307,136,733.64	279,143,261.38	9.11%	16.18%	16.44%	-0.21%
Transportation	62,476,507.32	30,388,793.31	51.36%	1.57%	2.96%	-0.65%
Catering service	24,634,302.99	20,202,098.26	17.99%	9.75%	6.92%	2.17%
Others	5,937,003.71	5,269,572.72	11.24%	41.44%	-19.76%	35.87%
Classified by product:						
Real estate development	809,260,338.23	162,645,492.90	79.90%	-34.25%	-63.43%	16.03%
House leasing and management	307,136,733.64	279,143,261.38	9.11%	16.18%	16.44%	-0.21%
Transportation	62,476,507.32	30,388,793.31	51.36%	1.57%	2.96%	-0.65%
Catering service	24,634,302.99	20,202,098.26	17.99%	9.75%	6.92%	2.17%
Others	5,937,003.71	5,269,572.72	11.24%	41.44%	-19.76%	35.87%
Classified by region:						
Shenzhen	1,001,656,621.55	320,886,288.53	67.96%	-28.85%	-46.17%	10.31%
Other	207,788,264.34	176,762,930.04	14.93%	18.30%	24.46%	-4.21%

Where the Company's accounting standard of the main business data above changed during the reporting period, give the main business data of the latest year adjusted according to the accounting standard at the end of the reporting period:

□ Applicable √ Inapplicable

IV. Asset and liability analysis

1. Major changes of asset items

Unit: RMB Yuan

	As at 31 Dec. 2014		As at 31 Dec. 2013		Proportion change (%)	Explain any major change
	Amount	Proportion in total assets (%)	Amount	Proportion in total assets (%)		
Monetary funds	808,963,376.68	20.83%	977,171,814.20	25.23%	-4.40%	The Company repaid more borrowings and paid dividends.
Accounts receivable	26,585,132.12	0.68%	22,208,022.21	0.57%	0.11%	Amounts due from house owners to property management subsidiaries increased.
Inventories	2,323,472,671.20	59.83%	2,101,399,879.93	54.25%	5.58%	The inputs to project development increased.
Investing real estate	250,014,034.94	6.44%	273,314,623.03	7.06%	-0.62%	Provisions for depreciation
Long-term equity investment	32,888,939.41	0.85%	63,111,931.67	1.63%	-0.78%	The 50% stake in the Tian'an subsidiary was sold.
Fixed assets	64,069,233.96	1.65%	75,301,015.72	1.94%	-0.29%	Provisions for depreciation
Prepayments	25,989,832.24	0.67%	35,904,799.33	0.93%	-0.26%	The pre-paid taxes and fares were transferred out due to project settlement.
Intangible assets	99,792,587.03	2.57%	106,945,090.07	2.76%	-0.19%	Amortization
Deferred income tax assets	216,552,790.60	5.58%	191,592,588.80	4.95%	0.63%	The land VAT provision increased due to project settlement and the relevant deferred income tax was recognized.

2. Major changes of liability items

Unit: RMB Yuan

	2014		2013		Proportion change (%)	Explain any major change
	Amount	Proportion in total assets (%)	Amount	Proportion in total assets (%)		
Short-term borrowings	100,000,000.00	2.58%	300,000,000.00	7.75%	-5.17%	Mature ones were repaid.
Long-term	177,613,352.00	4.57%	116,243,352.00	3.00%	1.57%	Project borrowings secured by

borrowings	0					subsidiaries increased.
Accounts payable	175,347,021.19	4.52%	265,697,047.64	6.86%	-2.34%	Some were settled as agreed.
Advances received	28,756,337.08	0.74%	141,082,677.48	3.64%	-2.90%	Some were settled upon satisfaction of settlement conditions.
Taxes and fares payable	1,015,363,636.69	26.15%	865,513,058.59	22.35%	3.80%	Land VAT on the project income increased.
Other payables	111,032,824.55	2.86%	123,967,110.64	3.20%	-0.34%	Some were settled as agreed.
Non-current liabilities due within 1 year	5,000,000.00	0.13%	64,316,666.64	1.66%	-1.53%	Mature ones were repaid.
Other non-current liabilities	114,706,662.76	2.95%	117,372,554.07	3.03%	-0.08%	Some were settled as agreed.

3. Assets and liabilities measured at fair value

Applicable Inapplicable

Unit: RMB Yuan

Item	Opening amount	Gain/loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Closing amount
Financial assets							
3. Available-for-sale financial assets	802,199.55		2,933,175.45				3,993,000.00
Subtotal of financial assets	802,199.55		2,933,175.45				3,993,000.00
Total of the above	802,199.55	0.00	2,933,175.45	0.00	0.00	0.00	3,993,000.00
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Did any significant change occur to the attribute of the Company's main asset measurement during the reporting period?

Yes No

4. Main assets overseas

Applicable Inapplicable

V. Core competitiveness analysis

Standing firm in Shenzhen, we gradually include major cities in the Yangtze River Delta and the Pearl River Delta in our real estate investment plan. We mainly rely on high-value projects in Shenzhen. The “SZPRD·Qianhai Harbor” project and the “SZPRD·Golden Collar Holiday” project have now been fully launched, which are both in smooth progress. These projects enjoy excellent geological locations, low land costs, good economic benefits and great development potential, which lays a solid foundation for us to keep a stable business performance and develop subsequent projects. We have been working with famous and professional intermediary agencies in recent years to keep improving our corporate management capability in real estate project management, cost control, internal control, etc. We also closely follow new trends in the industry, try new management methods and operational approaches and try to create our own competitive edges in the future while taking into consideration our existing business structure.

We proactively deal with severe market challenges to maintain a sound development. In 2014, we were granted quite a few honors, for example, the “Top 100 Shenzhen Enterprises for 2014”, the “Top 500 Real Estate Enterprises in China for 2014”, the “Top Shenzhen Real Estate Enterprise in Brand Value for 2014” and the “2014 Advanced Real Estate Brand Award”.

VI. Investment analysis**1. Investments in equities of external parties****(1) Investments in external parties**

Applicable Inapplicable

No such cases in the reporting period.

(2) Equity-holdings in financial enterprises

Applicable Inapplicable

No such cases in the reporting period.

(3) Securities investments

Applicable Inapplicable

No such cases in the reporting period.

(4) Shareholdings in other listed companies

Applicable Inapplicable

Stock code	Stock abbr.	Initial investment amount	The Company's shareholding percentage in the investee	Closing book value	Gain/loss for reporting period	Change of owner's equity in the reporting period	Accounting title	Source of stock
000509	HSKG	2,962,500.00	0.10%	3,993,000.00	0.00	2,933,175.45	Available-for-sale financial assets	Directional purchase of corporate shares
Total		2,962,500.00	-	3,993,000.00	0.00	2,933,175.45		

2. Wealth management entrustment, derivative investments and entrustment loans

(1) Wealth management entrustment

Applicable Inapplicable

No such cases in the reporting period.

(2) Derivative investments

Applicable Inapplicable

No such cases in the reporting period.

(3) Entrustment loans

Applicable Inapplicable

No such cases in the reporting period.

3. Use of raised funds

Applicable Inapplicable

No such cases in the reporting period.

4. Analysis to main subsidiaries and stock-participating companies

Applicable Inapplicable

Main subsidiaries and stock-participating companies:

Unit: RMB Yuan

Company name	Company variety	Industry	Main products/services	Registered capital	Total assets	Net assets	Operating revenues	Operating profit	Net profit
Shenzhen Huangcheng Real Estate Co.,	Subsidiary	Real estate	Sale of houses	30,000,000.00	1,969,117,709.08	772,987,768.87	770,228,439.35	319,503,572.73	239,993,010.46

Ltd.									
SZPRD Real Estate Development Co., Ltd.	Subsidiary	Real estate	Sale of houses	30,950,000.00	255,775,522.29	59,915,021.07	12,427,245.00	8,288,527.94	4,507,328.74
Shenzhen Guomao Vehicle Industry Co., Ltd.	Subsidiary	Real estate and motor transportation	Sale of houses and motor transportation	29,850,000.00	505,255,316.23	214,475,366.10	60,128,586.53	16,988,438.76	12,618,263.35
Shenzhen Guomao Property Management Co., Ltd.	Subsidiary	Property management and leasing	Property management and leasing	20,000,000.00	227,128,403.43	70,669,666.98	317,027,391.84	23,986,360.82	17,689,738.24

Notes to main subsidiaries and stock-participating companies

Subsidiaries acquired or disposed during the reporting period:

Applicable Inapplicable

5. Significant projects invested with non-raised funds

Applicable Inapplicable

Unit: RMB Ten Thousand Yuan

Project name	Total planned investment	Input for this period	Cumulative actual input as at the period-end	Project progress	Project earnings	Disclosure date (if any)	Disclosure index (if any)
SZPRD-Banshan anyujing (first and second phases)	79,300	7,118	54,756				
SZPRD-Songhulangyuan (previously land in Dalang, Dongguan)	68,711	14,565	44,345				
SZPRD-Golden Collar Holiday (previously land in Huanggang)	68,711	4,676	11,358				

Port)							
SZPRD-Hupanyujing (first and second phases)	150,000	9,553	77,531				
SZPRD-Qianhai Bay (land in the Moon Bay)	79,000	4,779	32,156				
Total	445,722	40,691	220,146	--	--	--	--

VII. Predict the operating results of Jan.-Mar. 2015

Warning of possible loss or considerable YoY change of the accumulated net profit made during the period-begin to the end of the next reporting period according to prediction, as well as explanations on the reasons:

Applicable Inapplicable

Prediction: Considerable decrease at the same direction

Type of the predicted data: exact data

	Jan.-Mar. 2015	Jan.-Mar. 2014	+/- (%)	
Predicted accumulative net profit (RMB Ten thousand)	30	2,773	Down	98.92%
Basic EPS (RMB Yuan/share)	0.0005	0.0465	Down	98.92%
Explanation about the predictions	Reason for the considerable fluctuation of the business results: The project sales and the area available for settlement in Jan.-Mar. 2015 decreased considerably on the year-on-year basis. The aforesaid estimate is just preliminary measurement given by the Company according to the current sales situation of real estate projects. Investors are kindly reminded to be noted that the actual earnings of the Company for Jan.-Mar. 2015 shall be subject to data disclosed in the Company's report for the first quarter of 2015.			

VIII. Entities controlled by the Company for special purposes

Applicable Inapplicable

For details, see "Section XI. Financial Report; IX. 1. Equities in subsidiaries".

IX. Outlook of the Company's future development

(I) The real estate industry is stepping into a "New Normal" status, and the Company is facing bigger challenges in future

In 2014, although the Company did a satisfactory job handling, it came across difficulties more distinct than in 2013, and the crisis awareness thorough the Group further strengthened.

Firstly, there are concerns about the Company's land reserve. Currently, the floor space of land under

development totals to 192,800.00 square meters, the gross construction area is 638,400.00 square meters, and the site area for land reserve (not developed yet or reserved for development) is 92,500.00 square meters. Nature of all the aforesaid land belongs to residence. Besides, the Fuchang Phase II, Meilin Workshop, and Comprehensive Building could be taken as land reserve for the Company after related issues have been straightened out. Enlarging land reserve, as well as enhancing subsequent development power, has become the most urgent and core work assignment of the Company in the following three years.

Secondly, the management level of us needs improvement. In recent years, the Company has advanced the development and management level for real estate by ways of perfecting the framework of managing real estate proprietors, formulating professional management systems including Real Estate Manual, and so on. However, the aging of workforce, the shortage of professional talents, together with the to-be-improved incentive and assessment mechanism, result to the distance between the Company and advanced enterprises in the industry in factors such as development cycle, cost control, and trading mode. In the trend of slower overall development speed of the industry, higher concentration ratio, and transformation of companies in succession, the Company desiderates the construction of a basic development management system which meets industry standards and company practice with high efficiency, as well as the learning and absorption of new management ideas and technologies of the industry in time.

Thirdly, the competitions in real estate market in 2015 are expected to be more fierce, the operational types of real estate industry will encounter big changes, the comprehensive development speed shall slow down, polarization between cities will be more distinct, the investment and sales risks will increase, the cost of main elements including land and fund will keep raising, and sales will get harder, leading to declined sales margin. The modes of high turnover rated and large-scale replicate development have been calling for adjustment due to limited market space. Meanwhile, new modes such as internet and real estate finance are continuously changing the path of industry development. As a result, the Company should understand the future development trend of the industry in more accurate and timely way.

(II) Major work plan in 2015

In the new year, facing serious challenges, the Company shall insist on the target of steady development, innovate on management, and strive for development opportunities in crisis, keep expanding strength, and schedule work for Y2015 in aspects as below:

1. Taking project management as the core, and fastening on the quality and schedule of constructions in progress

In 2014, in the face of the downturn of sales market and fierce competitions, the pressure of risk management of

the Company's non-local projects tightened up, which requested more demanding control of the Company in construction schedule and quality management and control of projects. In 2015, the Company will still target on building boutique properties, practice the mission of Quality Estates and Wonderful Life, fasten on the quality and schedule of constructions in progress, including SZPRD • Jinling Holiday Apartment Buildings, SZPRD • Qianhai Bay Garden, SZPRD • Songhulangyuan, SZPRD • Banshanyujing (Xuzhou), SZPRD • Hupanyujing (Yangzhou), constantly carry out delicacy project management, reinforce control on key points and index of project development, and tamp on propelling of well-organized launch of constructions in progress.

On the basis of experience and lessons summarized from construction management and sales strategies of all projects, the Company shall thoroughly revise Real Estate Manual of SZPRD, optimize project management processes and methods; and at the same time, carry forward the publicity and practice of the Document of Plan and Management System for Contracts about Targeted Cost of SZPRD, implement the idea of cost management, and upgrade the level of cost management and refinement of the Group.

2. Positively responding to industry situation and timely adjusting sales strategies of projects

The Company will keep a watchful eye on policy adjustment for real estates, and adjust sales strategies in time according to the change of market trends. Meanwhile, the Company will take full advantage of internet marketing, expand internet customer resources, extend client coverage, realize linked marketing between online and offline sales, and open up new situation of all-round marketing.

3. Innovating on business models and seeking for new profit growth points

The Company will implement and practice the spirit of the Third Plenary Session of the 18th CPC Central Committee, positively explore and discuss the mixed ownership reformation of wholly-owned subsidiaries, especially pay attention to the marketization of enterprises of supplementary businesses, such as property management and taxi operation, stress on management, transform development pattern, innovate on business models, and increase development vitality of enterprises. The property management company shall conduct deep research on management models and related policies of high-tech industrial parks and logistics parks; the taxi company will conduct deep-going surveys on management models, operation status, and the feasibility of promotion and application of electric taxi, continuously seek for new profit growth points, and improve core competitiveness.

4. Reforming and innovating, and playing as the leading role in reformation of state-owned enterprises in Shenzhen

As a real estate enterprise with significant influence in investment and shareholding control system, the inevitable

trend of future development is Stepping Out. The Company has taken the lead in accumulating certain experience of marketization development among enterprises in the system by getting and developing land in non-local places through fully market-oriented way. At the same time, as a listed company, the Company is currently running with stable performance and fine fundamentals, which especially shown on the two high-quality projects including Qianhai project and Jinling Holiday project, occupying the capability of capital operation such as issuing convertible bonds and directional seasoned offering, and possessing basic operational advantages as a listed company in the implementation of mixed ownership mechanism, which is the highlighted part in this round of reformation of state-owned enterprises.

In this round of reformation, firstly, we should actively cooperate and respond to reformation measures of SIH, and undertake reformation tasks. Secondly, we should catch the chances in reformation, and increase the vitality of the Company. This round of reformation emphasizes on mixed ownership mechanism, the perfection of board construction, and the practice of long-term effective incentive mechanism, providing companies with more powerful autonomy in management. If companies can grasp the opportunities, take practical implementation of shareholding by core-employees, expand the linkage between remuneration and performance assessment of employees by different means, more professional talents will be introduced, and the business operation vitality of companies will be greatly activated. Thirdly, we should let our subsidiaries carry forward experimental and prior reformation for mixed ownership mechanism, such as the introduction of strategic cooperators and the shareholding by employees.

X. Explanation by the Board of Directors and the Supervisory Committee about the “non-standard audit report” issued by the CPAs firm for the reporting period

Applicable Inapplicable

XI. Explain any change of the accounting policies, the accounting estimates and the accounting methods when compared to the financial report for last year

Applicable Inapplicable

For details, see “Section XI. Financial Report; V. 33. Changes in important accounting policies and estimates”.

XII. Explain if any major correction of accounting errors occurred in the reporting period and for that retroactive restatement was needed

Applicable Inapplicable

No such cases in the reporting period.

XIII. Explanation of the changes of the consolidated statement scale compared to the last financial report

Applicable Inapplicable

Changes in the consolidation scope in the reporting period:

Name	Date of deconsolidation
Hainan Xinda Development Corporation	30 Jun. 2014

On 25 Nov. 2011, the proposal on initiating bankruptcy liquidation of Hainan Xinda Development Corporation (“Hainan Corporation”) was reviewed and approved on the 4th Session of the 7th Board of Directors. On 27 Feb. 2014, Hainan Haikou Intermediate People’s Court issued <The Civil Judgment (2013) HZFP (Yu) Zi No.7>, deciding to accept the bankruptcy liquidation application of Hainan Corporation. On 16 Jun. 2014, Haikou Intermediate People’s Court issued the (2014) HZFYPZYH No. 1-1 <Civil Decision Letter>, designating Hainan Weite Law Firm as the bankruptcy administrator of Hainan Corporation. As such, Hainan Corporation was taken over by the administrator designated by the court in Jun. 2014 and the Company’s control over it ceased. On 23 Dec. 2014, the first creditors’ meeting for the bankruptcy and liquidation of Hainan Xinda Development Corporation was convened at Court No. 5 of Haikou Intermediate Court.

Hainan Corporation was founded in 1988 as a wholly-funded subsidiary of the Company. It has now no development projects or land reserves and has been in deficit for years. According to the book value of its assets at the end of Jun. 2014, its liquidation value is expected to be naught. The liquidation results haven’t come out at the disclosure date of this report. The book value of long-term equity investments and accounts receivable stood at RMB 20,000,000.00 and RMB 49,437,140.28 respectively, for both of which impairment provisions had been made in full in previous years. For the reporting period, it was transferred into the asset group held for distribution to owners and stated under other current assets.

XIV. Profit allocation and dividend payout

Formulation, execution or adjustment of the Company’s profit allocation policy during the reporting period:

Applicable Inapplicable

The Company’s preplans or plans for profit allocation and turning capital reserve into share capital for the recent three years (including the reporting year):

Year	Plan for profit allocation or turning capital reserve into share capital
2014	A cash dividend of RMB 2.20 (tax included) for every 10 shares, and no shift from capital reserve to share capital
2013	A cash dividend of RMB 2.50 (tax included) for every 10 shares, and no shift from capital reserve to share capital
2012	The Company did not allocate profit or turn capital reserve into share capital.

Cash dividend distribution of the Company over the recent three years:

Unit: RMB Yuan

Year	Cash dividends (tax included)	Net profit attributable to shareholders of the listed company in	Ratio to net profit attributable to shareholders of the listed company in	Cash offering to buy back shares recorded as cash dividends	Ratio of cash offering to buy back shares to cash dividends

		the consolidated statement in the year	the consolidated statement in the year		
2014	131,115,400.24	417,498,679.91	31.40%	0.00	0.00%
2013	148,994,773.00	300,840,563.81	49.53%	0.00	0.00%
2012	0.00	375,422,129.64	0.00%	0.00	0.00%

The Company (including its subsidiaries) made profit in the reporting period and the retained profit of the Company (without subsidiaries) was positive, but it did not put forward a preplan for cash dividend distribution:

Applicable Inapplicable

XV. Pre-plan for profit allocation and turning capital reserve into share capital for the reporting period

Applicable Inapplicable

Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB Yuan) (tax included)	2.20
Total shares as the basis for the allocation preplan (share)	595,979,092
Total cash dividends (RMB Yuan) (tax included)	131,115,400.24
Distributable profit (RMB Yuan)	1,225,726,944.83
Percentage of the cash dividends in the total distributed profit (%)	100.00%
Cash dividend policy:	
If the Company is in a mature development stage and has no plans for any significant expenditure, in profit allocation, the ratio of cash dividends in the profit allocation shall be 80% or above.	
Details about the pre-plan for profit allocation and turning capital reserve into share capital	
According to the Company's Articles of Association, as well as the actual situation of its development and operation, the pre-plan of the Company for 2014 annual profit allocation was as follows: Based on the total 595,979,092 shares of the Company as at 31 Dec. 2014, a cash dividend of RMB 2.20 (tax included) will be distributed for every 10 shares held by shareholders, with the total cash dividends to be distributed amounting to RMB 131,115,400.24. No capital reserve will be turned into share capital.	

XVI. Social responsibilities

Applicable Inapplicable

1. Positively conducting aiding and charity activities for helping the poor

Firstly, the Company organized and conducted the donation by employees for helping the poor, as well as the donation by taxi drivers for mutual assistance, so as to secure the fund and make use of it for helping employees facing difficulties. The Guomao Tax Company allocated RMB 26,000.00 from the Mutual Aid Fund to a taxi

driver with serious illness. The group company allocated RMB 8,000.00 from the Helping-the-Poor Fund to 2 employees with serious illnesses. Secondly, the group company granted RMB 20,000.00 to related community workstations for solving actual community difficulties.

2. Positively conducting publicity activities for environmental protection

Firstly, the Company invited experts to communities for publicity of environmental protection knowledge for public welfare for 2 times, attracting over 200 community residents. Secondly, the Company organized recycling and donation activities conducted by the Company's volunteers and public service organizations for environmental protection, collecting nearly 3,000 pieces of old clothes.

3. Positively conducting law publicity activities

The Company organized its volunteers and Shenzhen Dogs Protection Association (SDPA) to advertise for civilized dog-raising, inject rabies vaccine for dogs for free, conduct law publicity activities for civilized dog-raising, attracting over 200 community residents.

4. Positively conducting blood donation activities by groups

The subordinate Guomao Property, Shenxin Taxi, and Guomao Taxi companies conducted blood donation activities by groups, with over 150 people joined, and donated blood of over 40,000 ml collected.

5. Conducting micro public good activities in society

Firstly, the subordinate Guomao Taxi and Shenxin Taxi conducted activities, such as Learning from Lei Feng, Driving Exam Candidates for Free, and Micro Tourism for Caring the Old, organized tax drivers to drive for free for over 300 vehicle /time and serve citizens for over 300 per capita / time. Secondly, taxi drivers in Guomao Taxi and Shenxin Taxi companies positively returned belongings left by passengers in taxis and dropped the lost old off home. Such good personalities and good deeds emerged one after another, and were reported by the media for many times.

6. Investing fund on energy-saving, consumption-reducing, and environmental protection

Without any special maintenance fund for property, the subordinate Guomao Property Management Company raised fund of RMB 16 million from proprietors, completed energy-saving transformation of Guomao Mansion, and obtained remarkable effects. As assessed by Shenzhen Construction Technology Promotion Center under Housing and Construction Bureau of Shenzhen Municipality, after transformation, the total electricity consumption of air conditioners decreased by 20%, the total fractional energy-saving ratio reached 13.3%, energy of nearly 2.1 million kw/h could be saved per year, and the emission of carbon dioxide reduced by over 2 million tons. The successful practice of the transformation project had not only optimized air conditioning system of the

mansion, improved management on energy-consumption of the mansion, made significant sense to energy-saving, consumption-reducing, as well as optimization and upgrade of enterprises, but also positively contributed to energy-saving, consumption-reducing, and environmental protection of Shenzhen, had well demonstration effects, gained good appraisal by flight check from the State Ministry of Finance, and would be reported in the National Energy-saving Work Conference.

Does the listed company or any of its subsidiaries belong to the heavily polluting industries stipulated by the environmental protection authorities of the country?

Yes No Inapplicable

Does the listed company or any of its subsidiaries have any other significant social security problems?

Yes No Inapplicable

Any administrative punishment during the reporting period?

Yes No Inapplicable

XVII. Particulars about researches, visits and interviews received in this reporting period

Applicable Inapplicable

Time of reception	Place of reception	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company
14 Jan. 2014	Investor interaction platform of Shenzhen Stock Exchange	Other	Individual	Investor	Land reserves
5 Feb. 2014	BOD Office of the Company	By phone	Individual	Investor	Dividends
29 Mar. 2014	Investor interaction platform of Shenzhen Stock Exchange	Other	Individual	Investor	Disclosure date of the annual report
7 Apr. 2014	Investor interaction platform of Shenzhen Stock Exchange	Other	Individual	Investor	Time for the general meeting
25 Apr. 2014	BOD Office of the Company	By phone	Individual	Investor	Implementation plan for dividend distribution
28 May 2014	BOD Office of the Company	By phone	Individual	Investor	Arrival of dividends

19 Jul. 2014	BOD Office of the Company	By phone	Individual	Investor	State-owned enterprise reform plan
7 Sept. 2014	BOD Office of the Company	By phone	Individual	Investor	Any plan for land procurement?
26 Oct. 2014	Investor interaction platform of Shenzhen Stock Exchange	Other	Individual	Investor	Any plan for financing?
13 Nov. 2014	Investor interaction platform of Shenzhen Stock Exchange	Other	Individual	Investor	Influence of the reform plan of Shenzhen Investment Holdings on the Company
Number of times of reception					300
Number of institutions received					0
Number of individuals received					300
Number of other entities received					0
Was any material undisclosed information disclosed, revealed or leaked?		No			

Section V. Significant Events

I. Significant lawsuits or arbitrations

Applicable Inapplicable

Lawsuit (arbitration)	Amount (RMB Ten Thousand Yuan)	Whether form into estimated liabilities	Progress	Results and influence	Sentence execution	Disclosure date	Disclosure index
Meisi case		No	Won the first trial	Won the first trial		10 Dec. 2014	Announcement No. 2014-34 about the Progress on the Meisi Lawsuit disclosed on Ta Kung Pao, Securities Times and www.cninfo.com.cn
Bankruptcy and liquidation of Hainan Corporation		No	Accepted by the court			15 Mar. 2014	Announcement No. 2014-3 about the Bankruptcy and Liquidation Progress of Hainan Corporation disclosed on Ta Kung Pao, Securities Times and www.cninfo.com.cn

II. Media's queries

Applicable Inapplicable

No such cases in the reporting period.

III. Occupation of the listed company's capital by the controlling shareholder and its related parties for non-operating purposes

Applicable Inapplicable

No such cases in the reporting period.

IV. Bankruptcy and reorganization

Applicable Inapplicable

No such cases in the reporting period.

V. Asset transactions

1. Acquisition of assets

Applicable Inapplicable

No such cases in the reporting period.

2. Sale of assets

Applicable Inapplicable

Transaction party	Assets sold	Date of sale	Transaction price (RMB Ten thousand)	Net profit contributed to the Company from the period-begin to the disposal date (RMB Ten thousand)	Impact to the company (Notes 3)	Ratio of the net profit contributed by the asset to the Company to the total profit (%)	Pricing principle	Related-party transaction or not	Relationship between the transaction party and the Company (applicable for related-party transactions)	Whether or not the ownership of the asset involved has been fully transferred	Whether or not the creditor's right and liabilities involved have been fully transferred	Disclosure date	Disclosure index
Hong Kong Tian'an (Sui'an) Investm	50% stake in Shenzhen Guomao	23 Jun. 2014	23,751.71	0	The sale of the asset had no influence	39.42%	Put out to the public for transfer	No	Non-related party	Yes	Yes	15 Jul. 2014	Announcement No. 2014-19 about

ent Limited	Tian'an Properti es Co., Ltd.				e on the Compan y's business continui ty and manage ment stability. And the sale generate d a net profit of RMB 164.57 million in the reportin g period.		at a price not lower than the evaluate d price						the Transfer Progress of the 50% Stake in Shenzhe n Guomao Tian'an Properti es Co., Ltd.
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3. Business combination

Applicable Inapplicable

No such cases in the reporting period.

VI. Implementation of equity incentive and its influence

Applicable Inapplicable

No such cases in the reporting period.

VII. Significant related-party transactions

1. Related-party transactions concerning routine operation

Applicable Inapplicable

No such cases in the reporting period.

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

Applicable Inapplicable

No such cases in the reporting period.

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

Applicable Inapplicable

No such cases in the reporting period.

4. Credits and liabilities with related parties

Applicable Inapplicable

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

Yes No

Related party	Relationship	Variety of credit or liability	Reason	Non-operating capital occupation or not?	Opening balance (RMB Ten thousand)	Amount incurred in reporting period (RMB Ten thousand)	Closing balance (RMB Ten thousand)
Anhui Nanpeng Papermaking Co., Ltd	The Company held a 30% stake in it.	Creditor's rights receivable from the related party	Working funds	No	729	4	733
Shenzhen Guomao Industry Development Co., Ltd.	The Company held a 38.33% stake in it.	Creditor's rights receivable from the related party	Working funds	No	235	0	235
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	The Company held a 26% stake in it.	Creditor's rights receivable from the related party	Working funds	No	175	0	175
Shenzhen Guest House Co., Ltd.	Under the same control of the parent company of the Company	Creditor's rights receivable from the related party	Intra-Group funds	No	91	0	91
Shenzhen Investment Property Development Co., Ltd.	Under the same control of the parent company of the Company	Creditor's rights receivable from the related party	Intra-Group funds	No	314	301	13
SZPRD Jifa	Joint venture of the	Liability payable to the	Intra-Group	No	2,355	275	2,630

Warehouse Co., Ltd	Company	related party	funds				
Shenzhen Tian'an International Building Property Management Co., Ltd	Joint venture of the Company	Liability payable to the related party	Intra-Group funds	No	411	0	411
Shenzhen Investment Property Development Co., Ltd.	Under the same control of the parent company of the Company	Liability payable to the related party	Intra-Group funds	No	52	-52	0
Shenzhen Investment Holdings Co., Ltd.	Controlling shareholder of the Company	Liability payable to the related party	Entrustment borrowings	No	24,000	-24,000	0
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 Inapplicable

No such cases in the reporting period.

VIII. Significant contracts and their execution

1. Trusteeship, contracting and leasing

(1) Trusteeship

Applicable Inapplicable

No such cases in the reporting period.

(2) Contracting

Applicable Inapplicable

No such cases in the reporting period.

(3) Leasing

Applicable Inapplicable

No such cases in the reporting period.

2. Guarantees provided by the Company

√ Applicable □ Inapplicable

Unit: RMB Ten Thousand Yuan

Guarantees provided by the Company for external parties (excluding those for subsidiaries)								
Guaranteed party	Disclosure date of relevant announcement	Amount for guarantee	Actual occurrence date (date of agreement)	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed or not	Guarantee for a related party or not
Shenzhen Guomao Vehicle Industry Co., Ltd.	23 May 2011	2,600	11 Jan. 2012	500	Pledge	3 years	No	Yes
Shenzhen Guomao Car Rental Co., Ltd.	23 Apr. 2014	4,000	25 Jul. 2014	2,000	Joint-liability guarantee; pledge	1 year	No	Yes
Shenzhen Properties & Resources Development (Group) Ltd.	24 Apr. 2013	45,000	20 Jun. 2014	1,637	Joint-liability guarantee	3 years	No	Yes
Total external guarantee line approved during the reporting period (A1)				0	Total actual occurred amount of external guarantee during the reporting period (A2)		3,637	
Total external guarantee line that has been approved at the end of the reporting period (A3)				51,600	Total actual external guarantee balance at the end of the reporting period (A4)		4,137	
Guarantees provided by the Company for its subsidiaries								
Guaranteed party	Disclosure date of relevant announcement	Amount for guarantee	Actual occurrence date (date of agreement)	Actual guarantee amount	Type of guarantee	Period of guarantee	Executed or not	Guarantee for a related party or not
Dongguan Guomao Changsheng Real Estate Development Co., Ltd.	21 Apr. 2012	44,000	11 Jan. 2013	16,124	Joint-liability guarantee; pledge	3 years	No	Yes
Shenzhen Guomao Vehicle Industry Co., Ltd.	23 Apr. 2014	7,000	27 Jun. 2014	7,000	Joint-liability guarantee	1 year	No	Yes
Shenzhen Guomao Vehicle Industry Co., Ltd.	23 Apr. 2014	2,000	14 May 2014	1,000	Pledge	1 year	No	Yes

Ltd.								
Total guarantee line approved for the subsidiaries during the reporting period (B1)		30,000	Total actual occurred amount of guarantee for the subsidiaries during the reporting period (B2)				18,000	
Total guarantee line that has been approved for the subsidiaries at the end of the reporting period (B3)		70,000	Total actual guarantee balance for the subsidiaries at the end of the reporting period (B4)				24,124	
Total guarantee amount provided by the Company (total of the above-mentioned two kinds of guarantees)								
Total guarantee line approved during the reporting period (A1+B1)		30,000	Total actual occurred amount of guarantee during the reporting period (A2+B2)				21,637	
Total guarantee line that has been approved at the end of the reporting period (A3+B3)		121,600	Total actual guarantee balance at the end of the reporting period (A4+B4)				28,261	
Proportion of total guarantee amount (A4+B4) to the net assets of the Company			13.62%					
Of which:								
Amount of guarantee for shareholders, actual controller and related parties (C)			0					
Amount of debt guarantee provided for the guaranteed party whose asset-liability ratio is not less than 70% directly or indirectly (D)			26,624					
Part of the amount of the total guarantee over 50% of net assets (E)			0					
Total amount of the above three guarantees (C+D+E)			26,624					
Explanation on possible bearing joint responsibility of liquidation due to immature guarantee (if any)			The Company provided a total guarantee amount of RMB 282.61 million to external parties, including a guarantee amount of RMB 241.24 million provided by the Company for its subsidiaries and a guarantee amount of RMB 41.37 million provided by subsidiaries to subsidiaries or the Company. Neither the Company nor its subsidiaries provided guarantees for any company not in the consolidation scope. Up to the end of the reporting period, subsidiaries were in normal operation and the loans were also in a normal status, with the risk being controllable.					
Explanation on provision of guarantees for external parties in violation of the prescribed procedure (if any)			Naught					

Particulars about guarantees provided in a compound way

(1) Illegal provision of guarantees for external parties

Applicable Inapplicable

No such cases in the reporting period.

3. Other significant contracts

Applicable Inapplicable

No such cases in the reporting period.

4. Other significant transactions

Applicable Inapplicable

No such cases in the reporting period.

IX. Fulfillment of commitments**1. Commitments made by the Company or shareholders holding over 5% of the Company's shares in the reporting period, or such commitments carried down into the reporting period**

Applicable Inapplicable

No such cases in the reporting period.

2. If earnings from any of the Company's assets or projects are expected to occur during a period and the report period is within that period, explain whether the asset or project reaches the expected earnings or not, as well as the reasons

Applicable Inapplicable

X. Particulars about engagement and disengagement of CPAs firm

CPAs firm engaged at present

Name of the domestic the CPAs firm	Union Power CPAs Co., Ltd. (LLP)
Fee for the domestic the CPAs firm (RMB Ten thousand)	52
Consecutive years of the audit services provided by the domestic CPAs firm	13
Names of the certified public accountants from the CPAs firm	Zhang Jun, Dong Hanlan

CPAs firm changed?

Yes No

Any CPAs firm, financial accountant or sponsor engaged for the audit of internal control:

Applicable Inapplicable

In the reporting period, the Company engaged Union Power CPAs Co., Ltd. (LLP) for its internal control audit and paid an internal control audit fee of RMB 230,000 to it for the year.

XI. Explanation of the Supervisory Committee and independent directors (if applicable) on the “Non-standard Audit Report” issued by the CPAs firm during the reporting period

Applicable Inapplicable

XII. Punishment and rectification

Applicable Inapplicable

No such cases in the reporting period.

XIII. Possibility of listing suspension and termination after disclosure of this annual report

Applicable Inapplicable

XIV. Other significant events

Applicable Inapplicable

No such cases in the reporting period.

XV. Significant events regarding subsidiaries

Applicable Inapplicable

XVI. Issue of corporate bonds

Applicable Inapplicable

Section VI. Change in Shares & Shareholders

I. Changes in shares

1. Changes in shares

Unit: share

	Before the change		Increase/decrease (+, -)					After the change	
	Number of shares	Proportion (%)	New shares issued	Bonus shares	Capitalization of public reserve fund	Other	Subtotal	Number of shares	Proportion (%)
I. Restricted shares	352,561,038	59.16%				-49,815	-49,815	352,511,223	59.15%
2. Share held by state-owned corporations	350,579,943	58.82%						350,579,943	58.82%
3. Shares held by other domestic investors	1,981,095	0.33%				-49,815	-49,815	1,931,280	0.32%
Among which: shares held by domestic corporations	1,931,280	0.32%						1,931,280	0.32%
Shares held by domestic natural persons	49,815	0.01%				-49,815	-49,815	0	
II. Non-restricted shares	243,418,054	40.84%				49,815	49,815	243,467,869	40.85%
1. RMB ordinary shares	175,812,811	29.50%				49,815	49,815	175,862,626	29.51%
2. Domestically listed foreign shares	67,605,243	11.34%						67,605,243	11.34%
III. Total number of shares	595,979,092	100.00%						595,979,092	100.00%

Reason for the change in shares

√ Applicable □ Inapplicable

(I) Explanation about the increase/decrease in the reporting period of “I. Restricted shares”:

The shares held by domestic natural persons decreased by 49,815 shares for the following reasons: The total 51,840 shares of the Company held by former restricted share holder Shenzhen Longgang Changsheng Industrial Co., Ltd. were frozen and auctioned as a judicial procedure. Natural person Yang Fuze obtained these shares in

the auction and the transfer formalities were completed in Jul. 2013. Later, Yang Fuze went through the unlocking formalities for these shares and accumulatively repaid in Nov. 2013 the 5,025 shares which had been paid by SIHC on behalf of the former shareholder. On 8 Jan. 2014, the 49,815 shares of the Company held by Yang Fuze became tradable. For details, see the “Suggestive Announcement on Unlocking Restricted Shares” disclosed on 6 Jan. 2014. As such, the restricted shares decreased by 49,815 shares.

(II) Explanation about the increase/decrease in the reporting period of “I. Non-restricted shares”:

RMB ordinary shares increased by 49,815 shares for the following reasons: The total 51,840 shares of the Company held by former restricted share holder Shenzhen Longgang Changsheng Industrial Co., Ltd. were frozen and auctioned as a judicial procedure. Natural person Yang Fuze obtained these shares in the auction and the transfer formalities were completed in Jul. 2013. Later, Yang Fuze went through the unlocking formalities for these shares and accumulatively repaid in Nov. 2013 the 5,025 shares which had been paid by SIHC on behalf of the former shareholder. On 8 Jan. 2014, the 49,815 shares of the Company held by Yang Fuze became tradable. For details, see the “Suggestive Announcement on Unlocking Restricted Shares” disclosed on 6 Jan. 2014. As such, RMB ordinary shares had increased by 49,815 shares.

Approval of the change in shares

Applicable Inapplicable

Transfer of share ownership

Applicable Inapplicable

Effects of the change 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 last period

Applicable Inapplicable

Other contents that the Company considered necessary or were required by the securities regulatory authorities to disclose

Applicable Inapplicable

2. Changes in restricted shares

Applicable Inapplicable

Unit: share

Name of shareholder	Opening restricted shares	Unlocked restricted shares in current period	Increased restricted shares in current period	Closing restricted shares	Reason for restriction	Date of unlocking
Yang Fuze	49,815	49,815	0	0		2014-1-8
Total	49,815	49,815	0	0	--	--

II. Issuance and listing of securities

1. Securities issued in the three years ended 31 Dec. 2014

Applicable Inapplicable

2. Changes in total shares of the Company and the shareholder structure, as well as the asset and liability structures

Applicable Inapplicable

3. Existing shares held by the staff of the Company

Applicable Inapplicable

III. Shareholders and actual controller

1. Total number of shareholders and their shareholdings

Unit: share

Total number of common shareholders at the end of the reporting period	38,575	Total number of common shareholders on the fifth trading day before the disclosure date of the annual report	35,185	Total number of preferred shareholders with resumed voting rights at the end of the reporting period (if any) (see Note 8)	0			
Particulars about shares held by shareholders with a shareholding percentage over 5% or by the top ten shareholders holding shares								
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Increase/decrease during the reporting period	Number of restricted shares held	Number of non-restricted shares held	Pledged or frozen shares	
							Status of shares	Number of shares
SHENZHEN CONSTRUCTION INVESTMENT HOLDINGS CORPORATION	State-owned corporation	54.33%	323,796,324		293,997,370	29,798,954		
SHENZHEN INVESTMENT MANAGEMENT CORPORATION	State-owned corporation	9.49%	56,582,573		56,582,573	0		
SHENZHEN DUTY-FREE COMMODITY ENTERPRISES CO., LTD.	Domestic non-state-owned corporation	0.29%	1,730,300		1,730,300	0		

QIAN HONGRUI	Domestic natural person	0.27%	1,585,268			1,585,268		
ZHU YIPING	Domestic natural person	0.22%	1,213,039			1,213,039		
LONG KEYI	Domestic natural person	0.18%	1,100,000			1,100,000		
CHEN LIYING	Domestic natural person	0.17%	1,076,051			1,076,051		
LIU LIAOYUAN	Domestic natural person	0.16%	960,132			960,132		
LI JING	Domestic natural person	0.15%	939,500			939,500		
AGRICULTURAL BANK OF CHINA CO., LTD.-MORGAN STANLEY CHINA FORTUNE QUANTIFIED ALLOCATION STOCK FUND	Domestic non-state-owned corporation	0.23%	1,248,600			1,248,600		
Explanation on associated relationship or/and persons acting in concert among the above-mentioned shareholders:	The first and second principal shareholders of the Company are managed by Shenzhen Investment Holding Corporation, the actual controlling shareholder of the Company. And the Company does not know whether there are related parties or acting-in-concert parties among the other 8 shareholders.							
Particulars about shares held by the top ten non-restricted share holders								
Name of shareholder	Number of non-restricted shares held at the period-end	Type of shares						
		Type of shares	Number					
SHENZHEN CONSTRUCTION INVESTMENT HOLDINGS CORPORATION	29,798,954	RMB ordinary shares	29,798,954					
QIAN HONGRUI	1,585,268	RMB ordinary shares	1,585,268					
ZHU YIPING	1,213,039	RMB ordinary shares	1,213,039					
LONG KEYI	1,100,000	RMB ordinary shares	1,100,000					
CHEN LIYING	1,076,051	Domestically listed foreign	1,076,051					

		shares	
LIU LIAOYUAN	960,132	Domestically listed foreign shares	960,132
LI JING	939,500	Domestically listed foreign shares	939,500
HE TAO	869,800	Domestically listed foreign shares	869,800
ZHOU XIAOHONG	715,776	RMB ordinary shares	715,776
AGRICULTURAL BANK OF CHINA CO., LTD.-MORGAN STANLEY CHINA FORTUNE QUANTIFIED ALLOCATION STOCK FUND	1,248,600	RMB ordinary shares	1,248,600
Explanation on associated relationship or/and persons acting in concert among the top ten tradable shareholders and between the top ten tradable shareholders and the top ten shareholders	The first principal shareholder of the Company is managed by Shenzhen Investment Holding Corporation, the actual controlling shareholder of the Company. Other than that, the Company does not know whether there are related parties or acting-in-concert parties among the other 9 shareholders.		

Did any of the top 10 common shareholder 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.

2. Particulars about the controlling shareholder

Corporation

Name of controlling shareholder	Legal representative / company principal	Date of establishment	Organization code	Registered capital	Business scope
Shenzhen Investment Holdings Corporation	Fan Mingchun	10 Oct. 2004		RMB 10.9 billion	Property ownership management, capital operation, investment and financing
Future development strategy	As authorized by Shenzhen Municipal State-owned Assets Supervision and Administration Commission, the holding company performs its duties of a contributor on some state-owned enterprises of Shenzhen; and devotes itself to building a reform platform for state-owned enterprises and administrative institutions				

	in Shenzhen, a restructuring and development platform for state-owned enterprises, and a platform for cultivating strategic emerging industries.
Operating results, financial situation, cash flows, etc.	In 2013, the holding company achieved operating revenues of RMB 25.1 billion and profits of RMB 8.5 billion. Up to 30 Jun. 2014, its total assets reached RMB 201.5 billion.
Shareholdings of the controlling shareholders in other listed companies at home and abroad in the reporting period	Major wholly-owned or controlled enterprises: 1. Guosen Securities Co., Ltd. 2. Shenzhen Century Science and Technology Investment Co., Ltd.(SIHC) 3. Shenzhen Urban Construction Investment &Development (Group) Co., Ltd 4. Shenzhen Special Economic Zone Real Estate & Propertiest (Group) Co., Ltd 5. Shenzhen High-Tech Investment & Guaranty Co., Ltd. (HTI) 6. Shenzhen Properties & Resources Development (Group) Ltd.(SZPRD) 7. Shenzhen Tongchan Group Co., Ltd. 8. Shenzhen Small & Medium Enterprises Credit Financing Guarantee Group Co., Ltd. (SZCGC) 9. Shenzhen Shenfubao (Group) Co., Ltd. 10. Shenzhen Yue Tong Construction Engineering Co., Ltd. 11. Shenzhen Textile (Holdings) Co., Ltd. 12. Shenzhen Jian (Group) Co., Ltd. 13. Shenzhen Shentou Education Co., Ltd. 14. Shenzhen Investment Holdings Co., Ltd. 15. Shenzhen General Institute of Architectural Design And Research Co., Ltd. (SADI) 16. Shenzhen Convention & Exhibition Center Management Co., Ltd.(SZCEC) 17. China Academy of Science & Technology Development (AST) 18. Shenzhen Silver Lake Resort Hotel Limited 19. Shenzhen International Tendering Co., Ltd. 20. Shenzhen Institute of Building Research Co., Ltd. 21. Shenzhen Shentou Property Management Ltd. 22. Shenzhen Information Pipeline Co., Ltd. 23. Shenzhen Environmental Engineering Science and Technology Center (EETC) 24. The Orchid Conservation & Research Center of Shenzhen 25. Shenzhen 51emap Information Co., Ltd. 26. Shenzhen Foreign Trade and Economic Investment Co., Ltd. 27. Shenzhen Yunhai Villa Hotel Management Ltd. 28. Shenzhen Investment Holdings Co., Ltd Preschool Management Center 29. Li Yuan Hotel Shenzhen 30. SZ Youth 31. Shenzhen Mangrove 32. Shenzhen Port Management Service Center 33. Shenzhen Transportation Service Center 34. Shenzhen Comprehensive Transportation Design Institute 35. Shenzhen Highway Traffic Engineering Inspection & Test Center 36. Shenzhen Cantonese Opera Troupe 37. Shenzhen Grand Theater 38. Shenzhen Concert Hall 40. Shenzhen Road & Bridge Construction Group Co., Ltd. 41. Wuzhou Guest House Shenzhen 42. Shenzhen Sports Center Operating Co., Ltd. 43. Shenzhen Sports Fashion Magazine 44. Special Zone Economy 45. Special Zone Literature 46. Shenzhen Talent Exchange Service Center 47. Shenzhen Municipal People's Congress Cadre Training Center 48. Shenzhen Justice Training Center 49. PPSZ Investigative Techniques Training Base 50. Shenzhen Water Resources Planning & Design Institute 51. Shenzhen Real Estate Management Training Center 52. Housing & Real Estate 53. Shenzhen Shanshui Hotel 54. Shenzhen Urban Transport Planning Center 55. Shenzhen Hazardous Waste Treatment Station 56. Shenzhen Guesthouse 57. Manger 58. China Opening Journal 59. Shenzhen Local Taxation Bureau Dongpeng Printing Plant 60. Shenzhen Foreign Economy & Trade Service Center (FETSC) 61. IT Times 62. Women Magazine 63. Shenzhen Women & Children Development Center 64. Housing and Construction Bureau of Shenzhen Municipality Training Center

Change of the controlling shareholder in the reporting period

Applicable Inapplicable

No such cases in the reporting period.

3. Particulars about the actual controller

Corporation

Name of actual controller	Legal representative / company principal	Date of establishment	Organization code	Registered capital	Business scope
Shenzhen Municipal State-owned Assets Supervision and Administration Commission	Zhang Xiaoli				
Future development strategy	<p>(I) Implementing and practicing state, provincial, and municipal laws and regulations related to management on state-owned assets, drafting local laws, regulations, and policies about management on state-owned assets, and organizing implementation activities upon approvals. Intending to draft supervision systems and methods about operational state-owned assets, and organizing implementation activities.</p> <p>(II) On the basis of authorization from municipal government, fulfilling duties of investors according to laws and regulations, and protecting the rights and interests of investors for state-owned assets according to laws</p> <p>(III) Taking charge of Party-building work for enterprises in its supervision and organs entrusted</p> <p>(IV) Undertaking the supervision over state-owned assets of municipal enterprises, strengthening management on state-owned assets, further perfecting the management mechanism for state-owned assets with the unification of power, obligation, and duties, as well as the combination of managing assets, people, and affairs</p> <p>(V) Being responsible for hedging and appreciation of the value of state-owned assets of enterprises in its supervision, establishing and perfecting the index system for hedging and appreciation of the value of state-owned assets, setting out assessment standards, supervising on hedging and appreciation of the value of state-owned assets of enterprises in its supervision by statistics, audit, and check, and urging enterprises in its supervision to fulfill social duties</p> <p>(VI) In charge of researching and preparing the general planning for transformation and development of state-owned enterprise in its supervision, guiding and boosting transformation and re-organization of state-owned enterprises, prompting the construction of modern enterprise system, carrying forward operation of state-owned capital, pushing the strategic adjustment on state-owned economy layout and structure, and making state-owned capital play the role in significant industries and key fields including national security, national economy lifeline, etc.</p> <p>(VII) Directing and propelling enterprises in its supervision to perfect company governance structure, intensifying construction of Board and Supervision Committees of enterprises in its supervision, and forming the governance mechanism with specific duties, coordinating operation, and effective counterbalance</p> <p>(VIII) Assuming the management work of income distribution for enterprises in its supervision, and standardizing the income distribution and position-related consumption over people in charge of enterprises in its supervision</p> <p>(IX) In line with rules of municipal Party committee, appointing and dismissing, appraising, as well as, in accordance with business performance, rewarding and punishing people in charge of enterprises in its supervision by applying legal procedures, establishing the mechanism of selecting and choosing candidates meeting the requirements of socialist market economy system and modern enterprise system, and perfecting the incentive and control system for operators</p>				

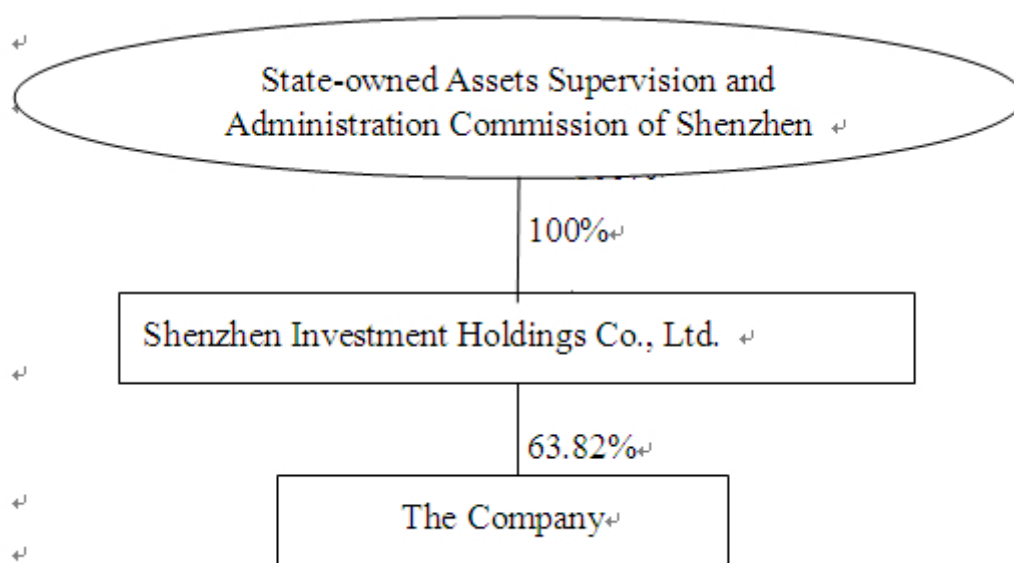
	<p>(X) Being responsible for appointing or recommending board directors, supervisors, CFOs to enterprises in its supervision, and auditing on economic duties of people in charge of enterprises in its supervision according to rules about management authorization to people in charge of enterprises</p> <p>(XI) In charge of preparing the draft of budgets and final accounts of annual state-owned capital of enterprises in its supervision, including it to the government budget system, organizing the execution upon approvals, and collecting earnings of state-owned capital handed in by enterprises in its supervision</p> <p>(XII) In charge of strategy research, policy formulation, and guidance for transformation, development, and asset management related to collectively-owned enterprises</p> <p>(XIII) Assuming other assignments assigned by municipal government and superior departments</p>
Operating results, financial situation, cash flows, etc.	For Jan.-Dec. 2014, Shenzhen's state-owned enterprises accumulatively achieved operating revenues of RMB 109.709 billion, up 13.41% from the year earlier; achieved total profits of RMB 28.662 billion, up 28.93% year on year; and paid taxes of RMB 16.461 billion, up 19.4% year on year.

Change of the actual controller in the reporting period

Applicable Inapplicable

No such cases in the reporting period.

Block diagram of property rights and control relationship between the Company and the actual controller



The actual controller controlled the Company by entrustment or other assets management methods

Applicable Inapplicable

4. Other institutional shareholders owning over 10% shares

Applicable Inapplicable

IV. Explanation on shareholding increase scheme during the reporting period proposed or implemented by the principal shareholders and act-in-concert persons

Applicable Inapplicable

No such cases in the reporting period to the best knowledge of the Company.

Section VII. Preferred Shares

Applicable Inapplicable

No such cases in the reporting period.

Section VIII. Directors, Supervisors, Senior Executives and Staff

I. Changes in shares held by directors, supervisors and senior executives

Name	Office title	Tenure status	Sex	Age	Start date	Ending date	Shares held at the year-begin (share)	Amount of shares increased at the reporting period (share)	Amount of shares decreased at the reporting period (share)	Amount of shares held at the period-end (share)
Chen Yugang	Board Chairman	Current	Male	58			0	0	0	0
Wei Zhi	Director, GM	Current	Male	58			0	0	0	0
Liu Guangxin	Director, Chairman of the Labor Union	Current	Male	57			0	0	0	0
Gong Sixin	Director, CFO	Current	Male	47			0	0	0	0
Wen Li	Director	Current	Female	46			0	0	0	0
Guo Liwei	Director	Current	Male	42			0	0	0	0
Li Jianxin	Independent Director	Current	Male	61			0	0	0	0
Zha Zhenxiang	Independent Director	Former	Male	60			0	0	0	0
Dong Zhiguang	Independent Director	Former	Male	58			0	0	0	0
Liu Ninghua	Independent Director	Current	Male	53			0	0	0	0
Dai Xianhua	Chairman of the Supervisory Committee	Current	Male	53			0	0	0	0
Zhang Manhua	Supervisor	Current	Male	40			0	0	0	0
Wang Xiuyan	Supervisor	Current	Female	53			0	0	0	0

Wang Qiuping	Supervisor, Development Manager	Current	Female	45			0	0	0	0
Zhang Gejian	Supervisor, Audit Manager	Current	Male	40			0	0	0	0
Wang Hangjun	Vice GM, Person-in-charge of Financial Affairs	Current	Male	49			0	0	0	0
Li Zipeng	Vice GM	Current	Male	49			0	0	0	0
Fan Weiping	Vice GM, Company Secretary	Current	Male	50			0	0	0	0
Zhang Qi	Independent Director	Current	Male	37			0	0	0	0
Total	--	--	--	--	--	--	0	0	0	0

II. Resumes of important personnel

Work experience of current directors, supervisors and senior executives over the recent five years.

Members of the Board of Directors:

Mr. Chen Yugang, was born in Sep. 1957, Postgraduate degree, is senior Political Worker. He gains rich experience in government administrative management and enterprise management over 20 years. He held some important posts in many municipal departments. He served as GM and Secretary of the CPC in Shenzhen Shenhua Group Company. Also, he served as GM and Vice Secretary of the CPC in Shenzhen Xianke Enterprise Group, and Deputy General Manager of Shenzhen Investment Holdings Co., Ltd. From May 2006, he has served as Secretary of CPC in the Company. And in June 2006, he was elected as Chairman of the Board of the Company. Now he acts as Secretary of CPC and Chairman of the Board in the Company.

Mr. Wei Zhi, was born in Nov. 1957, Bachelor Degree, holds the title of interpretation. He gains rich experience in enterprise management for over 20 years. He ever worked in Shenzhen International Engineering Co., Ltd. as Deputy Manager of Overseas Department, in Shenzhen Zhongshen Overseas Development Company as Manager of Labor Affairs Department and Deputy General Manager, in China Shenzhen International Cooperation (Group) Co., Ltd. in Hong Kong Liyuan Company as Director and General Manager; in Shenzhen Construction Investment Holdings Corporation as Deputy Manager of Overseas Department, in Shenzhen Construction Investment Holdings Corporation as Deputy Manager of Contract Department, in Shenzhen Tonge (Group) Co., Ltd. as Assistant General Manager and Deputy General Manager, in Tonge Real Estates Development Company as Chairman of the Board and General Manager. Since October 2007, he took the posts of the Vice Secretary of CPC and Standing Deputy General Manager in the Company. Since 20 Dec. 2007, he held the posts of Director, Vice

Secretary of CPC and GM of the Company. Since 15 Jul. 2008 to present, he acts as Vice Secretary of CPC, Director and GM of the Company.

Mr. Liu Guangxin, was born in May 1958, College Diploma, is an Economist. He gains experience in enterprise management over 10 years. Since May 1989, he held a job in the Company as Director of the Office in Properties Engineering Development Company, General Manager of International Trade Center Industrial Development Company, General Manager of International Trade Center Food Company, Deputy Director and Director of the GM Office of the Company, as well as Manager of Operation and Management Department of the Company. Since October 2007, he took the posts of Vice Secretary of CPC and Secretary of Discipline Inspection Committee in the Company. Since November 2007, he was appointed as Chairman of the Labor Union of the Company. Now he acts as Vice Secretary of CPC, Director, Secretary of Discipline Inspection Committee as well as Chairman of Labor Union in the Company.

Mr. Gong Sixin, was born in Feb. 1968, Master of Economics, Senior Accountant. He has profound experiences in financial accounting management. He ever took posts of CFO of Shandong Weigao Medical Polymer Company Limited, of CFO of Shenzhen 3Nod Technology Co., Ltd. as well as CFO of Shenzhen Jiehe Technology Co., Ltd. Since Sep. 2010, he kept acting as CFO of the Company. Since June 2011, he is acting as director and CFO of the Company.

Ms. Wen Li, born in Dec. 1969, Postgraduate Degree, Master Degree, is an Economist as well as Engineer. She gains experience in enterprise management over 10 years. She ever worked in Shenzhen Fantasia Investment Development as Assistant of Standing Deputy General Manger, Manager of Project Department, as well as Manager of Market Planning Department. Since July 2005, she worked in Shenzhen Investment Holdings Co., Ltd. She was ever appointed as Deputy Department Director of Investment Department of Shenzhen Investment Holdings Co., Ltd. Now she acts as Vice Director of Management Center of Construction Project of Shenzhen Investment Holdings Co., Ltd., Director of the Company.

Mr. Guo Liwei, was born in Apr. 1973, Postgraduate Degree, is a master of Law. He once successively held the posts in General Department of Ping An Insurance (Group) Company of China as legal consultant, and Shenzhen Investment Management Corporation as Business Manager of Legal Affairs Department. Since October 2004, he worked in Shenzhen Investment Holdings Co., Ltd as Deputy GM of Legal Affairs Department. He now acts as Manager of the First Enterprise Management Department in Shenzhen Investment Holdings Co., Ltd. and Director of the Company.

Independent Directors:

Mr. Li Jianxin, was born in Sep. 1954, University Degree, member of Communist Party of China. He graduated from Zhongnan University of Economics and Law in 1978; Once held the post in Wuhan Bureau of Statistics; Engaged in the scientific research in Hubei Academy of Social Sciences, Institute of Economics in 1980; Acted as Deputy Director of Hubei Academy of Social Sciences, Institute of Agricultural Economics in 1988; Acted as Standing Deputy Director, Associate Professor and Postgraduate Tutor in 1992; Transferred into Shenzhen Newrand Securities Investment Consulting Co., Ltd. and acted as Marketing Manager in 1995; Transferred into Shenzhen Academy of Social Sciences in 1996, and had served successively as Deputy Director, Director, Associate Professor in Institute of Economics. He acted as Independent Director of Shenzhen Kondarl (Group) Co., Ltd. from 2001 to 2006; Acted as Independent Director of Shenzhen Tagen Group Co., Ltd. from 2003 to 2009; Acted as Independent Director of Shenzhen Kondarl (Group) Co., Ltd. from 2009 to present. He recently acted as Chairman and Associate Professor in Shenzhen Academy of Social Sciences, Center of Open Economics, and the Independent Director of the Company.

Mr. Liu Ninghua, born in Jun. 1962, bachelor's degree, engineer, communist. He was once the Shenzhen Investment Banking Vice GM and then GM in China Orient Trust Investment Co., Ltd. And he has been working in the Law Compliance Department in China Galaxy Securities Co., Ltd. since Aug. 2013.

Mr. Zhang Qi, born in Jan. 1978, graduated from the Accounting Faculty in Zhongnan University of Economics and Law, professor, doctor, doctoral supervisor, superintendent of a governmental accounting institution, deputy head of the accounting department, China's leading talent in accounting honored by the Ministry of Finance, registered accountant in China, Hubei New Century High Level Engineering Talent (level 2), correspondence commentator in the National Natural Science Foundation of China, anonymous checker in the <Accounting Research> Magazine, vice chairman of the Government and NPO Accounting Specialized Committee in the Accounting Society of China, director in the National Budget and Accounting Research Institute of China, consultant expert in the Government Accounting Standards Committee under the Ministry of Finance, deputy head of the accounting department and associate professor in Zhongnan University of Economics and Law from 2009 to 2012, and doctor and doctoral supervisor in that university and superintendent of a governmental accounting institution from 2012 till now.

Members of the Supervisory Committee:

Mr. Dai Xianhua, was born in April 1962, doctor degree, Party member of CPC. He gains adequate work experience of over 20 years. He worked as a lecturer in School of Business and Economy of Zhongnan University of Economics and Law from 1986 to 1989. He took posts of editor of department of theory and review, assistant director, vice director in Shenzhen Economic Daily from 1992 to 1997; worked in Shenzhen State Assets Administration Committee (hereinafter referred as "Shenzhen SAC") as Vice Section Chief of Assets Department, and Assets Management Department, Vice Director, investigator of Office, and investigator of Appraisal and Distribution Department from 1997 to 2011. Now he is Chairman of the Supervisory Committee of the Company.

Ms. Wang Xiuyan, was born in Aug. 1962, MBA degree, is an accountant. From May 1997 to Sep. 2004, she worked in Shenzhen Investment Management Corporation, once acted as secretary of the Supervisory Committee Office, Business Manager of Audit Department, Director of Women's Labor Union, Senior Business Manager of Audit Department and Supervision Department; from Oct. 2004 to Dec. 2007, she acted as manager of Supervision and Inspection Department in Shenzhen Investment Holding Co., Ltd.; from Dec. 2007 to present, she is manager of Audit Department (the Supervisory Committee Office) in Shenzhen Investment Holding Co., Ltd. Currently, she is the Deputy Head of the Audit & Risk Management Department (Office of the Supervisory Committee) in Shenzhen Investment Holding Co., Ltd. as well as a supervisor of the Company.

Mr. Zhang Manhua, born in Feb. 1975, master's degree, studied and taught in Central South University from 1992 to 2004; Business Manager, Senior Manager in the Investment Center of Konka Group and concurrently worked as the Company Secretary for Shenzhen Jvlong Optoelectronic Co., Ltd. from 2004 to 2010; Vice Investment Manager and Investment Manager in Shenchao Technological Investment Co., Ltd. from 2010 to 2013; and Senior Supervisor in the Enterprise Department I in Shenzhen Investment Holding Co., Ltd. since 2013.

Ms. Wang Qiuping, was born in Jan. 1970, Bachelor degree, is a senior economist. Since 1992, she worked for the Company, she ever took post in GM office, Plan and Finance Department and Operation and Management Department for comprehensive operation and management as well as planning and management. Now she is Supervisor, Manager of Development and Management Department of the Company.

Mr. Zhang Gejian, was born in September 1975, Bachelor Degree, is an Accountant as well as Auditor. He was engaged in internal auditing work in Audit Department of the Company since July 1997. Now he acts as Supervisor of the Company and concurrently Manager of Audit Department.

Senior executives:

Mr. Wang Hangjun, was born in Nov. 1966, graduated from Zhongnan University of Economics with a master degree of economy. He is a senior auditor and has over 20 years corporate management experience. He ever took post of Deputy Chief of Audit Bureau of Nanshan District, Shenzhen; of Vice Minister, Minister of Audit Department of Shenzhen Investment and Management Company; of Vice Minister, Minister of Supervision Department of Shenzhen Investment and Management Company; of Minister of Audit and Inspection Department of Shenzhen Investment Holding Co., Ltd. He has been Deputy GM of the Company since Oct. 2007.

Mr. Li Zipeng, was born in May 1966, Bachelor Degree from Civil Department of Huazhong University of Science and Technology. He successfully held the posts of Section Chief of Engineering, Field Manager of Real Estate Project, Principal of Housing Sale Department, Assistant General Manager, Deputy General Manager as well as General Manager in Shenzhen Huangcheng Properties Co., Ltd. (shareholding subsidiary company of the Company). From October 2007, he was appointed as Deputy General Manager of the Company and concurrently General Manger of Shenzhen Huangcheng Properties Co., Ltd, shareholding subsidiary company of the Company.

Mr. Fan Weiping, born in Apr. 1965, graduated from Southwest University of Political Science & Law in 1988, postgraduate degree. He used to work in Shenhua Group successively as the Chief of the Legal Affairs Section in the Supervisory and Audit Department; the Vice Manager and Manager of the Legal Affairs Department; the GM Assistant; and the Chief Legal Adviser. Since Jan. 2009, he has become the Company Secretary and the Chief Legal Adviser for the Company. And he has been a Vice GM, the Company Secretary and the Chief Legal Adviser for the Company since Feb. 2012.

Post-holding in shareholder units

√Applicable □Inapplicable

Name of the person holding any post in any shareholder unit	Name of the shareholder unit	Position in the shareholder unit	Beginning date of office term	Ending date of office term	Receives payment from the shareholder unit?
Wen Li	Shenzhen Investment Holdings Co., Ltd.	Chief of the Enterprise Department I	1 Jul. 2005		Yes
Guo Liwei	Shenzhen Investment Holdings Co., Ltd.	Deputy Head of the Property Ownership Management & Legal Affairs Department	1 Oct. 2004		Yes
Wang Xiuyan	Shenzhen Investment Holdings Co., Ltd.	Deputy Head of the Audit & Risk Management Department (Office of the Supervisory Committee)	1 Oct. 2004		Yes

Zhang Manhua	Shenzhen Investment Holdings Co., Ltd.	Senior Supervisor of the Enterprise Department I	1 Mar. 2013		Yes
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Particulars about employers in other companies

√ Applicable □ Inapplicable

Name of employers	Name of other companies	Posts held in other companies	Beginning date of office term	Ending date of office term	Whether receiving subsidies and remuneration in other companies
Li Jianxin	Shenzhen Academy of Social Sciences	Research scholar	1 Jan. 1996		Yes
Liu Ninghua	China Galaxy Securities Co., Ltd.	Law Compliance Department	1 Aug. 2013		Yes
Zhang Qi	Zhongnan University of Economics and Law	Professor, doctoral supervisor	1 Jan. 2012		Yes

III. Remuneration of directors, supervisors, senior executives and staff

Decision-making procedure, determining basis and actual payment for the remuneration of directors, supervisors and senior management

During the reporting period, the board and the management of the Company signed statement of operation objectives responsibility for 2014, conducted appraisal system integrating operation indicators, classification indicators with management objectives. After the end of the reporting period, assessment was implemented by the board. Remuneration of senior executives, according to “Management Method of Annual salary System of Directors, Supervisors and Senior Executives”, adopted annual salary system, and need to be implemented after assessment of the board.

Remuneration of directors, supervisors, senior executives during the reporting period

Unit: RMB Ten Thousand Yuan

Name	Post	Gender	Age	Incumbent or not	Total amount of remuneration received from the Company	Total amount of remuneration received from the shareholders' companies	Actual remuneration till the end of the reporting period
Chen Yugang	Chairman of the board	Male	58	Current	855,750	0	855,750
Wei Zhi	Director,	Male	58	Current	825,000	0	825,000

	General Manager						
Liu Guangxin	Director, Chairman of Labor Union	Male	57	Current	794,250	0	794,250
Gong Sixin	Director, CFO	Male	47	Current	447,800	0	447,800
Wen Li	Director	Female	46	Current	0		0
Guo Liwei	Director	Male	42	Current	0		0
Lian Jianxin	Independent Director	Male	61	Current	80,000	0	80,000
Zha Zhenxiang	Independent director	Male	60	Former	60,000	0	60,000
Dong Zhiguang	Independent director	Male	58	Former	60,000	0	60,000
Liu Ninghua	Independent director	Male	53	Current	20,000	0	20,000
Dai Xianhua	Chairman of the supervisory committee	Male	53	Current	427,800	0	427,800
Zhang Manhua	Supervisor	Male	40	Current	0		
Wang Xiuyan	Supervisor	Female	53	Current	0		
Wang Qiuping	Supervisor, manager of development management department	Female	45	Current	384,038	0	384,038
Zhang Gejian	Supervisor, manager of audit department	Male	40	Current	383,538	0	383,538
Wang Hangjun	Vice general manager, financial employee in charge	Male	49	Current	794,250	0	794,250
Li Zipeng	Vice general manager	Male	49	Current	759,750	0	759,750
Fan Weiping	Vice GM, Company	Male	50	Current	759,750	0	759,750

	Secretary						
Zhang Qi	Independent Director	Male	37	Current	20,000		20,000
Total	--	--	--	--	6,671,926	0	6,671,926

Particulars about equity incentive granted to directors, supervisors, senior executives during the reporting period

Applicable Inapplicable

IV. Changes on directors, supervisors and senior executives of the Company

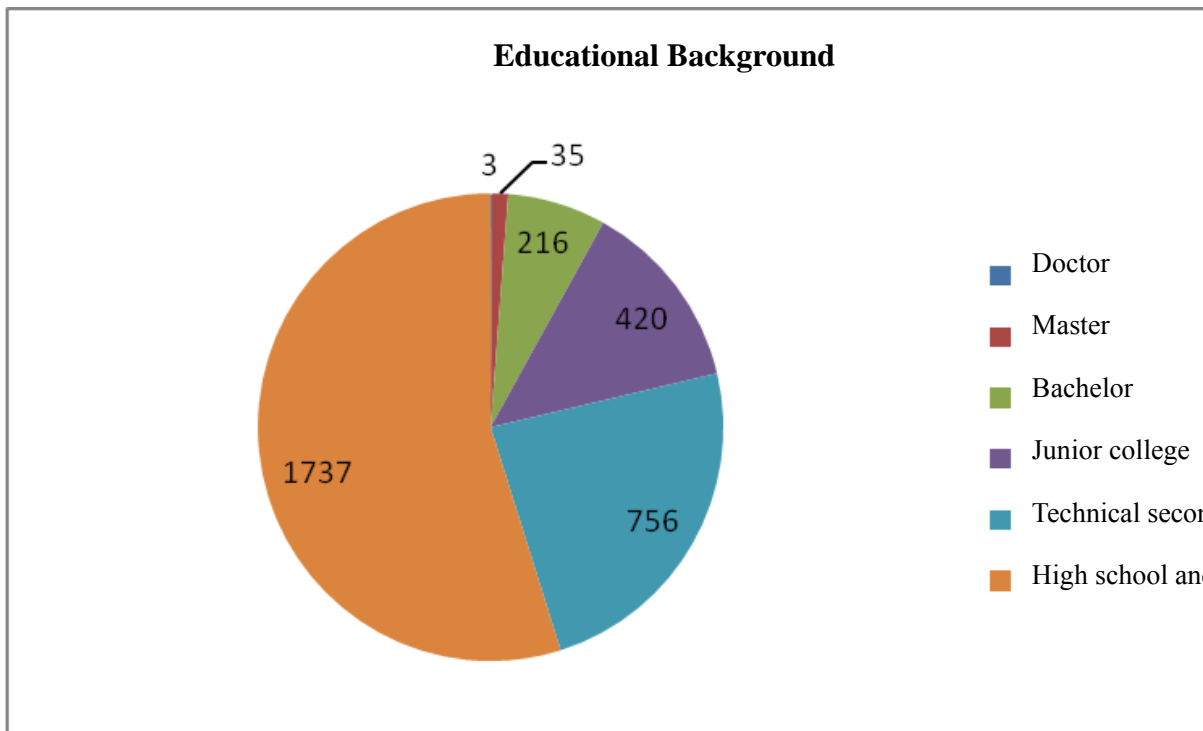
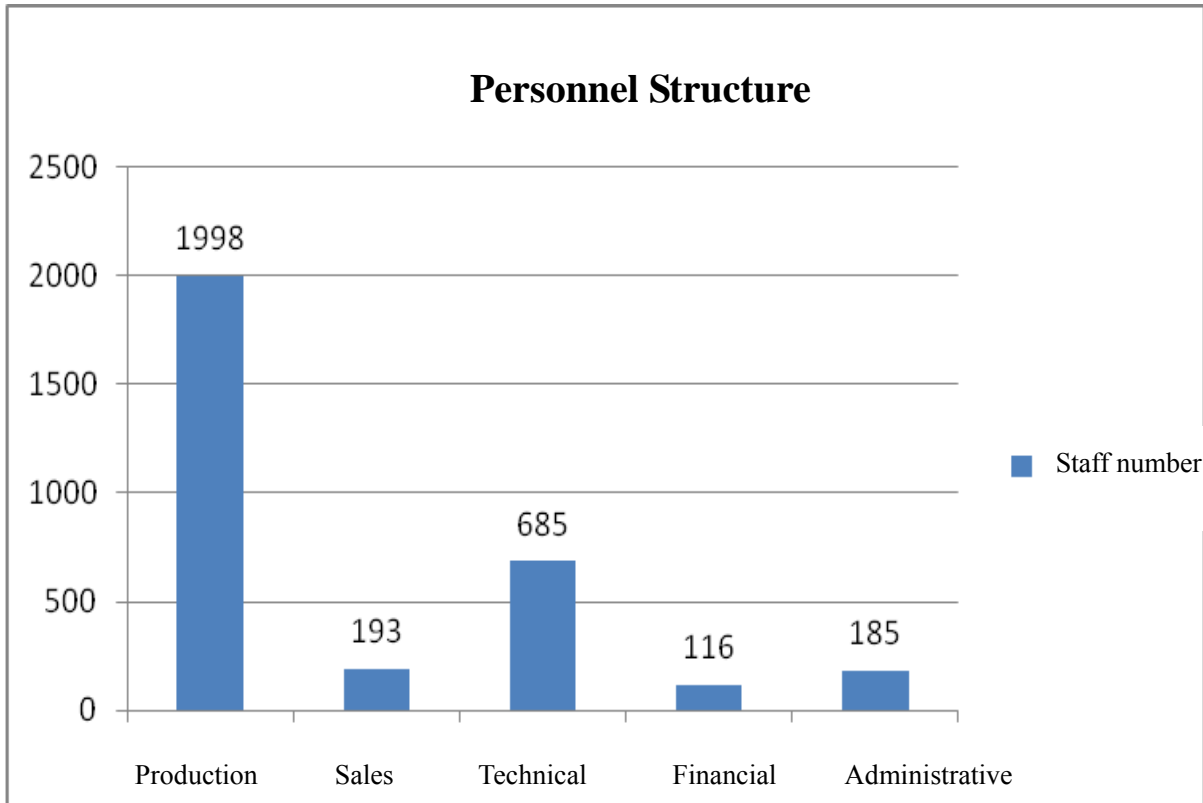
Name	Position	Type	Date	Reason
Zha Zhenxiang	Independent Director	Left as the term expired	10 Sept. 2014	Term of service expired
Dong Zhiguang	Independent Director	Left as the term expired	10 Sept. 2014	Term of service expired
Liu Ninghua	Independent Director	Elected	10 Sept. 2014	Elected by the board
Zhang Qi	Independent Director	Elected	10 Sept. 2014	Elected by the board
Zhang Shilei	Supervisor	Left as the term expired	10 Sept. 2014	Term of service expired
Zhang Manhua	Supervisor	Elected	10 Sept. 2014	Elected by the Supervisory Committee

V. Changes on the core technical team or key technical staff of the reporting period (except for directors, supervisors and senior executives)

Inapplicable

VI. Particulars about employees

Basic information: The Company has totally 3,167 employees in office at present, including 1,988 production personnel, 193 salespersons, 685 technicians, 116 financial personnel and 185 administrative personnel. 1,430 persons graduated from technical secondary school and college or above. At present, the Company needs to bear the expenses of 200 retirees.



Remuneration policy: As required by corporate development strategy, based on actual situation, our Company adopts a differentiated management on different industries to satisfy market demands by appropriately increasing the remuneration distance to better attract and retain talents. In HQ and real estate enterprises, position type management idea is introduced, with all positions divided into Leader Group, Management Group, Professional Group, Business Group and Service Group at different remuneration levels. Meanwhile, the remuneration for professional technicians and that for medium-level management are kept overlapped. In this way, remuneration and career development are provided at the same time. To some extent, the remuneration is a little bit favorable for professionals in real estate development industry. With regard to other enterprises under the Company group, market reference is applied, but the key is to appropriately adjust remuneration for key positions or some positions with lower remuneration than market level.

Training plan: As required by the Company's business development for 2015, based on training investigation and 2014 performance evaluation result, and in order to enrich employees' knowledge, business ability and skills, enhance team spirit, satisfy the Company's sustainable development demand, and achieve a mutual development of the Company and employees, in 2015, the Company will enhance training on basic management improvement, real estate professional course, and overall qualities and business knowledge, specifically including seven habits of high performance team and efficient talents, practical training on performance management, real estate operation management and so on. Such training will cover internal and external training as well, with trainees covering all employees and training time running through the whole year.

Section IX. Corporate Governance

I. Particulars about corporate governance

During the reporting period, in accordance with the requirement of the Company Law, Securities Law, Code of Corporate Governance for Listed Companies in China and Stock Listing Rules of Shenzhen Stock Exchange as well as relevant laws and statutes of CSRC, the Company continuously regulated and perfected corporate governance structure, established and perfected internal management and control system and investigated in management activities of the Company, which promoted the Company's standard management level.

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

The Company always pays attention to standardize the management for inside information, such as promulgating the Management Rules for Insiders, making clear about the contents of inside information, making the scope of insiders and accountability system for inside dealings. After reporting and submitting non-published information to the controlling shareholders, the Company all registered the relevant information of insiders and then submitted to securities regulatory authorities, as well as strictly controlled the transmission scope of inside information, further strengthened the security work of inside information. Upon Self-inspection, during the reporting period, there were no particulars about insiders took advantages of inside information to purchase or sell shares of the Company before the disclosure of major sensitive information that shall have an impact on the share price of the Company, nor any investigation and punishment as well as rectification from the regulatory authority. From now on, the Company will continuously strengthen to learn relevant rules and laws, scrupulously execute the Management Rules for Insider Information and Insiders, standardize the corporate governance of the Company, do well the work of preventing inside dealings.

Whether there existed differences between corporate governance and regulations of "Company Law" and CSRC

Yes No

There existed no difference between corporate governance and regulations of "Company Law" and CSRC.

Particulars about development of special activities of corporate governance and formulation and performance of registration and management of insiders

The Company always pays attention to standardize the management for inside information, such as promulgating the Management Rules for Insiders, making clear about the contents of inside information, making the scope of insiders and accountability system for inside dealings. After reporting and submitting non-published information to the controlling shareholders, the Company all registered the relevant information of insiders and then submitted to securities regulatory authorities, as well as strictly controlled the transmission scope of inside information, further strengthened the security work of inside information. Upon Self-inspection, during the reporting period, there were no particulars about insiders took advantages of inside information to purchase or sell shares of the Company before the disclosure of major sensitive information that shall have an impact on the share price of the Company, nor any investigation and punishment as well as rectification from the regulatory authority. From now on, the Company will continuously strengthen to learn relevant rules and laws, scrupulously execute the Management Rules for Insider Information and Insiders, standardize the corporate governance of the Company, do

well the work of preventing inside dealings.

II. Particulars about annual shareholders' general meetings and temporary shareholders' meetings during the reporting period

1. Particulars about annual shareholders' general meetings during the reporting period

Name of meeting	Date of holding the meeting	Name of proposal on the meeting	Result of resolution	Date of disclosure	Index for disclosure
2013 Annual Shareholders' General Meeting	22 Apr. 2014	2013 Annual Work Report of the Board	Reviewed and approved	23 Apr. 2014	Announcement No. 2014-12 about Resolutions Made at the 2013 Annual Shareholders' General Meeting on www.cninfo.com.cn
2013 Annual Shareholders' General Meeting		2013 Annual Work Report of the Supervisory Committee	Reviewed and approved	23 Apr. 2014	Announcement No. 2014-12 about Resolutions Made at the 2013 Annual Shareholders' General Meeting on www.cninfo.com.cn
2013 Annual Shareholders' General Meeting		2013 Annual Report on Financial Statement	Reviewed and approved	23 Apr. 2014	Announcement No. 2014-12 about Resolutions Made at the 2013 Annual Shareholders' General Meeting on www.cninfo.com.cn
2013 Annual Shareholders' General Meeting		2014 Annual Report on Financial Budget	Reviewed and approved	23 Apr. 2014	Announcement No. 2014-12 about Resolutions Made at the 2013 Annual Shareholders' General Meeting on www.cninfo.com.cn
2013 Annual Shareholders' General Meeting		2013 Annual Report	Reviewed and approved	23 Apr. 2014	Announcement No. 2014-12 about Resolutions Made at the 2013 Annual Shareholders' General Meeting on

					www.cninfo.com.cn
2013 Annual Shareholders' General Meeting		Proposal on Profit Distribution and Transfer of Capital Reserve to Common Shares for 2013	Reviewed and approved	23 Apr. 2014	Announcement No. 2014-12 about Resolutions Made at the 2013 Annual Shareholders' General Meeting on www.cninfo.com.cn
2013 Annual Shareholders' General Meeting		Proposal on Further Employment of Accounting Firm	Reviewed and approved	23 Apr. 2014	Announcement No. 2014-12 about Resolutions Made at the 2013 Annual Shareholders' General Meeting on www.cninfo.com.cn
2013 Annual Shareholders' General Meeting		Proposal on Loans and Loan Guarantees for Subsidiaries	Reviewed and approved	23 Apr. 2014	Announcement No. 2014-12 about Resolutions Made at the 2013 Annual Shareholders' General Meeting on www.cninfo.com.cn

2. Particulars about special general meetings during the reporting period

Name of meeting	Date of holding the meeting	Name of proposal on the meeting	Result of resolution	Date of disclosure	Index for disclosure
First Special General Meeting for 2014	26 Sept. 2014	Proposal on Re-election of the Board	Reviewed and approved	27 Sept. 2014	Announcement No. 2014-29 about Resolutions Made at the First Special General Meeting for 2014 on www.cninfo.com.cn
First Special General Meeting for 2014		Proposal on Re-election of the Supervisory Committee	Reviewed and approved	27 Sept. 2014	Announcement No. 2014-29 about Resolutions Made at the First Special General Meeting for 2014 on www.cninfo.com.cn

3. Preferred shareholders with resumed voting rights asking to convene special general meetings

Applicable Inapplicable

III. Execution of duty of independent directors during the reporting period**1. Attendance of independent directors in the board meetings and shareholders' meetings**

Particulars about attendance of independent directors in board meetings						
Name of independent director	Amount of meetings independent director need attend this year	Amount of meetings independent director attended in person	Amount of meetings director attended in the means of communication	Amount of meetings director authorized others' attendance	Amount of meetings independent director was absent from	Whether being absent from board meetings two times in succession
Li Jianxin	6	4	2	0	0	No
Dong Zhiguang	5	3	2	0	0	No
Zha Zhenxiang	5	3	2	0	0	No
Liu Ninghua	1	1	0	0	0	No
Zhang Qi	1	1	0	0	0	
Amount of shareholders' general meetings that independent directors attended						2

Reasons for not attending in person board sessions twice in a row

2. Particulars about objections to relevant events of the Company raised by independent directors

Whether independent directors raised objections to relevant events of the Company

Yes No

During the reporting period, independent directors never raised objections to relevant events of the Company

3. Other particulars about execution of duty of independent directors

Whether the Company took the advices proposed by independent directors

Yes No

Explanations about the adoption or rejection in respect of independent directors' advices

With attitude of credibility and diligence to the Company and all shareholders, independent directors was diligent and responsible, reviewed all resolutions, and in line with their professional knowledge and capability, made independent, objective and fair judgment away from influence from the Company and principal shareholders of the Company. Also, independent directors expressed independent, objective and fair opinion on relevant events, which made practical efforts to safeguard interests of the Company and minority shareholders.

IV. Duty performance of special committee affiliated to the Board during the reporting period

The four special committees under the board—the Strategic Development and Investment Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Audit Committee—according to

“Governance Principle of listed Company”, “Articles of Association”, “and Rules of Procedure of the Board of Directors” and implementation rules of special committee, earnestly performed their duties.

1. Duty performance of strategic development and investment committee

During the reporting period, strategic development and investment committee paid attention to authorization of the board to project development and financing, kept good contact with the management and had a good knowledge of matters within their power.

2. Duty performance of nomination committee

During the reporting period, nomination committee held working conference once, verifying the qualifications of Mr. Li Jianxin, Mr. Liu Ninghua and Mr. Zhang Qi as Independent Directors of the Company, putting forward the Proposal on Recommending Them as Independent Directors of the Company and confirming the re-election name list.

3. Duty performance of remuneration and assessment committee

During the reporting period, remuneration and assessment committee earnestly performed their duties, kept good contact with the management and conducted several communication with the management for relevant matters.

4. Duty performance of audit committee

During the reporting period, audit committee held on-the-spot working conference twice, listened to report of Union Power CPAs on audit work, deliberate preliminary audit opinion issued by Union Power CPAs and proposed their opinions about 2014 Financial Statement of the Company.

V. Particulars about the work of the supervisory committee

Whether there existed risks in the Company according to supervision of the supervisory committee during the reporting period

Yes No

The supervisory committee raised no objection to matters under the supervision during the reporting period.

VI. Independence and integrity of the Company and controlling shareholders in respect of business, personnel, asset, organization, finance

The Company was independent from the controlling shareholder in business, personnel, assets, organization and finance to realize that independent personnel, independent finance, complete assets, independent organization and independent business. 1. In aspect of business: The Company was independent from the controlling shareholder with independent and complete business and independent operation capability. There was no business which was same or competitive with the controlling shareholder. 2. In aspect of personnel: The Company was complete independent from the controlling shareholder in terms of labor and personnel, management on remuneration. All Senior Executives drew the remuneration from the Company, and none held a post concurrently in shareholders' company. Personnel of the Company are independent, all ones signed labor contract with the Company. The Company was independent from the shareholders or other related parties in personnel management, social security, salary etc. 3. In aspect of asset: The Company's assets were complete and independent, the property relationship was clear. There was no capital occupation by controlling shareholder, and assets of the Company were completely independent from controlling shareholder. 4. In aspect of organization: The Company's organization was independent, and the Company implemented rules and regulations as well as responsibilities for all departments, formed independent responsibilities and rights, scientific and rational internal control system. Independence of the Company on operation and management is free from impact from controlling shareholders

and other subordinated units. There were no controlling shareholders intervene organization of the Company. 5. In aspect of finance: The Company's finance was independent with independent finance department. The Company established the independent finance settling system and financial management system, had its own finance account and paid the tax in line with laws, run finance decision-making independently. The controlling shareholder of the Company performed normatively with no conduct that intervened with the operation decision-making and operation activities directly or indirectly over the shareholders' general meeting, however, the controlling shareholder could influence on the significant decision-making through the shares holding.

VII. Particulars about the horizontal competition

Applicable Inapplicable

VIII. Assessment and incentive mechanisms for senior executives

Within the reporting period, the annual operating target plan 2014 was went forth to the management team by the Board of Directors, of which the Company adopted appraisal method by the score combination of operation index, category index and administrative goal. At the end of the fiscal year, the Board of Directors examined the final score. For senior executives of the Company, the Company adopted annual salary system in accordance with Management Measure for Annual Salary System of Directors, Supervisors and Senior Executives, which shall be implemented after the Board of Directors completing fiscal examination.

Section X. Internal Control

I. Construction of internal control

In 2014, the Company continued to improve the internal control system. The trial execution and second revision of the <Real Estate Brochure> deepened the internal control system in its entirety of the Company's core business of real estate. In the year, the board authorized the Audit Department to specifically carry out internal control appraisal. From Sept. 2014 to Feb. 2015, high-risk fields and units within the appraisal scope were audited and appraised, and 535 risk points in 18 work flows in the main business were tested, with no material internal control defects found regarding financial reporting or not in the reporting period. Meanwhile, the Company hired Union Power CPAs Co., Ltd. (LLP) to carry out independent audit on the establishment and execution of the Company's internal control system and issue the internal control audit report.

II. Statement on the Responsibility for Internal Control from the Board of Directors

The Board of Directors and all its directors hereby ensure that this announcement contains no false information, misleading statement or material omission, and shall be jointly and severally liable for the factuality, accuracy and completeness of the information carried in this announcement. Establishing, perfecting and effectively conducting internal control is the liability of the Board of Directors; establishment and implementation of internal control conducted by the Board is under the supervision of the supervisory committee; the management is responsible for organizing and guiding daily operation of internal control. The goals of the Company's internal control: reasonably guarantee the legality and compliance of the Company's operating management, safety of assets, authenticity and completeness of financial report and relevant information; enhance the level of operating management and ability of risk prevention, protect the legal interests of the Company, investors and other interested parties. Because of the inherent limitation of internal control, the above objective can only receive reasonable guarantee. The Board, according to requirements of "Basic Standards on Internal Control", has appraised the internal control related to financial statements and the appraisal took effect on 31 Dec. 2014 (base day).

III. Foundation on which internal control of financial reports are based

The Company carried out unified financial management and accounting calculation system. At present, intact finance and calculation system has been formulated, including standardization of basic work of accounting, management of financial budget, fund management, expense management, asset management, taxation management, management of financial information system, accounting calculation and financial reports, etc.. In respect of treasury management, the Company executes strict payment review and approval procedure to strictly limit external borrowings. All payments should go through related signature review and approval process, and payments of significant amount should be reported, reviewed, and approved by the Board of Directors. In respect of financial budget, the Company executes strict budget system for fund, expense, and purchase of fixed assets to strictly control expenses out of budgets. All budgets should be attached with detail and actual preparation basis materials. Financial budget, together with budget execution status of last fiscal year, should be passed by the Board of Directors. In respect of asset management, the Company regularly checks all physical assets to make sure consistence of accounting records and physical assets, as well as the effective usage of all assets. In respect of accounting and financial reports, the Company accounts while using unified accounting system and setting unified accounting entries, and improve the accuracy and standardization of accounting disposal, as well as ensure the quality of accounting information by distributing all detail business accounting index on the basis of unifying accounting system and method.

IV. Assessment report on internal control

Specific explanations about significant defects of internal control found during the reporting period in self-assessment report on internal control	
During the reporting period, none significant defect of internal control was found.	
Date of disclosure of whole article of self-assessment report on internal control	1 Apr. 2015
Index for disclosure of whole article of self-assessment report on internal control	http://www.cninfo.com.cn

V. Audit/Authentication report on internal control

Audit report on internal control

Deliberations in audit report on internal control	
We believe that, Shenzhen Properties & Resources Development (Group) Ltd. maintained efficient internal control of financial reports in all significant aspects according to “Basic Standards of Corporate Internal Control” and relevant regulations.	
Date of disclosure of whole article of audit report on internal control	1 Apr. 2015
Index for whole article of audit report on internal control	http://www.cninfo.com.cn

Whether accounting firm issued unqualified audit report on internal control

Yes No

Whether the audit report on internal control issued by accounting firm was consistent with self-assessment report from the Board

Yes No

VI. Establishment and implementation of accountability system of significant mistakes in annual reports

The Company established accountability system of significant mistakes in annual reports, and thoroughly carried out special activities on standardizing basic work of accounting. During the reporting period, there existed no significant mistake in annual reports.

Section XI. Financial Report

I. Auditor's report

Type of audit opinion	Standard unqualified audit opinion
Date for signing the auditor's report	31 Mar. 2015
Name of the auditor's report	Union Power Certified Public Accountants Co., Ltd.
Document No. of the auditor's report	ZHS Zi (2015) No. 060006
Name of the CPA	Zhang Jun, Dong Hanlan

Text of the auditor's report

TO THE SHAREHOLDERS OF SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.:

We have audited the accompanying financial statements of Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as "Company" or "the Company"), which comprise the balance sheet and the consolidated balance sheet as at 31 Dec. 2014, the income statement and the consolidated income statement, the statement of change in equity and the consolidated statement of change in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

I. Management's responsibility for the financial statements

The management of the Company is responsible for the preparation of these financial statements and fair presentation. These responsibilities include: (1) preparing financial statements according to the Accounting Standards for Business Enterprises and make them a fair presentation; and (2) designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

II. Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with China's Independent Auditing Standards. Those Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and effective, providing a reasonable basis for our opinion.

III. Opinion

In our opinion, the financial statements comply with Accounting Standards for Business Enterprises in all material aspects, and present fairly the consolidated and the Company's financial positions as of 31 Dec. 2014 and their operating results and cash flows for the year then ended.

II. Financial statements

Monetary unit of notes to financial statements: RMB Yuan

1. Consolidated balance sheet

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

31 Dec. 2014

Unit: RMB Yuan

Item	31 Dec. 2014	31 Dec. 2013
Current Assets:		
Monetary funds	808,963,376.68	977,171,814.20
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	26,585,132.12	22,208,022.21
Accounts paid in advance	25,989,832.24	35,904,799.33
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable		
Dividend receivable		
Other accounts receivable	6,638,425.25	7,919,365.82
Financial assets purchased under agreements to resell		
Inventories	2,323,472,671.20	2,101,399,879.93
Assets held for sale		
Non-current assets due within 1 year		
Other current assets		
Total current assets	3,191,649,437.49	3,144,603,881.49
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	18,493,000.00	15,302,199.55

Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	32,888,939.41	63,111,931.67
Investing real estate	250,014,034.94	273,314,623.03
Fixed assets	64,069,233.96	75,301,015.72
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	99,792,587.03	106,945,090.07
R&D expense		
Goodwill		
Long-term deferred expenses	2,553,053.03	3,081,383.99
Deferred income tax assets	216,552,790.60	191,592,588.80
Other non-current assets	7,275,069.00	
Total of non-current assets	691,638,707.97	728,648,832.83
Total assets	3,883,288,145.46	3,873,252,714.32
Current liabilities:		
Short-term borrowings	100,000,000.00	300,000,000.00
Borrowings from 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	175,347,021.19	265,697,047.64
Accounts received in advance	28,756,337.08	141,082,677.48
Financial assets sold for repurchase		
Handling charges and commissions payable		
Payroll payable	57,777,210.65	50,023,230.98

Tax payable	1,015,363,636.69	865,513,058.59
Interest payable	562,879.72	934,568.21
Dividend payable		
Other accounts payable	111,032,824.55	123,967,110.64
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	5,000,000.00	64,316,666.64
Other current liabilities		
Total current liabilities	1,493,839,909.88	1,811,534,360.18
Non-current liabilities:		
Long-term borrowings	177,613,352.00	116,243,352.00
Bonds payable		
Of which: preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities		
Deferred income	21,765,846.69	24,459,068.33
Deferred income tax liabilities	257,625.00	
Other non-current liabilities	114,706,662.76	117,372,554.07
Total non-current liabilities	314,343,486.45	258,074,974.40
Total liabilities	1,808,183,396.33	2,069,609,334.58
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Of which: preferred shares		
Perpetual bonds		
Capital reserves	119,951,533.93	120,086,646.43

Less: Treasury stock		
Other comprehensive income	-4,006,141.53	-7,098,716.51
Specific reserves		
Surplus reserves	136,591,232.84	121,542,385.81
Provisions for general risks		
Retained profits	1,225,726,944.83	972,271,884.95
Total equity attributable to owners of the Company	2,074,242,662.07	1,802,781,292.68
Minority interests	862,087.06	862,087.06
Total owners' equity	2,075,104,749.13	1,803,643,379.74
Total liabilities and owners' equity	3,883,288,145.46	3,873,252,714.32

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 Yuan

Item	31 Dec. 2014	31 Dec. 2013
Current Assets:		
Monetary funds	338,036,109.52	420,568,966.65
Financial assets measured at fair value of which changes are recorded in current profits and losses		
Derivative financial assets		
Notes receivable		
Accounts receivable	1,029,211.52	1,158,087.49
Accounts paid in advance		429,546.00
Interest receivable		631,400.00
Dividend receivable		
Other accounts receivable	1,758,238,266.73	1,104,282,291.68
Inventories	385,762,064.03	326,684,862.09
Assets held for sale		
Non-current assets due within 1 year		
Other current assets		150,000,000.00
Total current assets	2,483,065,651.80	2,003,755,153.91

Non-current assets:		
Available-for-sale financial assets	4,223,500.00	1,032,699.55
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	279,446,200.39	309,669,192.65
Investing real estate	162,666,161.07	181,492,088.46
Fixed assets	11,701,031.08	15,709,482.23
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	1,470,297.69	1,643,273.97
Deferred income tax assets		
Other non-current assets		130,000,000.00
Total of non-current assets	459,507,190.23	639,546,736.86
Total assets	2,942,572,842.03	2,643,301,890.77
Current liabilities:		
Short-term borrowings		240,000,000.00
Financial liabilities measured at fair value of which changes are recorded in current profits and losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	27,475,005.86	28,121,986.86
Accounts received in advance	556,723.50	12,801,629.50
Payroll payable	9,765,464.25	8,230,148.81
Tax payable	44,829,812.84	2,051,845.65
Interest payable	621,676.25	433,972.60
Dividend payable		
Other accounts payable	1,362,785,410.73	1,136,178,056.53
Liabilities held for sale		

Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	1,446,034,093.43	1,427,817,639.95
Non-current liabilities:		
Long-term borrowings	276,370,000.00	
Bonds payable		
Of which: preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	257,625.00	
Other non-current liabilities		
Total non-current liabilities	276,627,625.00	
Total liabilities	1,722,661,718.43	1,427,817,639.95
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Of which: preferred shares		
Perpetual bonds		
Capital reserves	94,057,859.68	94,057,859.68
Less: Treasury stock		
Other comprehensive income	2,933,175.45	
Specific reserves		
Surplus reserves	135,934,422.40	120,885,575.37
Retained profits	391,006,574.07	404,561,723.77
Total owners' equity	1,219,911,123.60	1,215,484,250.82
Total liabilities and owners' equity	2,942,572,842.03	2,643,301,890.77

3. Consolidated income statement

Unit: RMB Yuan

Item	2014	2013
I. Total operating revenues	1,268,451,451.86	1,619,227,227.60
Including: Sales income	1,268,451,451.86	1,619,227,227.60
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating costs	908,328,822.13	1,200,805,740.45
Including: Cost of sales	520,485,126.20	744,847,455.76
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	277,057,303.89	312,773,207.11
Selling and distribution expenses	26,318,080.91	40,219,755.20
Administrative expenses	103,915,932.80	109,662,479.90
Financial expenses	-12,697,790.50	-6,334,701.69
Asset impairment loss	-6,749,831.17	-362,455.83
Add: Gain/(loss) from change in fair value (“-” means loss)		
Gain/(loss) from investment (“-” means loss)	214,624,884.25	5,164,781.52
Including: share of profits in associates and joint ventures	-352,555.03	5,164,781.52
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	574,747,513.98	423,586,268.67
Add: non-operating income	5,094,033.97	2,445,277.76
Including: Gains on disposal of non-current assets	1,905,888.27	161,188.19
Less: non-operating expense	26,076,584.37	3,097,072.00

Including: Losses on disposal of non-current assets	93,576.27	88,561.24
IV. Total profit (“-” means loss)	553,764,963.58	422,934,474.43
Less: Income tax expense	136,266,283.67	122,093,910.62
V. Net profit (“-” means loss)	417,498,679.91	300,840,563.81
Net profit attributable to owners of the Company	417,498,679.91	300,840,563.81
Minority shareholders’ income		
VI. After-tax net amount of other comprehensive incomes	3,092,574.98	-1,215,814.06
After-tax net amount of other comprehensive incomes attributable to owners of the Company	3,092,574.98	-1,215,814.06
(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	3,092,574.98	-1,215,814.06
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	159,399.53	-1,215,814.06
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders		
VII. Total comprehensive incomes	420,591,254.89	299,624,749.75
Attributable to owners of the Company	420,591,254.89	299,624,749.75
Attributable to minority shareholders		
VIII. Earnings per share		
(I) Basic earnings per share	0.7005	0.5048
(II) Diluted earnings per share	0.7005	0.5048

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 RMB XXX, with the corresponding amount for the last period being RMB XXX.

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 Yuan

Item	2014	2013
I. Total sales	66,368,633.69	51,786,335.36
Less: cost of sales	26,061,655.45	14,620,872.04
Business taxes and surcharges	6,670,106.76	7,700,375.63
Distribution expenses		
Administrative expenses	41,556,470.77	44,011,892.19
Financial costs	-5,716,403.24	7,797,249.44
Impairment loss	-6,776,623.28	-16,097,045.15
Add: gain/(loss) from change in fair value ("-" means loss)		
Gain/(loss) from investment ("-" means loss)	210,458,029.19	191,239,981.52
Including: income from investment on associates and joint ventures	-352,555.03	5,164,781.52

II. Business profit (“-” means loss)	215,031,456.42	184,992,972.73
Add: non-operating income	2,285,081.37	1,637,357.28
Including: Gains on disposal of non-current assets	431,742.33	
Less: non-operating expense	23,964,998.79	31,793.41
Including: Losses on disposal of non-current assets	3,861.79	1,793.41
III. Total profit (“-” means loss)	193,351,539.00	186,598,536.60
Less: Income tax expense	42,863,068.67	
IV. Net profit (“-” means loss)	150,488,470.33	186,598,536.60
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	153,421,645.78	186,598,536.60
VII. Earnings per share		
(I) Basic earnings per share	0.2525	0.3131
(II) Diluted earnings per share	0.2525	0.3131

5. Consolidated cash flow statement

Unit: RMB Yuan

Item	2014	2013
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,141,552,814.94	1,065,181,587.19
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	27,501,782.68	29,128,598.42

operating activities		
Subtotal of cash inflows from operating activities	1,169,054,597.62	1,094,310,185.61
Cash paid for goods and services	526,096,880.10	368,302,207.22
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	271,319,723.58	254,498,181.42
Various taxes paid	301,412,102.96	270,951,854.45
Other cash payment relating to operating activities	84,852,948.06	90,133,612.42
Subtotal of cash outflows from operating activities	1,183,681,654.70	983,885,855.51
Net cash flows from operating activities	-14,627,057.08	110,424,330.10
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	237,302,621.45	
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	867,170.40	18,659,065.60
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	238,169,791.85	18,659,065.60
Cash paid to acquire fixed assets, intangible assets and other long-term assets	13,682,765.56	12,696,883.02

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	266,715.68	
Subtotal of cash outflows from investing activities	13,949,481.24	12,696,883.02
Net cash flows from investing activities	224,220,310.61	5,962,182.58
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings	316,370,000.00	461,243,352.00
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	316,370,000.00	461,243,352.00
Repayment of borrowings	514,316,666.64	372,330,333.35
Cash paid for interest expenses and distribution of dividends or profit	178,761,051.09	23,373,070.63
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities		1,677,492.00
Sub-total of cash outflows from financing activities	693,077,717.73	397,380,895.98
Net cash flows from financing activities	-376,707,717.73	63,862,456.02
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-1,093,973.32	-801,465.87
V. Net increase in cash and cash equivalents	-168,208,437.52	179,447,502.83
Add: Opening balance of cash and	977,171,814.20	797,724,311.37

cash equivalents		
VI. Closing balance of cash and cash equivalents	808,963,376.68	977,171,814.20

6. Cash flow statement of the Company

Unit: RMB Yuan

Item	2014	2013
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	44,991,559.19	50,534,901.36
Tax refunds received		
Other cash received relating to operating activities	29,403,475.42	19,754,794.25
Subtotal of cash inflows from operating activities	74,395,034.61	70,289,695.61
Cash paid for goods and services	36,933,801.29	8,723,060.88
Cash paid to and for employees	25,261,992.16	22,284,922.53
Various taxes paid	13,695,960.29	11,664,415.35
Other cash payment relating to operating activities	467,630,748.14	469,502,088.72
Subtotal of cash outflows from operating activities	543,522,501.88	512,174,487.48
Net cash flows from operating activities	-469,127,467.27	-441,884,791.87
II. Cash flows from investing activities:		
Cash received from retraction of investments	517,302,621.45	195,000,000.00
Cash received from return on investments	3,378,400.00	25,443,800.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,200.00	11,983,185.60
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	520,683,221.45	232,426,985.60

Cash paid to acquire fixed assets, intangible assets and other long-term assets	770,380.00	551,487.00
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	770,380.00	551,487.00
Net cash flows from investing activities	519,912,841.45	231,875,498.60
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings	276,370,000.00	240,000,000.00
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	276,370,000.00	240,000,000.00
Repayment of borrowings	240,000,000.00	
Cash paid for interest expenses and distribution of dividends or profit	168,434,949.35	8,720,000.00
Other cash payments relating to financing activities		343,492.00
Sub-total of cash outflows from financing activities	408,434,949.35	9,063,492.00
Net cash flows from financing activities	-132,064,949.35	230,936,508.00
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-1,253,281.96	
V. Net increase in cash and cash equivalents	-82,532,857.13	20,927,214.73
Add: Opening balance of cash and cash equivalents	420,568,966.65	399,641,751.92
VI. Closing balance of cash and cash equivalents	338,036,109.52	420,568,966.65

7. Consolidated statement of changes in owners' equity

2014

Unit: RMB Yuan

Item	2014												
	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
Preferred shares		Perpetual bonds	Other										
I. Balance at the end of the previous year	595,979,092.00				120,086,646.43		-7,098,716.51		121,542,385.81		972,271,884.95	862,087.06	1,803,643,379.74
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				120,086,646.43		-7,098,716.51		121,542,385.81		972,271,884.95	862,087.06	1,803,643,379.74
III. Increase/decrease in the period ("-" means decrease)					-135,112.50		3,092,574.98		15,048,847.03		253,455,059.88		271,461,369.39
(I) Total comprehensive incomes							3,092,574.98				417,498,679.91		420,591,254.89
(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								15,048,847.03			-164,043,620.03		-148,994,773.00
1. Appropriations to surplus reserves													
2. Appropriations to general risk provisions													
3. Appropriations to owners (or shareholders)													
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					-135,112.50							-135,112.50	
IV. Closing balance	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

2013

Unit: RMB Yuan

Item	2013												
	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		
	Preferred shares	Perpetual bonds	Other										
I. Balance at the end of the previous year	595,979,092.00				63,783,019.03		-5,882,902.45		102,882,532.15		746,091,174.80	862,087.06	1,503,715,002.59
Add: change of accounting policy													
Correction of errors in previous periods					56,303,627.40						-56,000,000.00		303,627.40
Business mergers under the same control													
Other													
II. Balance at the beginning of the year	595,979,092.00				120,086,646.43		-5,882,902.45		102,882,532.15		690,091,174.80	862,087.06	1,504,018,629.99
III. Increase/decrease in the period ("-" means decrease)							-1,215,814.06		18,659,853.66		282,180,710.15		299,624,749.75

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				120,086,646.43	-7,098,716.51		121,542,385.81		972,271,884.95	862,087.06		1,803,643,379.74

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

2014

Unit: RMB Yuan

Item	2014										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	Retained profit	Total owners' equity
		Preferred shares	Perpetual bonds	Other							
I. Balance at the end of the previous year	595,979,092.00				94,057,859.68				120,885,575.37	404,561,723.77	1,215,484,250.82
Add: change of accounting policy											
Correction of errors in previous periods											
Other											
II. Balance at the	595,979,092.00				94,057,859.68				120,885,575.37	404,561,723.77	1,215,484,250.82

beginning of the year	092.00				9.68				75.37	,723.77	,250.82
III. Increase/decrease in the period (“-” means decrease)								2,933,175.45	15,048,847.03	-13,555,149.70	4,426,872.78
(I) Total comprehensive incomes								2,933,175.45		150,488,470.33	153,421,645.78
(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									15,048,847.03	-164,043,620.03	-148,994,773.00
1. Appropriations to surplus reserves									15,048,847.03	-15,048,847.03	
2. Appropriations to owners (or shareholders)										-148,994,773.00	-148,994,773.00
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		2,933,175.45		135,934,422.40	391,006,574.07	1,219,911,123.60

2013

Unit: RMB Yuan 元

Item	2013										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	Retained profit	Total owners' equity
		Preferred shares	Perpetual bonds	Other							
I. Balance at the end of the previous year	595,979,092.00				37,754,232.28				102,225,721.71	292,623,040.83	1,028,582,086.82
Add: change of accounting policy											
Correction of errors in previous periods					56,303,627.40					-56,000,000.00	303,627.40
Other											
II. Balance at the	595,979,092.00				94,057,859.68				102,225,721.71	236,623,040.83	1,028,885,113.60

beginning of the year	092.00				9.68				21.71	,040.83	,714.22
III. Increase/decrease in the period (“-” means decrease)									18,659,853.66	167,938,682.94	186,598,536.60
(I) Total comprehensive incomes										186,598,536.60	186,598,536.60
(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									18,659,853.66	-18,659,853.66	
1. Appropriations to surplus reserves									18,659,853.66	-18,659,853.66	
2. Appropriations to owners (or shareholders)											
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				94,057,85 9.68				120,885,5 75.37	404,561 ,723.77	1,215,484 ,250.82

III. Company Profile

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

Up to 31 Dec. 2014, as for the registered capital of the Company which was of RMB 595,979,092 and the paid-in capital of RMB 595,979,092, with the share capital situation, please refer to Notes VII. 53.

The registered capital of the Company was RMB 541, 799,175 after bonus issue of shares on the basis of one share for every existing 10 shares based on existing paid-in capital of the Company in 1996 and it changes to RMB 595,979,092 after bonus issue of shares on the basis of one share for every existing 10 shares based on previous paid-in capital of RMB 541,799,175 in 2009.

2. 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.

3. 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 maintainance, gargen afforest and cleaning service; houses and building leasing; passenger traffits and leasing of motor vehicles; supervise and management of the engineering; retails of the Chinese food, Western-styly 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 Oct. 13, 2004; its legal representative is Mr. Chen Hongbo and the registered capital is RMB 5.6 billion. Its main business scope is providing guarantee to municipal state-owned enterprises, management of state-owned equity, assets reorganization, reformation, capital operation, and equity investment of enterprises and etc. 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 2nd session of the 8th Board of Directors of the Company on 31 Mar. 2015.

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.

For the changes of consolidation financial statement scope of the reporting period, please refer to Notes (VIII).

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.

In 2014, Ministry of Finance revised the ASBE-Basic Criterion and newly issued or revised 8 items of the specific ASBE. The Group had executed the above newly issued or revised ABSE during the reporting period, and for the details of the significant influences on the financial statement, please refer to Notes (V) 33.

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:

Inapplicable

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 owing 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

Renminbi (RMB) is used as the recording currency.

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.

④ Where a business combination contract or agreement provides for a future event which may adjust the cost of combination, the Group shall include the amount of the adjustment in the cost of the combination at the acquisition date if the future event leading to the adjustment is probable and the amount of the adjustment can be measured reliably.

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

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

Where a relationship between a parent company and a subsidiary company is formed due to a business combination, the parent company shall prepare accounting books for future reference, which shall record the fair value of the identifiable assets, liabilities and contingent liabilities obtained from the subsidiary company on the

acquisition date. When preparing consolidated financial statements, it shall adjust the financial statements of the subsidiary company on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities determined on the acquisition date according to the Group's accounting policy of "Consolidated financial statement".

6. Methods for preparing consolidated financial statements

(1) Consolidation scope

The consolidation scope for financial statements is determined on the basis of control, including the annual financial statement up to 31 Dec. 2014 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 dispose of the equity investment of the subsidiaries under the situation of not losing the control right and the corresponding shares of net assets from the subsidiaries when disposing the long-term equity investment, should both adjust the share premium of the capital surplus of the consolidate balance sheet. If the share premium of the capital surplus is not sufficient for adjustment, retained earning is adjusted respectively.

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

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

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

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

7. Classification of joint arrangements and accounting treatment of joint operations

(1) Category of joining 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 (VII) 7.

(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 recognize 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 recognize 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 assets which appointed available for sale when initially recognizes and the financial assets except for the above category of the financial assets.

After the Group classifies certain financial assets as the financial assets measured by fair value and included its

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

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

③ Subsequent measurement of financial assets

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

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

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

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

④ Impairment provision of the financial assets

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

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

- a) significant financial difficulty of the issuer or obligor;
- b) a breach of contract, such as a default or delinquency in interest or principal payments;
- c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- d) it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- e) the disappearance of an active market for that financial asset because of financial difficulties;
- f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including: (i) Adverse changes in the payment status of borrowers in the group or (ii) an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area, or adverse changes in industry conditions that affect the borrowers.
- g) significant changes with an adverse effect that have taken place in the technological, market, economic or legal

environment in which the borrower operates, and indicates that the cost of the investment in the equity instrument may not be recovered;

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

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

C. Measurement of impairment loss of financial assets

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

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

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

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

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

b) Available-for-sale financial assets

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

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

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

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the

increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed, with the amount of the reversal recognized in profit or loss of the current period.

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

(3) Classification and measurement of financial liabilities

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

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

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

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

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

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

③ Subsequent measurement of financial liabilities

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

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

(4) Recognition and measurement for transfer of financial assets

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

- ① the carrying amount of transferring financial assets;
- ② the sum of the consideration received and any cumulative gain or loss that had been recognized directly in equity (including financial assets transferred to available for sale category).

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

- ① the carrying amount allocated to the part derecognized;
- ② the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to it that had been recognized directly in equity (including financial assets transferred to available for sale category).

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

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

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

(5) De-recognition of financial liabilities

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

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

(6) Offsetting financial assets and financial liabilities

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

11. Receivables**(1) Accounts receivable with significant single amount for which the bad debt provision is made individually**

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

(2) Accounts receivable which the bad debt provision is withdrawn by credit risk characteristics

Name of portfolios	Bad debt provision method
Portfolios 1	Other method
Portfolios 2	Aging of accounts

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

Applicable Inapplicable

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 Inapplicable

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

Applicable Inapplicable

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 minus 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 asstes 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:

① For 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. Direct costs attributed to issue equity securities such as handling charges and commissions paid to securities underwriting agencies are deducted from premium of equity securities. If the premium is not sufficient for deduction, reserved fund and retained earnings is adjusted respectively.

C. For the long-term equity investment invested by investors, the initial cost is the agreed value prescribed in the investment contract or agreement unless the agreed value is not fair.

D. 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”.

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

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

(2) Subsequent measurement

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

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

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

After acquired the long-term equity investment, respectively recognize investment income and other comprehensive income according to the net gains and losses as well as the portion of other comprehensive income which should be enjoyed or be shared, and at the same time adjust the book value of the long-term equity investment; corresponding reduce the book value of the long-term equity investment according to profits which be declared to distribute by the investees or the portion of the calculation of cash dividends which should be enjoyed;

for the other changes except for the net gains and losses, other comprehensive income and the owners' equity except for the profits distribution of the investees, should adjust the book value of the long-term equity investment as well as include in the owners' equities. The investing enterprise shall, on the ground of the fair value of all identifiable assets of the invested entity when it obtains the investment, recognize the attributable share of the net profits and losses of the invested entity after it adjusts the net profits of the invested entity. If the accounting policies adopted by the investees 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.

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.

(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 policies 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 policies 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;

③Property that has already been rented.

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

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

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

(3) Initial measurement

An investment property is measured initially at its cost.

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

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

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

(4) Subsequent measurement

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

If the Group had definite evidence indicated the usage of the property had changed, when transferring the self-used real estate or the inventories as the investment real estate or transferring the investment real estate as the self-used real estate, the book value before the transfer should be regarded as the entry value after transfer.

The Group values the investment property measured using cost model at the lower of its cost and its recoverable amount at the end of the period. Where the cost exceeds the recoverable amount, the difference shall be recognized as impairment loss. Once a provision for impairment loss is made, it cannot be reversed.

16. Fixed assets

(1) 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 depreciation
Housing and building	Straight-line depreciation	20-25 years	10.00%	3.8%-4.5%
Machinery equipments	Straight-line depreciation	10 years	5.00%	9.5%
Transportation vehicle	Straight-line depreciation	5 years	5.00%	19%
Electronic and other equipments	Straight-line depreciation	5 years	5.00%	19%

Decoration of fixed assets	Straight-line depreciation	5 years		20%
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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.

The depreciation life of the house and building of the Company was of 20-25 years, the salvage rate was of 5%-10% and the year depreciation rate of 3.8%-4.5%.

(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

Inapplicable

20. Oil-gas assets

Inapplicable

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.

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

Inapplicable

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

25. Estimated liabilities

(1) Recognition criteria of estimated liabilities

The 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 single 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

Inapplicable

27. Other financial instruments such as preferred shares and perpetual capital securities

Inapplicable

28. Revenue

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

(1)Commodities sales revenues

No revenue from selling goods may be recognized unless the following conditions are met simultaneously: 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 relevant amount of revenue can be measured in a reliable way; the relevant economic benefits may flow into the enterprise; and the relevant costs incurred or to be incurred can be measured in a reliable way.

(2) Real estate sales revenues

Revenue from the sale of properties is recognized upon a) final acceptance of the construction of property is completed and the property is transferred to buyer, b) buyer receives and accepts the settlement billing and c) the Company receives all considerations of sale of property (down payment and mortgage received from bank for property purchasing by installments) and the conditions for obtaining certificate of title to house property are satisfied.

(3) Property leasing revenues

Revenue from leasing of property is recognized when a) the economic benefits associated with leasing of property will flow to the Company and b) the amount of revenue can be measured reliably. If lessor provides rent-free period, lessor shall allocate total rental by straight-line method or other reasonable method during entire lease term without deducting rent-free period. Lessor shall recognize rental income during rent-free period.

(4) Labor revenues

When the results of the transaction of the Group could be reliable estimated (that is the total revenues and the total costs of labor service could be reliable measured and the completion degree of the labor service could be reliable with the relevant price accounts could flow in), the Group would recognized the realization of the revenues on the settlement date according to the completion percentage method. When the results of the transaction of the Group could not be reliable estimated, the Group should recognized the revenues on the settlement date according to the labor service cost amount which had occurred and be estimated that could be compensated and include the happened cost in the current gains and losses.

(5) Revenues from the using of the assets of the Company by others

When the economy benefits related to the transactions that others are using the Company assets could flow in the enterprises and the amount of the revenues could be reliable measured, should be recognized the realization of the revenues. The interests revenues should be measured and recognized according to the time and adaptable rate of the using of the Company cash by others, and the using revenues should be measured and recognized according to the time and method stipulated by the relevant contracts or the agreement.

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. The government subsidies pertinent to income refer to all the government subsidies 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.

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.

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.

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.

Confirmed repayment of government grants

- 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 assets mean the government assets that are obtained by enterprises used for purchase or construction, or forming the long-term assets by other ways. The government subsidies pertinent to income refer to all the government subsidies 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.

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.

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.

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.

Confirmed repayment of government grants

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 reasonable 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 suppose used when pricing the assets or liabilities for realizing the maximum of the economy benefits by the market participants.

The Group judges the fair value of initial recognition whether is equal to the transaction price according to the characteristics of the relevant asset 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 activa market of the same assets or liabilities that had not be adjusted; the second input value is the input value could be directly or indirecly 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 casuing the economy benefits or the ability to sell the assets to the other market participants which can use them with the best purpose for casuing 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 abligations 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.

33. Changes in main accounting policies and estimates

(1) Change of accounting policies

√ Applicable □ Inapplicable

Content and reason	Vetting process	Notes
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The changes of the accounting polices of the Company during the reporting period are as follows:

From Jan. to Mar. of 2014, Ministry of Finance formulated the No. 39 of ASBE-Measurement of Fair Value, No. 40 of ASBE-Joint Venture Arrangement, No. 41 of ASBE-Disclosure among Other Entities; revised and published the No. 30 of ASBE-Presentation of Financial Statement, No. 9 of ASBE-Employee Compensation, No. 33 of ASBE-Consolidation Financial Statement, No.2 of ASBE-Long-term Equity Investment. The above 7 ASBEs had been executed since 1 Jul. 2014. On 20 Jun. 2014, Ministry of Finance revised and published the No. 37 of ASBE-Presentation of Financial Instruments, and the enterprises should present the financial instruments according to the requirements of the critieron among the financial report in 2014 and the following periods. On 23 Jul. 2014, Ministry of Finance revised and re-issued the ASBE-Basic Standard and be executed since the publishing date.

The Company executed the above newly formulated or revised ASBE since 1 Jul. 2014. The changes of the newly formulated or revised ASBE led the changes of the relevant accounting polices of the Group which had been disposed according to the relevant links. As for the compare data needs to be executed retroactive adjustment, the Group had executed the corresponidng retroactive adjustment. The mainly events of the retroactive adjustment of the Group are:

① According to the regulations of the revised No. 2 of ASBE-Long-term Equity Investment, for the equity instruments equity without control or jointly control or significant influence as well as without quotation in the active market and the fair value could not be reliable measured, should be presented as the available for sale financial assets measured by the cost from the presenation of the long-term equith investment items.

② Reclassified the presentation items of the statement as follows according to the regulation s of the revised No. 30 of ASBE-Presentaion of Financial Statement and its application guide:

A. The deferred income project in the item of “other non-current liabilities” originally presented on the consolidation balance sheet and the balance sheet of the original presentation should change to be presented on the “deferred income” project;

B. “Discounted difference on the foreign currency statement”originally presented on the consolidation balance sheet should change to be presented on the “other comprehensive income” project.

C. Accordingly, the statement of changes in equity of the consolidated owners and the change statement of owner's equity should be re-presented in the format regulated by the guides according to No. 30 of ASBE-Presentation of Financial Statement.

The main influences of the retroactive adjustment caused by the above when compared to the financial statement are as follows::

Item	Influences on the consolidatoin financial statement during the comparision period (Y2013)		
	①	②	Total
Influence on the consolidatoin financial statement during the comparision period (Y2013)			
Available for sale financial assets	15,302,199.55		15,302,199.55
Long-term equity investment	-15,302,199.55		-15,302,199.55
Deferred income		24,459,068.33	24,459,068.33
Non-current liabilities due within 1 year		-2,693,221.64	-2,693,221.64
Other non-current liabilities		-21,765,846.69	-21,765,846.69

Discounted difference of the foreign currency statement	7,098,716.51	7,098,716.51
Other comprehensive income	-7,098,716.51	-7,098,716.51

Item Influences on the financial statement of the parent company during the comparison period (Y2013)

Influence on the financial statement of the parent company during the comparison period (Y2013)	
Available for sale financial assets	1,032,699.55
Long-term equity investment	-1,032,699.55

(2) Change of main accounting estimates

Applicable Inapplicable

34. Other

Inapplicable

VI. Taxation**1. Main taxes and tax rate**

Category of taxes	Tax basis	Tax rate
VAT	Operating revenue	3%、6%、17%
Business tax	Operating revenue	3%、5%
Urban maintenance and construction tax	Turnover tax payable	1%、7%
Enterprise income tax	Taxable income	16.5%、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
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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 Constructure Adjustment (Y2011), the western industry met with

the conditions should be collected the corporate income tax according to 15% of the tax rate. The subsidiary of the Group Chongqing Shenzhen GUOMAO 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.

3. Other explanation

The corporate income tax of the subsidiaries registered in domestic was of 25%; the corporate income tax of the subsidiaries registered in Hong Kong was of 16.5%.

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

1. Monetary funds

Unit: RMB Yuan

Item	Closing balance	Opening balance
Cash on hand	199,841.15	263,857.71
Bank deposits	806,458,046.62	974,606,475.15
Other monetary funds	2,305,488.91	2,301,481.34
Total	808,963,376.68	977,171,814.20
Of which: the total amount deposited overseas	46,940,545.88	46,152,132.44

Other notes

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

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Other notes:

3. Derivative financial assets

Applicable Inapplicable

4. Notes receivable

(1) Notes receivable listed by category

Unit: RMB Yuan

Item	Closing balance	Opening balance
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(2) Notes receivable pledged by the Company at the period-end

Unit: RMB Yuan

Item	Amount
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(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 Yuan

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
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(4) Notes transferred to accounts receivable because drawer of the notes fails to executed the contract or agreement

Unit: RMB Yuan

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

Inapplicable

5. Accounts receivable**(1) Accounts receivable disclosed by category**

Unit: RMB Yuan

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	107,016,173.89	77.64%	107,016,173.89	100.00%		107,016,173.89	79.74%	107,016,173.89	100.00%	
Accounts receivable withdrawn bad debt provision according to credit risks	28,933,530.20	20.99%	2,348,398.08	8.12%	26,585,132.12	24,700,058.09	18.40%	2,492,035.88	10.09%	22,208,022.21

characteristics										
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	1,884,022.38	1.37%	1,884,022.38	100.00%		2,495,166.27	1.86%	2,495,166.27	100.00%	
Total	137,833,726.47	100.00%	111,248,594.35	80.71%	26,585,132.12	134,211,398.25	100.00%	112,003,376.04	83.45%	22,208,022.21

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

Applicable Inapplicable

Unit: RMB Yuan

Accounts receivable (classified by units)	Closing balance			
	Accounts receivable	Bad debt provision	Proportion	Reason
Shenzhen Jiyong Properties & Resources Development Company	98,611,328.05	98,611,328.05	100.00%	Involved in lawsuit and no executable property
Shenzhen Tewe 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	107,016,173.89	107,016,173.89	--	--

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

Applicable Inapplicable

Unit: RMB Yuan

Aging	Closing balance		
	Accounts receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Within 1 year	26,074,544.57	781,835.81	3.00%
Subtotal within 1 year	26,074,544.57	781,835.81	3.00%
1 to 2 years	1,306,333.38	130,633.34	10.00%
2 to 3 years	125,642.25	37,692.68	30.00%
Over 3 years	1,427,010.00	1,398,236.25	97.98%
3 to 4 years	49,955.96	24,977.98	50.00%

4 to 5 years	18,978.86	15,183.09	80.00%
Over 5 years	1,358,075.18	1,358,075.18	100.00%
Total	28,933,530.20	2,348,398.08	8.12%

Notes of the basis of recognizing the group:

The basic of recognizing the group refer to Notes (V) 11.

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

Applicable Inapplicable

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

Inapplicable

(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 -558,463.54; the amount of the reversed or collected part during the reporting period was of RMB 000.

Of which the significant amount of the reversed or collected part during the reporting period was of RMB 000:

Unit: RMB Yuan

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

(3) The actual write-off accounts receivable

Unit: RMB Yuan

Item	Amount

Of which the significant actual write-off accounts receivable:

Unit: RMB Yuan

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 collected 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	98,611,328.05	71.54	98,611,328.05

Huawei Technologies Co Ltd	10,080,735.62	7.31	302,422.07
Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	2.06	2,836,561.00
Shenzhen Lunan Industry Development Co., Ltd.	2,818,284.84	2.04	2,818,284.84
Zhou Tanjin	2,750,000.00	2.00	2,750,000.00
Total	117,096,909.51	84.95	107,318,595.96

(5) Account receivable which terminate the recognition owing to the transfer of the financial assets

Inapplicable

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

Inapplicable

Other notes:

Inapplicable

6. Prepayment**(1) List by aging analysis:**

Unit: RMB Yuan

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	24,605,664.84	94.68%	30,389,540.42	84.64%
1 to 2 years	1,374,527.95	5.29%	978,600.00	2.73%
2 to 3 years	8,600.00	0.03%	4,535,619.60	12.63%
Over 3 years	1,039.45		1,039.31	
Total	25,989,832.24	--	35,904,799.33	--

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

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

Top 5 of the closing balance of the prepayment were as follows:

Name of the unit	Closing balance	Proportion of the total year end balance of the accounts receivable (%)
Prepayment of social security charges in building industry	24,048,455.94	92.53

Prepayment of taxes	1,105,752.57	4.25
Guoshunchang Automobile Co., Ltd.	163,000.00	0.63
Jinan Central District Housing Security and Land and Property Management Authority	119,480.00	0.46
Shenzhen Urban Construction Chenggong Decoration Engineering Co., Ltd.	93,814.20	0.36
Total	25,530,502.71	98.23

Notes 1: 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.

Notes 2: According to the regulations of the Enforcement Regulation of the Provisional Regulations of the Business Tax to transfer the land use right or to sell the real estate, and for those adopting the prepayment (including receiving the deposits in advance) method, the occurrence time of the rateability was the date receiving the prepayments. The surplus prepay taxes of the Company was the taxes such as the property prepayments had not reached the revenue recognition conditions and the business taxes, urban construction taxes, education surtaxes that paid in advance.

Other Notes:

7. Interest receivable

(1) Category of interest receivable

Unit: RMB Yuan

Item	Closing balance	Opening balance
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(2) Significant overdue interest

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

Inapplicable

8. Dividend receivable

(1) Dividend receivable

Unit: RMB Yuan

Item (or investees)	Closing balance	Opening balance
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(2) Significant dividend receivable aged over 1 year

Unit: RMB Yuan

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

Other notes:

Inapplicable

9. Other accounts receivable**(1) Other accounts receivable disclosed by category**

Unit: RMB Yuan

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	92,351,159.68	76.80%	92,351,159.68	100.00%		92,308,727.68	75.57%	92,308,727.68	100.00%	
Accounts receivable withdrawn bad debt provision according to credit risks characteristics	18,187,620.34	15.12%	11,549,195.09	63.50%	6,638,425.25	19,924,299.66	16.31%	12,004,933.84	60.25%	7,919,365.82
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	9,717,262.51	8.08%	9,717,262.51	100.00%		9,925,245.51	8.12%	9,925,245.51	100.00%	
Total	120,256,042.53	100.00%	113,617,617.28	94.48%	6,638,425.25	122,158,272.85	100.00%	114,238,907.03	93.52%	7,919,365.82

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

√Applicable □ Inapplicable

Unit: RMB Yuan

Other accounts receivable (classified by units)	Closing balance			
	Other accounts receivable	Bad debt provision	Withdrawal proportion	Reason
Gintian Industry (Group) Co., Ltd	56,600,000.00	56,600,000.00	100.00%	Executed the guarantee payment and difficult to recover
Anhui Nanpeng Papermaking Co., Ltd	7,328,480.00	7,328,480.00	100.00%	Unrecoverable for a long term
Shenzhen Shengfenglu, GUOMAO 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 ceased
Elevated Train Project	2,542,332.43	2,542,332.43	100.00%	Projects construction ceased
Shenzhen GUOMAO Industrial Development Co., Ltd.	2,351,652.48	2,351,652.48	100.00%	Insolvency of the Company
Total	92,351,159.68	92,351,159.68	--	--

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

Applicable Inapplicable

Unit: RMB Yuan

Aging	Closing balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Within 1 year (including 1 year)	4,782,483.65	143,474.51	3.00%
Subtotal within 1 year	4,782,483.65	143,474.51	3.00%
1 to 2 years	1,752,615.59	175,261.56	10.00%
2 to 3 years	518,494.02	155,548.21	30.00%
Over 3 years	11,134,027.08	11,074,910.81	99.47%
3 to 4 years	106,380.55	53,190.28	50.00%

4 to 5 years	29,630.00	23,704.00	80.00%
Over 5 years	10,998,016.53	10,998,016.53	100.00%
Total	18,187,620.34	11,549,195.09	63.50%

Notes of the basis of recognizing the group:

The basis recognizing the group refer to Notes (V) 11.

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

Applicable Inapplicable

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

Applicable Inapplicable

(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 -362,939.60; the amount of the reversed or collected part during the reporting period was of RMB 15,168.75.

Of which the significant amount of the reversed or collected part during the reporting period was of RMB 000:

Unit: RMB Yuan

Name of units	Reversed or collected amount	Method
Natural person	15,168.75	Recover the cash
Total	15,168.75	--

Unrecoverable for a long term

(3) The actual write-off other accounts receivable

Unit: RMB Yuan

Item	Amount
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Of which the significant write-off other accounts receivable:

Unit: RMB Yuan

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 Yuan

Nature	Closing book balance	Opening book balance
Margin	10,175,218.68	8,442,102.74

Pretty cash borrowing	507,093.70	353,657.31
Accounts receivable of the related companies	12,337,357.13	12,294,925.13
Accounts receivable of the non-related companies	97,236,373.02	101,067,587.67
Total	120,256,042.53	122,158,272.85

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

Unit: RMB Yuan

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	56,600,000.00	Over 5 years	47.07%	56,600,000.00
Anhui Nanpeng Papermaking Co., Ltd	Accounts receivable of the joint venture and associated enterprises	7,328,480.00	Over 5 years	6.09%	7,328,480.00
Shenzhen Shengfenglu, GUOMAO Jewel & Gold Co., Ltd	Accounts receivable of the non-related companies	6,481,353.60	Over 5 years	5.39%	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	4.72%	5,676,000.00
Wuliangye Restaurant	Accounts receivable of the non-related companies	5,523,057.70	Over 5 years	4.59%	5,523,057.70
Total	--	81,608,891.30	--	67.86%	81,608,891.30

(6) Accounts receivable involved with government subsidies

Unit: RMB Yuan

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

(7) Other account receivable which terminate the recognition owing to the transfer of the financial assets

Inapplicable

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

Inapplicable

Other notes:

10. Inventory

(1) Category of inventory

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Raw materials	1,693,606.29	542,130.04	1,151,476.25	1,798,069.73	459,762.21	1,338,307.52
Inventory goods	48,639.56		48,639.56	41,414.10		41,414.10
Low-value consumption goods	258,564.20		258,564.20	472,708.60		472,708.60
Products held for real estate development	49,226,872.13	6,648,404.13	42,578,468.00	389,667,048.37	12,544,031.24	377,123,017.13
Completed properties for sale	141,326,022.02		141,326,022.02	343,813,851.59		343,813,851.59
Properties under development	2,138,109,501.17		2,138,109,501.17	1,378,610,580.99		1,378,610,580.99
Total	2,330,663,205.37	7,190,534.17	2,323,472,671.20	2,114,403,673.38	13,003,793.45	2,101,399,879.93

(2) Falling price reserves of inventory

Unit: RMB Yuan

Item	Opening balance	Increased amount		Decreased amount		Closing balance
		Withdrawal	Other	Reverse or write-off	Other	

Raw materials	459,762.21	82,367.83				542,130.04
Land to be developed	12,544,031.24			5,895,627.11		6,648,404.13
Total	13,003,793.45	82,367.83		5,895,627.11		7,190,534.17

Return of inventory falling price reserves was led by the recovered of the value of the land of the Phase II Fuchang which alternated as guarantee housing.

(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 RMB 63,335,907.46.

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

Unit: RMB Yuan

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:

11. Assets divided as held-to-sold

Unit: RMB Yuan

Item	Closing book value	Fair value	Estimated disposal expense	Estimated disposal time
Total	0.00	0.00	0.00	--

Other notes:

Inapplicable

12. Non-current assets due within 1 year

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Other notes:

Inapplicable

13. Other current assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Original value of the assets group held to distribute to the owners	69,437,140.28	
Impairment provision of the assets group held to distribute to the owners	-69,437,140.28	

Other notes:

For the details of the original subsidiary Hainan Xinda Development Corporation of 2014 which was in the process of bankruptcy and liquidation, please refer to Notes (VIII).

14. Available-for-sale financial assets**(1) List of available-for-sale financial assets**

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Available-for-sale equity instruments	38,398,429.06	19,905,429.06	18,493,000.00	35,193,487.61	19,891,288.06	15,302,199.55
Measured by fair value	6,153,300.45	2,160,300.45	3,993,000.00	2,962,500.00	2,160,300.45	802,199.55
Measured by cost	32,245,128.61	17,745,128.61	14,500,000.00	32,230,987.61	17,730,987.61	14,500,000.00
Total	38,398,429.06	19,905,429.06	18,493,000.00	35,193,487.61	19,891,288.06	15,302,199.55

(2) Available-for-sale financial assets measured by fair value at the period-end

Unit: RMB Yuan

Category	Cost of the equity instruments/amortized cost of the liabilities instruments	Fair value	Changed amount of the fair value accumulatively included in other comprehensive income	Withdrawn impairment amount
Equity instruments available for sale	2,962,500.00	3,993,000.00	3,190,800.45	2,160,300.45
Total	2,962,500.00	3,993,000.00	3,190,800.45	2,160,300.45

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

Unit: RMB Yuan

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 Machinery (Group) Co., Ltd.	3,465,000.00			3,465,000.00	3,465,000.00			3,465,000.00	12.66%	
Guangdong Huayue Real Estate Co., Ltd.	8,780,645.20			8,780,645.20	8,780,645.20			8,780,645.20	8.47%	
Shenzhen GUOMA O 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%	
Shensan Co., Ltd.	17,695.09			17,695.09	17,695.09			17,695.09		
Macao Huashen Enterprise Co., Ltd.	76,330.10	262.14		76,592.24	76,330.10	262.14		76,592.24	10.00%	
Chongqing Guangfa Real estate development Co., Ltd.	2,316,131.04	7,954.16		2,324,085.20	2,316,131.04	7,954.16		2,324,085.20	27.25%	
Saipan	1,725,186.	5,924.70		1,731,110.	1,725,186.	5,924.70		1,731,110.	30.00%	

Project	18			88	18			88		
Total	32,230,987.61	14,141.00		32,245,128.61	17,730,987.61	14,141.00		17,745,128.61	--	0.00

(4) Changes of the impairment of the available-for-sale financial assets during the reporting period

Unit: RMB Yuan

Category	Balance of the withdrawn impairment at the period-begin	Withdrawal amount	Of which: transferred from other comprehensive income	Decreased amount	Of which: recovered and reversed after the period of the fair value	Balance of the withdrawn impairment at the period-end
Equity instruments available for sale	19,891,288.06	14,141.00	0.00	0.00	0.00	19,905,429.06
Total	19,891,288.06	14,141.00	0.00	0.00	0.00	19,905,429.06

(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 Yuan

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

Notes 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: In Jan. 2008, Shenzhen GUOMAO Automobile Industry Co., Ltd. and Shenzhen Guanghong Investment Co., Ltd. signed the Operation Contracts 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 GUOMAO Petroleum Co., Ltd. (Shenzhen GUOMAO 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 GUOMAO Petroleum Co., Ltd., and thus no more include it in the scope of the consolidation financial statement according to the regulations of the ASBE.

15. Investment held-to-maturity**(1) List of investment held-to-maturity**

Unit: RMB Yuan

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

Unit: RMB Yuan

Bond item	Par value	Nominal interest rate	Actual interest rate	Due date
Total	0.00	--	--	--

(3) Re-classified held-to-maturity investment during the reporting period

Inapplicable

Other notes

Inapplicable

16. Long-term accounts receivable**(1) List of long-term accounts receivable**

Unit: RMB Yuan

Item	Closing balance			Opening balance			Discount rate range
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Total	0.00	0.00		0.00	0.00		--

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

Inapplicable

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

Inapplicable

Other notes

Inapplicable

17. Long-term equity investment

Unit: RMB Yuan

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	29,044,077.52			836,800.87						29,880,878.39	
Shenzhen GUOMA O Tian'an Properties Co., Ltd	31,589,904.82		-29,870,437.23	-1,719,467.59						0.00	
Shenzhen Tian'an International Building Property Management Co., Ltd	2,477,949.33			530,111.69						3,008,061.02	
Subtotal	63,111,931.67		-29,870,437.23	-352,555.03						32,888,939.41	
II. Associated enterprises											

Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	18,983,614.14									18,983,614.14	18,983,614.14
Shenzhen GUOMA O Industrial Development Co., Ltd	3,682,972.55									3,682,972.55	3,682,972.55
Anhui Nanpeng Papermaking Co., Ltd	13,824,000.00									13,824,000.00	13,824,000.00
Subtotal	36,490,586.69									36,490,586.69	36,490,586.69
Total	99,602,518.36		-29,870,437.23	-352,555.03						69,379,526.10	36,490,586.69

Other notes

Long-term equity investment at the period-end decreased of 47.89% over the year-begin and was due to the transfer of the Shenzhen Tian'an International Building Property Management Co., Ltd.

18. Investment property

(1) Investment property adopted the cost measurement mode

√ Applicable □ Inapplicable

Unit: RMB Yuan

Item	Houses and buildings	Land use right	construction in progress	Total
1. Opening balance	469,143,848.75	7,969,954.40		477,113,803.15
2. Increased amount of the period	34,467.41			34,467.41

(2) Transfer of inventory\fixed assets\project under construction	34,467.41			34,467.41
3. Decreased amount of the period	8,200,028.53			8,200,028.53
(1) Disposal	8,200,028.53			8,200,028.53
4. Closing balance	460,978,287.63	7,969,954.40		468,948,242.03
1. Opening balance	199,448,207.69	4,350,972.43		203,799,180.12
2. Increased amount of the period	17,687,631.54	509,145.12		18,196,776.66
(1) Withdrawal or amortization	17,687,631.54	509,145.12		18,196,776.66
3. Decreased amount of the period	3,061,749.69			3,061,749.69
(1) Disposal	3,061,749.69			3,061,749.69
4. Closing balance	214,074,089.54	4,860,117.55		218,934,207.09
1. Closing book value	246,904,198.09	3,109,836.85		250,014,034.94
2. Opening book value	269,695,641.06	3,618,981.97		273,314,623.03

(2) Investment property adopted fair value measurement mode

Applicable Inapplicable

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

Unit: RMB Yuan

Item	Book value	Reason
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Other notes

Investment property with restricted ownership refer to Notes (VII) 76.

19. Fixed assets**(1) List of fixed assets**

Unit: RMB Yuan

Item	Houses and buildings	Machinery equipment	Electronic equipment	Transportation equipment	Other	Total
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1. Opening balance	115,464,014.04		33,882,256.49	51,945,065.86	6,107,931.59	207,399,267.98
2. Increased amount of the period	17,250.29		1,385,526.88	4,515,697.48	343,472.20	6,261,946.85
(1) Purchase	17,250.29		1,385,526.88	4,515,697.48	343,472.20	6,261,946.85
(2) Transfer of project under construction	3,227,316.91		1,855,844.51	4,297,630.04		9,380,791.46
3. Decreased amount of the period	3,227,316.91		1,855,844.51	4,297,630.04		9,380,791.46
4. Closing balance	112,253,947.42		33,411,938.86	52,163,133.30	6,451,403.79	204,280,423.37
1. Opening balance	72,877,326.17		26,862,028.04	27,763,254.01	4,519,926.88	132,022,535.10
2. Increased amount of the period	4,255,419.73		1,720,196.62	9,146,799.92	381,931.62	15,504,347.89
(1) Withdrawal	4,255,419.73		1,720,196.62	9,146,799.92	381,931.62	15,504,347.89
3. Decreased amount of the period	1,667,346.86		1,732,517.09	3,991,546.79		7,391,410.74
(1) Disposal or Scrap	1,667,346.86		1,732,517.09	3,991,546.79		7,391,410.74
4. Closing balance	75,465,399.04		26,849,707.57	32,918,507.14	4,901,858.50	140,135,472.25
1. Opening balance			75,717.16			75,717.16
4. Closing balance			75,717.16			75,717.16
1. Closing book value	36,788,548.38		6,486,514.13	19,244,626.16	1,549,545.29	64,069,233.96
2. Opening book value	42,586,687.87		6,944,511.29	24,181,811.85	1,588,004.71	75,301,015.72

(2) List of temporarily idle fixed assets

Unit: RMB Yuan

Item	Original book value	Accumulative depreciation	Impairment provision	Book value	Notes
Houses and buildings	13,066,495.63	2,449,244.15	0.00	10,617,251.48	

(3) Fixed assets leased in from financing lease

Unit: RMB Yuan

Item	Original book value	Accumulative depreciation	Impairment provision	Book value
N/A	0.00	0.00	0.00	0.00

(4) Fixed assets leased out from operation lease

Unit: RMB Yuan

Item	Closing book value
N/A	0.00

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

Unit: RMB Yuan

Item	Book value	Reason
N/A	0.00	

Other notes

Fixed assets with restricted ownership refer to Notes (VII) 76.

20. Construction in progress**(1) List of construction in progress**

Unit: RMB Yuan

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

(2) Changes of significant construction in progress

Unit: RMB Yuan

Name of item	Estimated number	Opening balance	Increase amount of the period	Amount that transferred to fixed assets of the period	Other decrease amount of the period	Closing balance	Proportion 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 Yuan

Item	Withdrawn amount	Reason

Other notes

21. Engineering material

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Other notes:

Inapplicable

22. Liquidation of fixed assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Other notes:

Inapplicable

23. Productive biological assets**(1) Productive biological assets adopted cost measurement mode** Applicable Inapplicable**(2) Productive biological assets adopted fair value measurement mode** Applicable Inapplicable**24. Oil and gas assets** Applicable Inapplicable**25. Intangible assets****(1) List of intangible assets**

Unit: RMB Yuan

Item	Land use right	Patent right	Non-patent right	Other	Total
1. Opening balance				170,884,406.80	170,884,406.80
4. Closing balance				170,884,406.80	170,884,406.80
1. Opening balance				63,939,316.73	63,939,316.73
2. Increased amount of the period				7,152,503.04	7,152,503.04

(1) Withdrawal				7,152,503.04	7,152,503.04
4. Closing balance				71,091,819.77	71,091,819.77
1. Book value of the period-end				99,792,587.03	99,792,587.03
2. Book value of the period-begin				106,945,090.07	106,945,090.07

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 Yuan

Item	Book value	Reason
	0.00	

Other notes:

The intangible assets of the Company was mainly the business license of the taxes.

26. R&D expenses

Unit: RMB Yuan

Item	Opening balance	Increase		Decrease			Closing balance
		Internal R&D expenses	Other	Recognized as intangible assets	Transferred in current gains and losses	Other	

Other notes:

Inapplicable

27. Goodwill

(1) Original book value of goodwill

Unit: RMB Yuan

Name of the investees or the events formed goodwill	Opening balance	Increase		Decrease		Closing balance
		Formed from the business combination	Other	Dispose	Other	

(2) Impairment provision of goodwill

Unit: RMB Yuan

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

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

Other notes

Inapplicable

28. Long-term unamortized expenses

Unit: RMB Yuan

Item	Opening balance	Increase	Amortization amount	Decrease	Closing balance
Facilities reconstruction expense	1,643,273.97		172,976.28		1,470,297.69
Renovation costs	1,438,110.02		355,354.68		1,082,755.34
Total	3,081,383.99		528,330.96		2,553,053.03

Other notes

29. Deferred income tax assets/deferred income tax liabilities

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

Unit: RMB Yuan

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	2,828,014.89	707,003.72	3,488,195.78	872,048.94
Unrealized internal sales gain and loss	16,162,142.68	4,040,535.67	3,054,354.48	763,588.63
Accrued land VAT	845,498,064.20	211,374,516.05	737,004,710.28	184,251,177.59
Estimated profit calculated at pre-sale revenue of property enterprises	1,616,280.60	404,070.15	22,823,094.60	5,705,773.64
Payroll payable unpaid but withdrawn	106,660.04	26,665.01		
Total	866,211,162.41	216,552,790.60	766,370,355.14	191,592,588.80

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

Unit: RMB Yuan

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Changes of the fair value of the available-for-sale financial assets	1,030,500.00	257,625.00		
Total	1,030,500.00	257,625.00		

(3) Deferred income tax assets or liabilities listed by net amount after off-set

Unit: RMB Yuan

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		216,552,790.60		191,592,588.80
Deferred income tax liabilities		257,625.00		

(4) List of unrecognized deferred income tax assets

Unit: RMB Yuan

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 Yuan

Years	Closing amount	Opening amount	Note
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Other notes:

30. Other non-current assets

Unit: RMB Yuan

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

Total	7,275,069.00	
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Other notes:

31. Short-term loans

(1) Category of short-term loans

Unit: RMB Yuan

Item	Closing balance	Opening balance
Mortgage loan	10,000,000.00	260,000,000.00
Guaranteed loan	70,000,000.00	
Pledge and guaranteed loan	20,000,000.00	40,000,000.00
Total	100,000,000.00	300,000,000.00

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 RMB 000, of which the situation of the significant overdue but not return short-term borrowings as follows:

Unit: RMB Yuan

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 Yuan

Item	Closing balance	Opening balance
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Other notes:

33. Derivative financial liabilities

Applicable Inapplicable

34. Notes payable

Unit: RMB Yuan

Category	Closing balance	Opening balance
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The total amount of the due but not pay notes payable at the period-end was of RMB 000.

35. Accounts payable**(1) List of accounts payable**

Unit: RMB Yuan

Category	Closing balance	Opening balance
Within 1 year (including 1 year)	47,105,587.26	86,113,369.85
1 to 2 years (including 2 years)	41,653,953.49	146,531,384.51
2 to 3 years (including 3 years)	55,822,201.37	2,838,408.00
3 to 4 years (including 4 years)	1,855,718.02	1,266,085.80
4 to 5 years (including 5 years)	82,543.41	15,342.49
Over 5 years	28,827,017.64	28,932,456.99
Total	175,347,021.19	265,697,047.64

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

Unit: RMB Yuan

Name of creditor	Amount	Unpaid reason
Hunan Construction Engineering Group	35,201,587.00	Unsettled
Luohu Commercial City of Land and Resources Bureau and sporadic engineering payment	25,000,000.00	Unsettled
Unexpectedable engineering payment	11,956,913.19	Unsettled
Zhanjiang West Guangdong Construction Engineering Co., Ltd.	4,405,639.00	Unsettled
Shantou Chaoyang Construction Engineering Corporation	3,769,247.95	Unsettled
Total	80,333,387.14	--

Other notes:

The closing balance of the accounts payable reduced of 34.00% over the year-begin and was due to the engineering payments which had completed the settlement.

36. Advance from customers**(1) List of advance from customers**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Within 1 year (including 1 year)	27,324,851.60	138,473,458.01

1 to 2 years (including 2 years)	1,010,331.46	2,089,015.45
2 to 3 years (including 3 years)	950.00	200,000.00
3 to 4 years (including 4 years)	100,000.00	76,500.00
4 to 5 years (including 5 years)	76,500.00	
Over 5 years	243,704.02	243,704.02
Total	28,756,337.08	141,082,677.48

(2) Significant advance from customers aging over one year

Unit: RMB Yuan

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 Yuan

Item	Amount
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Other notes:

The closing amount of the accounts advance from customers decreased by 79.62%, over that of year-begin, which mainly due to accounts advance from customers of the sale of real estate project reaching to the revenue recognition conditions and had been transferred to income.

There was no significant prepayment aging more than 1 year of the Company.

Main advance from customers of the sale of real estate project:

Item	Aging	Closing balance	Estimated completion time
Phase I of Hupanyujing	Within 1 year	11,586,966.00	Jun. 2015
Langqiao Gargen	Within 1 year	8,006,403.00	Had completed
Total		19,593,369.00	

37. Payroll payable**(1) List of Payroll payable**

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term salary	49,394,440.18	254,537,509.56	247,000,030.09	56,931,919.65
II. Departure welfare-defined contribution plans		24,757,213.41	24,757,213.41	

III. Termination benefits	628,790.80	2,849,824.02	2,633,323.82	845,291.00
Total	50,023,230.98	282,144,546.99	274,390,567.32	57,777,210.65

(2) List of Short-term salary

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus, allowance, subsidy	45,296,847.06	223,132,868.70	216,288,610.54	52,141,105.22
2. Employee welfare		5,139,068.89	5,139,068.89	
3. Social insurance		7,995,895.93	7,995,895.93	
Including: 1. Medical insurance premiums		6,527,159.24	6,527,159.24	
Work-related injury insurance		750,733.53	750,733.53	
Maternity insurance		605,018.87	605,018.87	
Other social insurance		112,984.29	112,984.29	
4. Housing fund	1,470,812.19	8,844,851.22	9,191,085.51	1,124,577.90
5. Labor union budget and employee education budget	2,626,780.93	6,524,127.91	5,484,672.31	3,666,236.53
8. Non-currency benefits		2,900,696.91	2,900,696.91	
Total	49,394,440.18	254,537,509.56	247,000,030.09	56,931,919.65

(3) List of drawing scheme

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension benefits		18,775,047.96	18,775,047.96	
2. Unemployment insurance		1,368,799.12	1,368,799.12	
3. Enterprise annuity payment		4,613,366.33	4,613,366.33	
Total		24,757,213.41	24,757,213.41	

Other notes:

The demission welfare withdrawn by relieving the labor relationship was of RMB 2,849,824.02 and the unpaid amount at the period-end was of RMB 845,291.00.

38. Taxes payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
VAT	189,027.64	169,814.58
Resource tax	6,955,522.44	6,467,191.84
Business tax	167,344,046.82	118,945,842.15
Corporate income tax	795,140.50	638,522.93
Personal income tax	496,438.65	460,533.83
Stamp duty	-7,322.87	-8,763.57
Education surtax	215,734.70	201,566.29
Local education surtax	144,647.54	134,440.12
Land VAT	837,634,789.82	737,004,710.28
Property tax	980,366.67	981,324.08
Levee fee	-602.94	5,177.08
Other	615,847.72	512,698.98
Total	1,015,363,636.69	865,513,058.59

Notes:

39. Interest payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Interests of long-term loans of installment payments and maturing debt	318,917.49	343,333.11
Interest payable of short-term loan	243,962.23	591,235.10
Total	562,879.72	934,568.21

Particulars of significant overdue unpaid interest:

Unit: RMB Yuan

Entity	Overdue amount	Overdue reason
Total	0.00	--

Other notes:

40. Dividends payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Other notes: 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 Yuan

Item	Closing balance	Opening balance
Margin	29,119,954.26	35,384,015.61
Pretty cash borrowing	30,411,011.04	27,660,153.90
Accounts receivable of the related companies	33,704,263.95	47,637,606.50
Accounts receivable of the non-related companies	17,797,595.30	13,285,334.63
Total	111,032,824.55	123,967,110.64

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

Unit: RMB Yuan

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 GUOMAO Petroleum Company Limited	7,196,769.67	Come-and-go accounts without specific amortization period
Tianan International Building Property Management Company of Shenzhen	4,114,345.90	Come-and-go accounts without specific amortization period
RAINBOW DEPARTMENT STORE CO., LTD	2,330,000.00	Margin within the leasing period
Total	55,281,797.79	--

Other notes:

42. Liabilities classified as holding for sale

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Other notes:

43. Non-current liabilities due within 1 year

Unit: RMB Yuan

Item	Closing balance	Opening balance
Long-term loans due within 1 year	5,000,000.00	64,316,666.64
Total	5,000,000.00	64,316,666.64

Other notes:

Non-current liabilities due within 1 year was decreased of 92.23% at the period-end which was due to the payment of the bank borrowings.

44. Other current-liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Changes on short term bonds payable:

Unit: RMB Yuan

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	Other	Closing period
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Other notes:

45. Long-term loan**(1) Category of long-term loan**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Pledge loan		5,000,000.00
Mortgage loan and guarantee loan	177,613,352.00	111,243,352.00
Total	177,613,352.00	116,243,352.00

Notes:

Other notes including interest rate range:

The interests rate of the long-term loan was between 6.15% to 7.07%. The long-term loan was increased of 52.79% over the opening balance which was due to the increase of the bank borrowings.

46. Bonds payable**(1) Bonds payable**

Unit: RMB Yuan

Item	Closing balance	Opening balance
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(2) Changes on bonds payable (not including other financial instrument classified as preferred stock and perpetual capital securities of financial liabilities)

Unit: RMB Yuan

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	Other	Closing period
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(3) Note to conditions and time of share transfer of convertible bonds**(4) Note to other financial instrument classified as financial liabilities 明**

Basic information of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-begin

Change list of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-begin

Unit: RMB Yuan

Financial instruments outstanding issued	Opening period		increase		decrease		Closing period	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Notes to the basis of other financial instrument classified as financial liabilities

Notes:

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

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Other notes:

48. Long term payroll payable**(1) List of long term payroll payable**

Unit: RMB Yuan

Item	Closing balance	Opening balance
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(2) Changes of defined benefit plans

Present worth of defined benefit plans obligation:

Unit: RMB Yuan

Item	Reporting period	Last period
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Plan assets:

Unit: RMB Yuan

Item	Reporting period	Last period
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Net liabilities (net assets) of defined benefit plans

Unit: RMB Yuan

Item	Reporting period	Last period
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Notes to the influence of the content and related risk of defined benefit plans to the future cash flows, time and uncertainty of the Company:

Notes to analysis results of major actuarial assumptions and sensibility of defined benefit plans

Other notes:

49. Special payable

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Formation reasons
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Other notes:

50. Accrued liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance	Formation reasons
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Other notes, including related important assumptions and estimates of accrued liabilities:

51. Deferred income

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Formation reasons
Operating license	11,389,068.33		1,293,221.64	10,095,846.69	Leasing of the

plate rental income held to carry forward					operating license plate
GUOMAO petroleum rental income held to carry forward	13,070,000.00		1,400,000.00	11,670,000.00	Leasing of the GUOMAO petroleum company
Total	24,459,068.33		2,693,221.64	21,765,846.69	--

Items involved in government subsidies:

Unit: RMB Yuan

Item	Opening balance	Amount of newly subsidy	Amount accrued in non-business income	Other changes	Closing balance	Related to the assets/ income
Total		0.00	0.00			--

Other notes:

52. Other non-current liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Utility specific fund	237,163.45	237,163.45
Housing principle fund	13,764,771.61	12,840,943.08
House warming deposit	7,784,938.18	7,687,512.66
Electric Equipment Maintenance fund	4,019,415.44	4,019,415.44
Deputed Maintenance fund	26,667,849.33	28,583,685.95
Taxi Deposit	41,042,500.00	40,798,500.00
Equity of stripping the assets	19,771,409.10	21,289,629.66
Other	1,418,615.65	1,915,703.83
Total	114,706,662.76	117,372,554.07

Other notes:

53. Share capital

Unit: RMB Yuan

	Opening balance	Increase/decrease (+/-)					Closing balance
		Newly issue share	Bonus shares	Capitalization of public	Other	Subtotal	

				reserves			
The sum of shares	595,979,092.00						595,979,092.00

Other notes:

54. Other equity instruments

(1) Basic information of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-begin

(2) Change list of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-begin

Unit: RMB Yuan

Financial instruments outstanding issued	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:

Notes:

55. Capital reserves

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium	38,450,087.51			38,450,087.51
Other capital reserves	81,636,558.92		135,112.50	81,501,446.42
Total	120,086,646.43		135,112.50	119,951,533.93

Other notes, including changes and reason of change:

The decrease of the capital reserve was due to Hainan Xinda quitted the combination.

56. Treasury stock

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance

Other notes, including changes and reason of change:

57. Other comprehensive income

Unit: RMB Yuan

Item	Opening	Reporting period	Closing

	balance	Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: income tax expense	After-tax attribute to the parent company	After-tax attribute to minority shareholder	balance
II. Other comprehensive income be re-classified into gains and losses afterwards	-7,098,716.51	3,350,199.98		257,625.00	3,092,574.98		-4,006,141.53
Changes in fair value recognized in gains and losses of the available-for-sale financial assets		3,190,800.45		257,625.00	2,933,175.45		2,933,175.45
Converted difference of the foreign currency financial statement	-7,098,716.51	159,399.53			159,399.53		-6,939,316.98
Total of other comprehensive income	-7,098,716.51	3,350,199.98		257,625.00	3,092,574.98		-4,006,141.53

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

58. Special reserves

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
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Other notes, including changes and reason of change:

59. Surplus reserves

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	121,542,385.81	15,048,847.03		136,591,232.84
Total	121,542,385.81	15,048,847.03		136,591,232.84

Other note, including changes and reason of change:

The increase of the surplus reserves of the reporting period was due to the 10% withdrawal of the net profits of the parent company.

60. Retained profits

Unit: RMB Yuan

Item	Amount	Withdrawal or distributed proportion
Opening balance of retained profits before adjustments	972,271,884.95	746,091,174.80
Adjustments of opening balance of retained profits (“+” means add, “-” means reduce)		-56,000,000.00
Opening balance of retained profits after adjustments	972,271,884.95	690,091,174.80
Add: Net profit attributable to owners of the Company	417,498,679.91	300,840,563.81
Less: Closing retained profits	15,048,847.03	18,659,853.66
Common shares dividends payable	148,994,773.00	
Closing retained profits	1,225,726,944.83	972,271,884.95

1) RMB 0.00 of opening retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.

2) RMB 0.00 of opening retained profits was affected by changes on accounting policies.

3) RMB 0.00 of opening retained profits was affected by correction of significant accounting errors.

4) RMB -56,000,000.00 opening retained profits was affected by changes in combination scope arising from same control.

5) RMB 0.00 of opening retained profits was affected totally by other adjustments.

61. Revenue and Cost of Sales

Unit: RMB Yuan

Item	2014		2013	
	Revenue	Cost	Revenue	Cost
Main operation	1,209,444,885.89	497,649,218.57	1,583,396,854.45	738,087,591.04
Other operation	59,006,565.97	22,835,907.63	35,830,373.15	6,759,864.72
Total	1,268,451,451.86	520,485,126.20	1,619,227,227.60	744,847,455.76

62. Business tax and surcharges

Unit: RMB Yuan

Item	2014	2013
Business tax	61,698,267.20	79,013,757.74
Urban maintenance and construction tax	4,460,442.38	5,669,510.66
Education surtax	1,916,647.22	2,428,102.47
Local education surtax	1,276,948.72	1,561,694.16

Levee fee	61,792.70	201,640.94
Property tax	2,844,379.45	2,813,529.37
Land VAT	204,157,447.55	220,444,005.84
Other taxes	641,378.67	640,965.93
Total	277,057,303.89	312,773,207.11

Other notes:

63. Sales expenses

Unit: RMB Yuan

Item	2014	2013
Employee's remuneration	3,488,625.76	4,821,154.30
Office expenses of operating institutions	4,351,269.72	7,651,100.56
Sales agency fee, advertising expense and general publicity expense	17,904,918.45	25,890,176.93
Other	573,266.98	1,857,323.41
Total	26,318,080.91	40,219,755.20

Other notes:

The sales expenses decreased of 34.56% over the last period which mainly due to the reduce of the sales staff salary and the advertising expenditure.

64. Administrative expenses

Unit: RMB Yuan

Item	2014	2013
Employee's remuneration	63,705,186.43	64,369,961.54
Administrative office cost	23,747,798.96	27,650,387.41
Assets amortization and depreciation expense	5,771,598.27	5,746,139.38
Litigation costs	407,187.00	715,795.60
Taxes	1,139,291.88	989,554.57
Other	9,144,870.26	10,190,641.40
Total	103,915,932.80	109,662,479.90

Other notes:

65. Financial expenses

Unit: RMB Yuan

Item	2014	2013
Interest expenses	494,767.88	
Less: Interest income	14,179,022.79	7,170,721.72
Net losses of exchange	-107,869.08	55,533.95
Other	1,094,333.49	780,486.08
Total	-12,697,790.50	-6,334,701.69

Other notes:

The amount of the financial expenses of the period changed over the last period was mainly due to the increase of the agreement deposit and the 7-dayes notice deposit.

66. Asset impairment loss

Unit: RMB Yuan

Item	2014	2013
I. Bad debt loss	-936,571.89	-315,695.74
II. Inventory falling price loss	-5,813,259.28	-46,760.09
Total	-6,749,831.17	-362,455.83

Other notes:

The amount of the assets impairment losses decreased over the last period was mainly due to the reverse of the inventory falling price provison of the Phase II Fuchang.

67. Gains on the changes in the fair value

Unit: RMB Yuan

Source	2014	2013

Other notes:

68. Investment income

Unit: RMB Yuan

Item	2014	2013
Long-term equity investment income measure by equity method	-352,555.03	5,164,781.52
Investment income from the disposal of long-term equity investment	207,432,184.22	
Gains of the quit of the combination entity	7,545,255.06	
Total	214,624,884.25	5,164,781.52

Other notes:

The amount of the investement income increase of 4,055.55% over the last period was mainly due to the large

revenues required from the transfer of Shenzhen GUOMAO Tian'an Properties Co., Ltd.

69. Non-operating gains

Unit: RMB Yuan

Item	2014	2013	Recorded in the amount of the non-recurring gains and losses
Total gains from disposal of non-current assets	1,905,888.27	161,188.19	1,905,888.27
Including: Gains from disposal of fixed assets	1,905,888.27	161,188.19	1,905,888.27
Government grants	4,500.00		4,500.00
Confiscated income	2,705,567.24	655,718.14	2,705,567.24
Other	478,078.46	1,628,371.43	478,078.46
Total	5,094,033.97	2,445,277.76	5,094,033.97

Government subsidies recorded into current profits and losses

Unit: RMB Yuan

Item	2014	2013	Related to the assets/ income
Graduate employment apprentice subsidies	4,500.00	0.00	Related to the revenue
Total	4,500.00	0.00	--

Other notes:

The non-operating revenue was increased of 108.32% over the last period was mainly due to the carried-forward and the confiscated deposit from lease and the dispose of the property.

70. Non-operating expenses

Unit: RMB Yuan

Item	2014	2013	The amount included in the current non-recurring gains and losses
Loss on disposal of non-current assets	93,576.27	88,561.24	94,830.93
Including: Loss on disposal of fixed assets	93,576.27	88,561.24	93,576.27
Taxes overdue payment fines and other fines	25,116,322.54	319,338.64	25,116,322.54
Other	866,685.56	2,689,172.12	866,685.56
Total	26,076,584.37	3,097,072.00	26,076,584.37

Notes: non-operating expenses increased 74.98% compared to that in last year, mainly because paying the idle land of Fuchang Phase

II.

71. Income tax expense**(1) Lists of income tax expense**

Unit: RMB Yuan

Item	2014	2013
Current income tax expense	161,226,485.47	121,917,764.86
Deferred income tax expense	-24,960,201.80	176,145.76
Total	136,266,283.67	122,093,910.62

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

Unit: RMB Yuan

Item	2014
Total profits	553,764,963.58
Current income tax expense accounted by tax and relevant regulations	138,441,240.90
Influence of different tax rate suitable to subsidiary	-36,571.60
Influence of income tax before adjustment	1,543,707.95
Influence of non taxable income	88,138.76
Influence of not deductible costs, expenses and losses	5,717,047.50
Influence of deductible losses of deferred income tax assets derecognized used in previous period	-10,499,349.15
Influence of deductible temporary difference or deductible losses of deferred income tax assets derecognized in reporting period.	1,012,069.32
Influence of plus deducting costs	136,266,283.67

Notes:

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 Yuan

Item	2014	2013
Large current funds received	6,749,857.14	14,000,000.00
Interest income	14,179,022.79	7,327,583.63
Net margins, security deposit and various special funds received	4,931,895.90	5,019,428.30
Other small receivables	1,641,006.85	2,781,586.49
Total	27,501,782.68	29,128,598.42

Notes:

(2) Other cash paid relevant to operating activities

Unit: RMB Yuan

Item	2014	2013
Paying administration expenses in cash	33,060,657.02	31,355,053.79
Paying sales expenses in cash	22,770,689.39	37,118,203.52
Collecting and paying net current account of Hainan Yirun Real Estate Co., Ltd.		13,414,160.10
Large current funds paid	20,401,287.75	5,987,385.57
Other small receivables	8,620,313.90	2,258,809.44
Total	84,852,948.06	90,133,612.42

Notes:

(3) Other cash received relevant to investment activity

Unit: RMB Yuan

Item	2014	2013

Notes:

(4) Other cash paid relevant to investment activity

Unit: RMB Yuan

Item	2014	2013
Of which: cash balance of Hainan Company drop out the combination	266,715.68	
Total	266,715.68	

Notes:

(5) Other cash received relevant to financing activities

Unit: RMB Yuan

Item	2014	2013
------	------	------

Notes:

(6) Other cash paid relevant to financing activities

Unit: RMB Yuan

Item	2014	2013
Handling charges of significant loans		1,677,492.00
Total		1,677,492.00

Notes:

74. Supplementary information to cash flow statement**(1) Information of net profit to net cash flows generated from operating activities**

Unit: RMB Yuan

Item	2014	2013
1. Reconciliation of net profit to net cash flows generated from operations:	--	--
Net profit	417,498,679.91	300,840,563.81
Add: Provision for assets impairments	-6,749,831.17	-362,455.83
Depreciation of fixed assets, oil-gas assets and productive biological assets	33,701,124.55	33,540,247.39
Amortization of intangible assets	7,152,503.04	7,153,063.04
Amortization of long-term deferred expense	528,330.96	548,620.41
Losses/gains on disposal of property, intangible asset and other long-term assets (gains: negative)	-1,812,312.00	-72,626.95
Financial cost (income: negative)	494,767.88	260,000.00
Investment loss (gains: negative)	-214,624,884.25	-5,164,781.52
Decrease in deferred tax assets (increase: negative)	-24,960,201.80	2,915,235.70
Increase in deferred tax liabilities (decrease: negative)		-2,739,089.94
Decrease in inventory (increase: negative)	-220,800,911.09	220,504,457.29
Decrease in accounts receivable from	18,742,572.67	25,325,668.39

operating activities (increase: negative)		
Increase in accounts payable from operating activities (decrease: negative)	-23,796,895.78	-472,324,571.69
Net cash flows generated from operating activities	-14,627,057.08	110,424,330.10
2. Significant investing and financing activities without involvement of cash receipts and payments	--	--
3. Change of cash and cash equivalent:	--	--
Closing balance of Cash	808,963,376.68	977,171,814.20
Less: opening balance of cash	977,171,814.20	797,724,311.37
The net increase in cash and cash equivalents	-168,208,437.52	179,447,502.83

(2) Net Cash paid of obtaining the subsidiary

Unit: RMB Yuan

	Amount
Cash and cash equivalences paid for enterprise combination in reporting period	0.00
Of which:	--
Less: Cash and cash equivalences held by subsidiary on purchase date	0.00
Of which:	--
Add: Cash and cash equivalences paid in reporting period for enterprise combination in pervious period	0.00
Of which:	--
Net cash paid for obtaining subsidiary	0.00

Notes:

(3) Net Cash receive of disposal of the subsidiary

Unit: RMB Yuan

	Amount
Cash and cash equivalences received from disposal of subsidiary in reporting period	0.00
Of which:	--
Less: Cash and cash equivalences held by subsidiary on the date of losing control	0.00

Of which:	--
Add: Cash and cash equivalences received in reporting period from disposal of subsidiary in previous period.	0.00
Of which:	--
Net cash received from disposal of subsidiary	0.00

Notes:

(4) Cash and cash equivalents

Unit: RMB Yuan

Item	Closing balance	Opening balance
I. Cash	808,963,376.68	977,171,814.20
Including: Cash on hand	199,841.15	263,857.71
Bank deposit on demand	806,458,046.62	974,606,475.15
Other monetary funds on demand	2,305,488.91	2,301,481.34
III. Closing balance of cash and cash equivalents	808,963,376.68	977,171,814.20

Notes:

75. Note of statement of changes in the owner's equity

Explain "other" project name and adjustment amount of the adjustment of closing balance in previous year, etc.:

Other listed in last reporting period was "discount balance of foreign currency conducted retroactive retreatment to other comprehensive income according to requirement in reporting period.

76. The assets with the ownership or use right restricted

Unit: RMB Yuan

Item	Closing book value	Restricted reason
Monetary capital	494,578,723.75	Note 1, note 5
Fix assets	2,499,747.35	Note 1, note 4
Intangible assets	34,064,501.25	Note 2, note 3
Investing real estate	2,359,323.97	Note 1,
Total	533,502,296.32	--

Notes:

1. The Company's subsidiary Dongguan Guomao Changsheng Real Estate Development Co., Ltd. borrowed 440 million from Bank of Communications Co., Ltd. Dongguan Branch, by mortgaging the use right of area of 66,881.10 square meters (DFGY (2010) NO. T316). RMB 61.2434 million had been received the closing balance stood at RMB 61.2434 million. The Company provided joint liability guarantee and mortgaged its 101-104, 2/F,

5/F in Block A and 1-02 and 1-03 room in Block B as a total of 8 sets of real estate of Shenzhen International Trade Center Plaza located at Renmin South Road, Luohu District, Shenzhen

2. Shenzhen ITC Vehicles Industry Co., Ltd. provided a joint-liability guarantee for a short-term loan of RMB 40 million from Industrial Bank Shenzhen Branch by mortgaging 7 and 93 taxi operating license plates respectively owned by Shenzhen ITC Car Rental Co., Ltd. and Shenzhen ITC Vehicles Industry Co., Ltd. which are subsidiaries of the Company, and the closing balance stood at RMB 20 million.

3. Shenzhen ITC Vehicles Industry Co., Ltd., a subsidiary to the Company, obtained a long-term loan of RMB 26 million from PingAn Bank Co., Ltd. Shenzhen Branch by mortgaging 100 taxi operating license plates of Shenzhen Guomao Car Rental Co., Ltd., and the closing balance stood at RMB 5 million of which RMB 5 million will be due within one year.

4. The Company provided a joint-liability guarantee for the short-term loan of RMB 20 million borrowed by its subsidiary—Shenzhen ITC Vehicles Industry Co., Ltd. from Bank of Beijing Shenzhen Branch, and provided the mortgage guarantee for the subsidiary by mortgaging its 39/F, 42/F and 2-07 room in Block B of Shenzhen International Trade Center Plaza located at Renmin South Road, Luohu District, Shenzhen, and the closing balance stood at RMB 10 million.

5. The Company obtained a long-term loan of RMB 450 million from Bank of Beijing Co., Ltd. Shenzhen Branch by mortgaging its land use right of the intersection of Moon Bay Avenue and Star Ocean Avenue of Nanshan District, Shenzhen (SFZZ No. 4000503246) and guaranteed by Huangcheng Real Estate Co., Ltd. The closing balance stood at RMB 16.37 million.

77. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB Yuan

Item	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Monetary capital	--	--	47,201,541.68
USD	59,832,097.45	0.7889	47,201,541.68
Other account receivable			119,463.13
Of which: HKD	151,430.00	0.7889	119,463.13
Account receivable			44,178.40
Of which: HKD	56,000.00	0.7889	44,178.40

(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 inapplicable

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

78. Arbitrage

According to arbitrage category to disclose arbitrage item, relevant arbitrage tools and been arbitrated risk qualitative and quantitative information:

Inapplicable

79. Other

Inapplicable

VIII. Changes of merge scope

1. Business merger not under same control

(1) Business merger not under same control in reporting period

Unit: RMB Yuan

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

Notes:

Inapplicable

(2) Combined cost and goodwill

Inapplicable

Note to recognition method of fair value of combine cost, contingent consideration and its changes:

Inapplicable

Main reason of large amount goodwill formed:

Inapplicable

Other notes:

Inapplicable

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

Inapplicable

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

Inapplicable

Contingent liability of acquiree undertaken by business merger

Inapplicable

Other notes:

Inapplicable

(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

Inapplicable

(6) Other notes:

2. Business combination under the same control

(1) Business combination under the same control during the reporting period

Unit: RMB Yuan

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

Notes:

(2) Combination cost

Note to contingent consideration or other changes:

Other notes:

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

Inapplicable

Contingent liabilities of the combined party undertaken in combination

Inapplicable

Other notes:

Inapplicable

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.

Inapplicable

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

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

Main body of liquidation

Name	Time of not included in combination scope
Hainan Xinda Development Co., Ltd	30 Jun. 2014

On 25 Nov. 2011, the proposal on initiating bankruptcy liquidation of Hainan Xinda Development Corporation (“Hainan Corporation”) was reviewed and approved on the 4th Session of the 7th Board of Directors. On 27 Feb. 2014, Hainan Haikou Intermediate People’s Court issued <The Civil Judgment (2013) HZFP (Yu) Zi No.7>, deciding to accept the bankruptcy liquidation application of Hainan Corporation. On 16 Jun. 2014, Hainan Haikou Intermediate People’s Court issued <The Civil Decision (2014) HZFYPZYH No.1-1>Haikou Intermediate People’s Court designated Hainan Weite Law Firm as the bankruptcy administrator of Hainan Corporation. In Jun. 2014, the bankruptcy administrator began to take over Hainan Corporation and took charge of the bankruptcy liquidation of Hainan Corporation. Since that, the control of the Company over Hainan Corporation ceased. And the Company became the president of the creditors’ meeting of Hainan Corporation. And the first creditors’ meeting would be held in Haikou Intermediate People’s Court on 23 Dec. 2014.

Hainan Company was founded in 1988 as a wholly-owned subsidiary of the Company. At present, it has no development project or land reserve. And it has recorded deficit for years. The estimated liquidation value was zero according to the book value of enterprise assets in the end of Jun. 2014. As of the reporting date, there was still no liquidation result, the book value of long term equity investment RMB 20,000,000.00 and turnover amount receivable RMB 49,437,140.28 had withdrawn bad debt provision in previous years. The assets group to be distributed to the owner held in the end of reporting period was listed in other current assets.

6. Other

Inapplicable

IX. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

Name of the subsidiary	Main operating place	Registration place	Nature of business	Proportion of shareholding		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 Guomao 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	Shenzhen	Shenzhen	Property	100.00%		Set-up

GUOMAO Property Management Co., Ltd.			management			
Shenzhen Huangcheng Real Estate Management Co., Ltd.	Shenzhen	Shenzhen	Property management		100.00%	Set-up
Shandong Shenzhen GUOMAO Property Management Co., Ltd.	Jinan	Jinan	Property management		100.00%	Set-up
Chongqing Shenzhen GUOMAO 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 GUOMAO Property Management Engineering Equipment Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen GUOMAO 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 GUOMAO Vehicles Industry Co., Ltd.	Shenzhen	Shenzhen	Service	90.00%	10.00%	Set-up
Shenzhen GUOMAO 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 Trade Plaza	Shenzhen	Shenzhen	Trading	95.00%	5.00%	Set-up
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 not under same control
Shum Yip Properties Development Co., Ltd.	HongKong	HongKong	Property development	100.00%		Set-up
Wayhang Development Co., Ltd.	HongKong	HongKong	Property development		100.00%	Set-up
Chief Link Properties Co., Ltd.	HongKong	HongKong	Property development		70.00%	Set-up
Syndis Investment Co., Ltd.	HongKong	HongKong	Property development		100.00%	Business combination not under same control

Notes: holding proportion in subsidiary different from voting proportion:

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:

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 Jun. 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 Dec. 31, 2014. SX Company paid for FET Company with 313,000 Yuan income obtained from assets operation from Jun. 1, 2012 to Dec. 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 December 31, 2014 in consolidated statements is as follows:

Item	Amount	Item	Amount
Other receivables	50.00	Other payables	683,578.08
Investing real estate	9,737,338.93	Other non-current liabilities	19,771,409.10
Fixed assets	10,353,518.35		
Long-term unamortized expenses	364,079.90		
Total assets	20,454,987.18	Total liabilities and owners' equity	20,454,987.18

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:

N/A

Other notes:

As of the end of reporting period, the balance of minority shareholders was RMB 862,087.06; there was no significant non-wholly owned subsidiary in the Company.

(2) Significant not wholly owned subsidiary

Unit: RMB Yuan

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:

N/A

Other notes:

N/A

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

Unit: RMB Yuan

Name	Closing balance						Opening balance						
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liability	current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liability	

Unit: RMB Yuan

Name	2014				2013			
	Operation revenue	Net profit	Total comprehensive income	Operating cash flow	Operation revenue	Net profit	Total comprehensive income	Operating cash flow

Other notes:

N/A

Other notes:

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

N/A

(5) Provide financial support or other support for structure entities incorporate into the scope of consolidated financial statements

Other notes:

N/A

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**

N/A

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

Other notes:

N/A

3. Equity in joint venture arrangement or associated enterprise**(1) Significant joint venture arrangement or associated enterprise**

Name	Main operating place	Registration place	Business nature	Proportion		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
Shenzhen Tian'an International Building Property Management Co., Ltd	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 GUOMAO Industrial Development Co., Ltd. and Anhui Nanpeng Papermaking Co., Ltd. Now the aforesaid companies's 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:

N/A

(2) Main financial information of significant joint venture

Item	Shenzhen Tian'an International Building Property Management Co., Ltd		Shenzhen Jifa Warehouse Co., Ltd	
	Closing amount	Opening amount	Closing amount	Opening amount
Current assets	35,704,923.71	33,371,485.81	2,060,981.97	1,784,653.59
Of which: cash and cash equivalence	26,199,623.71	12,771,163.51	1,790,481.86	1,523,889.59
Non-current assets	115,690.14	116,778.35	60,575,943.01	58,997,944.23

Total assets	35,820,613.85	33,488,264.16	62,636,924.98	60,782,597.82
Current liabilities	13,314,464.45	12,046,073.60	2,875,168.22	2,694,442.79
Non-current liabilities	16,490,027.37	16,486,291.91		
Total liabilities	29,804,491.82	28,532,365.51	2,875,168.22	2,694,442.79
Nminority shareholders equity				
equity attributable to owners of parent company	6,016,122.03	4,955,898.65	59,761,756.76	58,088,155.03
Portion of net assets calculated according to proportion of shareholdings	3,008,005.30	2,477,949.33	29,880,878.38	29,044,077.52
Book value of equity investment to joint venture	3,008,005.30	2,477,949.33	29,880,878.38	29,044,077.52
Fair value of equity investment of public offer				
Operating revenue	18,118,056.52	15,639,051.18	6,934,396.44	7,049,153.14
Financial cost	-80,034.42	-58,479.60	-1,803.80	-314.96
Of which: interest income	-70,347.67	-33,997.66		
Income tax	357,987.23	241,314.62	563,714.04	589,108.75
Net profits		664,822.60	1,673,601.73	1,752,013.07
	1,060,223.38			
Total comprehensive income	1,060,223.38	664,822.60	1,673,601.73	1,752,013.07
Dividends received from joint venture in reporting period				

Other notes

(3) Main financial information of significant associated enterprise

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 GUOMAO Industrial Development Co., Ltd. and Anhui Nanpeng Papermaking Co., Ltd. Now the aforesaid companies's financial statement can not be obtained, thus, the Company believed that they were insignificant associate enterprises.

Other notes

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

Unit: RMB Yuan

	Closing balance/ 2014	Opening balance /2013
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

(5) Note to the significant restrictions of the ability of joint venture or associated enterprise transfer funds to the Company

N/A

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

Unit: RMB Yuan

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

(7) The unrecognized commitment related to joint venture investment

N/A

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

N/A

4. Significant common operation

Name	Main operating place	Registration place	Business nature	Proportion /share portion	
				Directly	Indirectly

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

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

Other notes:

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

6. Other**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 referred to the risk of losses of other party of financial instruments due to

One party can not perform its obligations.

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 RMB 28.9333 million except the aforesaid had withdrawn bad debt provision, mainly was the account receivable of property management, of which was account receivable RMB 10.0807 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.

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 shortage of funds incurred when the enterprise perform the obligation of settlement by cash or other financial assets.

The subsidiary of the Group monitor the cash flow and the need of itselfs, 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)				Total
	Within 1 year (including 1 year)	1-3years (including 3 years)	3-5 years(including 5 years)	Over 5 years	
Long term loan(interest included)	1,194.27	17,979.91			19,174.19

Item	Opening balance (RMB ten thousand yuan)				Total
	Within 1 year (including 1 year)	1-3years (including 3 years)	3-5 years(including 5 years)	Over 5 years	
Long term loan(interest included)	840.88	12,139.22			12,980.10

3. Market risk

Market risk is referred to the fair value and future cash flow of financial instruments change 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	2014		2013	
	Influence to the profits	Influence to equity of shareholders	Influence to the profits	Influence to equity of shareholders
RMB down 1% against HKD	1,626.13	468,210.83	511.49	461,521.32
RMB up 1% against HKD	-1,626.13	-468,210.83	-511.49	-461,521.32

Note1: the above-mentioned expressed as a positive number increase, a negative number decrease.

Note2: the above-mentioned expressed as changes in shareholder's equity does not include retained earnings

(2) Interest rate risk

Interest rate risk is referred to the fair value and future cash flow of financial instruments change due to the change of market interest rate.

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.

The Group's interest-bearing debt situation was as followed:

Type	Closing balance	Opening balance
Interest-bearing debt from floating interest rate		
Of which: short term loan	100,000,000.00	300,000,000.00
Non current liabilities due within one years	5,000,000.00	64,316,666.64
Long term loan	177,613,352.00	116,243,352.00
Total	282,613,352.00	480,560,018.64

The management conducting sensitive analysis, the change of 25 BP increase or decrease was considered as reasonable reflection of possible range of interest rate. Base on the assumption of aforesaid floating interest rate of long-term borrowing paid by the due date, and in a full accounting year will not be required to pay, under the situation of other variable remain constant, the influence of interest rate increase / decrease 25 BP to net profits and shareholders:

Change	2014		2013	
	Influence to the net profits	Influence to equity of shareholders	Influence to the net profits	Influence to equity of shareholders
Increase 25 BP	-333,025.04		-217,956.29	

Decrease 25 BP	333,025.04	217,956.29
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Note1: the above-mentioned expressed as a positive number increase, a negative number decrease.

Note2: the above-mentioned expressed as changes in shareholder's equity does not include retained earnings

(3) Other price risk

Other price risk

Price risk is referred to risk incurred from the market price change except foreign exchange rate risk and interest rate risk, no matter the risk was due to the related factors of individual financial instrument or its issuing party or all the similar financial instruments in market transaction.

The Group's held of available for listing financial equity instrument was listed in Shenzhen Stock Exchange and calculated by market price on consolidated balance sheet date. The available for sale equity instrument occurred investment price risk.

The sensitive analysis of other price risk of equity instruments was as followed: reflecting under the assumption of other variable remain constant, the influence of the change of fair value of equity instruments to net profits and shareholders:

Item	Reporting period	
	Net profit	Equity of shareholders
Shenzhen Stock Exchange-available for sale equity instrument increasing 5%		149,737.50
Shenzhen Stock Exchange-available for sale equity instrument decreasing 5%		-149,737.50

Note1: the above-mentioned expressed as a positive number increase, a negative number decrease.

Note2: the above-mentioned expressed as changes in shareholder's equity does not include retained earnings

Note3: Factors may affecting income statement impairment were not been considered m

4. Fair value

See note (XI)

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

Unit: RMB Yuan

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	3,993,000.00			3,993,000.00
(1) Debt instruments				3,993,000.00

investment				
(2) Equity instrument investment	3,993,000.00			
Total assets continuously calculated by fair value	3,993,000.00	0.00	0.00	3,993,000.00
Total liabilities continuously calculated by fair value	0.00	0.00	0.00	0.00
II. The fair value with non continuous calculation	--	--	--	--
Total assets not continuously calculated by fair value	0.00	0.00	0.00	0.00
Total liabilities not continuously calculated by 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

Closing price of stock exchange in Shenzhen Stock Exchange on 31 Dec. 2014

3. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 2

Inapplicable

4. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 3

Inapplicable

5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and closing book value of consistent fair value measurement items at level 3

Inapplicable

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

Inapplicable

7. Changes in the valuation technique in the current period and the reason for change

Inapplicable

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

In consolidate statement, closing balance of financial assets and liabilities and related fair value not measured at fair value were as followed: management has assessed the monetary funds, accounts receivable, other receivables, short-term loans, accounts payable and long-term debt due within one year, due to the remaining time was short, the book value and fair value, not included in the table below and equity instrument investment not calculated by fair value was included in the table below either.

Item	Closing book value	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
Financial liabilities					
Long term loan	177,613,352.00			177,597,401.56	177,597,401.56
Total	177,613,352.00			177,597,401.56	177,597,401.56

Long term loan's fair value was recognized through future cash flow according to the market with comparable credit rating and present value after the discount of interest rate of cash flow almost the same under the same conditions stipulated by the contract.

9. Other

Inapplicable

XII. Related party and related Transaction**1. Information related to parent company of the Company**

Name of parent company	Registered place	Business scope	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	560,000	63.82%	63.82%

Note:

By the end of reporting period, the controlling shareholder of the Company is still Shenzhen Construction Investment Holdings Corporation ("the holding company") in register book. In 2004, Shenzhen Municipal Government incorporated Shenzhen

Construction Investment Holdings Corporation with the other two municipal assets operation and management companies, namely Shenzhen Investment Management Corporation and Shenzhen Trade and Business Holdings Corporation to establish Shenzhen Investment Holdings Co., Ltd. Therefore, the Company's actual controlling shareholder is Shenzhen Investment Holdings Co., Ltd., a sole state-funded limited company, who was established in Oct. 13, 2004 with the registered capital of RMB 5.6 billion and Mr. Fan Mingchun as its legal representative. Main business scope: providing guarantee to municipal state-owned enterprises, management of state-owned equity, assets reorganization and reformation of enterprises, assets operation and equity investment and etc. As a government department, State-owned Assets Supervision and Administration Commission Committee of Shenzhen implemented management for Shenzhen Investment Holdings Co., Ltd. on behalf of Shenzhen municipal government.

The final control of the Company was State-owned Assets Supervision and Administration Commission Committee of Shenzhen

Other notes:

2. Subsidiaries of the Company

See details to Notes I, IX.

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

See details to Notes I, VII.

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

Name	Relationship
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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

Notes:

5. List of related-party transactions

(1) Information on acquisition of goods and reception of labor service

Unit: RMB Yuan

Related-party	Content	2014	2013
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Information of sales of goods and provision of labor service

Unit: RMB Yuan

Related-party	Content	2014	2013
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Shenzhen Investment Holdings Co., Ltd.	provision of labor service	1,450,258.56	2,659,727.10
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Notes:

(2) Related trusteeship/contract

Lists of related trusteeship/contract:

Unit: RMB Yuan

Name of the entruster/contractee	Name of the trustee/contractor	Type	Initial date	Due date	Pricing basis	Income recognized in the reporting period
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Notes:

Lists of entrust/contractee

Unit: RMB Yuan

Name of the entruster/contractee	Name of the trustee/contractor	Type	Initial date	Due date	Pricing basis	Charge recognized in the reporting period
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Notes:

(3) Information of related lease

The Company was lessor:

Unit: RMB Yuan

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

Unit: RMB Yuan

lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets
Shenzhen Investment Holdings Co., Ltd.	Rental	338,185.06	331,431.51

Notes:

(4) Related-party guarantee

The Company was guarantor:

Unit: RMB Yuan

Secured party	Guarantee amount	Start date	End date	Execution accomplished
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				or not
Shenzhen Guomao Vehicle Industry Co., Ltd.	10,000,000.00	14 May 2014	12 May 2015	No
Shenzhen Guomao Vehicle Industry Co., Ltd.	70,000,000.00	27 Jun. 2014	19 Feb. 2015	No
Dongguan Guomao Changsheng Real Estate Development Co., Ltd.	161,243,352.00	11 Jan. 2013	11 Jan. 2016	No

The Company was Secured party

Unit: RMB Yuan

Guarantor:	Guarantee amount	Start date	End date	Execution accomplished or not
Shenzhen Huangcheng Real Estate Co., Ltd.	16,370,000.00	20 Jun. 2014	19 Jun. 2017	No

Notes:

The Company and its subsidiaries didn't provide guarantees for other companies beyond the range of consolidated financial statements. The above guarantees are those Company and its subsidiaries provided to each other.

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

Unit: RMB Yuan

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

(6) Related party asset transfer and debt restructuring

Unit: RMB Yuan

Related party	Content	2014	2013

(7) Rewards for the key management personnel

Unit: RMB Yuan

Item	2014	2013
Total rewards for the key management personnel(tax included)	6,671,900.00	6,778,500.00

(8) Other related-party transactions

Entrusted loans of related parties

Unit: RMB Ten Thousand

Name of entrusting party	Name of entrusted party	Borrower	Annual interest rate (%)	Closing amount of loan	Amount of loan borrowed in the reporting period	Amount of payment in the reporting period	Closing amount of loan	Interest paid in the reporting period
Shenzhen Investment Holdings Co., Ltd.	Shenzhen Jingtian China Everbright Bank	The Company	6.00	24,000.00		24,000.00		436.00
Total					24,000.00	24,000.00		436.00

Related party entrusted operating

In Nov. 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, Note IV

According to the Contract on Entrusted Management, during reporting period, SX Company paid the assets operating income of RMB 626,000 to FET Company.

During the entrusted operating period in 2014, the situation of divestiture assets was as followed:

Item	Amount
Operation income	3,990,694.50
Operation cost	2,592,573.52
Business tax and surcharges	223,478.89
Administration expense	839,097.37
Total profits	335,544.72
Income tax expense	83,886.18
Net profits	251,658.54

Note: the management costs included paying operation income of RMB 626,000 to FET Company.

6. Receivables and payables of related parties**(1) Receivables**

Unit: RMB Yuan

Item	Related party	Closing period		Opening period	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Other account receivable	Anhui Nanpeng Papermaking Co., Ltd	7,328,480.00	7,328,480.00	7,286,048.00	7,286,048.00
Other account receivable	Shenzhen GUOMAO Industrial Development Co., Ltd	2,351,652.48	2,351,652.48	2,351,652.48	2,351,652.48
Other account 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 account receivable	Shenzhen Guesthouse	909,960.40	909,960.40	909,960.40	909,960.40
Account receivable	Shenzhen City Shenzhen Investment Property Development Co., Ltd.	129,542.40	3,886.27	3,140,299.50	145,146.64

(2) Payables

Unit: RMB Yuan

Item	Related party	Closing book value	Opening book value
Other accounts payable	Shenzhen Jifa Warehouse Co., Ltd	26,296,665.14	23,545,808.00
Other accounts payable	Shenzhen Tian'an International Building Property Management Co., Ltd	4,114,345.90	4,114,345.90
Accounts payable	Shenzhen City Shenzhen Investment Property Development Co., Ltd.		520,975.68
Short term loan	Shenzhen Investment Holdings Co., Ltd.		240,000,000.00

7. Related party commitment

There was no related party commitment in reporting period.

8. Other

Inapplicable

XIII. Stock payment**1. The Stock payment overall situation**

Applicable Inapplicable

2. The Stock payment settled by equity

Applicable Inapplicable

3. The Stock payment settled by cash

Applicable Inapplicable

4. Modification and termination of the stock payment

Inapplicable

5. Other

Inapplicable

XIV. Commitments**Significant commitments at balance sheet date**

Item	Closing amount
Large amount contract of real estate development project signed but derecognized in financial statements.	381,153,500.00
Total	381,153,500.00

2. Contingency**(1) Significant contingency at balance sheet date**

(1) Pending action

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

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

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

In October 2009, the Company received (Verdict YGFZ (2002) No. 1-2) from Guangdong Higher Court. The verdict claimed: The resume execution of this case is according to the "The requirements for the Guangdong Higher Court to concentrate the implementation of accumulated cases" Through the investigation conducted by Guangdong Higher Court to Shenzhen department of motor vehicles, Shenzhen Securities Registration and Settlement Organizations, Shenzhen Land resources and real estate administration and the opening bank of the executed party, the executed party – Jiyong Company does not have any executable property. For these, Guangdong Higher Court adjudicated : ① Terminate the executive procedure of Verdict YGFZ (2002) No. 1; ② 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") 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 Summary about Research of Dealing with Problem Building Issued* (No. 481) by Shenzhen Municipal Government.

In April 2012, the Company raised the subrogation right lawsuit to Shenzhen Luohu District People's Court, based on the creditor's right for Jiyong Company decided by the Civil Ruling Paper YGFMC (1999) No. 3, prosecuting the obligor of Jiyong Company—Shenzhen Zongli Investment Co., Ltd. (hereinafter referred to as “Zongli Company”), which was required to compensate for the Company within its debt range for Jiyong Company.

Meanwhile, due to it was highly similar in the management level of Shenzhen Huaneng-Jindi Property Co., Ltd. (hereinafter referred to as “Huaneng-Jindi Company”) and Zongli Company, the Company believed that there was significant related-party relationship between Huaneng-Jindi Company and Zongli Company, therefore, the Company also prosecuted Huaneng-Jindi Company, which was required to undertake the joint liability for the debts born by Zongli Company. On 11 Sep. 2013 Shenzhen Luohu District People's Court issued (2012) SLFMECZ No. 1150 paper of civil judgment; the decision rejected the Company's claims. The Company refused to accept the verdict, has instituted an appeal to the Shenzhen Intermediate People's Court, In Mar. 2015, Shenzhen Intermediate People's Court made Civil Judgment (2014) SZFSZZ No. 400, the decision to reject the appeal of the Company, and maintain the original judgment.

As the executable property are not found in the case so far, the Company withdraw bad debt provision for Shenzhen Jiyong Properties & Resources Development Company's transfer amount of Jin Lihua Commercial Plaza

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 RMB 8 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 Reconsideration 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 Oct. 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 Luoqingfa 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 to recognize its ownership of the above involved land. And the two cases were combined for public trial on 1 Mar. 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.

(2) Guarantee

A. The Company's subsidiary Dongguan Guomao Changsheng Real Estate Development Co., Ltd. borrowed 440 million from Bank of Communications Co., Ltd. Dongguan Branch, by mortgaging the use right of area of 66,881.10 square meters (DFGY (2010) NO. T316). RMB 161.2434 million had been received the closing balance stood at RMB 161.2434 million. The Company provided joint liability guarantee and mortgaged its 101-104, 2/F,

5/F in Block A and 1-02 and 1-03 room in Block B as a total of 8 sets of real estate of Shenzhen International Trade Center Plaza located at Renmin South Road, Luohu District, Shenzhen. .

B. Shenzhen ITC Vehicles Industry Co., Ltd. provided a joint-liability guarantee for a short-term loan of RMB 40 million from Industrial Bank Shenzhen Branch by mortgaging 7 and 93 taxi operating license plates respectively owned by Shenzhen ITC Car Rental Co., Ltd. and Shenzhen ITC Vehicles Industry Co., Ltd. which are subsidiaries of the Company, and the closing balance stood at RMB 20 million.

C. Shenzhen ITC Vehicles Industry Co., Ltd., a subsidiary to the Company, obtained a long-term loan of RMB 26 million from PingAn Bank Co., Ltd. Shenzhen Branch by mortgaging 100 taxi operating license plates of Shenzhen Guomao Car Rental Co., Ltd., and the closing balance stood at RMB 5 million.

D. The Company provided a joint-liability guarantee for the short-term loan of RMB20 million borrowed by its subsidiary—Shenzhen ITC Vehicles Industry Co., Ltd. from Bank of Beijing Shenzhen Branch, and provided the mortgage guarantee for the subsidiary by mortgaging its 39/F, 42/F and 2-07 room in Block B of Shenzhen International Trade Center Plaza located at Renmin South Road, Luohu District, Shenzhen, and the closing balance stood at RMB 10 million.

E. The Company obtained a long-term loan of RMB 450 million from Bank of Beijing Co., Ltd. Shenzhen Branch by mortgaging its land use right of the intersection of Moon Bay Avenue and Star Ocean Avenue of Nanshan District, Shenzhen (SFZZ No. 4000503246) and guaranteed by Huangcheng Real Estate Co., Ltd. The closing balance stood at RMB 16.37 million.

F. The Company provided guarantee for the loan of RMB70 million borrowed by its subsidiary—Shenzhen ITC Vehicles Industry Co., Ltd. from Shanghai Bank, Shenzhen Branch. The closing balance stood at RMB 70 million.

(3) Contingent assets

Bureau of Foreign Trade and Economic Cooperation of Hubei province Shenzhen branch (hereinafter referred as to “Hubei FTEC Shenzhen branch”) sued the Company to Shenzhen Intermediate Court on July 2000 for termination of the agreement between the Hubei FTEC Shenzhen branch and the Company about office property of 4,000 square meters purchasing in Jiabing Building (now known as Jinlihua Commercial Plaza) and asked for refund of purchase payment of RMB10.8 million and an indemnify of RMB18.6756 million on the ground of delayed delivery. Guangdong Higher Court issued YGFMYZZ No. 90 judgment (hereinafter referred as to “No. 90 Judgement”) and adjudicated that the Company should refund the Hubei FTEC Shenzhen branch purchase payment of RMB 10.8 million and related interests.

Hubei FTEC Shenzhen branch applied for the court to implement the case. At the end of January 2005, Guangzhou Railway Transportation Intermediate Court (hereinafter referred to as “GRTIC” was appointed by Guangdong Higher Court to execute the case of Hubei FTEC suing the Company. GRTIC had sent seizure adjudication to liquidation team of Luohu Hotel to seal up the Company’s RMB 23 million of distributed obligatory right in Luohu Hotel.

The Company rejected the adjudication of Guangdong Higher People’s Court and applied for retrial to the Supreme People’s Court. In August 2005, the Supreme People’s Court issued (2004) MEJZ No.146-1 *Civil Judgment*, adjudicating that Guangdong Higher People’s Court carried out retrial for this case and the original judgment was suspended to be implemented during retrial period. On May 12, 2006, Guangdong Higher People’s Court concluded retrial of No. 90 Judgment and maintained adjudication of No. 90 Judgment. The execution of this case was resumed. Hubei FTEC Shenzhen branch asked GRTIC for payment and re-execution of interest judgment during retrial period. Meanwhile, the Company applied for temporary respite. On June 30, 2006, GRTIC issued (2004) GTZFZZ No. 225-4 *Civil Judgment*, adjudicating that: ① the application for temporary respite of the Company was not adopted due to the lack of fact and legal basis; ②the application of Hubei FTEC Shenzhen branch related to payment was in conformity with stipulations of law and GRTIC decided to remit the rest of

money to the account of Hubei FTEC Shenzhen branch after deducting execution fees from RMB 23 million; ③ Hubei FTEC Shenzhen branch's application on asking repayment of interest during retrial period was not supported; ④ Repayment duty of the Company confirmed by No. 90 Judgment was executed and finished according to law; ⑤ No. 90 Judgment was terminated and executed. The Company had confirmed losses according to the above adjudications and added the accounts receivable of Jiyong Company and withdrawn provision for bad debt. The Company considered that there were errors in identified fact and applicable law of the retrial adjudication from Guangdong Higher People's Court and therefore applied for retrial in the Supreme People's Court. The Supreme People's Court issued (2004) MEJZ No. 146-3 *Civil Judgment* in October 2007, adjudicating that the Supreme People's Court would execute retrial for this case. However, the Company revoked the retrial appeal toward the Supreme Court after comprehensive considerations, and the Supreme Court approved such cancel.

The 14th and 15th floors of Jiabin Building returned by Hubei FTEC Shenzhen branch were possessed by the Company legally after the Company had pay for housing compensation and interest. For the purpose of resolving building property right problem and through investigation the Company found that the 14th and 15th floors of Jiabin Building were registered under the name of Yinzhu Industrial Development Company of Western Zhuhai (hereinafter referred to as "Zhuhai Yinzhu Company" by the means of filing registration. The Company submitted civil action to Luohu Court on June 2008 to prosecute Zhuhai Yinzhu Company, ask the Court to confirm that the Company was oblige of the 14th and 15th floors of Jiabin Building and judge that the 14th and 15th floors of Jiabin Building was transferred to and registered under the name of the Company. Luohu Court accepted this case according to law with the case number of (2008) SLFMSCZ No. 1442. On July 21, 2008, the Court made public hearing and presided over mediation for this case. The Company and Zhuhai Yinzhu Company reached a settlement and Luohu Court issued *Civil Mediation Agreement* which mainly contained the following contents: ① the two parties agreed to return the 14th and 15th floors of Jiabin Building to plaintiff (the Company); ② Defendant should assist plaintiff (the Company) to handle related procedures about transferring the above house property to the name of the plaintiff. This *Civil Mediation Agreement* entered into force pursuant to the law. As of the end of reporting year, the 14th and 15th floors of Jiabin Building were registered under the name of the Company by Registration Center for Property of Real Estate of Shenzhen Municipality in the way of filing registration.

Since 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") attempted to reconstruct Jinlihua Commercial Plaza, the Company, the first administration directly under Shenzhen Urban Planning and Land Resources Committee (hereinafter as the "SUPLRC"), Longyuan-Kaili and Huaneng Property signed SDHZ (1992) No. 0228 *Second Supplementary Agreement of Shenzhen Grant Contract of Land Use Right* on March 3, 2011 which was shown as follows: ① SUPLRC agreed that the transferee for the right of use of the land with a land parcel No. H206-0002 and an area of 6,892 square meters was changed to Longyuan-Kaili and Huaneng Property; ② Longyuan-Kaili and Huaneng Property undertook all rights, responsibilities and liabilities of this land parcel and straightened out the relationship of the transferred property on their own and assisted to handle relevant procedures; ③ Longyuan-Kaili and Huaneng Property promised to resolve existing mortgage and pre-seizure of this project, coped with all disputes arising from changes on transferee of right of use of this land and assumed legal and economic responsibilities; ④ the property right of the 14th and 15th floors in this project which belonged to commodity houses, were owned by the Company and Longyuan-Kaili and Huaneng Property were responsible for the construction and decoration of this project according to harmonized standards on delivery of building; ⑤ the period of use of land parcel was adjusted to 50 years from February 21, 2011 to February 20, 2061.

Jinlihua Commercial Plaza approved for sale (presell), according to the agreement of both party, the 14th and 15th floors invested by Longyuan-Kaili and Huaneng Property according to project a unified standards of building construction and handover. And Longyuan-Kaili and Huaneng Property dealt with Registration of title and sales procedure of 14th and 15th floors for the Company as oblige.

After signing the above agreements, the Company's right on the 14th and 15th floors at Jinlihua Commercial Plaza is affirmed. But due to the existing risks in delivery of this house property and acquisition of property ownership certificate, great uncertainties exist in whether or not it will bring economic interests to the Company. According to the related regulations of Accounting Standards for Business Enterprises, it does not match the recognition criteria.

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

There was no significant contingency in the Company.

3. Other

N/A

XV. Events after balance sheet date

1. Significant events had not adjusted

Unit: RMB Yuan

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

2. Profit distribution

Unit: RMB Yuan

Planning allocation of profits or dividends	125,155,609.32
Profits or dividends approved, reviewed and issue by the declaration	125,155,609.32

3. Sales return

N/A

4. Notes of other significant events

N/A

XVI. Other significant events**1. The accounting errors correction in previous period****(1) Retrospective restatement**

Unit: RMB Yuan

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

Inapplicable

3. Replacement of assets**(1) Non-monetary assets exchange**

Inapplicable

(2) Other assets replacement

Inapplicable

4. Pension plan

Inapplicable

5. Discontinuing operation

Unit: RMB Yuan

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

Other notes:

Inapplicable

6. Segment information

(1) Recognition basis and accounting policy of segment information

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 beeing 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

Item	Real estate		Property management		Transportion			
	2014	2013	2014	2013	2014	2013		
operating receipt	823,545,260.23	1,233,817,173.21	348,639,937.02	295,651,419.78	65,503,394.11	63,757,888.9		
trading revenues betewwn divisions	1,554,232.79		10,776,611.67	7,165,584.87	258,089.76	418,803.9		
Sale expense	27,857,500.00	41,428,943.93						
Investments in associated companies and joint ventures								
assets impairment loss	-6,982,434.72	-16,201,278.03	-688,594.18	-361,299.87	-418.88	-75,461.9		
Depreciation and amortization charges	21,347,164.90	21,238,072.24	1,380,780.18	1,444,461.37	18,220,582.02	18,288,392.0		
Total profit (loss)	314,082,958.13	571,936,022.47	27,809,181.87	14,879,873.44	9,050,696.05	7,701,980.0		
total assets	7,624,694,961.64	6,591,258,362.80	384,962,694.12	260,136,197.20	366,416,812.71	386,221,824.0		
total liabilities	5,402,608,838.61	4,763,533,290.25	294,380,910.84	191,310,035.44	274,456,787.81	301,190,711.0		
Leong term equity investments in associated companies and joint ventures								
Increase amount of non-current assets except long term equity investment	97,489.79	8,044,885.38	6,917,900.82	742,497.22	5,067,887.66	10,407,188.0		
Continued								
Item	Other division		undistributed		Offset		Total	
	2014	2013	2014	2013	2014	2013	2014	2013

operating receipt	6,128,557.51	3,554,576.90					1,268,451.45	1,619,227.22
trading revenues between divisions	9,493,286.13	11,842,712.71			-23,599,937.35	21,084,438.01		
Sale expense					1,539,419.09	1,209,188.73	26,318,080.91	40,219,755.20
Investments in associated companies and joint ventures			207,079,629.19	5,164,781.52			207,079,629.19	5,164,781.52
assets impairment loss	919.15	2,273.73			921,504.37	16,260,081.86	-6,749,831.17	-362,455.83
Depreciation and amortization charges	41,715.54	16,290.42					41,381,958.55	41,241,930.84
Total profit (loss)	-469,724.78	528,265.31	207,079,629.19	5,164,781.52	-4,651,897.56	177,782,326.31	553,454,541.42	422,934,474.43
total assets	10,367,664.92	9,975,670.53	3,617,656.42	2,791,536.08	-8,128,391.82	-6,172,119.84	3,883,288.14	3,873,252.71
total liabilities	7,714,308.01	6,823,135.39	3,319,717.21	2,466,564.69	-7,499,460.03	-5,667,650.44	1,808,183.39	2,069,609.33
Long term equity investments in associated companies and joint ventures			32,888,939.41	63,111,931.67			32,888,939.41	63,111,931.67
Increase amount of non-current assets except long term equity investment	25,788.50	166,707.90					13,537,015.85	13,904,860.72

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

Inapplicable

(4) Other notes

Income of foreign trade

A. Income of foreign trade of production and labor serve

Item

2014

2013

Real estate	823,545,260.23	1,233,817,173.21
Property management	348,639,937.02	295,651,419.78
Transportation	65,503,394.11	63,757,888.96
Cantering serve	24,634,302.99	22,446,168.75
Other	6,128,557.51	3,554,576.90
Total	1,268,451,451.86	1,619,227,227.60

Geography information

Distribution of foreign trade income:

Item	2014	2013
Mainland of China	1,267,999,589.99	1,576,481,435.87
Countries and regions outside the Chinese mainland	451,861.87	42,745,791.73
Total	1,268,451,451.86	1,619,227,227.60

Distribution of total non current assets liabilities:

Item	2014	2013
Mainland of china	420,759,669.61	455,078,072.16
Countries and regions outside the Chinese mainland	2,944,308.35	3,564,040.65
Total	423,703,977.96	458,642,112.81

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

Inapplicable

8. Other

Inapplicable

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

1. Accounts receivable

(1) Accounts receivable classified by category

Unit: RMB Yuan

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 but individually withawn bad debt provision	101,447,889.05	97.88%	101,447,889.05	100.00%		101,447,889.05	97.64%	101,447,889.05	100.00%	
Accounts receivable withdrawal of bad debt provision of by credit risks characteristics:	2,149,128.71	2.07%	1,119,917.19	52.11%	1,029,211.52	2,395,632.21	2.31%	1,237,544.72	51.66%	1,158,087.49
Accounts receivable with insignificant single amount but large risks of groups after grouping by credit risks characteristics	54,380.35	0.05%	54,380.35	100.00%		54,380.35	0.05%	54,380.35	1,000.00%	
Total	103,651,398.11	100.00%	102,622,186.59	99.01%	1,029,211.52	103,897,901.61	100.00%	102,739,814.12	98.89%	1,158,087.49

Accounts receivable with significant single amount but individually withawn bad debt provision

Applicable Inapplicable

Unit: RMB Yuan

Account receivable (unit)	Closing balance			
	Account receivable	Bad debt provision	Proportion	Withdraw reason
Shenzhen Jiyong Properties & Resources Development Company	98,611,328.05	98,611,328.05	100.00%	Involved in lawsuit and no executable property, referring to Note 5, VII
Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	2,836,561.00	100.00%	Uncollectible for a long period
Total	101,447,889.05	101,447,889.05	--	--

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

Applicable Inapplicable

Unit: RMB Yuan

Aging	Closing balance		
	Account receivable	Provision for bad debts	Proportion (%)
Subentry within 1 year			
	315,236.00	9,457.08	3.00%
Subtotal of within 1 year	315,236.00	9,457.08	3.00%
1-2 years	803,814.00	80,381.40	10.00%
Over 3 years	1,030,078.71	1,030,078.71	100.00%
Over 5 years	1,030,078.71	1,030,078.71	100.00%
Total	2,149,128.71	1,119,917.19	99.01%

Notes:

See note 11, (V)

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

Applicable Inapplicable

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

(2) Bad debt provision withdrawal, reversed or recovered in the report period

The amount of bad debt provision was RMB -117,627.53, the amount of reversed or recovered bad debt provision in the report period RMB Yuan

Significant amount of reversed or recovered bad debt provision

Unit: RMB Yuan

Entity	Amount	Method
Total	0.00	--

(3) Particulars of the actual verification of other accounts receivable during the reporting period

Unit: RMB Yuan

Item	Amount

Of which: significant actual verification of other accounts receivable

Unit: RMB Yuan

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

Notes:

(4) Other account receivable classified by account nature

Name of entity	Closing balance	Proportion (%)	Closing balance of withdrawing bad debt provision
Shenzhen Jiyong Properties & Resources Development Company	98,611,328.05	95.14	98,611,328.05

Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	2.74	2,836,561.00
Tianhong Shopping Plaza Co., Ltd.	1,833,892.71	1.77	1,110,460.11
Zhu Weifeng	138,600.00	0.13	4,158.00
Shenzhen Futian District Fuchang Jingzhi kindergarten	59,000.00	0.06	1,770.00
Total	103,479,381.76	99.84	102,564,277.16

(5) Account receivable derecognized due to the transfer of financial assets

N/A

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

N/A

Other notes:

2. Other account receivable**(1) Other account receivable classified by category**

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Other accounts receivable with significant single amount but individually withdrawn bad debt provision	184,010,311.48	9.76%	115,277,852.18	62.65%	68,732,459.30	232,990,941.02	18.18%	165,125,419.81	70.87%	67,865,521.21
Other accounts receivable withdrawal of bad debt provision of by credit risks characteristics:	1,699,174,579.31	90.11%	9,668,771.88	0.57%	1,689,505,807.43	1,046,295,357.04	81.63%	9,878,586.57	0.94%	1,036,416,770.47
Other accounts	2,421,32	0.13%	2,421,32	100.00%		2,421,3	0.19%	2,421,326	100.00%	

receivable with insignificant single amount but large risks of groups after grouping by credit risks characteristics	6.23		6.23			26.23		.23		
Total	1,885,606,217.02	100.00%	127,367,950.29	6.75%	1,758,238,266.73	1,281,707,624.29	100.00%	177,425,332.61	13.84%	1,104,282,291.68

Other accounts receivable with significant single amount but individually withwahn bad debt provision:

√Applicable □ Inapplicable

Unit: RMB Yuan

Other account receivable (unit)	Closing balance			
	Other account receivable	Provision for bad debts	Proportion (%)	Other account receivable
Shum Yip Properties Development Co., Ltd.	97,182,209.50	28,449,750.20	29.27%	Irrecoverable for long time
Jintian Group Co., Ltd.	56,600,000.00	56,600,000.00	100.00%	Perform guarantee item, irrecoverable
Anhui Nanpeng Papermaking Co., Ltd	7,328,480.00	7,328,480.00	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
Shenzhen GUOMAO Industrial Development Co., Ltd	2,351,652.48	2,351,652.48	100.00%	The company insolvent
Total	184,010,311.48	115,277,852.18	--	--

In the group, other accounts receivable that provision for bad debts by aging analysis:

√Applicable □ Inapplicable

Unit: RMB Yuan

Aging	Closing balance		
	Other account receivable	Provision for bad debts	Proportion (%)
Subentry within 1 year			
Within 1 year (including 1 year)	749,115.51	22,473.46	3.00%
Subtotal of within 1 year	749,115.51	22,473.46	3.00%
1-2 years	31,287.47	3,128.75	10.00%
Over 3 years	9,643,169.67	9,643,169.67	100.00%
Over 5 years	9,643,169.67	9,643,169.67	100.00%
Total	10,423,572.65	9,668,771.88	92.76%

Notes:

The basis of recognizing the group, see note 11, (V)

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

Applicable Inapplicable

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

Applicable Inapplicable

(2) Bad debt provision withdrawal, reversed or recovered in the report period

The amount of bad debt provision was RMB-781,352.45, the amount of reversed or recovered bad debt provision in the report period RMB Yuan

Significant amount of reversed or recovered bad debt provision

Unit: RMB Yuan

Entity	Amount	Method
Total	0.00	--

(3) Particulars of the actual verification of other accounts receivable during the reporting period

Unit: RMB Yuan

Item	Amount
------	--------

Of which: significant actual verification of other accounts receivable

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

Notes:

(4) Other account receivable classified by account nature

Unit: RMB Yuan

Nature	Closing book value	Opening book value
Guarantee	2,311,917.57	2,542,112.67
Petty cash advance	65,579.80	19,000.00
Account receivable to subsidiary	1,785,986,694.93	1,182,534,941.54
Account receivable to affiliated company	11,427,396.73	11,384,964.73
Account receivable non-affiliated company	80,160,366.03	79,572,343.39
Other	5,654,261.96	5,654,261.96
Total	1,885,606,217.02	1,281,707,624.29

(5) The top five other account receivable classified by debtor at period end

Unit: RMB Yuan

Entity	Nature	Closing balance	Aging	Proportion%	Closing balance of bad debt provision
PRD Yangzhou Real Estate Development Co., Ltd.	Account receivable to subsidiary	728,861,310.60	Within 3 years	38.65%	
PRD Group XuzhouDapeng Real Estate Development Co., Ltd	Account receivable to subsidiary	527,530,049.77	Within 3 years	27.98%	
Dongguan Guomao Changsheng Real Estate Development Co., Ltd.	Account receivable to subsidiary	237,541,793.00	Within 2 years	12.60%	
Shenzhen Huangcheng Real Estate Management Co., Ltd.	Account receivable to subsidiary	100,000,000.00	Within 1 years	5.30%	
Shum Yip Properties Development Co., Ltd.	Account receivable to subsidiary	97,182,209.50	Over 5 years	5.15%	28,449,750.20
Total	--	1,691,115,362.87	--	89.69%	28,449,750.20

(6) Account receivable involving government subsidies

Unit: RMB Yuan

Name of entity	Item	Closing balance	Closing aging	Estimated recovering time, amount and basis
Total	--	0.00	--	--

(7) Other account receivable derecognized due to the transfer of financial assets**(8) Amount of transfer other account receivable and assets and liabilities formed by its continuous involvement**

Other notes:

3. Other equity investment

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	bad debt provision	Book value	Book balance	bad debt provision	Book value
Investment to the subsidiary	278,521,260.98	31,964,000.00	246,557,260.98	298,521,260.98	51,964,000.00	246,557,260.98
Investment to joint venture and associate enterprise	69,379,526.10	36,490,586.69	32,888,939.41	99,602,518.36	36,490,586.69	63,111,931.67
Total	347,900,787.08	68,454,586.69	279,446,200.39	398,123,779.34	88,454,586.69	309,669,192.65

(1) Investment to the subsidiary

Unit: RMB Yuan

Entity	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		
Shenzhen Property and Real Estate Development Co., Ltd.	30,950,000.00			30,950,000.00		
PRD Yangzhou Real Estate	50,000,000.00			50,000,000.00		

Development Co., Ltd.						
Dongguan Guomao Changsheng Real Estate Development Co., Ltd.	20,000,000.00			20,000,000.00		
Shenzhen GUOMAO Vehicles Industry Co., Ltd.	29,850,000.00			29,850,000.00		
Hainan Xinda Development Co., Ltd	20,000,000.00		20,000,000.00			
SHENZHEN GUOMAO PROPERTY MANAGERMENT CO., LTD.	20,000,000.00			20,000,000.00		
Shenzhen Shenxin Taxi Co., Ltd.	12,877,260.98			12,877,260.98		
Shenzhen GUOMAO 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	15,834,000.00			15,834,000.00		15,834,000.00

Development Co., Ltd.						
PRD Group Xuzhou Dapeng Real Estate Development Co., Ltd	50,000,000.00			50,000,000.00		
Total	298,521,260.98		20,000,000.00	278,521,260.98		31,964,000.00

(2) Investment to joint ventures and associated enterprises

Unit: RMB Yuan

Name of 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	Withdrawal impairment provision	Other		
I. Joint ventures											
Shenzhen Jifa Warehouse Company Limited	29,044,077.52			836,800.87						29,880,878.39	
Shenzhen GUOMA O Tian'an Properties Co., Ltd	31,589,904.82		-29,870,437.23	-1,719,467.59							
Shenzhen Tian'an International Building Property Management Co., Ltd	2,477,949.33			530,111.69					530,111.69	3,008,061.02	

Subtotal	63,111,93 1.67		-29,870,4 37.23	-352,555. 03						32,888,93 9.41	
II. Associated enterprises											
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd	18,983,61 4.14									18,983,61 4.14	18,983,61 4.14
Shenzhen GUOMA O Industrial Development Co., Ltd	3,682,972 .55									3,682,972 .55	3,682,972 .55
Anhui Nanpeng Papermaking Co., Ltd	13,824,00 0.00									13,824,00 0.00	13,824,00 0.00
Subtotal	36,490,58 6.69									36,490,58 6.69	36,490,58 6.69
Total	99,602,51 8.36		-29,870,4 37.23	-352,555. 03						69,379,52 6.10	36,490,58 6.69

(3) Other notes**4. Revenues and operating costs**

Unit: RMB Yuan

Item	Reporting period		Same period of last year	
	Revenues	Operating costs	Revenues	Operating costs
Main operations	56,980,961.69	19,108,080.80	51,786,335.36	14,620,872.04
Other operations	9,387,672.00	6,953,574.65		
Total	66,368,633.69	26,061,655.45	51,786,335.36	14,620,872.04

Other notes:

5. Investment income

Unit: RMB Yuan

Item	Reporting period	Same period of last year
Long-term equity investment income accounted by cost method		160,000,000.00
Long-term equity investment income accounted by equity method	-352,555.03	5,164,781.52
Investment income arising from disposal of long-term equity investments	207,432,184.22	
Investment income arising from entrust loans	3,378,400.00	26,075,200.00
Total	210,458,029.19	191,239,981.52

6. Other

XVIII. Supplementary materials

1. Items and amounts of extraordinary gains and losses

Applicable Inapplicable

Unit: RMB Yuan

Item	Amount	Note
Gains/losses on the disposal of non-current assets	219,223,848.63	Mainly was the reversal of 50% equity income, and disposal of part of real estate investment of Shenzhen GUOMAO Tian'an Properties Co., Ltd
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	4,500.00	
Reversal of impairment loss of account receivable with individual impairment test	429,994.49	
Other non-operating income and expenses other than the above	-22,799,362.40	The payment to unused land expense of Fuchang phase II
Other items confirm to extraordinary gains and losses	5,895,627.11	The payment to reversal of inventory impairment loss of Fuchang phase II land
Less: Income tax effects	39,034,596.80	
Total	163,720,011.03	--

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 Inapplicable

2. Return on equity (ROE) and earnings per share (EPS)

Profit as of reporting period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	21.82%	0.7005	0.7005
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	13.26%	0.4258	0.4258

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 □ Inapplicable

Unit: RMB Yuan

	Net profit		Net assets	
	2014	2013	Closing amount	Opening amount
According to Chinese accounting standards	417,498,679.91	300,840,563.81	2,074,242,662.07	1,802,781,292.68
Items and amounts adjusted according to international accounting standards				
According to international accounting standards	417,498,679.91	300,840,563.81	2,074,242,662.07	1,802,781,292.68

(2) Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards

Name of foreign accounting standard

Unit: RMB Yuan

	Net profit		Net assets	
	2014	2013	Closing amount	Opening amount
According to Chinese accounting standards	417,498,679.91	300,840,563.81	2,074,242,662.07	1,802,781,292.68
Items and amounts adjusted according to international accounting standards				
According to international	417,498,679.91	300,840,563.81	2,074,242,662.07	1,802,781,292.68

accounting standards				
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(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

No difference

4. Supplementary materials of changes in accounting policies

Applicable Inapplicable

The Company according to such eight accounting rules of Accounting Standards for Enterprises No. 2—Long Term Equity Investment released in 2014 by Ministry of Finance change related accounting policies and retroactive restate the comparative financial statements, after restatement, the consolidated balance sheet of 1 Jan. 2013 and 31 Dec. 2013:

Unit: RMB Yuan

Item	1 Jan. 2013	31 Dec. 2013	31 Dec. 2014
Current Assets:			
Monetary funds	797,724,311.37	977,171,814.20	808,963,376.68
Accounts receivable	20,584,008.68	22,208,022.21	26,585,132.12
Accounts paid in advance	64,714,990.11	35,904,799.33	25,989,832.24
Other account receivable	6,371,689.34	7,919,365.82	6,638,425.25
Inventories	2,300,674,551.14	2,101,399,879.93	2,323,472,671.20
Other current assets	3,190,069,550.64	3,144,603,881.49	3,191,649,437.49
Total current assets			
Non-current assets:	15,302,199.55	15,302,199.55	18,493,000.00
Available-for-sale financial assets	68,947,150.15	63,111,931.67	32,888,939.41
Long term account receivable	285,258,604.17	273,314,623.03	250,014,034.94
Fixed assets	78,821,168.21	75,301,015.72	64,069,233.96
Construction in progress	57,000.00		
Intangible assets	114,098,153.11	106,945,090.07	99,792,587.03
long-term unamortized expenses	3,644,288.40	3,081,383.99	2,553,053.03
Deferred income tax assets	194,507,824.50	191,592,588.80	216,552,790.60
Other non-current assets			7,275,069.00
Total non-current assets	760,636,388.09	728,648,832.83	691,638,707.97
Total assets	3,950,705,938.73	3,873,252,714.32	3,883,288,145.46

Current liabilities:			
Short-term loans	360,000,000.00	300,000,000.00	100,000,000.00
Accounts payable	298,525,752.32	265,697,047.64	175,347,021.19
Accounts received in advance	678,075,291.01	141,082,677.48	28,756,337.08
Payroll payable	54,721,616.91	50,023,230.98	57,777,210.65
Tax payable	733,659,679.71	865,513,058.59	1,015,363,636.69
Interest payable		934,568.21	562,879.72
Other account payable	138,742,022.58	123,967,110.64	111,032,824.55
Non-current liabilities due within 1 year	12,216,666.68	64,316,666.64	5,000,000.00
Total current liability	2,275,941,029.21	1,811,534,360.18	1,493,839,909.88
Non-current liabilities:			
Long-term borrowings	19,316,666.64	116,243,352.00	177,613,352.00
Deferred income	27,152,289.97	24,459,068.33	21,765,846.69
Deferred income tax liabilities	2,739,089.94		257,625.00
Other non-current liabilities	121,538,232.98	117,372,554.07	114,706,662.76
Total non-current liabilities	170,746,279.53	258,074,974.40	314,343,486.45
Total liabilities	2,446,687,308.74	2,069,609,334.58	1,808,183,396.33
Owners' equity (or shareholders' equity)			
Paid-up capital (or share capital)	595,979,092.00	595,979,092.00	595,979,092.00
Capital reserves	120,086,646.43	120,086,646.43	119,951,533.93
Other comprehensive income	-5,882,902.45	-7,098,716.51	-4,006,141.53
Surplus reserves	102,882,532.15	121,542,385.81	136,591,232.84
Retained profits	690,091,174.80	972,271,884.95	1,225,726,944.83
Total equity attributable to owners of the Company	1,503,156,542.93	1,802,781,292.68	2,074,242,662.07
Minority interests	862,087.06	862,087.06	862,087.06
Total owners' (or shareholders') equity	1,504,018,629.99	1,803,643,379.74	2,075,104,749.13
Total liabilities and owners'	3,950,705,938.73	3,873,252,714.32	3,883,288,145.46

(or shareholders') equity			
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5. Other

Inapplicable

Section XII. Documents Available For Reference

- I. Accounting statements with the signatures and seals of the Legal Representative, the Chief Financial Officer and the person in charge of the accounting work;
- II. Originals of Auditors' Reports with the seals of the Certified Public Accountants as well as the signatures and seals of the CPAs firm;
- III. 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.