

Financial Report

I. Auditor's Report

Whether the semi-annual report has been audited?

Yes No

The semi-annual report of the Company has not been audited.

II. Financial Statements

The unit of the financial statements attached: RMB

1. Consolidated Balance Sheet

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

June 30, 2017

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	2,259,441,557.08	2,869,755,216.85
Settlement reserve		
Interbank lendings		
Financial assets at fair value through profit/loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	40,558,549.40	31,564,219.86
Accounts paid in advance	104,188,676.90	120,532,275.38
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserve		
Interest receivable		
Dividends receivable		
Other accounts receivable	12,144,073.81	9,542,311.30
Financial assets purchased under agreements to resell		

Inventories	2,466,473,592.96	2,585,658,521.65
Assets held for sale		
Non-current assets due within one year		
Other current assets	26,450,414.00	10,977,557.15
Total current assets	4,909,256,864.15	5,628,030,102.19
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	18,113,241.23	17,503,714.14
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments	38,164,704.03	36,751,891.12
Investment property	418,528,217.82	427,800,613.03
Fixed assets	74,177,948.81	73,932,007.89
Construction in progress		
Engineering materials		
Disposal of fixed assets	85,726.84	85,556.34
Productive living assets		
Oil-gas assets		
Intangible assets	81,911,329.43	85,487,580.95
R&D expenses		
Goodwill		
Long-term deferred expense	1,232,225.63	1,496,391.11
Deferred income tax assets	395,789,839.43	375,997,063.33
Other non-current assets		7,271,224.00
Total non-current assets	1,028,003,233.22	1,026,326,041.91
Total assets	5,937,260,097.37	6,654,356,144.10
Current liabilities:		
Short-term borrowings		
Borrowings from the Central Bank		
Money deposits accepted and inter-bank deposits		
Interbank borrowings		
Financial liabilities at fair value through profit/loss		

Derivative financial liabilities		
Notes payable		
Accounts payable	353,291,549.78	419,926,139.39
Accounts received in advance	1,517,598,186.69	2,231,321,227.65
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	49,356,426.53	67,340,897.51
Taxes payable	1,073,157,332.64	1,254,999,384.73
Interest payable		
Dividends payable	29,642.40	
Other accounts payable	146,694,948.33	132,082,174.54
Reinsurance premiums payable		
Insurance contract reserve		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	3,140,128,086.37	4,105,669,823.82
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term accounts payable		
Long-term payroll payable		
Special payables		
Provisions		5,201,315.32
Deferred income	15,032,796.59	16,379,403.41
Deferred income tax liabilities	11,109.20	14,487.51
Other non-current liabilities	115,269,607.09	115,794,291.23
Total non-current liabilities	130,313,512.88	137,389,497.47

Total liabilities	3,270,441,599.25	4,243,059,321.29
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	119,951,533.93	119,951,533.93
Less: Treasury shares		
Other comprehensive income	-2,255,407.26	-697,548.70
Special reserve		
Surplus reserve	253,569,569.96	253,569,569.96
Provisions for general risks		
Retained earnings	1,698,711,622.43	1,441,632,088.56
Equity attributable to owners of the Company	2,665,956,411.06	2,410,434,735.75
Minority interests	862,087.06	862,087.06
Total owners' equity	2,666,818,498.12	2,411,296,822.81
Total liabilities and owners' equity	5,937,260,097.37	6,654,356,144.10

Legal representative: Chen Yugang

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

Chief of the accounting division: Shen Xueying

2. Balance Sheet of the Company

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	1,567,677,561.92	1,566,655,340.88
Financial assets at fair value through profit/loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	1,467,089.48	554,834.29
Accounts paid in advance	496,729.09	34,080,739.67
Interest receivable		
Dividends receivable		350,000,000.00

Other accounts receivable	1,110,718,544.09	1,387,640,781.32
Inventories	303,713,408.60	473,719,042.17
Assets held for sale		
Non-current assets due within one year		
Other current assets	85,558.19	1,241,108.66
Total current assets	2,984,158,891.37	3,813,891,846.99
Non-current assets:		
Available-for-sale financial assets	3,843,741.23	3,234,214.14
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments	284,721,966.01	283,309,153.10
Investment property	346,164,934.07	352,884,137.98
Fixed assets	8,215,844.12	8,696,554.63
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets		
R&D expenses		
Goodwill		
Long-term deferred expense	1,037,856.99	1,124,345.13
Deferred income tax assets	191,087,501.74	163,663,557.65
Other non-current assets		
Total non-current assets	835,071,844.16	812,911,962.63
Total assets	3,819,230,735.53	4,626,803,809.62
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit/loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	121,769,059.23	162,541,223.07
Accounts received in advance	5,246,313.11	931,886,153.43

Payroll payable	8,713,843.39	9,532,230.14
Taxes payable	683,161,515.00	551,593,062.41
Interest payable		
Dividends payable	29,642.40	
Other accounts payable	155,052,046.58	758,082,233.48
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	973,972,419.71	2,413,634,902.53
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Special payables		
Provisions		5,201,315.32
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		5,201,315.32
Total liabilities	973,972,419.71	2,418,836,217.85
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	94,057,859.68	94,057,859.68
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	252,912,759.52	252,912,759.52
Retained earnings	1,902,308,604.62	1,265,017,880.57

Total owners' equity	2,845,258,315.82	2,207,967,591.77
Total liabilities and owners' equity	3,819,230,735.53	4,626,803,809.62

3. Consolidated Income Statement

Unit: RMB

Item	January-June 2017	January-June 2016
1. Operating revenues	1,317,146,732.43	372,057,479.96
Including: Sales income	1,317,146,732.43	372,057,479.96
Interest income		
Premium income		
Fee and commission income		
2. Operating costs	845,284,867.98	376,637,158.32
Including: Cost of sales	498,581,168.93	295,007,821.86
Interest expenses		
Fee and commission expenses		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and surtaxes	357,170,022.95	23,744,962.40
Selling expenses	10,856,348.95	16,539,759.59
Administrative expenses	52,072,280.85	44,572,155.45
Finance costs	-17,763,773.52	-7,038,438.94
Asset impairment loss	-55,631,180.18	3,810,897.96
Add: Profit on fair value changes ("-" means loss)		
Investment income ("-" means loss)	1,412,812.91	1,158,576.32
Including: Share of profit/loss of associates and joint ventures	1,412,812.91	1,158,576.32
Exchange gains ("-" means loss)		
Other gains		
3. Operating profit ("-" means loss)	473,274,677.36	-3,421,102.04
Add: Non-operating income	608,155.97	1,083,100.40

Including: Profit on disposal of non-current assets	23,539.00	
Less: Non-operating expense	5,903,749.22	298,722.50
Including: Loss on disposal of non-current assets	13,282.17	6,300.00
4. Total profit (“-” means loss)	467,979,084.11	-2,636,724.14
Less: Corporate income tax	103,623,313.68	2,611,980.49
5. Net profit (“-” means loss)	364,355,770.43	-5,248,704.63
Net profit attributable to owners of the Company	364,355,770.43	-5,248,704.63
Minority interests’ income		
6. Other comprehensive income net of tax	-1,557,858.56	1,000,816.76
Other comprehensive income net of tax attributable to owners of the Company	-1,557,858.56	1,000,816.76
6.1 Other comprehensive income that will not be reclassified into profit/loss		
6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
6.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method		
6.2 Other comprehensive income to be subsequently reclassified into profit/loss	-1,557,858.56	1,000,816.76
6.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method		
6.2.2 Profit/loss on fair value changes of available-for-sale financial assets		
6.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective profit/loss on cash flow hedges		
6.2.5 Currency translation	-1,557,858.56	1,000,816.76

differences		
6.2.6 Other		
Other comprehensive income net of tax attributable to minority interests		
7. Total comprehensive income	362,797,911.87	-4,247,887.87
Attributable to owners of the Company	362,797,911.87	-4,247,887.87
Attributable to minority interests		
8. Earnings per share		
8.1 Basic earnings per share	0.6114	-0.0088
8.2 Diluted earnings per share	0.6114	-0.0088

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

Legal representative: Chen Yugang

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

Chief of the accounting division: Shen Xueying

4. Income Statement of the Company

Unit: RMB

Item	January-June 2017	January-June 2016
1. Operating revenues	940,995,898.09	32,157,014.88
Less: Operating costs	178,852,582.93	7,594,195.01
Taxes and surtaxes	353,391,182.19	2,899,233.08
Selling expenses	2,010,949.91	6,136,543.02
Administrative expenses	18,830,274.59	14,880,235.70
Finance costs	-9,769,289.38	-4,131,129.54
Asset impairment loss	-654,008.70	-1,191,328.44
Add: profit on fair value changes (“-” means loss)		
Investment income (“-” means loss)	449,788,115.18	1,158,576.32
Including: Share of profit/loss of associates and joint ventures	1,412,812.91	1,158,576.32
Other gains		
2. Operating profit (“-” means loss)	848,122,321.73	7,127,842.37
Add: Non-operating income	137,354.81	437,769.89
Including: Profit on disposal of		

non-current assets		
Less: Non-operating expense	5,530,004.77	19,444.98
Including: Loss on disposal of non-current assets	776.25	
3. Total profit (“-” means loss)	842,729,671.77	7,546,167.28
Less: Corporate income tax	98,162,711.16	2,233,667.81
4. Net profit (“-” means loss)	744,566,960.61	5,312,499.47
5. Other comprehensive income net of tax		
5.1 Other comprehensive income that will not be reclassified into profit and loss		
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
5.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method		
5.2 Other comprehensive income to be subsequently reclassified into profit/loss		
5.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method		
5.2.2 Profit/loss on fair value changes of available-for-sale financial assets		
5.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective profit/loss on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	744,566,960.61	5,312,499.47
7. Earnings per share		
7.1 Basic earnings per share	1.2493	0.0089
7.2 Diluted earnings per share	1.2493	0.0089

5. Consolidated Cash Flow Statement

Unit: RMB

Item	January-June 2017	January-June 2016
1. Cash flows associated with operating activities:		
Cash received from sale of commodities and rendering of service	654,313,106.92	2,343,478,998.38
Net increase in money deposits from customers and interbank placements		
Net increase in loans from the Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment fund		
Net increase in disposal of financial assets at fair value through profit/loss		
Interest, fees and commissions received		
Net increase in interbank borrowings		
Net increase in funds in repurchase business		
Tax refunds received		
Cash generated by other operating activities	22,545,465.74	21,560,365.45
Subtotal of cash generated by operating activities	676,858,572.66	2,365,039,363.83
Cash paid for goods and services	266,068,343.54	310,221,091.98
Net increase in loans and advances to customers		
Net increase in funds deposited in the Central Bank and interbank placements		
Cash paid for claims of original insurance contracts		
Interest, fees and commissions paid		
Cash paid as policy dividends		
Cash paid to and for employees	172,144,904.82	171,546,331.67

Taxes paid	694,201,173.52	336,887,702.10
Cash used in other operating activities	44,981,839.31	37,127,743.29
Subtotal of cash used in operating activities	1,177,396,261.19	855,782,869.04
Net cash generated by operating activities	-500,537,688.53	1,509,256,494.79
2. Cash flows associated with investing activities:		
Cash received from retraction of investments		
Cash received as investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,978.00	132,000.00
Net cash received from disposal of subsidiaries or other business units		
Cash generated by other investing activities		
Subtotal of cash generated by investing activities	2,978.00	132,000.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	921,803.49	1,377,993.48
Cash paid for investment		
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	921,803.49	1,377,993.48
Net cash generated by investing activities	-918,825.49	-1,245,993.48
3. Cash flows associated with financing activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received as borrowings		15,441,282.23

Cash received from issuance of bonds		
Cash generated by other financing activities		
Subtotal of cash generated by financing activities		15,441,282.23
Repayment of borrowings		289,524,641.06
Cash paid for interest expenses and distribution of dividends or profit	107,246,594.16	52,096,691.04
Including: dividends or profit paid by subsidiaries to minority interests		
Cash used in other financing activities		96,000.00
Sub-total of cash used in financing activities	107,246,594.16	341,717,332.10
Net cash generated by financing activities	-107,246,594.16	-326,276,049.87
4. Effect of foreign exchange rate changes on cash and cash equivalents	-1,610,551.59	983,708.47
5. Net increase in cash and cash equivalents	-610,313,659.77	1,182,718,159.91
Add: Opening balance of cash and cash equivalents	2,857,353,056.85	933,337,815.77
6. Closing balance of cash and cash equivalents	2,247,039,397.08	2,116,055,975.68

6. Cash Flow Statement of the Company

Unit: RMB

Item	January-June 2017	January-June 2016
1. Cash flows associated with operating activities:		
Cash received from sale of commodities and rendering of service	29,690,910.90	1,367,709,105.57
Tax refunds received		
Cash generated by other operating activities	701,712,992.57	1,221,576,035.84
Subtotal of cash generated by operating activities	731,403,903.47	2,589,285,141.41
Cash paid for goods and services	40,558,204.30	76,068,523.48
Cash paid to and for employees	10,970,470.99	11,613,157.13
Taxes paid	331,025,759.51	180,302,568.05

Cash used in other operating activities	1,038,887,842.64	1,239,239,191.25
Subtotal of cash used in operating activities	1,421,442,277.44	1,507,223,439.91
Net cash generated by operating activities	-690,038,373.97	1,082,061,701.50
2. Cash flows associated with investing activities:		
Cash received from retraction of investments		
Cash received as investment income	798,375,302.27	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,320.00	
Net cash received from disposal of subsidiaries or other business units		
Cash generated by other investing activities		
Subtotal of cash generated by investing activities	798,376,622.27	
Cash paid to acquire fixed assets, intangible assets and other long-term assets	65,194.99	15,072.00
Cash paid for investment		
Net cash paid to acquire subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	65,194.99	15,072.00
Net cash generated by investing activities	798,311,427.28	-15,072.00
3. Cash flows associated with financing activities:		
Cash received from capital contributions		
Cash received as borrowings		15,441,282.23
Cash received from issuance of bonds		
Cash generated by other financing activities		
Subtotal of cash generated by financing activities		15,441,282.23

Repayment of borrowings		422,491,189.06
Cash paid for interest expenses and distribution of dividends or profit	107,246,594.16	54,721,045.91
Cash used in other financing activities		
Sub-total of cash used in financing activities	107,246,594.16	477,212,234.97
Net cash generated by financing activities	-107,246,594.16	-461,770,952.74
4. Effect of foreign exchange rate changes on cash and cash equivalents	-4,238.11	-35,796.93
5. Net increase in cash and cash equivalents	1,022,221.04	620,239,879.83
Add: Opening balance of cash and cash equivalents	1,566,655,340.88	296,196,656.86
6. Closing balance of cash and cash equivalents	1,567,677,561.92	916,436,536.69

7. Consolidated Statement of Changes in Owners' Equity

January-June 2017

Unit: RMB

Item	January-June 2017												
	Equity attributable to owners of the Company										Minority interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve			Retained earnings
	Preference shares	Perpetual bonds	Other										
1. Balance at the end of the prior year	595,979,092.00				119,951,533.93		-697,548.70		253,569,569.96		1,441,632,088.56	862,087.06	2,411,296,822.81
Add: Changes in accounting policies													
Correction of errors in prior periods													
Business mergers under the same control													
Other													

2. Balance at the beginning of the year	595,979,092.00				119,951,533.93		-697,548.70		253,569,569.96		1,441,632,088.56	862,087.06	2,411,296,822.81
3. Increase/decrease in the period (“-” means decrease)							-1,557,858.56				257,079,533.87		255,521,675.31
3.1 Total comprehensive income							-1,557,858.56				364,355,770.43		362,797,911.87
3.2 Capital increased and reduced by owners													
3.2.1 Ordinary shares increased by shareholders													
3.2.2 Capital increased by holders of other equity instruments													
3.2.3 Amounts of share-based payments charged to owners' equity													
3.2.4 Other													
3.3 Profit distribution											-107,276,236.56		-107,276,236.56
3.3.1 Appropriation to surplus reserve													
3.3.2 Appropriation to general risk provisions													
3.3.3 Appropriation to owners (or shareholders)											-107,276,236.56		-107,276,236.56
3.3.4 Other													

3.4 Internal carry-forward of owners' equity													
3.4.1 New increase of capital (or share capital) from capital reserve													
3.4.2 New increase of capital (or share capital) from surplus reserve													
3.4.3 Surplus reserve for making up loss													
3.4.4 Other													
3.5 Special reserve													
3.5.1 Withdrawn for the period													
3.5.2 Used in the period													
3.6 Other													
4. Closing balance	595,979,092.00				119,951,533.93		-2,255,407.26		253,569,569.96		1,698,711,622.43	862,087.06	2,666,818,498.12

January-June 2016

Unit: RMB

Item	January-June 2016												Minority interest	Total owners' equity
	Equity attributable to owners of the Company													
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve				
	Preference shares	Perpetual bonds	Other											
1. Balance at the end of the prior year	595,979,092.00				119,951,533.93		-4,046,603.46		154,664,631.59		1,233,358,112.55	862,087.06	2,100,768,853.67	
Add: Changes in accounting														

policies													
Correction of errors in prior periods													
Business mergers under the same control													
Other													
2. Balance at the beginning of the year	595,979,092.00				119,951,533.93		-4,046,603.46		154,664,631.59		1,233,358,112.55	862,087.06	2,100,768,853.67
3. Increase/decrease in the period (“-” means decrease)							1,000,816.76				-52,927,031.99		-51,926,215.23
3.1 Total comprehensive income							1,000,816.76				-5,248,704.63		-4,247,887.87
3.2 Capital increased and reduced by owners													
3.2.1 Ordinary shares increased by shareholders													
3.2.2 Capital increased by holders of other equity instruments													
3.2.3 Amounts of share-based payments charged to owners’ equity													
3.2.4 Other													
3.3 Profit distribution											-47,678,327.36		-47,678,327.36
3.3.1 Appropriation to surplus reserve													
3.3.2 Appropriation to general risk													

provisions													
3.3.3 Appropriation to owners (or shareholders)												-47,678,327.36	-47,678,327.36
3.3.4 Other													
3.4 Internal carry-forward of owners' equity													
3.4.1 New increase of capital (or share capital) from capital reserve													
3.4.2 New increase of capital (or share capital) from surplus reserve													
3.4.3 Surplus reserve for making up loss													
3.4.4 Other													
3.5 Special reserve													
3.5.1 Withdrawn for the period													
3.5.2 Used in the period													
3.6 Other													
4. Closing balance	595,979,092.00				119,951,533.93		-3,045,786.70		154,664,631.59			1,180,431,080.56	2,048,842,638.06

8. Statement of Changes in Owners' Equity of the Company

January-June 2017

Unit: RMB

Item	January-June 2017										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive	Special reserve	Surplus reserve	Retained earnings	Total owners' equity
		Preference	Perpetual bonds	Other							

		shares					income				
1. Balance at the end of the prior year	595,979,092.00				94,057,859.68			252,912,759.52	1,265,017,880.57	2,207,967,591.77	
Add: Changes in accounting policies											
Correction of errors in prior periods											
Other											
2. Balance at the beginning of the year	595,979,092.00				94,057,859.68			252,912,759.52	1,265,017,880.57	2,207,967,591.77	
3. Increase/decrease in the period (“-” means decrease)									637,290,724.05	637,290,724.05	24.05
3.1 Total comprehensive income									744,566,960.61	744,566,960.61	
3.2 Capital increased and reduced by owners											
3.2.1 Ordinary shares increased by shareholders											
3.2.2 Capital increased by holders of other equity instruments											
3.2.3 Amounts of share-based payments charged to owners' equity											
3.2.4 Other											
3.3 Profit distribution									-107,276,236.56	-107,276,236.56	
3.3.1											

Appropriation to surplus reserve											
3.3.2 Appropriation to owners (or shareholders)										-107,276,236.56	-107,276,236.56
3.3.3 Other											
3.4 Internal carry-forward of owners' equity											
3.4.1 New increase of capital (or share capital) from capital reserve											
3.4.2 New increase of capital (or share capital) from surplus reserve											
3.4.3 Surplus reserve for making up loss											
3.4.4 Other											
3.5 Special reserve											
3.5.1 Withdrawn for the period											
3.5.2 Used in the period											
3.6 Other											
4. Closing balance	595,979,092.00				94,057,859.68				252,912,759.52	1,902,308,604.62	2,845,258,315.82

January-June 2016

Unit: RMB

Item	January-June 2016										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total owners' equity
		Preference shares	Perpetual bonds	Other							

1. Balance at the end of the prior year	595,979,092.00				94,057,859.68				154,007,821.15	422,551,762.58	1,266,596,535.41
Add: Changes in accounting policies											
Correction of errors in prior periods											
Other											
2. Balance at the beginning of the year	595,979,092.00				94,057,859.68				154,007,821.15	422,551,762.58	1,266,596,535.41
3. Increase/decrease in the period (“-” means decrease)										-42,365,827.89	-42,365,827.89
3.1 Total comprehensive income										5,312,499.47	5,312,499.47
3.2 Capital increased and reduced by owners											
3.2.1 Ordinary shares increased by shareholders											
3.2.2 Capital increased by holders of other equity instruments											
3.2.3 Amounts of share-based payments charged to owners' equity											
3.2.4 Other											
3.3 Profit distribution										-47,678,327.36	-47,678,327.36
3.3.1 Appropriation to surplus reserve											
3.3.2										-47,678,327.36	-47,678,327.36

Appropriation to owners (or shareholders)										327.36	27.36
3.3.3 Other											
3.4 Internal carry-forward of owners' equity											
3.4.1 New increase of capital (or share capital) from capital reserve											
3.4.2 New increase of capital (or share capital) from surplus reserve											
3.4.3 Surplus reserve for making up loss											
3.4.4 Other											
3.5 Special reserve											
3.5.1 Withdrawn for the period											
3.5.2 Used in the period											
3.6 Other											
4. Closing balance	595,979,092.00				94,057,859.68				154,007,821.15	380,185,934.69	1,224,230,707.52

III Company profile

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

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

Up to June 30, 2017, the registered capital of the Company was RMB595,979,092 and the paid-in capital was RMB595,979,092.

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

Organization form: joint-stock company with limited liability

Registered office: Shenzhen Municipal, Guangdong Province, PRC

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

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

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

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

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

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

4. Authorization and date of issuing the financial statements

The financial statements were approved and authorized for issue by the 18th Session of the 8th Board of the Directors on August 30, 2017.

Up to the end of this Reporting Period, there were 26 subsidiaries included in the consolidation financial statement, and for the details, please refer to Note (IX) 1 herein.

For the changes of consolidation financial statement scope of this Reporting Period, please refer to Note (VIII) herein.

IV Basis for the preparation of financial statements

1. Preparation basis

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

2. Continuation

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

V Important accounting policies and estimations

Indication of specific accounting policies and estimations:

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

1. Statement of compliance with Enterprise accounting standards

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

2. Fiscal period

The Group's fiscal year 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

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

5. Accounting method of business combination under the common control and not under the common control

(1) The Group adopts equity method for business combination under common control. The assets and liabilities that the combining party obtained in a business combination shall be measured on their carrying amount in the combined party on the combining date. The difference between the carrying amount of net assets acquired by the combining party and the carrying amount of the consideration paid by it (or the total par value of the shares issued) shall be adjusted to capital surplus. If the capital surplus is not sufficient for adjustment, retained earnings is adjusted respectively. The business combination costs that are directly attributable to the combination, such as audit fees, valuation fees, and legal service fees and so on are recognized in profit or loss during the current period when they occurred. The bonds issued for a business combination or the handling fees, commissions and other expenses for bearing other liabilities shall be recorded in the amount of initial measurement of the bonds or other debts. The

handling fees, commissions and other expenses for the issuance of equity securities for the business combination shall be credited against the surplus of equity securities; if the surplus is not sufficient, the retained earnings shall be offset. Where a relationship between a parent company and a subsidiary company is formed due to a business combination, the parent company shall, on the combining date, prepare consolidated financial statements according to the accounting policy of the Company; the period of the adjustment of the compared data of the consolidation financial statement should earlier than the later time under the control of the ultimate control party of the combine party and the combined party.

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

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

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

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

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

The acquirer shall distribute the combination costs on the acquisition date, and shall recognize all identifiable assets, liabilities and contingent liabilities it obtains from the acquiree. (1) the acquirer shall recognize the difference that the combination costs are over the fair value of the identifiable net assets obtained from acquiree as goodwill; (2) if the combination costs are less than the fair value of the identifiable net assets obtained from acquiree, the acquirer shall reexamine the measurement of the fair values of the identifiable assets, liabilities and

contingent liabilities obtained from the acquiree as well as the combination costs; and then after the reexamination, the result is still the same, the difference shall be recorded in the profit and loss of the current period.

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

6. Methods for preparing consolidated financial statements

(1) Consolidation scope

The consolidation scope for financial statements is determined on the basis of control, including the annual financial statement up to 31 Dec. 2016 of the Company and whole subsidiaries. The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. A subsidiary is an enterprise or entity controlled by the Group (including the segmental part among the enterprises and investees as well as the structuralized main bodies etc.) The term "control" is the power of the Group upon an investee, with which it can take part in relevant activities of the investee to obtain variable returns and is able to influence the amount of returns.

(2) Methods for preparing the consolidated financial statements

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

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

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

(3) Statement of minority interests and profits or losses

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

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

(4) Accounting treatment of excess losses

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

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

For any subsidiary acquired by the Company through business combination under the common control, when the consolidated balance sheet for the current period are being prepared, the amount at the beginning of the period in the consolidated balance sheet is made corresponding modification. For addition business combination not under

common control during this Reporting Period, the Company makes no adjustment for the amount at the beginning of the period in the consolidated balance sheet. When disposing subsidiary during this Reporting Period, the Company makes no adjustment for the amount at the beginning of the period in the consolidated balance sheet.

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

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

The balance between the newly gained long-term equity investment owing 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 earnings is adjusted respectively.

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

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

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

are economic.

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

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

(1) Category of joint arrangements

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

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

For the details of the basis of recognizing the joint control and the accounting policies of the measurement of the joint venture, please refer to Notes (V) 13.

(2) Accounting treatment of joint operations

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

When the Group, as a joint operator, transfers or sells assets (except for the assets constituting business) to the joint operation, before the assets are sold to a third party, the Group only recognizes the share of the other joint

operators in the gains and losses arising from the sale. Where impairment occurs to the assets as prescribed in <The Accounting Standard No. 8 for Business Enterprises—Asset Impairment>, the Group shall fully 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 this Reporting Period) ruling at the transaction date. The foreign exchange difference arisen from the translation of foreign

currency financial statements shall be presented separately under the owner's equity in the balance sheet. The translation of comparative financial statements shall be subject to the aforesaid provisions.

10. Financial instruments

(1) Recognition of the financial instruments

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

(2) Category and measurement of the financial assets

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

A. Financial assets 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 planned to settle by net amount or at the same time discounted the financial assets and liquidated the financial liabilities. For the transfer of the financial assets not satisfy the de-recognition conditions, the transfer-out party should not offset the transfer financial assets and the relevant liabilities.

11. Receivables

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

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

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

Name of portfolios	Bad debt provision method
Portfolios 1 (accounts receivable among the companies within the consolidated scope of the Group)	Other method
Portfolios 2 (accounts receivable except for the portfolios 1 which had not been impaired after the independent test, and the Company analyzed and recognized the ratio of the withdrawal of the bad debt provision combined with the current situation and based on the actual losses rate of the accounts receivable group which possessed the similar credit risk characteristics divided according to the aging phase that were the same as or similar to the previous years)	Aging of accounts

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

Applicable Not applicable

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

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

Applicable Not applicable

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

√ Applicable □ Not applicable

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

(3) Accounts receivable with an insignificant single amount but for which the bad debt provision is made individually

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

12. Inventory

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

Yes

Real estate industry

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

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

- ① the economic benefits related to the inventory possibility would flow into the enterprise;
- ② the cost of the inventory could be reliably calculated.

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

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

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

① Estimation of net realizable value:

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

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

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

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

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

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

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

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

13. 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 assets measured by fair value, contracts rights occurred from the insurance contracts 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 includes 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 earnings 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 earnings 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 earnings is adjusted respectively.

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

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

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

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

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

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

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

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

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

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

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

(2) Subsequent measurement

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

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

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

simultaneously.

After acquired the long-term equity investment, respectively recognize investment income and other comprehensive income according to the net gains and losses as well as the portion of other comprehensive income which should be enjoyed or be shared, and at the same time adjust the book value of the long-term equity investment; corresponding reduce the book value of the long-term equity investment according to profits which be declared to distribute by the investees or the portion of the calculation of cash dividends which should be enjoyed; for the other changes except for the net gains and losses, other comprehensive income and the owners' equity except for the profits distribution of the investees, should adjust the book value of the long-term equity investment as well as include in the owners' equities. The investing enterprise shall, on the ground of the fair value of all identifiable assets of the invested entity when it obtains the investment, recognize the attributable share of the net profits and losses of the invested entity after it adjusts the net profits of the invested entity. If the accounting policies adopted by the investees 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.

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

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

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

④ Where any other investor increases its investment in a subsidiary of the Group, causing a decreased shareholding of the Group in the subsidiary and the cease of the Group's control over the subsidiary, but the Group is still able to execute joint control or have significant influence over the subsidiary, the measurement method of the said long-term equity investment of the Group in the subsidiary shall change from the cost method to the equity method in the individual financial statements. Firstly, the difference between the share of the Group in the increment in the subsidiary's net assets as per the Group's new shareholding percentage in the subsidiary and the former book value of the said long-term equity investment associated with the shareholding decrease that

should be carried forward shall be recorded into the current profits and losses; and then the said long-term equity investment shall be restated as per the Group's new shareholding percentage in the subsidiary as if the equity method had been adopted in the measurement of the said long-term equity investment since it was obtained by the Group.

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

Joint control, refers to the control jointly owned according to the relevant agreement on an arrangement by the Group and the relevant activities of the arrangement should be decided only after the participants which share the control right make consensus. Significant influence refers to the power of the Group which could anticipate in the finance and the operation 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;
- ③ Property that has already been rented.

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

- ① It is probable that the future economic benefits that are associated with the investment property will flow to the Company;
- ② The cost of the investment property can be measured reliably.

(3) Initial measurement

An investment property is measured initially at its cost.

- ① The cost of a purchased investment property comprises its purchase price, related tax expenses and any directly attributable expenditure.
- ② The cost of a self-constructed investment property comprises all necessary construction expenditures incurred before the property is ready for its intended use.
- ③ The cost of a property acquired by other means shall be recognized according to relevant accounting standards.

(4) Subsequent measurement

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

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

The Group values the investment property measured using cost model at the lower of its cost and its recoverable amount at the end of the period. Where the cost exceeds the recoverable amount, the difference shall be

recognized as impairment loss. Once a provision for impairment loss is made, it cannot be reversed.

16. Fixed assets

(1) Recognized standard

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

(2) Depreciation methods

Category of fixed assets	Depreciation method	Depreciation year	Salvage ratio	Annual depreciation ratio
Housing and building	Straight-line depreciation	20-25	5-10%	3.8-4.5%
Transportation vehicle	Straight-line depreciation	5	5%	19%
Electronic and other equipments	Straight-line depreciation	5	5%	19%
Decoration of fixed assets	Straight-line depreciation	5	0%	20%

Subsequent expenditure related to the fixed assets should accrued into the cost of fixed assets if met with the stipulated reorganization conditions of fixed assets; if not, should accrued directly into the current gains and losses when occurred.

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

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

(3) Recognition basis, pricing and depreciation method of fixed assets by finance lease

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

17. Construction in progress

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

(2) The Company should transfer the construction in progress into fixed 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 be recognized as fixed assets according to the estimated value as well as withdrawn and depreciated; after executing the completion settlement procedure, it should adjust the original provisional estimate value according to the actual cost but not the original withdrawn 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 the current period.

Capitalization of borrowing costs should be suspended during periods in which the acquisition or construction is interrupted abnormally, and the interruption period is three months or longer. These borrowing costs should be recognized directly in profit or loss during the current period. However, capitalization of borrowing costs during the suspended periods should continue when the interruption is a necessary part of the process of bringing the asset to working condition for its intended use.

Capitalization of borrowing costs ceases when the qualifying asset being acquired or constructed is substantially ready for its intended use. Subsequent borrowing costs should be expensed off during the period in which they are incurred.

The term "assets eligible for capitalization" refers to the fixed assets, investment real estate, inventories and other assets, of which the acquisition and construction or production may take quite a long time to get ready for its intended use or for sale.

(2) Calculation method of capitalized amount of borrowing costs

To the extent that funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of the borrowing.

To the extent that funds are borrowed generally and used for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the weighted average of excess of accumulated expenditures on qualifying asset over that on specific purpose borrowing. The capitalization rate is the weighted average rate of the general borrowings.

During the period of capitalization, the exchange balance on foreign currency special borrowings shall be

capitalized; the exchange balance on foreign currency general borrowings shall be recorded into current profits and losses.

19. Biological assets

Not applicable

20. Oil-gas assets

Not applicable

21. Intangible assets

(1) Pricing method, useful life and impairment test

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

(1) Recognition of intangible asset:

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

- ① It is probable that the economic benefits associated with that asset will flow to the Company;
- ② The cost of that asset can be measured reliably.

(2) Measurement of intangible assets

- ① An intangible asset is measured initially at its cost.
- ② Subsequent measurement of intangible assets

A. For an intangible asset with finite useful life, the Company estimates its useful life at the time of acquisition and amortizes it during its useful life in a reasonable and systematic way. The amount of amortization is allocated to relevant costs and expenses according to the nature of beneficial items. The Company does not amortize intangible asset with infinite useful life.

At the end of period, the Group shall check the service life and amortization method of intangible assets with finite service life, if there is any change, it shall be regarded as a change of the accounting estimates. Besides, the Group shall check the service life of intangible assets without certain service life, if there is any evidence showing that the period of intangible assets to bring the economic benefits to the enterprise can be prospected, it shall be estimated the service life and amortized in accordance with the amortization policies for intangible assets with finite service life.

B. Impairment of the intangible assets should be executed according to the accounting policies of "Long-term assets impairment" formulated by the Group.

(2) Accounting policies of internal R & D expenses

Not applicable

22. Impairment of long-term assets

Following indications indicate that there occurs the impairment:

- (1) The current market price of the assets greatly decreased with the range of a price drop obviously higher than the estimated decline 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 recovery by impairment test-estimations when there are impairment indications. The recoverable amount is recognized through the fair value of the assets which minus the higher one between the net amount after disposal and the current value of the assets estimated future cash flow. If the recoverable amount lower than the book value of the assets, the book value should be written down as the recoverable amount with the written-down amount be recognized as the assets impairment losses and included in the current gains and losses and at the same time withdraw the assets impairment provision.

If there are indications indicate any asset occur impairment, the Group usually estimates its recoverable amount base on the individual asset. If it is difficult to estimate the recoverable amount of the individual asset, which asset group it belongs to should be recognized the recoverable amount base on the asset group.

The asset group is the smallest asset group that could be recognized by the Group, and its cash inflow is basically independent of other asset or asset group. The asset group is composed by the relevant assets which create the cash inflow. The recognition of the asset group is based on whether the main cash inflow caused by the asset group is independent of the cash inflow of the other assets or the asset group.

The Group executes the impairment test every year on the goodwill formed by the enterprise combination and the intangible assets with uncertain service life no mater there are impairment indications or not. The impairment test of the goodwill is executed by combining with the relevant asset group or the asset group combination.

Once the asset impairment losses had been recognized, should not be reversed in the accounting period afterwards.

23. Amortization method of long-term deferred expenses

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

24. Payroll

(1) Accounting treatment of short-term compensation

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

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

(2) Accounting treatment of the welfare after demission

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

A. Defined contribution plans

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

B. Defined benefit plans

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

(3) Accounting treatment of the demission welfare

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

(4) Accounting treatment of the welfare of the long-term employees

The Group provides the other long-term employee 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 Group 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

Not applicable

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

Not applicable

28. Revenue

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

Yes

Real estate industry

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

(1) Commodities sales revenues

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

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

(2) Provide labor income

The labor income provided by the Group mainly comes from property management income, project supervision service income and catering service income.

Property management income: the property management income is realized when the property management service has been provided and the service fee as agreed with the owner is able to flow into the enterprise.

Other labor income: the labor income is realized when the labor service has been provided and the related economic interest is able to flow into the enterprise and related cost is able to be reliably measured.

(3) Income from transferring asset use right

The income from transferring asset use right includes property lease income, taxi income, interest income and other use right income.

Property lease income: the property lease income is realized by the method of straight line as agreed in the lease contract or agreement signed with the leasee. If there are lease periods free of any rent, the lessor shall distribute the total rent, not deducting the rent during those periods free of any rent, within the entire lease period by the method of straight line or other reasonable means. During the periods free of any rent, the lessor shall recognize the lease income.

Taxi income: the taxi income is recognized as the contract amount agreed under the contracting contract or agreement signed with the contractor.

Interest income: the interest income is recognized by the duration you use the Company's cash and the applicable interest rate. The fee income is recognized by the charging time and method as regulated in related contract or agreement.

Income from other use right: the income from transferring asset use right is recognized when the income amount is able to be reliably measured and related economic interest is possible to flow into the enterprise.

29. Government subsidies

(1) Judgment basis and accounting treatment of government subsidies related to assets

The government subsidies divides into the government subsidies related to the assets and the government subsidies 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.

(1) Recognition of the government subsidies

If the government subsidies meet with the following conditions at the same, should be recognized:

- ① The entity will comply with the condition attaching to them;
- ② The grants will be received from government.

(2) Measurement of the government subsidies:

- ① If monetary grants are received, it recognized at actual received or receivable amount. If non-monetary grants are received, it recognized at fair value, replacing with nominal amount while fair value is not reliable.
- ② The Capital approach for government grants, the grant is recognized as deferred income when it is acquired. Since the related assets achieve its intended using status, the deferred income is amortized and recognized in profit and loss during asset's using period. If related assets were disposed before using period ended, undistributed deferred income shall be shift to current profit and loss at once.

The Income approach for government grants, to retrieve expense or loss of the Company in further period, the government grants is recognized as deferred income, and shall be recorded in profit and loss when that expense or loss occurred. To retrieve expense or loss of the Company in current period, the government grants shall be recorded directly in current profit and loss.

- ③ As for the confirmed repayment of government grants should be handled respectively according to the following situation:

- A. When deferred income exists, the repayment write-downs closing balance of deferred income, and the exceed part shall be recognized in current profit and loss;
- B. When no deferred income exists, the repayment shall be recognized directly in current profit and loss.

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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 cannot 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 advice used when pricing the assets or liabilities for realizing the maximum of the economy benefits by the market participants.

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

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

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

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

(2) Operation termination

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

(3) Segmental report

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

Operating segments refer to the compose parts of the Group which meet with the following conditions at the same time: (1) the compose part could cause revenues and expenses in the daily activities; (2) the management layer could periodically evaluate the operation results of the compose part and base which to distribute the resources and evaluate the performance;(3) the Group could acquire the relevant accounting information of the financial conditions, operation results and the cash flows of the compose part. If two or more operating segments own the similar economy characteristics and meet with certain conditions, could be combining as an operating segment.

(4) Quality margin

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

(5) Maintenance funds

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

the realty management area.

33. Changes in main accounting policies and estimates

(1) Change of accounting policies

Applicable Not applicable

(2) Change of main accounting estimates

Applicable Not applicable

34. Other

Not applicable

VI. Taxation

1. Main taxes and tax rate

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

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

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

2. Tax preference

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

According to the regulations of the notice of the income tax preferential policies of the small low-profit enterprises issued by SAT of CS [2015] No. 34, from 1 Jan. 2015 to 31 Dec. 2017, as for those small low-profit enterprises with the annual after-tax amount lower than RMB0.2 million (including RMB0.2 million), of which 50% of the revenues should be included into the taxable income and should be collected the corporate income tax according to 20% of the tax rate.

3. Other

As per the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner, the said replacement took place on May 1, 2016. Since then, the business tax that had been levied on the Group's operating revenue from real estate has been replaced with the VAT.

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

1. Monetary funds

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	204,530.91	190,709.43
Bank deposits	2,246,678,453.69	2,856,051,614.77
Other monetary funds	12,558,572.48	13,512,892.65
Total	2,259,441,557.08	2,869,755,216.85
Of which: the total amount deposited overseas	52,303,870.99	53,978,178.36

Other notes

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

from July 1, 2015 to December 31, 2020.

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

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

3. Derivative financial assets

Applicable Not applicable

4. Notes receivable

(1) Notes receivable listed by category

Unit: RMB

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

Unit: RMB

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

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

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

5. Accounts receivable

(1) Accounts receivable disclosed by category

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with significant single amount with bad debt provision separately accrued	102,216,173.89	69.39%	102,216,173.89	100.00%	0.00	102,216,173.89	74.08%	102,216,173.89	100.00%	0.00
Accounts receivable withdrawn bad debt provision according to credit risks characteristics	43,196,340.30	29.33%	2,637,790.90	6.11%	40,558,549.40	33,877,060.01	24.55%	2,312,840.15	6.83%	31,564,219.86
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	1,884,022.38	1.28%	1,884,022.38	100.00%	0.00	1,884,022.38	1.37%	1,884,022.38	100.00%	0.00
Total	147,296,536.57	100.00%	106,737,987.17	72.46%	40,558,549.40	137,977,256.28	100.00%	106,413,036.42	77.12%	31,564,219.86

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

√Applicable □ Not applicable

Unit: RMB

Accounts receivable (classified by units)	Closing balance			
	Accounts receivable	Bad debt provision	Proportion	Reason
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	93,811,328.05	100.00%	Involved in lawsuit and no executable property, and see details in Notes XIV. 2 of Section X
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	102,216,173.89	102,216,173.89	--	--

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

Applicable Not applicable

Unit: RMB

Aging	Closing balance		
	Accounts receivable	Bad debt provision	Withdrawal proportion
Sub-item within 1 year			
Within 1 year (including 1 year)	36,563,824.25	1,096,914.74	3.00%
Subtotal within 1 year	36,563,824.25	1,096,914.74	3.00%
1 to 2 years	4,742,472.78	474,247.28	10.00%
2 to 3 years	485,817.91	145,745.37	30.00%
3 to 4 years	926,455.53	463,227.77	50.00%
4 to 5 years	100,570.44	80,456.35	80.00%
Over 5 years	377,199.39	377,199.39	100.00%
Total	43,196,340.30	2,637,790.90	6.11%

Notes of the basis of recognizing the group:

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

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

Applicable Not applicable

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

Not applicable

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

The withdrawal amount of the bad debt provision during this Reporting Period was of RMB 324,950.75; the amount of the reversed or collected part during this Reporting Period was of RMB0.00.

Of which the significant reversed or collected amount of the bad debt provision during this Reporting Period:

Unit: RMB

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

(3) The actual write-off accounts receivable

Unit: RMB

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

Of which the significant actual write-off accounts receivable:

Unit: RMB

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

Notes of the write-off the accounts receivable:

(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 end balance of the accounts receivable (%)	Closing balance of bad debt provision
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	63.69	93,811,328.05
Huawei Technologies Co Ltd	4,031,506.53	2.74	120,945.20
Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	1.93	2,836,561.00
Shenzhen Lunan Industry Development Co., Ltd.	2,818,284.84	1.91	2,818,284.84
Zhou Tanjin	2,750,000.00	1.87	2,750,000.00
Total	106,247,680.42	72.14	102,337,119.09

Note: Receivable Zhou Tanjin of Shenzhen Shenxin Taxi Co., Ltd. belongs to Shenzhen Investment Holding Co., Ltd., which are the divestiture assets.

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

Not applicable

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

Not applicable

Other notes:

Not applicable

6. Prepayment

(1) List by aging analysis:

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	76,373,880.25	73.30%	93,372,946.66	77.47%
1 to 2 years	20,329,274.63	19.51%	19,637,116.05	16.29%
2 to 3 years	106,567.62	0.10%	6,602,570.30	5.48%
Over 3 years	7,378,954.40	7.08%	919,642.37	0.76%
Total	104,188,676.90	--	120,532,275.38	--

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 collected 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 end balance of the accounts receivable (%)
Prepayment of taxes	86,768,667.72	83.28
Prepayment construction social security fee	13,913,379.15	13.35
Shenzhen Yuanpeng Decoration Co., Ltd	897,976.61	0.86
State Grid Chongqing Electric Power Co., Ltd	475,000.00	0.46
Shenzhen Jianqiao Design Decoration Engineering Co., Ltd	283,414.20	0.27
Total	102,338,437.68	98.22

Other notes:

Notes 1: 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 rate ability 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.

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

7. Interest receivable

(1) Category of interest receivable

Unit: RMB

Item	Closing balance	Opening balance
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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:

Not applicable

8. Dividend receivable

(1) Dividend receivable

Unit: RMB

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

Unit: RMB

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

Not applicable

9. Other accounts receivable

(1) Other accounts receivable disclosed by category

Unit: RMB

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

				n						
Accounts receivable with significant single amount with bad debt provision separately accrued	34,657,875.20	50.60%	34,657,875.20	100.00%	0.00	34,970,067.20	53.19%	34,970,067.20	100.00%	0.00
Accounts receivable withdrawn bad debt provision according to credit risks characteristics	24,125,379.32	35.22%	11,981,305.51	49.66%	12,144,073.81	21,071,030.28	32.05%	11,528,718.98	54.71%	9,542,311.30
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	9,709,533.34	14.18%	9,709,533.34	100.00%	0.00	9,709,533.34	14.77%	9,709,533.34	100.00%	0.00
Total	68,492,787.86	100.00%	56,348,714.05	82.27%	12,144,073.81	65,750,630.82	100.00%	56,208,319.52	85.49%	9,542,311.30

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

√ Applicable □ Not applicable

Unit: RMB

Other accounts receivable (classified by units)	Closing balance			
	Other accounts receivable	Bad debt provision	Withdrawal proportion	Reason
Anhui Nanpeng Papermaking Co., Ltd.	8,586,848.00	8,586,848.00	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
Total	34,657,875.20	34,657,875.20	--	--

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

Applicable Not applicable

Unit: RMB

Aging	Closing balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Sub-item within 1 year			
Within 1 year (including 1 year)	6,430,749.56	192,922.50	3.00%
Subtotal within 1 year	6,430,749.56	192,922.50	3.00%
1 to 2 years	4,674,791.10	467,479.11	10.00%
2 to 3 years	1,289,843.00	386,952.90	30.00%
Over 3 years	1,491,662.00	745,831.00	50.00%
3 to 4 years	251,068.31	200,854.65	80.00%
4 to 5 years	9,987,265.35	9,987,265.35	100.00%
Total	24,125,379.32	11,981,305.51	49.66%

Notes of the basis of recognizing the group:

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

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

Applicable Not applicable

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

Applicable Not applicable

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

The withdrawal amount of the bad debt provision during this Reporting Period was of RMB 452,027.49; the amount of the reversed or collected part during this Reporting Period was of RMB0.00.

Of which the significant reversed or collected amount of the bad debt provision during this Reporting Period:

Unit: RMB

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

The withdrawal amount of bad debt provision in current period is RMB 452,027.49; the exchange rate translation for the foreign-currency loans withdrawal amount of bad debt provision receivable and foreign-currency financial statement translation increased bad debt provision is RMB 311,632.96.

(3) The actual write-off other accounts receivable

Unit: RMB

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

Unit: RMB

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

Notes of write-off other accounts receivable:

There was no write-off other accounts receivable.

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

Unit: RMB

Nature	Closing book balance	Opening book balance
Margin	12,830,545.46	12,050,550.05
Pretty cash borrowing	1,503,292.47	394,894.05
Accounts receivable of the related companies	11,244,072.65	11,556,264.65
Accounts receivable of the non-related companies	42,914,877.28	41,748,922.07
Total	68,492,787.86	65,750,630.82

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

Unit: RMB

Name of units	Nature	Closing balance	Aging	Proportion of the total end balance of the accounts receivable (%)	Closing balance of bad debt provision
Anhui Nanpeng Papermaking Co., Ltd.	Accounts receivable of the related companies	8,586,848.00	Over 5 years	12.54%	8,586,848.00
Shenzhen Shengfenglu, Guomao Jewel & Gold Co., Ltd.	Accounts receivable of the non-related companies	6,481,353.60	Over 5 years	9.46%	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	8.29%	5,676,000.00

Shenzhen Wuliangye Restaurant	Accounts receivable of the non-related companies	5,523,057.70	Over 5 years	8.06%	5,523,057.70
Hong Kong Yueheng Development Co., Ltd.	Accounts receivable of the non-related companies	3,271,837.78	Over 5 years	4.78%	3,271,837.78
Total	--	29,539,097.08	--	43.13%	29,539,097.08

(6) Accounts receivable involved with government subsidies

Unit: RMB

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

Not applicable

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

Not applicable

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

Not applicable

Other notes:

Not applicable

10. Inventory

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

Yes

(1) Classification of Inventory

The Company needs to comply with the disclosure requirements of *Guideline No. 3 of the Shenzhen Stock Exchange on the Industrial Information Disclosure about Listed Companies' Engagement in Real Estate Business*

Classified by nature:

Unit: RMB

Category	Closing balance			Opening balance		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value

Costs of development	1,724,170,395.83	19,074,639.13	1,705,095,756.70	1,602,135,700.14	23,285,718.43	1,578,849,981.71
Developing properties	832,356,563.75	72,132,993.60	760,223,570.15	1,187,426,583.83	181,738,984.75	1,005,687,599.08
Raw materials	1,278,034.51	504,283.76	773,750.75	1,230,918.63	484,743.69	746,174.94
Inventory good	55,542.67		55,542.67	64,935.50		64,935.50
Low-value consumption goods	324,972.69		324,972.69	309,830.42		309,830.42
Total	2,558,185,509.45	91,711,916.49	2,466,473,592.96	2,791,167,968.52	205,509,446.87	2,585,658,521.65

Classification of the “Costs of development” and the capitalization rate of the interests in the following format:

Unit: RMB

Name of project	Date of commencement	Estimated date of completion	Estimated total investment	Opening balance	Shifted developing properties for this period	Other decreased sums for this period	Increase (Costs of development) for this period	Closing balance	Accumulative amount of capitalized interests	Of which: amount of capitalized interests for this period	Capital resources
Shenzhen Properties & Resources •Hupanyu jing Phase II	08/01/2015	12/31/2017	662,710,400.00	546,486,849.54			36,271,477.72	582,758,327.26			Others
Shenzhen Properties & Resources •Jinling Holiday	03/01/2014	12/31/2018	1,071,390,000.00	236,415,319.90			39,957,287.05	276,372,606.95	3,858,872.36		Others
Shenzhen Properties & Resources •Songhu Langyuan	01/01/2012	09/30/2017	851,570,000.00	698,021,232.73			45,780,234.37	743,801,467.10	30,539,392.65		Bank loans; others
Hainan Qiongsa n Land	12/01/2020			6,648,404.13				6,648,404.13			Others

Fuchang Phase II Land	12/01/2019			5,940,627.11				5,940,627.11			Others
Shenhui Garden Land	12/01/2019			36,966,040.89				36,966,040.89			Others
Shenzhen Properties & Resources • Banshan Yujing Phase II Land	12/01/2019			71,657,225.84			25,696.55	71,682,922.39			Others
Total	--	--	2,585,670,400.00	1,602,135,700.14			122,034,695.69	1,724,170,395.83	34,398,265.01		--

Classification of item disclosure “Developing properties” in the following format:

Unit: RMB

Name of project	Date of completion	Opening balance	Increase	Decrease	Closing balance
International Trade Center Plaza	12/31/1995	7,372,250.95		2,533,167.85	4,839,083.10
Huangyuyuan A Area	06/30/2001	790,140.58			790,140.58
Podium Building of Fuchang Building	11/30//1999	645,532.65			645,532.65
Shenzhen Properties & Resources • Xihua Town	06/30/2010	692,134.84			692,134.84
Shenzhen Properties & Resources • Langqiao International	12/31/2012	27,154,592.60			27,154,592.60
Shenzhen Properties & Resources • Hupan Yujing Phase I	06/30/2015	112,011,916.10		6,656,511.52	105,355,404.58

Shenzhen Properties & Resources•Front Sea Harbor Garden	10/31/2016	400,752,753.48		159,808,738.62	240,944,014.86
Shenzhen Properties & Resources•Banshan Yujing Phase I	11/30/2016	635,013,998.40		186,071,602.09	448,942,396.31
Other projects	12/31/2004	2,993,264.23			2,993,264.23
Total	--	1,187,426,583.83		355,070,020.08	832,356,563.75

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

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
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(2) Falling provision of Inventory

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

Classified by nature:

Unit: RMB

Item	Opening balance	Increased amount		Decreased amount		Closing balance	Remarks
		Withdrawal	Others	Write-off	Others		
Costs of development	23,285,718.43			4,211,079.30		19,074,639.13	
Developing properties	181,738,984.75			109,605,991.15		72,132,993.60	
Raw materials	484,743.69	19,540.07				504,283.76	
Total	205,509,446.87	19,540.07		113,817,070.45		91,711,916.49	--

Classification by project:

Unit: RMB

Item	Opening balance	Increased amount		Decreased amount		Closing balance	Remarks
		Withdrawal	Others	Write-off	Others		
Hainan Qiongsan Land	6,648,404.13					6,648,404.13	
Shenzhen Properties &	179,635,705.05			107,502,711.45		72,132,993.60	

Resources•Banshan Yujing Phase I							
Shenzhen Properties & Resources•Hupan Yujing Phase I	2,103,279.70			2,103,279.70		0.00	
Shenzhen Properties & Resources•Banshan Yujing Phase II	16,637,314.30			4,211,079.30		12,426,235.00	
Total	205,024,703.18			113,817,070.45		91,207,632.73	--

(3) Rate of borrowing capitalization in closing balance of the inventory

The total amount of closing balance of inventories including borrowing costs capitalization was RMB66,170,313.51, details are as follows:

Category	Item	Accumulative amount	Amount at year-begin	Increased amount	Decreased amount	Closing balance
Finished product development	Banshan Yujing Phase I	27,205,315.95	27,205,315.95		8,170,437.05	19,034,878.90
Finished product development	Front Sea Harbor	14,633,486.15	8,369,227.07		3,337,408.90	5,031,818.17
Finished product development	Hupan Yujing Phase I	10,446,911.43	3,230,742.76		180,650.85	3,050,091.91
Finished product development	Langqiao International	83,077,702.96	4,655,259.52			4,655,259.52
Product development in progress	Jinling Holiday	3,858,872.36	3,858,872.36			3,858,872.36
Product development in progress	Songhu Langyuan	30,539,392.65	30,539,392.65			30,539,392.65
Total		169,761,681.50	77,858,810.31		11,688,496.80	66,170,313.51

(4) Inventory Limit

Disclosure of inventory limit by project:

Unit: RMB

Name of project	Opening balance	Closing balance	Reason for the Limit
Finished product development	4,839,083.09	4,839,083.09	Guarantee for property preservation, for details, see

			Notes XIV. 2(1) of Section X of the report.
Total	4,839,083.09	4,839,083.09	--

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

Unit: RMB

Project	Amount
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Other notes:

Whether the Company needs to comply with the disclosure requirements of *Guideline No. 4 of the Shenzhen Stock Exchange on the Industrial Information Disclosure about Listed Companies' Engagement in Seed Industry and Planting Industry*

No

11. Assets divided as held-to-sold

Unit: RMB

Item	Closing book value	Fair value	Estimated disposal expense	Estimated disposal time
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Other notes:

Not applicable

12. Non-current assets due within 1 year

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

Not applicable

13. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
1. Original value of the assets group held to distribute to the owners-Hainan Xinda	69,437,140.28	69,437,140.28
Impairment provision of the assets group held to distribute to the owners-Hainan Xinda	-69,437,140.28	-69,437,140.28
2. Original value of the assets group held to cancel after verification(investment and accounts receivable of International	6,034,625.03	6,034,625.03

Industry)		
Depreciation reserves of the assets group held to cancel after verification(investment and accounts receivable of International Industry)	-6,034,625.03	-6,034,625.03
3. Original value of the assets group held to cancel after verification(accounts receivable of Jintian Industry)	53,034,143.94	53,658,578.72
Depreciation reserves of the assets group held to cancel after verification(accounts receivable of Jintian Industry)	-53,034,143.94	-53,658,578.72
4. Pre-paid VAT	26,450,414.00	10,727,007.94
5. Deducted input tax		250,549.21
Total	26,450,414.00	10,977,557.15

Other notes:

Note 1: Assets group held to distribute to the owners-Hainan Xinda were the assets from the calculation of the original long-term equity investment and the other accounts receivable of the Company after the 2014 bankruptcy liquidation process of the original subsidiary of the Company-Hainan Xinda Development Corporation and had reported as the other current assets since 2014 with the specific assets list as follows:

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

On February 13, 2017, Hainan Xinda Development Corporation (hereinafter referred to as Hainan Xinda) was declared as bankruptcy according to HZFPZ No.1-1 Ruling from Haikou Intermediate People's Court (2014), the company needs to cancel the long-term equity investment of RMB 20,000,000.00 and other receivables of RMB 49,437,140.28 for Hainan Xinda. For the above assets have withdrawn the bad debt provision, it will not influence the company's operating result. Until the end of the reporting period, the company's cancellation procedure has not been completed.

Note 2: Assets group held to cancel after verification were the long-term equity investment and the other accounts receivable of the original associated enterprise-Shenzhen International Trade Center Industrial Development Co., Ltd. The enterprise had been written off by the bankruptcy and liquidation administrator in April 2015 and owing to the cancellation and verification process had not been complete, the above assets were reported as the other current assets since 2015 with the specific assets list as follows:

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

Note 3: Assets held to cancel were the Company's other receivables from Shenzhen Gintian Industry (Group) Co.,

Ltd. As the reorganization plan of Shenzhen Gintian Industry (Group) Co., Ltd., ruled by the court, was executed in February 2016 and as the Company did not complete the procedure for cancelling the assets, they were reported as other liquidity assets. The Company received the Jintian Industry stock of additional distribution with RMB624,434.78 on April 20, 2017.

Note 4: Compared with the opening balance, the closing balance increased by RMB15,472,856.85, which was mainly due to the increased VAT payable

14. Available-for-sale financial assets

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

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Available-for-sale equity instruments	36,272,124.79	18,158,883.56	18,113,241.23	35,801,912.64	18,298,198.50	17,503,714.14
Measured by fair value	3,613,241.23		3,613,241.23	3,003,714.14		3,003,714.14
Measured by cost	32,658,883.56	18,158,883.56	14,500,000.00	32,798,198.50	18,298,198.50	14,500,000.00
Total	36,272,124.79	18,158,883.56	18,113,241.23	35,801,912.64	18,298,198.50	17,503,714.14

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

Unit: RMB

Category	Available-for-sale equity instruments	Available-for-sale debt instruments		Total
Cost of the equity instruments/amortized cost of the liabilities instruments	3,613,241.23			3,613,241.23
Fair value	3,613,241.23			3,613,241.23

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

Unit: RMB

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

Machinery (Group) Co., Ltd.	00			00	00			00		
Guangdong Huayue Real Estate Co., Ltd.	8,780,645.20			8,780,645.20	8,780,645.20			8,780,645.20	8.47%	
Shenzhen International Trade Center Petroleum Company Limited	8,500,000.00			8,500,000.00					100.00%	
Guangzhou Lishifeng Automobile Co., Ltd.	6,000,000.00			6,000,000.00					30.00%	
Sanya East Travel Co., Ltd.	1,350,000.00			1,350,000.00	1,350,000.00			1,350,000.00	0.28%	
Shensan Co., Ltd.	17,695.09			17,695.09	17,695.09			17,695.09		
Macao Huashen Enterprise Co., Ltd.	86,844.66		2,582.52	84,262.14	86,844.66		2,582.52	84,262.14	10.00%	
Chongqing Guangfa Real estate development Co., Ltd.	2,635,180.90		78,363.12	2,556,817.78	2,635,180.90		78,363.12	2,556,817.78	27.25%	
Saipan Project	1,962,832.65		58,369.30	1,904,463.35	1,962,832.65		58,369.30	1,904,463.35	30.00%	
Total	32,798,198.50		139,314.94	32,658,883.56	18,298,198.50		139,314.94	18,158,883.56	--	

(4) Changes of the impairment of the available-for-sale financial assets during this Reporting Period

Unit: RMB

Category	Available-for-sale equity instruments	Available-for-sale debt instruments		Total
Balance of the withdrawn impairment at the period-begin	18,298,198.50			18,298,198.50
Decreased amount	139,314.94			139,314.94
Balance of the withdrawn impairment at the period-end	18,158,883.56			18,158,883.56

(5) Relevant notes of the fair value of the available-for-sale equity instruments which seriously fell or temporarily fell but not withdrawn the impairment provision

Unit: RMB

Item of available-for-sale equity instruments	Investment cost	Fair value of the period-end	Falling range of the fair value against the cost	Continued falling time (month)	Withdrawn amount of impairment	Reason of not withdrawn the impairment
Total	0.00	0.00	--	--	0.00	--

Other notes

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

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

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

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

and thus no more include it in the scope of the consolidation financial statement according to the regulations of the ASBE

Notes 5: The available-for-sale financial assets measured in fair value held by the Company were based on the final execution of *The Reorganization Plan of Gintian Industry (Group) Co., Ltd.*, the Company received total 936,205 tradable A shares, 495,362 non-tradable A shares and 539,455 B shares distributed by Gintian Industry on January 26, 2016 and April 20, 2017. Counted on the price issued on the last trading date before the trading suspension of Gintian Industry (December 10 2014), RMB 2.09 per A share and RMB 1.04 per B share (part of them are RMB1.18 due to exchange rate changes on April 20, 2017), the initial costs shall be RMB3,565,856.06. The closing book value of this share was RMB3,613,241.23, of which part of increased original book value RMB624,434.78 was received in the Reporting Period. The decreased original book value due to changes in exchange rate at the period end was RMB14,907.69 (cumulative increased original book value was RMB47,385.17 due to changes in exchange rate).

15. Investment held-to-maturity

(1) List of investment held-to-maturity

Unit: RMB

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

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

Unit: RMB

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

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

Not applicable

Other notes

Not applicable

16. Long-term accounts receivable

(1) List of long-term accounts receivable

Unit: RMB

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

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

Not applicable

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

Not applicable

Other notes

Not applicable

17. Long-term equity investment

Unit: RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint ventures											
Jifa Warehouse Co., Ltd.	32,263,240.61			726,291.25						32,989,531.86	
Shenzhen Tian'an International Building Property Management Co., Ltd.	4,488,650.51			686,521.66						5,175,172.17	
Subtotal	36,751,891.12			1,412,812.91						38,164,704.03	

II. Associated enterprises											
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	18,983,614.14									18,983,614.14	18,983,614.14
Anhui Nanpeng Papermaking Co., Ltd.	13,824,000.00									13,824,000.00	13,824,000.00
Subtotal	32,807,614.14									32,807,614.14	32,807,614.14
Total	69,559,505.26			1,412,812.91						70,972,318.17	32,807,614.14

Other notes:

18. Investment property

(1) Investment property adopted the cost measurement mode

Applicable Not applicable

Unit: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original book value				
1. Opening balance	671,864,578.16	7,969,954.40		679,834,532.56
2. Increased amount of the period	2,533,167.85			2,533,167.85
(1) Outsourcing				
(2) Transfer of inventory\fixed assets\project under construction	2,533,167.85			2,533,167.85
(3) Increased from enterprise merger				

3. Decreased amount of the period	367,228.56			367,228.56
(1) Disposal				
(2) Other transfer	367,228.56			367,228.56
4. Closing balance	674,030,517.45	7,969,954.40		682,000,471.85
II. Accumulative depreciation and accumulative amortization				
1. Opening balance	246,155,511.74	5,878,407.79		252,033,919.53
2. Increased amount of the period	11,518,043.06	254,572.56		11,772,615.62
(1) Withdrawal or amortization	11,518,043.06	254,572.56		11,772,615.62
3. Decreased amount of the period	334,281.12			334,281.12
(1) Disposal				
(2) Other transfer	334,281.12			334,281.12
4. Closing balance	257,339,273.68	6,132,980.35		263,472,254.03
III. Depreciation reserves				
1. Opening balance				
2. Increased amount of the period				
(1) Withdrawal				
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Closing balance				
IV. Book value				
1. Closing book	416,691,243.77	1,836,974.05		418,528,217.82

value				
2. Opening book value	425,709,066.42	2,091,546.61		427,800,613.03

(2) Investment property adopted fair value measurement mode

Applicable Not applicable

The Company needs to comply with the disclosure requirements of *Guideline No. 3 of the Shenzhen Stock Exchange on the Industrial Information Disclosure about Listed Companies' Engagement in Real Estate Business*

Investment properties measured in fair value by project disclosure:

Unit: RMB

Name of project	Geographical location	Building area	Lease income during this Reporting Period	Opening fair value	Closing fair value	Range of fair value changes	Reason for fair value changes and report index

Whether the Company has new investment properties measured in fair value

Yes No

(3) Details of investment properties with unaccomplished certification of property

Unit: RMB

Project	Book value	Reason

Other notes:

The decrease of house and constructions value and depreciation was due to foreign currency statements translation. The restricted investment real estate was mainly caused from the guarantee of property preservation. For details, see Note VII. 77 and XIV. 2(1) of Section X. Financial Report.

19. Fixed assets

(1) List of fixed assets

Unit: RMB

Item	Houses and buildings	Transportation equipment	Electronic and other equipment	Decoration of the fixed assets	Total
I. Original book value					
1. Opening balance	111,380,625.29	63,034,062.37	34,939,140.97	6,451,403.79	215,805,232.42
2. Increased amount of the period	7,323,528.95	3,500.00	591,485.89	0.00	7,918,514.84

(1) Purchase	7,493,476.22	3,500.00	591,485.89	0.00	8,088,462.11
(2) Transfer of project under construction					
(3) Increased from enterprise merger					
3. Decreased amount of the period	169,947.27	105,559.38	306,388.79	0.00	581,895.44
(1) Disposal or scrap	0.00	105,559.38	306,388.79	0.00	411,948.17
(2) Influence from foreign currency statement translation	169,947.27	0.00	0.00	0.00	169,947.27
4. Closing balance	118,704,154.24	62,932,002.99	35,224,238.07	6,451,403.79	223,311,799.09
II. Accumulative depreciation					
1. Opening balance	80,567,001.77	26,013,952.25	29,505,914.48	5,710,638.87	141,797,507.37
2. Increased amount of the period	1,332,814.65	5,494,283.39	774,407.31	168,726.72	7,770,232.07
(1) Withdrawal	1,332,814.65	5,494,283.39	774,407.31	168,726.72	7,770,232.07
3. Decreased amount of the period	146,236.47	105,559.38	257,810.47	0.00	509,606.32
(1) Disposal or scrap	0.00	105,559.38	257,810.47	0.00	363,369.85
(2) Influence from foreign currency statement translation	146,236.47	0.00	0.00	0.00	146,236.47
4. Closing balance	81,753,579.95	31,402,676.26	30,022,511.32	5,879,365.59	149,058,133.12
III. Depreciation reserves					
1. Opening balance			75,717.16		75,717.16
2. Increased amount of the period					
(1) Withdrawal					

3. Decreased amount of the period					
(1) Disposal or scrap					
4. Closing balance			75,717.16		75,717.16
IV. Book value					
1. Closing book value	36,950,574.29	31,529,326.73	5,126,009.59	572,038.20	74,177,948.81
2. Opening book value	30,813,623.52	37,020,110.12	5,357,509.33	740,764.92	73,932,007.89

(2) List of temporarily idle fixed assets

Unit: RMB

Item	Original book value	Accumulative depreciation	Impairment provision	Book value	Notes
Houses and buildings	4,059,207.77	2,361,712.49		1,697,495.28	

(3) Fixed assets leased in from financing lease

Unit: RMB

Item	Original book value	Accumulative depreciation	Impairment provision	Book value

(4) Fixed assets leased out from operation lease

Unit: RMB

Item	Closing book value

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

Unit: RMB

Item	Book value	Reason

Other notes:

The restricted investment real estate was mainly caused from the guarantee of property preservation. For details, see Note VII. 77 and XIV. 2(1) of Section X. Financial Report

20. Construction in progress

(1) List of construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value

(2) Changes of significant construction in progress

Unit: RMB

Name of item	Estimated number	Opening balance	Increased amount	Amount that transferred to fixed assets of the period	Other decreased 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
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(3) List of the Withdrawal of the Impairment Provision of the Construction in Progress

Unit: RMB

Item	Amount of provision	Reason of provision
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Other notes

Not applicable

21. Engineering Material

Unit: RMB

Item	Closing balance	Opening balance
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Other notes

Not applicable

22. Liquidation of Fixed Assets

Unit: RMB

Item	Closing balance	Opening balance
Liquidation of transportation equipment	85,726.84	85,556.34
Total	85,726.84	85,556.34

Other notes:

23. Productive Biological Assets

(1) Productive Biological Assets Adopted Cost Measurement Mode

Applicable Not applicable

(2) Productive Biological Assets Adopted Fair Value Measurement Mode

Applicable Not applicable

24. Oil and Gas Assets

Applicable Not applicable

25. Intangible Assets

(1) List of Intangible Assets

Unit: RMB

Item	Land use right	Patent right	Non-patent right	Taxi operating license plate	Total
I. Total original book value					
1. Opening balance				170,866,146.80	170,866,146.80
2. Increase in the Reporting Period					
(1) Purchase					
(2) Internal R &D					
(3) Increase from enterprise combination					
3. Decrease in the Reporting Period					
(1) Purchase					

4. Closing balance				170,866,146.80	170,866,146.80
II. Total accrued amortization					
1. Opening balance				85,378,565.85	85,378,565.85
2. Increase in the Reporting Period				3,576,251.52	3,576,251.52
(1) Withdrawal				3,576,251.52	3,576,251.52
3. Decrease in the Reporting Period					
(1) Disposal					
4. Closing balance				88,954,817.37	88,954,817.37
III. Total impairment provision					
1. Opening balance					
2. Increase in the Reporting Period					
(1) Withdrawal					
3. Decrease in the Reporting Period					
(1) Disposal					
4. Closing balance					
IV. Total book value of intangible assets					
1. Book value of the period-end				81,911,329.43	81,911,329.43
2. Book value of the period-begin				85,487,580.95	85,487,580.95

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

(2) Details of Fixed Assets Failed to Accomplish Certification of Land Use Right

Unit: RMB

Item	Book value	Reason
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Other notes:

26. R&D Expenses

Unit: RMB

Item	Opening balance	Current increased amount	Current decreased amount	Closing balance
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Other notes

Not applicable

27. Goodwill

(1) Original Book Value of Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Opening balance	Increase	Decrease	Closing balance
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(2) Impairment Provision of Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Opening balance	Increase	Decrease	Closing balance
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Notes of the testing process of goodwill impairment, parameters and the recognition method of goodwill impairment losses:

Not applicable

Other notes

Not applicable

28. Long-term Unamortized Expenses

Unit: RMB

Item	Opening balance	Increase	Amortization amount	Decrease	Closing balance
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Facilities reconstruction expenses	1,124,345.13	0.00	86,488.14	0.00	1,037,856.99
Renovation costs	372,045.98	0.00	177,677.34	0.00	194,368.64
Total	1,496,391.11		264,165.48		1,232,225.63

Other notes

29. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Deferred Income Tax Assets Had Not Been Off-set

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	125,373,939.07	31,274,644.00	125,379,771.44	31,287,140.16
Unrealized internal sales gain and loss	47,275,584.43	11,818,896.11	49,673,467.80	12,418,366.95
Deductible losses	334,958,789.35	83,739,697.34	29,134,805.61	7,283,701.41
Accrued land VAT	970,952,877.80	242,738,219.45	1,004,734,891.74	251,183,722.93
Estimated profit calculated at pre-sale revenue of property enterprises	104,752,784.36	26,188,196.09	289,951,359.60	72,487,839.90
Payroll payable unpaid but withdrawn	120,745.76	30,186.44	143,852.61	35,963.15
Estimated liabilities	0.00	0.00	5,201,315.32	1,300,328.83
Total	1,583,434,720.77	395,789,839.43	1,504,219,464.12	375,997,063.33

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

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Book value of the fixed assets larger than the tax basis	44,436.80	11,109.20	57,950.04	14,487.51

Total	44,436.80	11,109.20	57,950.04	14,487.51
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(3) Deferred Income Tax Assets or Liabilities Listed by Net Amount after Off-set

Unit: RMB

Item	Mutual set-off amount of deferred income tax assets and liabilities at the period-end	Amount of deferred income tax assets or liabilities after off-set at the period-end	Mutual set-off amount of deferred income tax assets and liabilities at the period-begin	Amount of deferred income tax assets or liabilities after off-set at the period-begin
Deferred income tax assets		395,789,839.43		375,997,063.33
Deferred income tax liabilities		11,109.20		14,487.51

(4) List of Unrecognized Deferred Income Tax Assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	335,403,967.11	449,991,008.56
Deductible losses	210,908,969.70	146,287,359.19
Total	546,312,936.81	596,278,367.75

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

Unit: RMB

Years	Closing balance	Opening balance	Notes
Y 2017	6,311,349.73	6,311,349.73	The deductible losses of 2012
Y 2018	10,672,025.10	10,672,025.10	The deductible losses of 2013
Y 2019	9,167,690.00	9,167,690.00	The deductible losses of 2014
Y 2020	100,639,142.29	100,639,142.29	The deductible losses of 2015
Y 2021	19,497,152.07	19,497,152.07	The deductible losses of 2016
Y 2022	64,621,610.51		The deductible losses of 2017
Total	210,908,969.70	146,287,359.19	--

Other notes:

30. Other Non-current Assets

Unit: RMB

Item	Closing balance	Opening balance
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Housing purchase prepayment	0.00	7,271,224.00
Total		7,271,224.00

Other notes:

The decrease of other non-current assets was generated from the transfer of non-current assets into fixed assets to account which meet the requirements of admission of partner during the Reporting Period.

31. Short-term Loans

(1) Category of Short-term Loans

Unit: RMB

Item	Closing balance	Opening balance
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Notes of short-term loans category:

Not applicable

(2) List of the Short-term Loans Overdue but Not Return

The amount of the overdue unpaid short-term loans at the period-end was of RMB000, of which the significant overdue unpaid short-term loans are as follows:

Unit: RMB

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

Other notes:

Not applicable

32. Financial Liabilities Measured by Fair Value and the Changes Included in the Current Gains and Losses

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

Not applicable

33. Derivative Financial Liabilities

Applicable Not applicable

34. Notes Payable

Unit: RMB

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 RMB000.

35. Accounts Payable

(1) List of Accounts Payable

Unit: RMB

Item	Closing balance	Opening balance
Within 1 year (including 1 year)	238,285,887.99	298,389,610.44
1 to 2 years (including 2 years)	45,240,523.62	44,826,093.11
2 to 3 years (including 3 years)	9,913,969.80	9,793,533.80
3 to 4 years (including 4 years)	6,430,167.09	12,899,987.95
4 to 5 years (including 5 years)	25,776,334.10	26,356,677.30
Over 5 years	27,644,667.18	27,660,236.79
Total	353,291,549.78	419,926,139.39

(2) Notes of the Accounts Payable Aging over One Year

Unit: RMB

Item	Closing balance	Unpaid/ Un-carry-over reason
Shenzhen Luohu District Land and Resources Bureau	25,000,000.00	Unsettled
Jiangsu Hanjian Group	20,025,581.03	Unsettled
Hunan Construction Engineering Group	12,887,087.00	Unsettled
Shenzhen Yuanpeng Decoration Group Co., Ltd.	3,763,729.00	Unsettled
Lvmeiyi Environmental Construction Group Co., Ltd.	2,691,496.08	Unsettled
Total	64,367,893.11	--

Other notes:

36. Advance from Customers

(1) List of Advance from Customers

Unit: RMB

Item	Closing balance	Opening balance
Within 1 year (including 1 year)	1,198,813,898.99	1,828,477,521.99
1 to 2 years (including 2 years)	317,763,545.00	401,822,962.96
2 to 3 years (including 3 years)	663,372.58	663,372.58
3 to 4 years (including 4 years)	36,216.10	36,216.10
4 to 5 years (including 5 years)	950.00	950.00
Over 5 years	320,204.02	320,204.02
Total	1,517,598,186.69	2,231,321,227.65

(2) Significant Advance from Customers Aging over One Year

Unit: RMB

Item	Closing balance	Unpaid/ Un-carry-over reason
SZPRD-Dongguan Songhulangyuan Project	304,579,451.00	The project has not met the term of settlement.
SZPRD-Hupanyujing Phase II	13,094,094.00	The project has not met the term of settlement.
Total	317,673,545.00	--

(3) Particulars of Settled but Unfinished Projects Formed by Construction Contract at Period-end.

Unit: RMB

Item	Amount

Other notes:

The closing balance of advance from customers decreased 31.99%, which was mainly generated from the decrease of prepayment of house.

The significant advance receipts aging over 1 year were generated from the not meeting the term of settlement of house purchase prepayment from SZPRD-Dongguan Songhulangyuan Project and SZPRD-Hupanyujing Phase II.

Prepayment of sale of real estate projects were as follows:

Item	Aging	Closing balance	Estimate finished time
SZPRD-Dongguan Songhulangyuan Project	Within 1 year, 1 to 2 years	1,048,723,829.00	September 2017
SZPRD-Hupanyujing Phase II	Within 1 year, 1 to 2 years	387,036,936.00	December 2017

II	years		
SZPRD-Banshanyujing Phase I	Within 1 year	50,052,684.00	Completed
Total		1,485,813,449.00	

37. Payroll Payable

(1) List of Payroll Payable

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term salary	66,366,751.10	139,243,169.45	156,917,648.53	48,692,272.02
II. Post-employment benefit-defined contribution plans	571,072.41	14,018,567.29	14,369,799.19	219,840.51
III. Termination benefits	403,074.00	166,142.00	124,902.00	444,314.00
Total	67,340,897.51	153,427,878.74	171,412,349.72	49,356,426.53

(2) List of Short-term Salary

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus, allowance, subsidy	59,732,357.24	121,385,755.13	139,682,794.04	41,435,318.33
2. Employee welfare		2,197,917.17	2,197,917.17	0.00
3. Social insurance	65,535.92	5,438,802.27	5,504,338.19	0.00
Of which: 1. Medical insurance premiums	56,896.26	4,355,517.61	4,412,413.87	0.00
Work-related injury insurance	2,395.63	384,194.30	386,589.93	0.00
Maternity insurance	6,244.03	415,595.16	421,839.19	0.00
Other social security charges		283,495.20	283,495.20	
4. Housing fund	879,155.76	4,691,452.58	5,066,392.22	504,216.12
5. Labor union budget and employee education budget	5,689,702.18	3,790,503.59	2,727,468.20	6,752,737.57
8. Non-monetary benefits		1,738,738.71	1,738,738.71	

Total	66,366,751.10	139,243,169.45	156,917,648.53	48,692,272.02
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(3) List of Drawing Scheme

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension benefits	565,083.33	11,487,033.79	11,832,276.61	219,840.51
2. Unemployment insurance	5,989.08	857,091.58	863,080.66	0.00
3. Annuity		1,674,441.92	1,674,441.92	0.00
Total	571,072.41	14,018,567.29	14,369,799.19	219,840.51

Other notes:

The current termination benefits withdrawn for severing labor relation were RMB166,142.00, the amount payable but unpaid at the end of the reporting period was RMB444,314.00.

38. Taxes Payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	10,528,624.50	4,222,996.14
Corporate income tax	43,524,625.95	222,564,198.00
Personal income tax	1,000,908.01	748,140.79
Urban maintenance and construction tax	156,150.68	75,644.46
Stamp tax	175.90	
Education Surcharge	545,190.85	39,326.29
Local education surtax	394,652.24	25,127.18
Land VAT	1,015,300,095.48	1,025,601,114.80
Property tax	1,156,883.32	1,153,374.78
Levee fee	788.60	2,534.58
Others	549,237.11	566,927.71
Total	1,073,157,332.64	1,254,999,384.73

Other notes:

39. Interest Payable

Unit: RMB

Item	Closing balance	Opening balance
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List of the significant overdue unpaid interest:

Unit: RMB

Borrower	Overdue amount	Overdue reasons
Total	0.00	--

Other notes:

40. Dividends Payable

Unit: RMB

Item	Closing balance	Opening balance
Common stock dividends	29,642.40	
Total	29,642.40	

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

41. Other Accounts Payable

(1) Other Accounts Payable Listed by Nature of the Account

Unit: RMB

Item	Closing balance	Opening balance
Margin	34,776,926.67	34,768,894.12
Accounts receivable of the related companies	34,511,011.04	31,511,011.04
Accounts receivable of the non-related companies	54,775,622.10	49,280,571.06
Others	22,631,388.52	16,521,698.32
Total	146,694,948.33	132,082,174.54

(2) Other Significant Accounts Payable with Aging over One Year

Unit: RMB

Item	Closing balance	Unpaid/ Un-carry-over reason
Shenzhen Jifa Warehouse Co., Ltd.	29,296,665.14	Come-and-go accounts without specific amortization period
Guangzhou Lishifeng Automobile Co., Ltd.	15,344,017.08	Come-and-go accounts without specific amortization period
Shenzhen International Trade Center Petroleum Company Limited	7,196,769.67	Come-and-go accounts without specific amortization period
Tianan International Building Property	5,214,345.90	Come-and-go accounts without specific

Management Company of Shenzhen		amortization period
RAINBOW DEPARTMENT STORE CO., LTD	2,380,000.00	Margin within the leasing period
Total	59,431,797.79	--

Other notes

42. Liabilities Classified as Holding for Sale

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

43. Non-current Liabilities Due within 1 Year

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

44. Other Current Liabilities

Unit: RMB

Item	Closing balance	Opening balance
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Increase/decrease of the short-term bonds payable:

Unit: RMB

Bonds name	Face value	Issuing date	Bonds maturity	Amount	Opening balance	The current issue	Withdraw interest by face value	Overflow discount amortization	Pay in current period		Closing balance
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Other notes:

45. Long-term Loan

(1) Category of Long-term Loan

Unit: RMB

Item	Closing balance	Opening balance
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Notes of long-term loans category:

Other notes including interest rate range:

46. Bonds Payable

(1) Bonds Payable

Unit: RMB

Item	Closing balance	Opening balance
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(2) Increase/Decrease of Bonds Payable (Excluding the Other Financial Instruments Classified as the Preference Shares, Perpetual Capital Securities of the Financial Liabilities)

Unit: RMB

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

(4) Notes to the Other Financial Instruments Classified as Financial Liabilities

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

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

Unit: RMB

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

Notes to judgment of other financial instrument classified as financial liabilities

Other notes:

47. Long-term Payable

(1) Long-term Payable

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

48. Long-term Payroll Payable

(1) Long-term Payroll Payable Chart

Unit: RMB

Item	Closing balance	Opening balance
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(2) List of the Changes of Defined Benefit Plans

Obligation present value of defined benefit plans:

Unit: RMB

Item	Reporting period	Same period of last year
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Plan assets:

Unit: RMB

Item	Reporting period	Same period of last year
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Liabilities (net assets) of defined benefit plans:

Unit: RMB

Item	Reporting period	Same period of last year
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Notes of influence of content of defined benefit plans and its relevant risks to the future cash flow, time and uncertainty of the Company:

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

Other notes:

49. Special Payable

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance	Reasons
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Other notes:

50. Accrued Liabilities

Unit: RMB

Item	Closing balance	Opening balance	Reasons
Pending litigation		5,201,315.32	
Total		5,201,315.32	--

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

51. Deferred Revenue

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance	Reason
Operating license plate rental income held to carry forward	7,509,403.41	0.00	646,606.82	6,862,796.59	Operating license plate rental
International Trade Center petroleum rental income held to carry forward	8,870,000.00	0.00	700,000.00	8,170,000.00	Rental of International Trade Center Petroleum Co., Ltd.
Total	16,379,403.41		1,346,606.82	15,032,796.59	--

Item involving government subsidies:

Unit: RMB

Item	Opening balance	Amount of newly subsidy	Amount recorded into non-operating income in report period	Other changes	Closing balance	Related to assets/related income
Total		0.00	0.00	0.00		--

Other notes:

52. Other Non-current Liabilities

Unit: RMB

Item	Closing balance	Opening balance
Utility specific fund	237,163.45	237,163.45
Housing principle fund	18,455,575.89	17,767,077.97
House warming deposit	7,093,351.68	7,135,649.65
Electric Equipment Maintenance fund	4,019,415.44	4,019,415.44
Deputed Maintenance fund	27,113,992.60	27,308,410.05
Taxi Deposit	41,528,967.07	41,667,813.07
Divestiture Assets.	15,977,012.70	16,736,122.98
Others	844,128.26	922,638.62
Total	115,269,607.09	115,794,291.23

Other notes:

53. Share Capital

Unit: RMB

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

Other notes:

54. Other Equity Instruments

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

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

Unit: RMB

Outstanding financial instruments	The beginning of the period		Increase		Decrease		The end of the period	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

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

Other notes:

55. Capital Surplus

Unit: RMB

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

Other notes, including changes and reason of change:

56. Treasury Stock

Unit: RMB

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

57. Other Comprehensive Income

Unit: RMB

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

			loss in current period				
II. Other comprehensive income reclassify into profits and losses	-697,548.70	-1,557,858.56			-1,557,858.56		-2,255,407.26
Balance arising from the translation of foreign currency financial statements	-697,548.70	-1,557,858.56			-1,557,858.56		-2,255,407.26
Total	-697,548.70	-1,557,858.56			-1,557,858.56		-2,255,407.26

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

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

59. Surplus Reserves

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	253,569,569.96			253,569,569.96
Total	253,569,569.96			253,569,569.96

Notes of surplus reserves, including changes and reason of change

60. Retained Earnings

Unit: RMB

Item	Reporting Period	Last period
Opening balance of retained profits before adjustments	1,441,632,088.56	1,233,358,112.55
Opening balance of retained profits after adjustments	1,441,632,088.56	1,233,358,112.55
Add: Net profit attributable to owners of the Company	364,355,770.43	-5,248,704.63
Dividend of common stock payable	107,276,236.56	47,678,327.36
Closing retained profits	1,698,711,622.43	1,180,431,080.56

List of adjustment of opening retained profits:

- 1) RMB000 opening retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- 2) RMB000 opening retained profits was affected by changes on accounting policies.
- 3) RMB000 opening retained profits was affected by correction of significant accounting errors.
- 4) RMB000 opening retained profits was affected by changes in combination scope arising from same control.
- 5) RMB000 opening retained profits was affected totally by other adjustments.

61. Revenues and Operating Costs

Unit: RMB

Item	Reporting Period		Same period of last year	
	Sales revenue	Cost of sales	Sales revenue	Cost of sales
Main operations	1,292,726,904.41	488,359,574.96	345,547,471.22	287,490,422.42
Other operations	24,419,828.02	10,221,593.97	26,510,008.74	7,517,399.44
Total	1,317,146,732.43	498,581,168.93	372,057,479.96	295,007,821.86

62. Business Tax and Surcharges

Unit: RMB

Item	Reporting Period	Same period of last year
Urban maintenance and construction tax	4,710,083.18	1,239,360.30
Education Surcharge	2,014,580.53	532,180.88
Property tax	2,437,151.74	1,451,965.74
Land use tax	711,891.87	291,904.46
Business tax	29,954,387.90	14,203,065.56
Local education surtax	1,343,214.98	353,463.79
Levee fee	789.40	-37.58
Land VAT	315,690,830.48	5,661,386.67
Others	307,092.87	11,672.58
Total	357,170,022.95	23,744,962.40

Other notes:

The current tax and surcharges increased 1404.19% compared to that of last period, which was mainly generated from the dramatic increase of relevant taxes such as withdrawn land VAT caused by the increase of realized income and high value-added rate of carry-over income projects.

The business tax of the Reporting Period was generated from the withdrawing business tax in the Reporting Period of advance house payment before the Translation from Business Tax to Value-Added Tax.

63. Sales Expenses

Unit: RMB

Item	Reporting Period	Same period of last year
Employee's remuneration	2,099,178.56	2,025,984.36
Office expenses of operating institutions	1,315,902.76	1,773,152.88
Sales agency fee, advertising expense and general publicity expense	5,111,763.25	10,539,707.09
Others	2,329,504.38	2,200,915.26
Total	10,856,348.95	16,539,759.59

Other notes:

The current sales expenses decreased 34.36% compared to that of last period, which was mainly generated from the decrease of sales agency fee and advertising expenses of the reporting period.

64. Administration Expenses

Unit: RMB

Item	Reporting Period	Same period of last year
Employee's remuneration	34,585,361.42	29,331,379.85
Administrative office cost	9,101,588.30	7,460,528.60
Assets amortization and depreciation expense	1,739,356.66	1,808,062.26
Litigation costs	1,042,032.19	235,352.87
Taxes	0.00	878,783.59
Others	5,603,942.28	4,858,048.28
Total	52,072,280.85	44,572,155.45

Other notes:

65. Financial Expenses

Unit: RMB

Item	Reporting Period	Same period of last year
Interest expenses	0.00	0.00
Less: Interest income	18,393,351.08	7,499,149.56
Net losses of exchange	144,567.09	-32,303.30
Others	485,010.47	493,013.92
Total	-17,763,773.52	-7,038,438.94

Other notes:

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

66. Asset Impairment Loss

Unit: RMB

Item	Reporting Period	Same period of last year
I. Bad debt loss	776,978.24	-539,137.85
II. Inventory falling price loss	-55,783,723.64	4,350,035.81
XIV. Others	-624,434.78	
Total	-55,631,180.18	3,810,897.96

Other notes:

The asset impairment loss decreased 1559.79% compared to that of last period, which was mainly generated from the write-back of parts of original provision for impairment in the Reporting Period since the price rising of Banshan Yujing (Xuzhou) Project and Hupan Yujing (Yangzhou) Project.

Others were generated from the write-back of original provision for impairment of Jintian accounts receivable to be verified accounted under the item of other current assets due to the receipt of Jintian Shares in the Reporting Period. For more details, please refer to Note VII 13.

67. Gains and Losses from Changes in Fair Value

Unit: RMB

Sources of changes in fair value gains	Reporting period	Same period of last year

Other notes:

68. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	1,412,812.91	1,158,576.32
Total	1,412,812.91	1,158,576.32

Other notes:

69. Other Income

Unit: RMB

Sources of other income	Reporting period	Same period of last year

70. Non-operating Gains

Unit: RMB

Item	Reporting Period	Same period of last year	Recorded in the amount of the non-recurring gains and losses
Total gains from disposal of non-current assets	23,539.00		23,539.00
Including: Gains from disposal of fixed assets	23,539.00		23,539.00
Confiscated income	189,865.57	713,423.41	189,865.57
Others	394,751.40	369,676.99	394,751.40
Total	608,155.97	1,083,100.40	608,155.97

Government subsidies recorded into current profits and losses

Unit: RMB

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

Other notes:

The current non-operating gains decreased 43.85% compared to that of last period, which was mainly generated from the decrease of confiscated income during the reporting period.

71. Non-operating Expenses

Unit: RMB

Item	Reporting Period	Same period of last year	Recorded in the amount of the non-recurring gains and losses
Loss on disposal of non-current assets	13,282.17	6,300.00	13,282.17
Including: Loss on disposal of fixed assets	13,282.17	6,300.00	13,282.17
Taxes overdue payment fines and other fines	20,007.28	19,444.98	20,007.28
Litigation indemnity	5,819,228.52		5,819,228.52
Others	51,231.25	272,977.52	51,231.25
Total	5,903,749.22	298,722.50	5,903,749.22

Other notes:

The current non-operating expenses increased 1876.33% compared to that of last period, which was mainly generated from the litigation indemnity of the reporting period. For more details, please refer to Section X Financial Report XIV 2. Events.

72. Income Tax Expense

(1) Lists of Income Tax Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Current income tax expense	123,419,468.08	680,299.69
Deferred income tax expense	-19,796,154.40	1,931,680.80
Total	103,623,313.68	2,611,980.49

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

Unit: RMB

Item	Reporting Period
Total profits	467,979,084.11
Current income tax expense accounted by tax and relevant regulations	116,994,771.03
Influence of different tax rate suitable to subsidiary	-47,537.13
Influence of income tax before adjustment	1,353,552.71
Influence of non taxable income	0.00
Influence of not deductible costs, expenses and losses	27,356,993.91
Influence of deductible losses of deferred income tax assets derecognized used in previous period	-40,637,684.53
Influence of deductible temporary difference or deductible losses of deferred income tax assets derecognized in Reporting Period.	-1,396,782.31
Income tax expense	103,623,313.68

Other notes

The current income tax expense increased 3867.23% compared to that of last period, which was mainly generated from the increase of profits realized in Reporting Period.

73. Other Comprehensive Income

Refer to the Note (VII) 57.

74. Information of Cash Flow Statement

(1) Other Cash Received Relevant to Operating Activities

Unit: RMB

Item	Reporting Period	Same period of last year
Interest income	18,393,351.08	7,499,149.56
Net margins, security deposit and various special funds received	0.00	1,103,118.08
Net amount of utilities, miscellaneous fees and accident fee and other receivables on behalf	0.00	3,548,734.20
Other small receivables	4,152,114.66	9,409,363.61
Total	22,545,465.74	21,560,365.45

Note to other cash received relevant to operating activities

(2) Other Cash Paid Relevant to Operating Activities

Unit: RMB

Item	Reporting Period	Same period of last year
Paying administration expenses in cash	13,129,786.98	10,781,780.30
Paying sales expenses in cash	10,355,626.60	19,956,361.04
Net margins, security deposit and various special funds paid	1,325,019.39	0.00
Net amount of utilities, miscellaneous fees and accident fee and other payments on behalf	4,055,467.35	0.00
Payment for litigation execution	10,750,093.41	0.00
Other small payments	5,365,845.58	6,389,601.95
Total	44,981,839.31	37,127,743.29

Note to other cash paid relevant to operating activities

(3) Other Cash Received Relevant to Investment Activities

Unit: RMB

Item	Reporting Period	Same period of last year
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Note to other cash received relevant to investment activities:

(4) Other Cash Paid Relevant to Investment Activity

Unit: RMB

Item	Reporting Period	Same period of last year
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Note to other cash paid relevant to investment activities:

(5) Other Cash Received Relevant to Financing Activities

Unit: RMB

Item	Reporting Period	Same period of last year
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Note to other cash received relevant to financing activities:

(6) Other Cash Paid Relevant to Financing Activities

Unit: RMB

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

Note to other cash paid relevant to financing activities:

75. Supplemental Information for Cash Flow Statement

(1) Supplemental Information for Cash Flow Statement

Unit: RMB

Supplemental information	Reporting Period	Same period of last year
1. Reconciliation of net profit to net cash flows generated from operating activities	--	--
Net profit	364,355,770.43	-5,248,704.63
Add: Provision for impairment of assets	-55,631,180.18	3,810,897.96
Depreciation of fixed assets, of oil-gas assets, of productive biological assets	19,542,847.69	16,066,627.54
Amortization of intangible assets	3,576,251.52	3,576,251.52
Long-term unamortized expenses	264,165.48	264,165.48
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains: negative)	-10,256.83	6,300.00
Losses on retirement of fixed assets (gains: negative)	0.00	0.00

Losses on changes in fair value (gains: negative)	0.00	0.00
Financial cost (gains: negative)	14,907.69	96,000.00
Investment loss (gains: negative)	-1,412,812.91	-1,158,576.32
Decrease in deferred income tax assets (gains: negative)	-19,792,776.10	-57,116,432.29
Increase in deferred income tax liabilities (“-” means decrease)	-3,378.31	-4,970.93
Decrease in inventory (gains: negative)	172,080,653.00	-139,623,701.04
Decrease in accounts receivable from operating activities (gains: negative)	-10,877,893.88	-169,294,375.39
Increase in payables from operating activities (decrease: negative)	-972,643,986.13	1,857,883,012.89
Net cash flows generated from operating activities	-500,537,688.53	1,509,256,494.79
2. Significant investing and financing activities without involvement of cash receipts and payments	--	--
3. Net increase in cash and cash equivalents:	--	--
Closing balance of cash	2,247,039,397.08	2,116,055,975.68
Less: Opening balance of cash	2,857,353,056.85	933,337,815.77
Net increase in cash and cash equivalents	-610,313,659.77	1,182,718,159.91

(2) Net Cash Paid of Obtaining the Subsidiary

Unit: RMB

	Amount
Including:	--
Including:	--
Including:	--

Other notes:

(3) Net Cash Receive from Disposal of the Subsidiary

Unit: RMB

	Amount
Including:	--
Including:	--

Including:	--
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Other notes:

(4) Cash and Cash Equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	2,247,039,397.08	2,857,353,056.85
Including: Cash on hand	204,530.91	299,819.32
Bank deposit on demand	2,246,678,453.69	2,114,647,115.64
Other monetary funds on demand	156,412.48	1,109,040.72
III. Closing balance of cash and cash equivalents	2,247,039,397.08	2,857,353,056.85

Other notes:

The cash and cash equivalents excluded the restricted cash and cash equivalents with amount of RMB12,402,160.00 of the Company or its subsidiaries. Refer to Note VII. 1.

76. Note to Items in the Statement of Change in Owner's Equity

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

Not applicable

77. Assets with Restricted Ownership and Right to Use

Unit: RMB

Item	Closing book value	Restricted reason
Monetary capital	12,402,160.00	Guarantee deposit, for details, please refer to Section X. Financial Report XIV. 2. (1)
Inventory	4,839,083.09	Property preservation guarantee, for details, please refer to Section X. Financial Report XIV. 2. (1)
Fixed assets	1,017,948.16	Property preservation guarantee, for details, please refer to Section X. Financial Report XIV. 2. (1)
Property investment	44,486,536.92	Property preservation guarantee, for details, please refer to Section X. Financial Report XIV. 2. (1)
Total	62,745,728.17	--

Other notes:

78. Foreign Currency Monetary Items

(1) Foreign Currency Monetary Items

Unit: RMB

Item	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Monetary capital	--	--	52,497,775.76
HKD	60,488,277.17	0.8679	52,497,775.76
Other account payable			302,552.76
Of which: HKD	348,603.25	0.8679	302,552.76
Accounts payable			48,602.40
Of which: HKD	56,000.00	0.8679	48,602.40
Available-for-sale financial assets			621,266.20
Of which: USD	91,707.93	6.7744	621,266.20

Other notes:

(2) Note to Oversea Entities Including: for Significant Oversea Entities, Shall Disclose Main Operating Place, Recording Currency and Selection Basis, if there Are Changes into Recording Currency, Shall Also Disclose the Reason.

Applicable Not applicable

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

79. Arbitrage

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

Not applicable

80. Other

Not applicable

VIII. Change of Consolidation Scope

1. Business Combination Not under the Same Control

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

Unit: RMB

Name of the acquiree	Time of the acquisition of the stock	Cost of the acquisition of the stock	Proportion of the acquisition of the stock	Way of the acquisition of the stock	Date of acquisition	The determination basis of acquisition date	The income of the acquiree from the acquisition date to the end of the period	The net profit of the acquiree from the acquisition date to the end of the period

Other notes:

Not applicable

(2) Combination Cost and Goodwill

Unit: RMB

Cost of business combination	
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The explanations on the contingent consideration and its changes as well as the determination method of the fair value of the cost of business combination:

Not applicable

The main reason for the formation of large goodwill:

Not applicable

Other notes:

Not applicable

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

Unit: RMB

	The fair value of the Purchase date	The book value of the purchase date

Recognition methods of identifiable assets and liabilities:

Not applicable

Contingent liabilities of acquiree bared in enterprises merger:

Not applicable

Other notes:

Not applicable

(4) The Profit or Loss from Equity Held by the Date before Acquisition in Accordance with the Fair Value Measured Again

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

Yes No

(5) The Explanations on the Situation in which the Merger Price Cannot Be determined Rationally at the Date of Acquisition or the End of the Period of Merger and Explanations on the Fair Value of the Acquiree's Recognizable Assets and Liabilities

Not applicable

(6) Other Notes

Not applicable

2. Business Combination under the Same Control

(1) Business Combination under the Same Control during the Reporting Period

Unit: RMB

Name of the merged party	Proportion of equity acquired in business combination	Basis of the enterprise merger under the same control	Date of merger	Determination basis of the date of merger	Income of the merged party from the beginning of the period of merger to the date of merger	Net profits of the merged party from the beginning of the period of merger to the date of merger	Income of the merged party during the period of comparison	Net profits of the merged party during the period of comparison
--------------------------	---	---	----------------	---	---	--	--	---

Other notes:

Not applicable

(2) Combination Cost

Unit: RMB

Combination cost	
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Notes to contingent consideration or other changes:

Not applicable

Other notes:

Not applicable

(3) The Book Value of the Assets and Liabilities of the Combined Party at Combining Date

Unit: RMB

	At combining date	At the end of last period

Contingent liabilities of the combined party undertaken in combination

Not applicable

Other notes:

Not applicable

3. Counter Purchase

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

Not applicable

4. The Disposal of Subsidiary

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

Yes No

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

Yes No

5. Other Reasons for the Changes in Combination Scope

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

Not applicable

6. Other

Not applicable

IX. Equity in Other Entities

1. Equity in Subsidiary

(1) The Structure of the Enterprise Group

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

CENTER PROPERTY MANAGERMEN T CO., LTD.						
Shenzhen Huangcheng Real Estate Management Co., Ltd.	Shenzhen	Shenzhen	Property management		100.00%	Set-up
Shandong Shenzhen International Trade Center Property Management Co., Ltd.	Jinan	Jinan	Property management		100.00%	Set-up
Chongqing Shenzhen International Trade Center Property Management Co., Ltd.	Chongqing	Chongqing	Property management		100.00%	Set-up
Chongqing Ao'bo Elevator Co., Ltd.	Chongqing	Chongqing	Service		100.00%	Set-up
Shenzhen Tianque Elevator Technology Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen International Trade Center Property Management Engineering Equipment Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen International Trade Center Food Co., Ltd.	Shenzhen	Shenzhen	Catering service	100.00%		Set-up
Shenzhen	Shenzhen	Shenzhen	Project		100.00%	Set-up

Property Construction Supervision Co., Ltd.			supervision			
Shenzhen Real Estate Exchange	Shenzhen	Shenzhen	Service	100.00%		Set-up
Shenzhen International Trade Center Vehicles Industry Co., Ltd.	Shenzhen	Shenzhen	Service	90.00%	10.00%	Set-up
Shenzhen International Trade Center Motor Rent Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen Tesu Vehicle Driver Training Center Co., Ltd.	Shenzhen	Shenzhen	Service		100.00%	Set-up
Shenzhen International 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 under the same control
Shum Yip Properties Development Co., Ltd.	Hong Kong	Hong Kong	Property development	100.00%		Set-up
Wayhang Development Co., Ltd.	Hong Kong	Hong Kong	Property development		100.00%	Set-up

Chief Properties Ltd.	Link Co.,	Hong Kong	Hong Kong	Property development		70.00%	Set-up
Syndis Investment Ltd.	Co.,	Hong Kong	Hong Kong	Property development		100.00%	Business combination not under the same control

Notes: holding proportion in subsidiary different from voting proportion:

Naught

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

Naught

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

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

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

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

Balance of Divestiture Assets as of June 30, 2017 in consolidated statements is as follows:

Item	Amount	Item	Amount
Other accounts receivable	50.00	Other account payable	682,423.08

Investment property	8,291,278.93	Other non-current liabilities	15,977,012.70
Fixed assets	8,298,026.95		
Long-term unamortized expenses	70,079.90		
Total assets	16,659,435.78	Total liabilities and owners' equity	16,659,435.78

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

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

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

Naught

Other notes:

As of the end of the Reporting Period, the balance of minority equity of the Company was RMB862,087.06. The Company has no significant non-wholly owned subsidiary.

(2) Significant Not Wholly Owned Subsidiary

Unit: RMB

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

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

Naught

Other notes:

Naught

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

Unit: RMB

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

Unit: RMB

Name	Reporting period				The same period of last year			
	Operation	Net profit	Total consolidated	Cash flow from	Operation	Net profit	Total consolidated	Cash flow from

	revenue		income	operating activities	revenue		income	operating activities
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Other notes:

Naught

(4) Significant Restrictions of Using Enterprise Group Assets and Paying Off Enterprise Group Debt

Naught

(5) Provide Financial Support or Other Support for Structure Entities Incorporate into the Scope of Consolidated Financial Statements

Naught

Other notes:

Naught

2. The Transaction of the Company with Its Owner's Equity Share Changed but Still Controlling the Subsidiary

(1) Explanations on Changes of Owner's Equity in the Subsidiary

Naught

(2) The Effects of Transactions on Minority Equity and Owner's Equity Attributable to the Parent Company

Unit: RMB

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Other notes

Naught

3. Equity in Joint Venture Arrangement or Associated Enterprise

(1) List of Significant Joint Ventures or Associated Enterprises

Name of the joint venture or associated enterprise	Main place of business	Place of registration	Nature of business	Proportion of shareholding (%)		Accounting treatment method of the investment to the joint venture or
				Directly	Indirectly	

						associated enterprise
Shenzhen Warehouse Ltd.	Jifa Co., Shenzhen	Shenzhen	Warehouse serve	50.00%		Equity method
Tianan International Building Property Management Company of Shenzhen	Shenzhen	Shenzhen	Property management	50.00%		Equity method

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

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

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

Naught

(2) The Main Financial Information of Significant Joint Ventures

Unit: RMB

	Closing balance/amount incurred in the current period		Opening balance/amount incurred in last period	
	Tianan International Building Property Management Company of Shenzhen	Shenzhen Jifa Warehouse Co., Ltd.	Tianan International Building Property Management Company of Shenzhen	Shenzhen Jifa Warehouse Co., Ltd.
Current assets	45,838,718.22	5,077,835.49	42,814,855.50	9,064,341.43
Of which: cash and cash equivalence	33,356,388.81	4,508,432.99	31,101,797.08	8,288,829.43
Non-current assets	36,819.91	63,964,189.02	42,161.35	58,400,619.41
Total assets	45,875,538.13	69,042,024.51	42,857,016.85	67,464,960.84
Current liabilities	19,226,608.41	3,062,960.84	17,556,069.50	2,938,479.66
Non-current liability	16,298,585.41		16,323,646.35	
Total liabilities	35,525,193.82	3,062,960.84	33,879,715.85	2,938,479.66

Equity attribute to the parent company	10,350,344.31	65,979,063.67	8,977,301.00	64,526,481.18
Portion of net assets calculated according to proportion of shareholdings	5,175,172.16	32,989,531.84	4,488,650.50	32,263,240.59
Book value of equity investment to joint venture	5,175,172.16	32,989,531.84	4,488,650.50	32,263,240.59
Operation revenue	9,006,071.80	4,169,092.56	8,671,772.39	3,580,486.62
Financial expenses	-504,717.70	-4,625.32	29,837.17	-7,667.06
Income tax expense	457,681.11	484,194.16	186,291.45	290,916.24
Net profit	1,373,043.31	1,452,582.49	558,874.35	1,758,278.26
Total comprehensive income	1,373,043.31	1,452,582.49	558,874.35	1,758,278.26

Other notes

Naught

(3) The Main Financial Information of Significant Associated Enterprises

Unit: RMB

	Closing balance/amount incurred in the current period	Opening balance/amount incurred in last period

Other notes

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

(4) The Summarized Financial Information of Unimportant Joint Ventures and Associated Enterprises

Unit: RMB

	Closing balance/amount incurred in the current period	Opening balance/amount incurred in last period
Joint venture:	--	--
The total of following items according to the	--	--

shareholding proportions		
Associated enterprise:	--	--
The total of following items according to the shareholding proportions	--	--

Other notes

Naught

(5) Explanations on Great Limitation of the Ability to Transfer Funds to the Company by Joint Ventures or Associated Enterprises

Naught

(6) Excess Loss Incurred in Joint Ventures or Associated Enterprises

Unit: RMB

Name of joint venture of associated enterprise	The accumulated unconfirmed losses before the report period	The unconfirmed losses of the report period (or the net profits shared by the current period)	The accumulated unconfirmed losses at the end of the report period
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Other notes

Naught

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

Naught

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

Naught

4. Significant Joint Operation

Name of joint operation	Main places of business	Registration	Nature of business	Proportion of shareholding/shares possessed (%)	
				Directly	Indirectly

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

Naught

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

Naught

Other notes

Naught

5. Equity of Structure Entity Not Including in the Scope of Consolidated Financial Statements

Explanations on the structured entity not included in the scope of the consolidated financial statements:

Naught

6. Other

Naught

X. The Risk Related Financial Instruments

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

1. Credit Risk,

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

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

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

There were lots of account receivables withdrawn individually in the Group and had withdrawn bad debt provision, which fully reveal the existence of credit risk. Amount of balance of account receivables was RMB43.1963 million except the aforesaid had withdrawn bad debt provision, mainly was the account receivable of property management, of which was account receivable RMB4.0315 million of Huawei Technologies Co., Ltd. was the total property management costs of several serve district of Huawei Technology Center. Other client receivables were widely dispersed owners and tenants. the Group conducted continuous supervisor to the account receivables to ensure the Group not facing significant bad debt risk. The Group conducted continuous supervisor to the account receivables to ensure the Group not facing significant bad debt risk.

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

2. Liquidity Risk

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

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

The all financial liabilities of the Company shall be paid at maturity within one year.

3. Market Risk

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

(1) Exchange Rate Risk

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

Sensitive analysis of foreign exchange risk was as followed.

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

Item	Reporting Period		Last period	
	Influence to the profits	Influence to equity of shareholders	Influence to the profits	Influence to equity of shareholders
RMB down 2% against HKD	3,145.01	-1,053,537.12	5,630.49	-997,110.52
RMB up 2% against HKD	-3,145.01	1,053,537.12	-5,630.49	997,110.52
RMB down 2% against USD	-12,425.32	-12,425.32		
RMB up 2% against USD	12,425.32	12,425.32		

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

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

(2) Interest Rate Risk

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

The interest risk of the Group incurred from bank loan, interest rate risk of a floating interest rate of financial liabilities that lead to the group facing cash flow interest rate risk, financial liabilities with a fixed interest rate lead to the group facing cash flow interest rate risk.

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

4. Fair Value

See Note (XI).

XI. The Disclosure of the Fair Value

1. Closing Fair Value of Assets and Liabilities Calculated by Fair Value

Unit: RMB

Item	Fair value at the end of the reporting period			
	First level Fair value measurement	Second level Fair value measurement	Third level Fair value measurement	Total
I. Consistent fair value measurement	--	--	--	--

(II) Available-for-sale financial assets	3,613,241.23			3,613,241.23
(2) Equity tool investment	3,613,241.23			3,613,241.23
Total assets of consistent fair value measurement	3,613,241.23			3,613,241.23
II. Inconsistent fair value measurement	--	--	--	--

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

The closing price in NEEQ on June 30, 2017

3. Consistent and Inconsistent Fair value Measurement Items at Level 2, Valuation Techniques Adopted, the Qualitative and Quantitative Information of Important Parameters

Not applicable

4. Consistent and Inconsistent Fair Value Measurement Items at Level 3, Valuation Techniques Adopted, the Qualitative and Quantitative Information of Important Parameters

Not applicable

5. Consistent Fair Value Measurement Items at Level 3, the Adjustment Information of the Opening and Closing Book Value, and the Sensitivity Analysis of Unobservable Parameters

Not applicable

6. Consistent Fair Value Measurement Items, Conversion between All Levels during the Reporting Period, the Reasons for Conversion and Policies at the Time of Determination of Conversion

Not applicable

7. Change and Change Reason of Valuation Techniques in the Reporting Period

Not applicable

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

Not applicable

9. Other

Not applicable

XII. Related Party and Related Transaction

1. Information Related to Parent Company of the Company

Name of parent company	Registration place	Nature of business	Registered capital	Proportion of share held by parent company against the Company (%)	Proportion of voting rights owned by parent company against the Company (%)
SHENZHEN INVESTMENT HOLDINGS CO., LTD	Shenzhen	Managing state-owned assets	RMB21,480 million	63.82%	63.82%

Notes: Information on the parent company:

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

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

Other notes:

2. Subsidiaries of the Company

For more details, please refer to Note (IX) 1.

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

For details, please refer to Note (IX) 3.

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

Name of the joint venture or associated enterprise	Relationship with the Company
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Other notes

4. Information on Other Related Parties of the Company

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

Other notes

5. List of Related-party Transactions

(1) Information on Acquisition of Goods and Reception of Labor Service (Unit: Ten Thousand Yuan)

Information on acquisition of goods and reception of labor service

Unit: RMB

Related-party	Content	Reporting Period	The approval trade credit	Whether exceed trade credit or not	Same period of last year
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Information of sales of goods and provision of labor service

Unit: RMB

Related-party	Content	Reporting Period	Same period of last year
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Information on related-party transactions of sales of goods and provision and reception of labor service

(2) Relating Commissioned Management/Contract and Entrusted Management/Outsourcing

List of commissioned management/contract of the Company:

Unit: RMB

Name of the entrusting party/contract-out party	Name of the commissioned party/contractor	Type of the commissioned/contracted assets	Start date of commissioned management/contract	End date of commissioned management/contract	Pricing basis of commissioned management revenue/contract revenue	Revenue from commissioned management/contract confirmed in the report period
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Explanations on relating commissioned management/contract

List of entrusted management/outsourcing:

Unit: RMB

Name of the entrusting party/contract-out party	Name of the commissioned party/contractor	Type of the entrusted/outsourced assets	Start date of entrusted management/outsourcing	End date of entrusted management/outsourcing	Pricing basis of trustee fee/expense on outsourcing	Trustee fee/expense on outsourcing confirmed in the
---	---	---	--	--	---	---

						report period
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Explanations on relating management/outsourcing

(3) Information of Related Lease

The Company serves as the lessor:

Unit: RMB

Name of leasee	Type of leased assets	Rental income confirmed in the Report period	Rental income confirmed in the same period of last year
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The Company serves as the leasee:

Unit: RMB

Name of lessor	Type of leased assets	Rental expense confirmed in the report period	Rental expense confirmed in the same period of last year
Shenzhen Investment Holdings Co., Ltd.	Rental	179,350.20	100,715.80

Explanations on related-party lease

(4) Related-party Guarantee

The Company serves as the guarantee

Unit: RMB

Secured party	Amount	Start date	Maturity date	Fulfill or not
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The Company serves as the secured party

Unit: RMB

Guarantee	Amount	Start date	Maturity date	Fulfill or not
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Explanations on related-party guarantee

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

Unit: RMB

Related party	Amount	Start date	Maturity date	notes
Borrowed				
Loaned				

(6) Related Party Asset Transfer and Debt Restructuring

Unit: RMB

Related party	Contents of related-party transactions	Reporting period	Same period of last year
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(7) Rewards for the Key Management Personnel

Unit: RMB

Item	Reporting period	Same period of last year
Total rewards for the key management personnel (personal income tax included)	2,288,910.00	2,238,223.00

(8) Other Related-party Transactions

In November 2012, Shenzhen Foreign Economy & Trade Investment Co., Ltd. (hereinafter referred to as FET Company”) and Shenzhen Shenxin Taxi Co., Ltd. (hereinafter referred to as “SX Company”) concluded and signed Contract on Entrusted Management of Divestiture Assets and Liabilities, promising that FET Company has entrusted SX Company to liquidate, manage and dispose of Divestiture Assets, see 2, Section X Financial Report, (IX), (1) .

During the entrusted operating period in January-June of 2017, the situation of divestiture assets was as followed:

Item	Amount
Operation revenue	1,973,303.06
Operation cost	1,249,979.39
Business tax and surcharges	214,085.32
Administrative expenses	347,769.19
Total profits	161,469.16
Income tax expense	40,367.29
Net profit	121,101.87

Notes: The Company didn't pay FET Company for income received from asset operation during the Reporting Period.

6. Receivables and Payables of Related Parties

(1) Receivables

Unit: RMB

Name of item	Related-party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Other accounts receivable	Anhui Nanpeng Papermaking Co., Ltd.	8,586,848.00	8,586,848.00	8,899,040.00	8,899,040.00
Other accounts receivable	Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	1,747,264.25	1,747,264.25	1,747,264.25	1,747,264.25
Other accounts	Shenzhen	909,960.40	909,960.40	909,960.40	909,960.40

receivable	Guesthouse Restaurant				
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(2) Payables

Unit: RMB

Name of item	Related-party	Closing book balance	Opening book balance
Other account payable	Shenzhen Jifa Warehouse Co., Ltd.	29,296,665.14	26,296,665.14
Other account payable	Tianan International Building Property Management Company of Shenzhen	5,214,345.90	5,214,345.90

7. Related Party Commitment

No such case in Reporting Period.

8. Other

Not applicable

XIII. Share-based Payment

1. General Share-based Payment

Applicable Not applicable

2. Shared-based Payment Settled by Equity

Applicable Not applicable

3. Shared-based Payment Settled by Cash

Applicable Not applicable

4. Modification and Termination on Share-based Payment

Not applicable

5. Other

Not applicable

XIV. Commitments and Contingencies

1. Significant Commitments

Significant commitments at balance sheet date

Item	Closing amount
Large amount contract of real estate development project signed but derecognized in financial statements.	604,286,106.13
Total	604,286,106.13

2. Contingencies

(1) Significant Contingencies at Balance Sheet Date

① Pending Litigation

A. About transferring Jiabin Building contentious matter (Now rename as: Longyuan Development Building; former name Jinlihua Commercial Plaza)

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

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

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

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

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

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

In October 2009, the Company received (Verdict YGFZ (2002) No. 1-2) from Guangdong Higher Court. The verdict claimed: The resume execution of this case is according to the "The requirements for the Guangdong Higher Court to concentrate the implementation of accumulated cases" Through the investigation conducted by Guangdong Higher Court to Shenzhen department of motor vehicles, Shenzhen Securities Registration and Settlement Organizations, Shenzhen Land resources and real estate administration and the opening bank of the executed party, the executed party – Jiyong Company does not have any executable property. For these, Guangdong Higher Court adjudicated: ① Terminate the executive procedure of Verdict YGFZ (2002) No. 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") plan to conduct reconstructions to the plaza, On March 3, 2011, the Company, The First Administration Under Shenzhen Planning And Land Resources Committee Directly and Longyuan-Kaili had registered the land of Jin Lihua Building to its name according to SDHZ (1992) No. 0228 *Second Supplementary Agreement of Shenzhen Grant Contract of Land Use Right signed in 2011 and Meeting Summery about Research of Dealing with Problem Building Issued* (No. 481) by Shenzhen Municipal Government.

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

As the executable property is not found in the case so far, the Company withdrew bad debt provision for Shenzhen Jiyong Properties & Resources Development Company's transfer amount of Jin Lihua Commercial Plaza. In August 2015, the Company as a creditor applied to Shenzhen Intermediate People's Court for the bankruptcy and insolvency of Shenzhen Jiyong Properties & Resources Development Company, now the Company is waiting for acceptance and inspection.

B. Lawsuit item about land approval of Meisi Company

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

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

The Company refused to accept Decision on Administrative 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 YGFZZZ (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. 300119899 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. 300119899 (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. 300119899 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. 300119899 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"). In 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.

In 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 December 22, 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 Aug. 15, 2011, the Company received the Administrative Ruling Paper (YGFSJZ Zi (2010) No. 8) from the Guangdong Higher Court, which maintained the Administrative Ruling Paper (SZFXZ Zi (2008) No. 223), and it believed that the dispute on the land ownership for both parties was civil right confirmation, and both parties should find other legal way to solve.

The Company received the ruling of Shenzhen Medium People's Court in October 2012, at which the court approved legally Meisi Company's application on canceling the lawsuit towards the Company. After receiving the above ruling, due to the Administrative Ruling Paper SZFXZ Zi (2008) No. 223 had clearly ruled that the dispute

on Meilin land between the Company and Meisi Company should be settled through civil law procedures, therefore, the Company raised the civil lawsuit to Meisi Company and 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 recognizing its ownership of the above involved land. And the two cases were combined for public trial on March 1, 2013, and now it's waiting for ruling.

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

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

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

According to (2002) SLFJYCZ No. 582 paper of civil judgment, Shenzhen Xinguang Industry Co., Ltd. ("Xinguang Company") shall, within ten days after the effectiveness of such paper, clean off RMB2.21 million of principal and interest thereon (such interest shall be counted from Dec. 22, 2000 to the date when the debts are paid off based on related regulations by the People's Bank of China as agreed under Loan Contract) to Shenzhen Shendong Branch of Industrial and Commercial Bank of China ("Shendong Branch of ICBC"); and International Trade Center Company shall undertake joint liability for cleaning off such debts.

After the effectiveness of (2002) SLFJYCZ No. 582 paper of civil judgment, Shendong Branch of ICBC has only been paid off RMB31,551, and then the creditor's right has been transferred to Shenzhen Office of China Orient Asset Management Corporation, who has applied for execution by force to the People's Court, but received no more payment. On May 22, 2008, Shenzhen Office of China Orient Asset Management Corporation further transferred the creditor's right to Dongfu Asset Management Corporation. On Oct. 24, 2010, Dongfu Asset Management Corporation again transferred such right to Shenzhen Hetaiheng Investment Co., Ltd., which had been paid 700,000 during the execution of this paper.

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

Under (2015) SLFMECZ No. 2499 paper of civil judgment, Shenzhen Hetaiheng Investment Co., Ltd. claimed that the Company and China Education Company shall undertake the joint liability for paying off the debts under (2002) SLFJYCZ No. 582 paper of civil judgment (By Mar. 31, 2015, RMB2,178,449.00 of principal, with the interest counted from the date as regulated by the law to the date when the debts are paid off).

It is decided in the first-instance judgment by Shenzhen Luohu District People's Court that the two sharing companies of International Trade Center Industry Company, namely the Company and China Education Company, as well as Shicai Company though not involved in this case, shall undertake the joint liability for the debts of International Trade Center Company under (2002) SLFJYCZ No. 582 paper of civil judgment since they failed to perform the liquidation liability and to provide accounting books during bankruptcy proceedings of International

Trade Center Company, which led to the failure of an overall liquidation; as for the debt amount, this Court did not make any decision since such amount may be changed with the performance of paying off the debts under (2002) SLFJYCZ No. 582 paper of civil judgment by parties involved. The Company refuses to accept the above judgment and has appealed against such decision. During the Reporting Period, the Company estimated about RMB834,999.50 of debts based on (2015) SLFMECZ No. 2499 paper of civil judgment and its actual holding 38.33% of the shares of International Trade Center Company.

On Nov. 28, 2016, Shenzhen Intermediate People's Court issued (2015) SZFSZZ No. 2837 paper of civil judgment, changing (2015) SLFMECZ No. 2499 of civil judgment to: the Company and China Education Company shall undertake the joint compensation liability for the debts for Shenzhen International Trade Center Industry Development Co., Ltd. declared under (2002) SLFJYCZ No. 582 paper of civil judgment (the RMB 1,314,719.00 paid off to Shenzhen Hetaiheng Investment Co., Ltd. and Shendong Branch of Industrial and Commercial Bank of China shall be deducted).

In 2016, the company planned to compensate RMB 6,009,255.74 based on (2015) SZFSZZ No.2837 paper of civil judgment and confirmed the estimated debt of RMB 2,303,948.65 based on the 38.34% of the shares of International Trade Center Company held by the Company. After the confirmed debt of RMB 834,999.50 in 2015 was deducted, the added estimated debt for this Reporting Period is RMB 1,468,949.15. Shenzhen Hetaiheng Investment has applied for execution by force to the Court, demanding that the Company fulfill the obligations stated in (2015) SZFSZZ No. 2837 paper of civil judgment.

On Apr. 13, 2017, the Company received the (2016) Y0303 No. 11947-2 *Notice of Execution* issued by Luohu District People's Court. On Apr. 18, 2017, the Company paid the principal and interest confirmed by (2015) SZFSZZ No. 2837 Paper of Civil Judgment, RMB 5,917,084.99 in total (until Apr. 12, 2017) and paid RMB 56,985.42 of execution fees. On May 8, 2017, the Company received (2016) Y0303 No. 11947-2 *Notice of Settlement* issued by Luohu District People's Court.

The Company refuses to accept the (2015) SZFSZ No. 2837 civil of judgment and has appealed to Guangdong Higher Court. On May 10, 2017, the Company received (2017) YMS No. 3079 *Notice of Civil Application Retrial Case Acceptance* issued by Guangdong Higher Court. Guangdong Higher Court has confirmed case filing investigation.

D. Huizhou Dongfang Lianhe Industry Co., Ltd. prosecuted the Company to undertake joint liability for the debts for Shenzhen International Trade Center Industry Development Co., Ltd.

In December 2016, Huizhou Dongfang Lianhe Industry Co., Ltd. prosecuted the Company on account of the liability of shareholder's infringement of creditor's interests, demanding that the Company undertake joint settlement liability for the debt of RMB 8,359,288.40 (as of Mar. 31, 2015) under (2000) SFFJCZ No. 854 paper of civil judgment.

Based on (2000) SFFJCZ No. 854 paper of civil judgment: Shenzhen Shengping Industry Development Co., Ltd. ("Shengping Company") shall, within ten days after the effectiveness of such paper, pay 2.5 million of principal and interests thereon (including penalty, which is RMB 310,100.00 counted until Mar. 20, 2000, and the interests thereafter shall be counted based on the loan interest rate for the same period stipulated by the People's Bank of China, until the date payable confirmed by the judgment). In the case of overdue payments, debt interests shall be paid in double for the period of deferred execution. Shenzhen International Trade Center Industry Development Co., Ltd. undertakes joint settlement liability for the debts of Shengping Company under the judgment.

Upon taking effect of (2000) SFFJCZ No. 854 paper of civil judgment, Shenzhen Development Bank Changcheng Building Branch applied for execution by force, but did not receive payment. Then it transferred the creditor's right to China Huarong Asset Management Co., Ltd Shenzhen Office ("Huarong Company"). Huarong Company transferred the right to Huizhou Dongfang Lianhe Industry Co., Ltd. In December 2016, Huizhou Dongfang

Lianhe Industry Co., Ltd. prosecuted the Company.

In 2013, International Trade Center Company applied for bankruptcy liquidation. On Dec. 17, 2014, Shenzhen Intermediate People's Court issued (2013) SZFPZ No. 24-3 paper of civil judgment to end the bankruptcy proceeding on International Trade Center Company due to its liquidation failure since the Company's address was unknown and management failed to take over the Company's property and financial data. On Apr. 1, 2015, the management of International Trade Center Company dissolved the company. The Company is preparing to respond to the prosecution and the first trial was heard in Luohu District People's Court on March 16, 2017.

In 2016, based on (2000) SFFJCZ No. 854 *Paper of Civil Judgment* and (2015) SZFSZZ No. 2837 *Paper of Civil Judgment*, the Company deems that there is a greater possibility for the assumption of the joint liability for the debt under (2000) SFFJCZ No. 854 *Paper of Civil Judgment*, and based on the estimated compensation of RMB 7,557,033.56 and the 38.34% of the shares of International Trade Center Company held by the Company, the withdrawal of estimated debt is RMB 2,897,366.67.

On Mar. 31, 2017, the Company reached mediation agreement with Huizhou Dongfang Lianhe Industry Co., Ltd after Luohu District People's Court's mediation. Luohu District People's Court issued (2016) Y0303MC No. 20377 *Paper of Civil Mediation*, and the Company agreed to reconcile with the other party about creditor's right, RMB 4,776,023.00. The right was declared by Huizhou Dongfang Lianhe Industry Co., Ltd from the bankruptcy administrator of International Trade Center Industry Development Co., Ltd. The other party gives up the creditor's right for the other two shareholders of International Trade Center Industry Development Co., Ltd. At the same time, it was confirmed that the Company had the right to ask the relevant obligor for the compensation after completing the above payment. On Apr.13, 2017, the Company paid RMB 4,776,023.00 confirmed on the mediation agreement to Huizhou Dongfang Lianhe Industry Co., Ltd.

② Guarantee

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

B. To protect the land use right of Meilin Workshop and Comprehensive Building, on Dec. 19, 2012, the Company applied to Shenzhen Intermediate People's Court for sealing up the land property of original SFDZ No. 0103139 and No. 0103142 during the civil action process (as detailed in item 2, article XIV, section X the financial report) with Shenzhen Meisi Industrial Co., Ltd. In accordance with civil procedure act, the Company provided the property-international plaza (41 houses in total) as the financial guarantee of the case. The real estate is 8,342.24 m² in total. By June 30, the book value is RMB 5,0343,600.

C. Guarantee for the owners: the Company and its subsidiaries are the purchasers providing mortgage guarantee for the bank. As of June 30, 2016, the unsettle guarantee amount was RMB1410.41 million, the guarantee event was provided by real estate developer for small owners' purchases of commercial houses of the Company, which was the common phenomenon in the industry.

(2) If the Company Has No Significant Contingency to Disclose, Relevant Explanations Should Also Be Given

The Company has no significant contingency to disclose.

3. Other

Naught

XV. Events after Balance Sheet Date

1. Significant Non-adjusting Events

Unit: RMB

Item	Content	Effects on financial condition and operating result	Reason for inability to estimate the influence number
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2. Profit Distribution

Unit: RMB

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

3. Sales Return

Naught

4. Notes of Other Events after Balance Sheet Date

Naught

XVI. Other Significant Events

1. The Accounting Errors Correction in Previous Period

(1) Retroactive Restatement

Unit: RMB

Contents of the correction of accounting errors	Procedures of processing	Name of each affected item of statement during the period of comparison	Cumulative effects
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(2) Prospective Application

Contents of the correction of accounting errors	Procedures of approval	Reason for adopting method of prospective application
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2. Debt Restructuring

Not applicable

3. Assets Replacement

(1) Exchange of Non-monetary Assets

Not applicable

(2) Replacement of Other Assets

Not applicable

4. Annuity Plan

Not applicable

5. Discontinued Operation

Unit: RMB

Item	Income	Expense	Total profits	Income tax expense	Net profits	Profits generated from discontinued operation attributable to owners' of the Company

Other notes

Not applicable

6. Segment Information

(1) Recognition Basis and Accounting Policies of Reportable Segment

The Group's business includes real estate business, housing lease management, transportation, catering services, and other business (including: mechanical and electrical professional maintenance business, mechanics, engineering supervision, parking lot, because of the above businesses income are small, approve them being merged), etc. The Group separately organized and managed according to the business and the properties of

products and services provided. Each business division of the Group was a business group, provided the facing risk and obtained rewards and products different from other division.

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

B. The property management business divisions: building management

C. Transportation business division: operating passenger car

D. Diet services: catering service

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

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

(2) The Financial Information of Reportable Segment

Unit: RMB

Item	Real estate	Property management	Transportation	Catering service	Others	Undistributed	Offset in segment
Operation revenue	1,092,505,000.97	180,892,643.85	27,861,938.33	12,007,374.58	3,879,774.70		1,317,146,732.43
Trading revenues between divisions	475,630.46	2,559,280.03	86,153.85	531,927.37	3,718,838.17	-7,371,829.88	
Sales expenses	11,018,608.50					-162,259.55	10,856,348.95
Investment income to associated enterprises and joint ventures					1,412,812.91		1,412,812.91
Asset impairment loss	-58,383,295.58	804,489.17	72,281.81	1,112.99	233.82	1,873,997.61	-55,631,180.18
Depreciation and amortization charges	12,378,761.19	577,156.06	10,290,579.40	142,258.49	38,571.57	-44,062.02	23,383,264.69
Total profits (losses)	899,860,545.61	15,146,282.40	2,189,869.79	627,248.59	1,206,070.64	-451,050,932.93	467,979,084.11
Total assets	7,358,780,286.00	380,522,147.26	146,456,843.46	5,248,218.70	50,138,554.18	-2,003,885,952.23	5,937,260,097.37
Total liabilities	4,545,128,252.24	338,256,394.08	80,000,104.90	4,120,168.32	5,284,357.57	-1,702,347,677.87	3,270,441,599.25

Long term equity investments in associated companies and joint ventures					38,164,704.03		38,164,704.03
Increase of non-current assets except long term equity investment	2,666,529.84	7,893,461.69	15,174.48	40,494.95	5,969.00		10,621,629.96

(3) If There Is No Reportable Segment, or the Total Amount of Assets and Liabilities of Each Part of Reportable Segment Cannot Be Disclosed, the Relevant Reasons Should Be Given

Not applicable

(4) Other Notes

A. Income of foreign trade of production and labor service

Item	Reporting Period	Same period of last year
Real estate	1,092,505,000.97	139,265,963.27
Property management	180,892,643.85	185,145,485.77
Transportation	27,861,938.33	29,370,584.42
Catering service	12,007,374.58	11,632,035.39
Others	3,879,774.70	6,643,411.11
Total	1,317,146,732.43	372,057,479.96

B. Geography information

Distribution of foreign trade income:

Item	Reporting Period	Same period of last year
Mainland of China	1,317,146,732.43	371,895,633.55
Countries and regions outside the Chinese mainland		161,846.41
Total	1,317,146,732.43	372,057,479.96

Distribution of total non-current assets liabilities:

Item	Closing balance	Opening balance
Mainland of China	1,026,502,227.03	1,024,420,748.77
Countries and regions outside the Chinese mainland	1,501,006.19	1,905,293.14
Total	1,028,003,233.22	1,026,326,041.91

C. Customers information

The customers of the Group were rather dispersed; there was no individual transaction over 10%.

7. Other Important Transactions and Events that Have an Impact on Investors' Decision-making

Not applicable

8. Other

Not applicable

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

1. Accounts Receivable

(1) Accounts Receivable Classified by Category

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with significant single amount for which bad debt provision separately accrued	96,647,889.05	98.05%	96,647,889.05	100.00%	0.00	96,647,889.05	98.81%	96,647,889.05	100.00%	0.00
Accounts receivable withdrawal of bad debt provision of by credit risks characteristics:	1,865,465.71	1.89%	398,376.23	21.36%	1,467,089.48	1,111,427.71	1.14%	556,593.42	50.08%	554,834.29
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	54,380.35	0.06%	54,380.35	100.00%	0.00	54,380.35	0.06%	54,380.35	100.00%	0.00
Total	98,567,735.11	100.00%	97,100,645.63	98.51%	1,467,089.48	97,813,697.11	100.00%	97,258,862.82	99.43%	554,834.29

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

Applicable Not applicable

Unit: RMB

Accounts receivable (classified by units)	Closing balance			
	Account receivable	Bad debt provision	Withdrawal proportion	Withdrawal reason
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	93,811,328.05	100.00%	Involved in lawsuit and no executable property, please refer to Section X. Financial Report XIV. 2.
Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	2,836,561.00	100.00%	Irrecoverable for long time
Total	96,647,889.05	96,647,889.05	--	--

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

Applicable Not applicable

Unit: RMB

Aging	Closing balance		
	Account receivable	Bad debt provision	Withdrawal proportion
Subentry within 1 year			
Within 1 year (including 1 year)	1,136,929.00	34,107.87	3.00%
Subtotal within 1 year	1,136,929.00	34,107.87	3.00%
3 to 4 years	728,536.71	364,268.36	50.00%
Total	1,865,465.71	398,376.23	21.36%

Notes:

For more details about the basis of the determination of the group, please refer to Section X Financial Report V. 11.

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

Applicable Not applicable

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

Naught

(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-158,217.19; the amount of the reversed or collected part during the Reporting Period was of RMB000.

Significant amount of reversed or recovered bad debt provision:

Unit: RMB

Name of unit	Collected or reversed amount	Way
Total	0.00	--

(3) Particulars about Accounts Receivable Actually Verified during the Reporting Period

Unit: RMB

Item	Amount of verification
------	------------------------

The verification of significant accounts receivable:

Unit: RMB

Name of unit	Nature of other accounts receivable	Amount of verification	Reason for verification	Procedures of verification performed	Whether the accounts are generated from related-party transactions or not
Total	--	0.00	--	--	--

Notes of the verification of other accounts receivable:

No such cases in the Reporting Period.

(4) Accounts Receivable of the Top 5 of the Closing Balance Collected According to the Arrears Party

Name of the entity	Closing balance	Proportion (%)	Closing balance of bad debt provision
Shenzhen Jiyong Properties & Resources Development Company	93,811,328.05	95.17%	93,811,328.05
Shenzhen Tewe Industry Co., Ltd.	2,836,561.00	2.88%	2,836,561.00
RAINBOW DEPARTMENT STORE CO., LTD	728,536.71	0.74%	364,268.36
BCHO Shenzhen Branch	184,056.00	0.19%	5,521.68
Luo Junhong	179,337.00	0.18%	5,380.11
Total	97,739,818.76	99.16%	97,023,059.20

(5) Accounts Receivable Derecognized for the Transfer of Financial Assets

Naught

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

Naught

Other notes:

Naught

2. Other Accounts Receivable

(1) Other Accounts Receivable Classified by Category

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Other accounts receivable with significant single amount for which bad debt provision separately accrued	135,774,604.07	11.72%	36,748,901.50	27.07%	99,025,702.57	139,256,094.17	9.70%	37,124,339.53	26.66%	102,131,754.64
Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	1,020,523,021.87	88.07%	8,830,180.35	0.87%	1,011,692,841.52	1,294,375,620.67	90.14%	8,866,593.99	0.69%	1,285,509,026.68
Other accounts receivable with insignificant single amount for which bad debt provision separately accrued	2,415,326.23	0.21%	2,415,326.23	100.00%		2,415,326.23	0.16%	2,415,326.23	100.00%	
Total	1,158,712,952.17	100.00%	47,994,408.08	4.14%	1,110,718,544.09	1,436,047,041.07	100.00%	48,406,259.75	3.37%	1,387,640,781.32

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

√ Applicable □ Not applicable

Unit: RMB

Other accounts receivable (unit)	Closing balance			
	Other accounts receivable	Bad debt provision	Withdrawal proportion	Withdrawal reason
Shum Yip Properties Development Co., Ltd.	106,639,786.57	7,614,084.00	7.14%	Irrecoverable for long time

Anhui Nanpeng Papermaking Co., Ltd.	8,586,848.00	8,586,848.00	100.00%	Irrecoverable for long time
Advances the shopping mall gold business utilities	6,481,353.60	6,481,353.60	100.00%	Irrecoverable for unenforceability
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%	Liquidated
Dameisha Tourism Center	2,576,445.69	2,576,445.69	100.00%	The project has been suspended
Elevated Train Project	2,542,332.43	2,542,332.43	100.00%	The project has been suspended
Total	135,774,604.07	36,748,901.50	--	--

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

Applicable Not applicable

Unit: RMB

Aging	Closing balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Subentry within 1 year			
Within 1 year (including 1 year)	597,848.89	17,935.47	3.00%
Subtotal within 1 year	597,848.89	17,935.47	3.00%
1 to 2 years	43,300.00	4,330.00	10.00%
3 to 4 years	92,200.00	46,100.00	50.00%
Over 5 years	8,761,814.88	8,761,814.88	100.00%
Total	9,495,163.77	8,830,180.35	93.00%

Notes:

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

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

Applicable Not applicable

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

Applicable Not applicable

(2) The Bad-debt Provision Withdrew, Reversed or Collected during the Reporting Period

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB-99,659.67; the amount of the reversed or collected part during the Reporting Period was of RMB000.

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

Unit: RMB

Name of unit	Collected or reversed amount	Way
Total	0.00	--

The amount of bad debt provision was RMB-99,659.67; the decrease of amount of bad debt provision of foreign currency of creditor's rights receivable after exchange was RMB312,192.00.

(3) Other Accounts Receivable Actually Verified during the Reporting Period

Unit: RMB

Item	Amount of verification
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The verification of significant other accounts receivable:

Unit: RMB

Name of unit	Nature of other accounts receivable	Amount of verification	Reason for verification	Procedures of verification performed	Whether the accounts are generated from related-party transactions or not
Total	--	0.00	--	--	--

Notes of the verification of other accounts receivable:

No such cases in the Reporting Period.

(4) Other Accounts Receivable Classified by Account Nature

Unit: RMB

Nature of accounts	Closing book balance	Opening book balance
Margin	2,211,109.83	2,404,664.08
Pretty cash advance	146,489.00	85,500.00
Account receivable to subsidiary	1,117,721,123.44	1,394,246,757.56
Account receivable to affiliated company	10,334,112.25	10,646,304.25
Account receivable non-affiliated company	28,300,117.65	28,663,815.18
Total	1,158,712,952.17	1,436,047,041.07

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

Unit: RMB

Name of unit	Nature of accounts	Closing balance	Account-age at the end of the period	Proportion to the total of closing balance of other accounts receivable	Closing balance of bad-debt provision
PRD Group Xuzhou Dapeng Real Estate	Accounts receivable	499,838,221.77	Within 5 years	43.14%	

Development Co., Ltd.	to subsidiary				
PRD Yangzhou Real Estate Development Co., Ltd.	Accounts receivable to subsidiary	409,589,836.60	Within 4 years	35.35%	
Shum Yip Properties Development Co., Ltd.	Accounts receivable to subsidiary	106,639,786.57	Over 5 years	9.20%	7,614,084.00
Shenzhen Huangcheng Real Estate Management Co., Ltd.	Accounts receivable to subsidiary	83,705,906.77	Within 3 years	7.22%	
Shenzhen Guomao Real Estate Management Co., Ltd.	Accounts receivable to subsidiary	13,314,618.21	Within 1 year	1.15%	
Total	--	1,113,088,369.92	--	96.06%	7,614,084.00

(6) Account Receivable Involving Government Subsidies

Unit: RMB

Name of unit	Name of the government subsidy item	Closing balance	Account-age at the end of the period	Estimated time, amount and basis of charge
Total	--	0.00	--	--

Naught

(7) Other Account Receivable Derecognized Due To the Transfer of Financial Assets

Naught

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

Naught

Other notes:

Naught

3. Long-term Equity Investment

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment to the subsidiary	278,521,261.98	31,964,000.00	246,557,261.98	278,521,261.98	31,964,000.00	246,557,261.98
Investment to joint ventures and associated enterprises	70,972,318.17	32,807,614.14	38,164,704.03	69,559,505.26	32,807,614.14	36,751,891.12
Total	349,493,580.15	64,771,614.14	284,721,966.01	348,080,767.24	64,771,614.14	283,309,153.10

(1) Investment to the Subsidiary

Unit: RMB

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

Center Vehicles Industry Co., Ltd.						
SHENZHEN INTERNATIONAL TRADE CENTER PROPERTY MANAGEMENT CO., LTD.	20,000,000.00			20,000,000.00		
Shenzhen Shenxin Motor Rent Co., Ltd.	12,877,260.98			12,877,260.98		
Shenzhen International Trade Center Food Co., Ltd.	1,600,001.00			1,600,001.00		1,600,000.00
Shenzhen Property Construction Supervision Co., Ltd.	3,000,000.00			3,000,000.00		
Shenzhen International Trade Plaza	12,000,000.00			12,000,000.00		12,000,000.00
Shenzhen Real Estate Exchange	1,380,000.00			1,380,000.00		
Zhanjiang Shenzhen Real Estate Development Co., Ltd	2,530,000.00			2,530,000.00		2,530,000.00
Shum Yip Properties Development Co., Ltd.	15,834,000.00			15,834,000.00		15,834,000.00
PRD Group Xuzhou Dapeng Real Estate Development Co., Ltd.	50,000,000.00			50,000,000.00		
Total	278,521,261.98			278,521,261.98		31,964,000.00

(2) Investment to Joint Ventures and Associated Enterprises

Unit: RMB

The investor	Opening balance	Increase/decrease								Closing balance	Closing balance for impairment provisions
		Additional investments	Reduced investments	Profit and loss on investments confirmed according to equity law	Adjustment of other comprehensive income	Changes in other equity	Cash, dividends and profits declared to issue	Impairment provisions	Others		
I. Joint ventures											
Shenzhen Jifa Warehouse Co., Ltd.	32,263,240.61			726,291.25						32,989,531.86	
Tianan International Building Property Management Company of Shenzhen	4,488,650.51			686,521.66						5,175,172.17	
Subtotal	36,751,891.12			1,412,812.91						38,164,704.03	
II. Associated enterprises											
Shenzhen Wufang Pottery & Porcelain Industrial Co., Ltd.	18,983.614.14									18,983.614.14	18,983.614.14
Anhui Nanpeng Papermaking Co., Ltd.	13,824.000.00									13,824.000.00	13,824.000.00

Subtotal	32,807,61 4.14									32,807,61 4.14	32,807,61 4.14
Total	69,559,50 5.26			1,412,812 .91						70,972,31 8.17	32,807,61 4.14

(3) Other Notes

Naught

4. Revenues and Operating Costs

Unit: RMB

Item	Reporting Period		Same period of last year	
	Sales revenue	Cost of sales	Sales revenue	Cost of sales
Main operations	940,995,898.09	178,852,582.93	32,157,014.88	7,594,195.01
Total	940,995,898.09	178,852,582.93	32,157,014.88	7,594,195.01

Other notes:

5. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by cost method	448,375,302.27	
Long-term equity investment income accounted by equity method	1,412,812.91	1,158,576.32
Total	449,788,115.18	1,158,576.32

6. Other

Not applicable

XVIII. Supplementary Materials

1. Items and Amounts of Extraordinary Gains and Losses

Applicable Not applicable

Unit: RMB

Item	Amount	Explanation
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Gains/losses on the disposal of non-current assets	10,256.83	
Reverse of bad debt provision of account receivable individually conducting impairment test	624,434.78	Refer to Section X Financial Report VII 13. Events
Other non-operating income and expenses other than the above	-5,305,850.08	Mainly generated from litigation indemnity. Refer to Section X Financial Report XIV 2. Events for details.
Less: Income tax effects	-1,204,864.87	
Total	-3,466,293.60	--

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

Applicable Not applicable

2. Return on Net Equity and Earnings Per Share

Profit as of Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	14.25%	0.6114	0.6114
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	14.39%	0.6172	0.6172

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

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

Applicable Not applicable

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

Applicable Not applicable

(3) Explain Reasons for the Differences between Accounting Data under Domestic and Overseas Accounting Standards, for Audit Data Adjusting Differences Had Been Foreign Audited, Should Indicate the Name of the Foreign Institutions

Not applicable

4. Other

Naught