

Shenzhen Investment Holdings Co., Ltd.

For the six months ended 30 June 2022

Review Report

Grant Thornton LLP

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Review Report

GTCNSZ (2022) NO.441A024833

To the Board of Directors of Shenzhen Investment Holdings Co., Ltd.

We have reviewed the accompanying interim financial statements of Shenzhen Investment Holdings Co., Ltd. (the "Company") for the six months ended June 30, 2022, which comprise the consolidated and company balance sheets as at June 30, 2022, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in equity for the six months ended June 30, 2022, as well as notes to the interim financial statements. The Company's management is responsible for preparing and presenting fairly the interim financial statements in accordance with *China Accounting Standards for Business Enterprises*. Our responsibility is to express review opinion on these interim financial statements based on our review.

We conducted our review in accordance with *China Auditing Standards for Certified Public Accountants No. 2101 - Review of Financial Statements*. This standard requires us to plan and conduct the review work to obtain limited assurance about whether the interim financial statements are free from material misstatement. A review is limited to making inquiries of the Company's personnel and performing analytical procedures on financial data. The degree of assurance provided by a review is less than that of an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, we are not aware of any matters that cause us to believe that the Company's interim financial statements were not prepared in accordance with *China Accounting Standards for Business Enterprises*, and its consolidated and company's financial positions as at June 30, 2022, and their results of operations and their cash flows for the six months ended June 30, 2022, in all material aspects, were not presented fairly in accordance with *China Accounting Standards for Business Enterprises*.



This report, the accompanying financial statements and notes to the financial statements are English translation of the Chinese version of the Company. This translation is not required by law or any regulation. In the event of any inconsistency between this English translation and the Chinese version, the Chinese version shall prevail.



Grant Thornton

China·Beijing

Auditor's signature and stamp



Auditor's signature and stamp



August 29, 2022

Consolidated and Company Balance Sheets

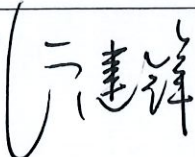
As at 30 June 2022

Prepared by: Shenzhen Investment Holdings Co., Ltd.

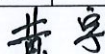
Expressed in RMB

Items	Note	As at 30 June 2022		As at 31 December 2021	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash and cash equivalents	VIII.1	145,031,072,611.02	12,826,964,833.67	134,686,870,797.02	12,466,394,877.63
Certificates of deposit	VIII.2	1,336,715,994.36	-	1,194,621,106.19	-
Settlement funds	VIII.3	14,456,075,638.57	-	17,087,824,020.77	-
Loans to banks and other financial institutions	VIII.4	54,350,505,028.50	-	61,973,311,849.43	-
Financial assets held for trading	VIII.5	208,819,136,541.89	4,867,618,386.10	179,451,217,863.95	3,877,463,584.39
Derivative financial assets	VIII.6	38,819,052.81	-	271,427,624.75	-
Notes receivable	VIII.7	403,421,630.95	-	998,767,829.98	-
Accounts receivable	VIII.8	24,652,493,589.83	520,045,868.59	24,547,616,227.57	348,057,212.47
Receivables financing	VIII.9	80,527,626.12	-	163,843,116.55	-
Prepayments	VIII.10	9,979,453,079.43	3,368,928.02	8,651,108,516.95	6,215,736.57
Premium receivable		-	-	-	-
Reinsurance accounts receivable		-	-	-	-
Reinsurers' share of insurance liabilities		-	-	-	-
Other receivables	VIII.11	20,299,723,485.33	13,729,687,341.62	9,881,646,309.78	8,928,544,168.70
Financial assets purchased under reverse repurchase agreements	VIII.12	9,587,143,208.86	-	7,079,774,922.91	-
Inventories	VIII.13	76,415,384,471.54	3,678,280,912.87	72,858,441,200.58	4,376,100,545.24
Contract assets	VIII.14	1,521,904,571.06	-	1,372,999,567.31	-
Assets held for sale	VIII.15	500,293,459.05	25,221,289.32	702,963,497.88	25,221,289.32
Non-current assets due within one year	VIII.16	707,607,409.29	-	1,617,793,481.13	-
Other current assets	VIII.17	48,053,570,169.97	235,076,197.39	45,546,444,060.93	319,969,737.11
Total current assets		616,233,847,568.58	35,886,263,757.58	568,086,671,993.68	30,347,967,151.43
Non-current assets:					
Loans and advances to customers and other parties	VIII.18	5,104,333,144.87	-	5,024,630,287.04	-
Debt investments	VIII.19	14,545,216,516.49	-	12,705,460,024.07	-
Other debt investments	VIII.20	37,985,575,128.95	-	31,149,717,521.49	-
Held-to-maturity investments		-	-	-	-
Long-term receivables	VIII.21	1,149,654,781.33	-	1,005,879,405.68	-
Long-term equity investments	VIII.22	72,941,074,615.50	103,050,687,245.20	73,124,856,790.17	103,213,637,021.29
Investments in other equity instruments	VIII.23	75,161,691,377.61	55,076,375,323.79	76,179,450,601.26	60,456,016,107.00
Other non-current financial assets	VIII.24	8,909,499,179.99	1,602,994,707.48	8,750,518,973.38	1,666,767,685.52
Investment properties	VIII.25	49,291,085,115.68	28,244,084,792.47	49,964,567,788.65	28,815,636,400.29
Fixed assets	VIII.26	30,864,471,168.53	205,945,093.00	28,782,066,487.34	214,599,655.18
Construction in progress	VIII.27	6,967,077,273.93	104,304,792.60	7,105,829,835.46	83,474,044.02
Productive biological assets		-	-	-	-
Oil and gas assets		-	-	-	-
Right-of-use assets	VIII.28	4,982,595,325.56	-	3,022,643,455.49	-
Intangible assets	VIII.29	32,909,788,787.24	-	35,805,198,265.93	-
Development costs	VIII.30	24,889,633.67	-	19,064,359.10	-
Goodwill	VIII.31	5,670,345,382.81	-	5,461,132,338.58	-
Long-term deferred expenses	VIII.32	1,526,132,500.84	99,612,804.11	1,031,179,914.44	102,731,800.23
Deferred tax assets	VIII.33	10,539,785,287.96	1,560,519,461.75	10,353,041,849.10	1,549,185,418.76
Other non-current assets	VIII.34	16,075,730,993.91	7,919,414,291.67	17,199,704,328.03	7,919,414,291.67
Total non-current assets		374,648,946,214.87	197,863,938,512.07	366,684,942,225.21	204,021,462,423.96
Total assets		990,882,793,783.45	233,750,202,269.65	934,771,614,218.89	234,369,429,575.39

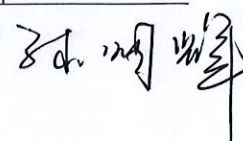
Legal representative:



The person in charge of accounting affairs:



The head of the accounting department:



Consolidated and Company Balance Sheets (continued)

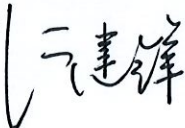
As at 30 June 2022

Prepared by: Shenzhen Investment Holdings Co., Ltd.

Expressed in RMB

Items	Note	As at 30 June 2022		As at 31 December 2021	
		Consolidated	Company	Consolidated	Company
Current liabilities:					
Short-term borrowings	VIII.35	67,780,140,146.52	12,800,000,000.00	58,380,266,420.93	6,895,000,000.00
Borrowings from central bank		-	-	-	-
Loans from banks and other financial institutions	VIII.36	1,002,118,961.35	-	4,456,797,971.98	-
Financial liabilities held for trading	VIII.37	1,213,196,739.92	-	460,982,751.10	-
Derivative financial liabilities	VIII.38	570,425,816.09	-	230,563,703.29	-
Notes payable	VIII.39	15,838,461,946.88	-	11,966,828,129.59	-
Accounts payable	VIII.40	36,160,455,823.99	12,687,174,331.20	30,704,034,641.28	12,911,657,887.86
Advances from customers	VIII.41	1,160,727,879.31	80,449,333.06	1,113,556,609.07	30,106,689.13
Contract liabilities	VIII.42	8,277,686,114.86	10,950,118.09	11,313,689,959.16	984,862,102.96
Financial assets sold under repurchase agreements	VIII.43	105,243,743,732.47	-	97,074,063,451.62	-
Deposits and interbank deposits		-	-	-	-
Customer brokerage deposits	VIII.44	67,532,905,631.61	-	67,280,292,116.73	-
Payables for acting underwriting of securities		-	-	27,000,000.00	-
Employee benefits payable	VIII.45	8,766,069,441.36	197,035,554.86	10,358,449,748.30	251,701,939.89
Taxes payable	VIII.46	7,097,230,146.27	134,056,409.85	8,836,310,832.59	296,186,921.18
Other payables	VIII.47	26,139,314,586.17	17,742,285,939.60	23,012,358,923.12	19,096,037,650.20
Charges and commissions payable		272,391,690.66	-	228,555,095.01	-
Reinsurance payable		-	-	-	-
Liabilities held for sale		-	-	65,752,452.06	-
Non-current liabilities due within one year	VIII.48	13,621,768,085.47	7,529,203,178.16	10,492,655,328.75	5,871,701,313.84
Other current liabilities	VIII.49	52,544,973,505.91	3,000,000,000.00	32,419,540,005.71	5,000,000,000.00
Total current liabilities		413,221,610,248.84	54,181,154,864.82	368,421,698,140.29	51,337,254,505.06
Non-current liabilities:					
Claim reserves for insurance contracts		-	-	-	-
Long-term borrowings	VIII.50	61,247,692,787.55	16,560,622,168.64	51,515,416,355.99	12,203,191,254.47
Bonds payable	VIII.51	104,313,617,452.66	23,000,000,000.00	99,260,208,730.58	21,630,000,000.00
Lease liabilities	VIII.52	3,337,298,490.02	-	3,217,063,119.56	-
Long-term payables	VIII.53	1,384,300,588.97	138,211,935.70	1,196,555,099.54	138,211,935.70
Long-term employee benefits payables	VIII.54	246,310,409.37	-	188,761,786.95	-
Provisions	VIII.55	501,204,541.97	17,000,000.00	498,395,558.60	17,000,000.00
Deferred income	VIII.56	2,194,788,060.34	226,789,574.88	2,186,456,048.18	256,068,299.83
Deferred tax liabilities	VIII.33	17,853,900,964.01	13,447,403,264.52	19,130,986,145.00	14,815,186,694.16
Other non-current liabilities	VIII.57	26,673,109,968.64	-	21,721,756,813.16	-
Total non-current liabilities		217,752,223,263.53	53,390,026,943.74	198,915,599,657.56	49,059,658,184.16
Total liabilities		630,973,833,512.37	107,571,181,808.56	567,337,297,797.85	100,396,912,689.22
Equity:					
Share capital	VIII.58	28,509,000,000.00	28,509,000,000.00	28,009,000,000.00	28,009,000,000.00
Other equity instruments	VIII.59	890,492,007.00	-	890,492,007.00	-
Capital reserve	VIII.60	35,747,490,762.81	29,556,773,582.64	34,850,377,550.30	29,556,773,582.64
Other comprehensive income	VIII.61	41,750,362,605.92	39,461,957,162.36	45,784,929,360.83	43,496,687,749.77
Specific reserve		-	-	-	-
Surplus reserve	VIII.62	10,227,990,659.59	10,227,990,659.59	9,273,809,836.25	9,273,809,836.25
General risk reserve		-	-	-	-
Retained earnings	VIII.63	63,436,164,438.99	18,423,299,056.50	70,880,379,018.26	23,636,245,717.51
Total equity attributable to owners of the Company		180,561,500,474.31	126,179,020,461.09	189,688,987,772.64	133,972,516,886.17
Non-controlling interests		179,347,459,796.77	-	177,745,328,648.40	-
Total shareholders' equity		359,908,960,271.08	126,179,020,461.09	367,434,316,421.04	133,972,516,886.17
Total liabilities and shareholders' equity		990,882,793,783.45	233,750,202,269.65	934,771,614,218.89	234,369,429,575.39

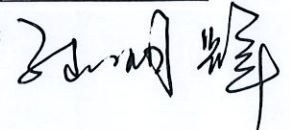
Legal representative:



The person in charge of accounting affairs:



The head of the accounting department:



Consolidated and Company Income Statements

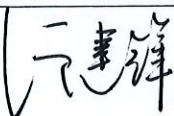
For the six months ended 30 June 2022

Prepared by: Shenzhen Investment Holdings Co., Ltd.

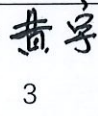
Expressed in RMB

Items	Note	For the six months ended 30 June 2022		For the six months ended 30 June 2021	
		Consolidated	Company	Consolidated	Company
I. Operating income	VIII.64	109,629,646,047.12	2,077,884,483.09	121,368,849,293.84	6,567,371,681.68
Less: Operating costs	VIII.64	89,556,443,165.90	1,629,749,854.89	95,947,406,929.66	4,593,336,646.29
Taxes and surcharges	VIII.65	1,312,516,718.69	318,767,946.73	2,847,650,446.51	1,095,789,574.45
Selling and distribution expenses	VIII.66	6,443,573,137.13	137,468,817.74	6,557,560,380.53	49,203,156.79
General and administrative expenses	VIII.67	3,031,970,284.86	61,765,266.04	2,799,448,172.60	61,006,621.62
Research and development expenses	VIII.68	351,178,560.40	-	409,226,776.28	-
Financial expenses	VIII.69	3,331,627,349.34	745,648,330.86	2,075,542,215.45	654,954,700.96
Including: Interest expenses		2,927,292,949.93	839,315,749.91	2,193,569,400.91	746,713,597.72
Interest income		553,330,348.81	100,604,282.55	585,708,170.05	82,450,678.75
Net foreign exchange losses ("-" for gains)		711,447,843.22	-	-14,935,040.61	-
Add: Other income ("-" for losses)	VIII.70	414,275,930.72	-7,458,274.32	528,741,875.42	1,118,740.23
Investment income ("-" for losses)	VIII.71	3,583,802,540.03	6,618,491,451.76	3,862,777,384.42	5,050,657,542.80
Gains on foreign exchanges ("-" for losses)		-	-	-288,152.31	-
Gains on net exposure hedging ("-" for losses)		-	-	-	-
Gains on changes in fair value ("-" for losses)	VIII.72	402,896,689.49	-54,452,176.33	428,891,435.64	77,715,390.13
Credit impairment losses ("-" for losses)	VIII.73	-175,209,411.98	193,691,245.85	424,421,905.20	-
Asset impairment losses ("-" for losses)	VIII.74	-158,384,107.61	-	21,798,402.68	2,384,155.52
Gains on disposal of assets ("-" for losses)	VIII.75	13,837,985.60	-	150,837,485.15	-
II. Operating profit ("-" for losses)		9,683,556,457.05	5,934,756,513.79	16,149,194,709.01	5,244,956,810.25
Add: Non-operating income	VIII.76	62,632,885.41	12,888,469.20	146,515,457.14	7,449,357.69
Less: Non-operating expenses	VIII.77	56,713,702.10	1,456,071.82	26,364,939.01	4,380,277.69
III. Profit before income tax ("-" for losses)		9,689,475,640.36	5,946,188,911.17	16,269,345,227.14	5,248,025,890.25
Less: Income tax expenses	VIII.78	1,882,677,522.86	-43,614,251.16	3,480,402,439.15	221,930,827.76
IV. Net profit ("-" for losses)		7,806,798,117.50	5,989,803,162.33	12,788,942,787.99	5,026,095,062.49
(1) Classification by ownership attribution					
Owners of the Company		3,753,782,859.87	5,989,803,162.33	6,901,829,974.61	5,026,095,062.49
Non-controlling interests		4,053,015,257.63	-	5,887,112,813.38	-
(2) Classification by operation continuity					
Net profit from continuing operations ("-" for net loss)		7,806,798,117.50	5,989,803,162.33	12,788,942,787.99	5,026,095,062.49
Net profit from discontinued operations ("-" for net loss)		-	-	-	-
V. Other comprehensive income, net of tax		-4,758,292,087.06	-4,034,730,587.41	-17,924,476,571.37	-16,893,058,669.81
Other comprehensive income (net of tax) attributable to owners of the Company		-4,029,814,370.71	-4,034,730,587.41	-17,345,166,633.86	-16,893,058,669.81
A. Items that will not be reclassified to profit or loss		-3,848,682,675.53	-4,034,730,587.41	-17,809,735,073.64	-16,893,058,669.81
1. Change in the remeasurement of defined benefit plans		-	-	-	-
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		-	-	54,935.98	-
3. Changes in the fair value of investment in other equity instruments		-3,848,564,309.95	-4,034,730,587.41	-17,809,790,009.62	-16,893,058,669.81
4. Changes in the fair value of the enterprise's own credit risk		-118,365.58	-	-	-
5. Other		-	-	-	-
B. Items that may be reclassified to profit or loss		-181,131,695.18	-	464,568,439.78	-
1. Other comprehensive income that can be transferred to profit or loss under the equity method		-58,439,607.05	-	6,137,710.30	-
2. Changes in the fair value of other debt investments		18,706,716.02	-	23,039,238.56	-
3. Changes in the fair value of financial assets available for sale		-	-	-	-
4. Credit impairment provision of other debt investments		-33,985,403.65	-	242,947.22	-
5. Cash flow hedging reserve (effective part of cash flow hedging gains/losses)		-	-	-	-
6. Translation of foreign currency financial statements		-107,413,400.50	-	435,039,440.39	-
7. Other		-	-	109,103.32	-
Other comprehensive income (net of tax) attributable to minority shareholders		-728,477,716.35	-	-579,309,937.51	-
VI. Total comprehensive income		3,048,506,030.44	1,955,072,574.92	-5,135,533,783.38	-11,866,963,607.32
Total comprehensive income attributable to owners of the Company		-276,031,510.84	1,955,072,574.92	-10,443,336,659.25	-11,866,963,607.32
Total comprehensive income attributable to non-controlling interests		3,324,537,541.28	-	5,307,802,875.87	-

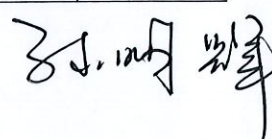
Legal representative:



The person in charge of accounting affairs:



The head of the accounting department:



Consolidated and Company Cash Flow Statements

For the six months ended 30 June 2022

Expressed in RMB

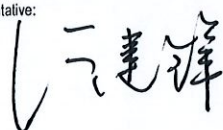
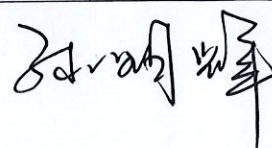
Prepared by: Shenzhen Investment Holdings Co., Ltd.

Items	Note	For the six months ended 30 June 2022		For the six months ended 30 June 2021	
		Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities					
Proceeds from sales of goods or rendering of services		99,129,285,076.54	819,592,399.00	111,138,645,590.41	2,063,245,739.49
Net increase of customer's deposit and interbank deposit		-	-	-	-
Net increase of borrowings from central bank		-	-	-	-
Net increase of borrowings from other financial institutions		-	-	-	-
Cash from original insurance contract premium		5,966,078,653.96	-	4,535,424,906.09	-
Net cash from reinsurance business		-39,706,701.00	-	-34,887,503.40	-
Net increase of policy-holder deposits and investments		-	-	-	-
Net increase of disposal of financial assets at fair value through profit or loss		-	-	-	-
Net decrease in financial assets held for trading		-	-	6,528,529.90	-
Net decrease in investments in other equity instruments		-	-	-	-
Cash from interests, charges and commissions		8,800,539,346.52	-	9,539,557,521.91	-
Net increase of borrowing funds from other financial institutions		-	-	-	-
Net increase of repurchasing business funds		5,506,592,893.09	-	16,207,098,047.44	-
Net increase of customer brokerage deposits		253,860,823.23	-	4,250,060,436.52	-
Refund of taxes		733,371,888.08	-	268,314,512.85	-
Proceeds from other operating activities		41,793,932,753.43	6,029,007,025.54	72,165,227,011.74	9,175,748,413.69
Sub-total of cash inflows		162,143,954,733.85	6,848,599,424.54	218,075,969,053.46	11,238,994,153.18
Payments for goods and services		88,364,176,284.93	326,008,261.00	98,643,772,661.59	583,953,982.66
Net increase of customer loans and advances		2,242,041,862.81	-	-311,390,515.92	-
Net increase of central bank deposit and interbank deposit		-	-	-	-
Cash paid for insurance indemnities of original insurance contracts		3,964,740,055.14	-	2,875,345,606.43	-
Net increase of loans to banks and other financial institutions		-	-	-	-
Cash paid for interests, charges and commissions		2,899,647,091.19	-	2,417,084,795.51	-
Cash paid for policy dividend		-	-	-	-
Payments to and for employees		10,246,509,242.03	103,339,291.78	9,567,520,702.70	124,275,656.19
Payments of various taxes		7,368,993,236.84	476,197,487.96	10,190,580,956.72	1,482,824,533.63
Payments for other operating activities		69,403,275,413.58	10,404,115,417.68	90,616,213,131.92	7,305,086,472.64
Sub-total of cash outflows		184,489,383,186.52	11,309,660,458.42	213,999,127,338.95	9,496,140,645.12
Net cash flows from operating activities		-22,345,428,452.66	-4,461,061,033.88	4,076,841,714.51	1,742,853,508.06
II. Cash flows from investing activities					
Proceeds from disposal of investments		11,772,726,693.49	225,021,177.39	13,693,694,809.95	-
Investment returns received		6,518,730,570.54	6,114,059,026.25	3,655,593,731.21	2,818,951,534.84
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		244,237,592.17	144,910,500.00	114,971,432.60	-
Net proceeds from disposal of subsidiaries and other business units		6,647,782,742.81	-	54,897,481.00	-
Proceeds from other investing activities		62,284,105,887.47	2,425,114,592.86	6,369,397,417.11	-
Sub-total of cash inflows		87,467,583,486.48	8,909,105,296.50	23,888,554,871.87	2,818,951,534.84
Payments for acquisition of fixed assets, intangible assets and other long-term assets		2,341,010,919.45	29,216,795.78	5,582,512,940.68	80,835,107.08
Payments for investments		14,521,610,033.28	816,100,292.46	16,686,991,681.95	2,367,149,727.00
Net increase in pledged loans		-	-	-	-
Net payments for acquisition of subsidiaries and other business units		4,002,322,257.41	-	1,094,579,382.71	-
Payments for other investing activities		68,545,218,512.78	3,405,729,139.00	11,467,393,138.32	800,000,000.00
Sub-total of cash outflows		89,410,161,722.92	4,251,046,227.24	34,831,477,143.66	3,247,984,834.08
Net cash flows from investing activities		-1,942,578,236.44	4,658,059,069.26	-10,942,922,271.79	-429,033,299.24
III. Cash flows from financing activities					
Proceeds from investors		6,735,232,292.86	500,000,000.00	10,526,741,028.61	-
Proceeds from borrowings		68,673,484,411.53	14,800,000,000.00	65,676,937,594.08	8,395,000,000.00
Proceeds from issuance of bonds		61,241,237,235.85	5,000,000,000.00	45,016,857,315.20	6,000,000,000.00
Proceeds from other financing activities		26,158,364,660.69	-	21,787,944,829.32	-
Sub-total of cash inflows		162,808,318,600.93	20,300,000,000.00	143,008,480,767.21	14,395,000,000.00
Repayments of borrowings		85,639,518,811.56	9,166,717,221.83	88,683,474,449.71	9,274,433,893.72
Payments for dividends, profit distributions or interest		22,238,268,133.29	10,969,710,857.51	11,784,742,699.49	3,657,725,038.64
Payments for other financing activities		24,512,866,799.48	-	21,265,745,798.08	-
Sub-total of cash outflows		132,390,653,744.33	20,136,428,079.34	121,733,962,947.28	12,932,158,932.36
Net cash flows from financing activities		30,417,664,856.60	163,571,920.66	21,274,517,819.93	1,462,841,067.64
IV. Effect of foreign exchange rate changes on cash and cash equivalents					
		577,004,876.10	-	44,757,140.03	-
V. Net increase in cash and cash equivalents					
		6,706,663,043.60	360,569,956.04	14,453,194,402.67	2,776,661,276.46
Add: Opening balance of cash and cash equivalents		138,583,449,825.62	12,466,394,877.63	132,528,005,064.08	10,935,104,897.70
VI. Ending balance of cash and cash equivalents	VIII.79	145,290,112,869.22	12,826,964,833.67	146,981,199,466.75	13,711,766,174.16

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Consolidated Statement of Changes in Equity

Expressed in RMB

	For the six months ended 30 June 2022													
	Attributable to the owner's equity of the parent company													
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	General reserve	Retained earnings	Sub-total	Non-controlling interests	Total
I. Ending balance of the prior year	20,000,000.00	-	890,492,007.00	-	34,850,377,550.30	-	45,784,929,360.83	-	9,273,809,836.25	-	70,880,379,016.26	189,688,987,772.64	177,745,328,648.40	367,434,316,421.04
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the current period	20,000,000.00	-	890,492,007.00	-	34,850,377,550.30	-	45,784,929,360.83	-	9,273,809,836.25	-	70,880,379,016.26	189,688,987,772.64	177,745,328,648.40	367,434,316,421.04
III. Changes in equity during the period ("-" for decrease)	500,000,000.00	-	-	-	897,113,212.51	-	-4,034,566,754.91	-	954,180,823.34	-	-7,444,214,579.27	-9,127,487,298.33	1,602,131,148.37	-7,525,356,149.96
(I) Total comprehensive income	-	-	-	-	-	-	-4,029,814,370.71	-	-	-	3,753,762,859.87	-276,031,510.84	3,324,537,541.28	3,048,506,030.44
(II) Owner's contributions and withdrawals of capital	500,000,000.00	-	-	-	897,113,212.51	-	-	-	-	-	-	1,397,113,212.51	4,491,779,237.31	5,888,892,449.82
1. Contribution by the owner	500,000,000.00	-	-	-	897,113,212.51	-	-	-	-	-	-	500,000,000.00	219,490,466.68	719,490,466.68
2. Investment of capital by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment included in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	897,113,212.51	-	-	-	-	-	-	897,113,212.51	-727,711,229.37	169,401,983.14
(III) Appropriation of specific reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilisation during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Appropriation of profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-	954,180,823.34	-	-11,202,749,823.34	-10,248,569,000.00	-6,216,550,318.44	-16,465,119,318.44
-Statutory surplus reserve	-	-	-	-	-	-	-	-	954,180,823.34	-	-854,180,823.34	-	-	-
-Discretionary surplus reserve	-	-	-	-	-	-	-	-	477,090,411.67	-	-477,090,411.67	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-	477,090,411.67	-	-477,090,411.67	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Transfer within equity	-	-	-	-	-	-	-	-	-	-	4,752,384.20	-	-	-
1. Share capital increased by capital reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Movement in defined benefit plan liability or asset from remeasurement transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	4,752,384.20	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	2,364,686.22	2,364,686.22
IV. Ending balance of the current period	20,500,000,000.00	-	890,492,007.00	-	35,747,490,762.81	-	41,750,362,605.92	-	10,227,990,659.59	-	63,436,164,438.99	180,361,500,474.31	179,347,459,796.77	359,998,960,271.08



董芳

The person in charge of accounting affairs:

董芳

The head of the accounting department:

董芳

Consolidated Statement of Changes in Equity (continued)

Expressed in RMB

Items	Attributable to the owner's equity of the parent company										Non-controlling interests	Total	
	Share capital	Other equity instruments		Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	General reserve	Retained earnings			Sub-total
		Preferred shares	Perpetual bonds										
I. Ending balance of the prior year	28,099,000,000.00	-	889,492,007.00	-	30,711,452,345.72	-	70,036,078,725.39	-	6,667,816,043.07	-	194,634,627,734.45	158,145,607,801.91	352,780,465,536.76
Add: Changes in accounting policies	-	-	-	-	-	668,442,680.12	-	829,317,973.86	-	-	8,711,770,388.16	40,455,744.33	8,752,226,130.69
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the current period	28,099,000,000.00	-	889,492,007.00	-	30,711,452,345.72	-	70,704,521,223.51	-	7,497,134,016.93	-	203,346,628,121.21	158,186,063,546.24	361,499,387,529.26
III. Changes in equity during the period ("+" for increase)	-	-	-	-	506,334,586.34	-	-17,257,664,528.54	-	1,776,675,819.32	-	-13,276,806,737.45	11,627,591,408.46	-1,648,215,228.97
(I) Total comprehensive income	-	-	-	-	506,334,586.34	-	-17,345,166,633.86	-	1,776,675,819.32	-	-10,443,336,659.25	5,307,802,875.87	-5,135,533,783.38
(II) Owner's contributions and withdrawals of capital	-	-	-	-	-	-	-	-	-	-	506,334,586.34	10,050,407,592.84	10,556,742,179.18
1. Contribution by the owner	-	-	-	-	-	-	-	-	-	-	308,551,868.84	308,551,868.84	308,551,868.84
2. Investment of capital by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	10,000,000,000.00	10,000,000,000.00	10,000,000,000.00
3. Share-based payment included in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	506,334,586.34	-	-	-	-	-	506,334,586.34	-256,154,276.00	248,180,310.34
(III) Appropriation of specific reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the period	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilisation during the period	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Appropriation of profits	-	-	-	-	-	-	-	-	1,776,675,819.32	-	-3,339,804,664.54	-4,242,902,252.26	-7,592,706,916.80
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-	1,776,675,819.32	-	-	-	-
-Statutory surplus reserve	-	-	-	-	-	-	-	-	888,337,909.66	-	-	-	-
-Discretionary surplus reserve	-	-	-	-	-	-	-	-	888,337,909.66	-	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-3,339,804,664.54	-4,246,473,176.19	-7,586,277,840.73
4. Others	-	-	-	-	-	-	-	-	-	-	-	3,570,923.93	3,570,923.93
(V) Transfer within equity	-	-	-	-	-	88,102,105.32	-	-	-	-	-	-	-
1. Share capital increased by capital reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Movement in defined benefit plan liability or asset from remeasurement transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	88,102,105.32	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Ending balance of the current period	28,099,000,000.00	-	889,492,007.00	-	31,217,786,932.06	-	53,447,456,694.97	-	9,273,809,836.25	-	190,069,821,383.76	169,815,654,954.72	359,883,476,338.48



Handwritten signature: 孙明辉

The head of the accounting department:

Handwritten signature: 董宇

The person in charge of accounting affairs:

Handwritten signature: 王建华

Legal representative:

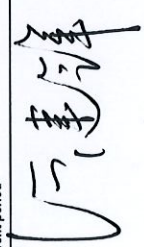
The Company's Statement of Changes in Equity


Expressed in RMB

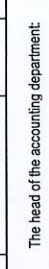
For the six months ended 30 June 2022

Items	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	General reserve	Retained earnings	Total
		Preferred shares	Perpetual bonds	Others								
I. Ending balance of the prior year	28,009,000,000.00	-	-	-	29,556,773,582.64	-	43,496,687,749.77	-	9,273,809,836.25	-	23,636,245,717.51	133,972,516,886.17
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the current period	28,009,000,000.00	-	-	-	29,556,773,582.64	-	43,496,687,749.77	-	9,273,809,836.25	-	23,636,245,717.51	133,972,516,886.17
III. Changes in equity during the period ("+" for increase)	500,000,000.00	-	-	-	-	-	-4,034,730,587.41	-	954,180,823.34	-	-5,212,946,661.01	-7,793,496,425.08
(I) Total comprehensive income	500,000,000.00	-	-	-	-	-	-4,034,730,587.41	-	-	-	5,989,803,162.33	1,955,072,574.92
(II) Owner's contributions and withdrawals of capital	500,000,000.00	-	-	-	-	-	-	-	-	-	-	500,000,000.00
1. Contribution by the owner	500,000,000.00	-	-	-	-	-	-	-	-	-	-	500,000,000.00
2. Investment of capital by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment included in equity	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(III) Appropriation of specific reserve	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the period	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilisation during the period	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Appropriation of profits	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-	954,180,823.34	-	-11,202,749,823.34	-10,248,569,000.00
-Statutory surplus reserve	-	-	-	-	-	-	-	-	954,180,823.34	-	-954,180,823.34	-
-Discretionary surplus reserve	-	-	-	-	-	-	-	-	477,090,411.67	-	-477,090,411.67	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-	477,090,411.67	-	-477,090,411.67	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-10,248,569,000.00	-10,248,569,000.00
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(V) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-
4. Movement in defined benefit plan liability or asset from remeasurement transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-
IV. Ending balance of the current period	28,509,000,000.00	-	-	-	29,556,773,582.64	-	39,461,957,162.36	-	10,227,990,659.59	-	18,423,299,056.50	126,179,020,461.09



Legal representative: 

The person in charge of accounting affairs: 

The head of the accounting department: 

The Company's Statement of Changes in Equity (continued)

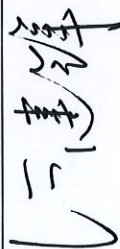
Prepared by: Shenzhen Investment Holdings Co., Ltd.

Expressed in RMB

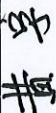
For the six months ended 30 June 2021

Items	Share capital	Other equity instruments		Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	General reserve	Retained earnings	Total
		Preferred shares	Perpetual bonds								
I. Ending balance of the prior year	28,009,000,000.00	-	-	29,195,835,783.10	-	68,863,247,865.73	-	6,667,216,043.07	-	16,517,960,319.96	150,053,860,011.86
Add: Changes in accounting policies	-	-	-	-	-	-66,133,061.88	-	829,317,973.86	-	7,463,861,764.71	8,227,046,676.69
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the current period	28,009,000,000.00	-	-	29,195,835,783.10	-	68,597,114,803.85	-	7,497,134,016.93	-	23,981,822,084.67	158,280,306,688.55
III. Changes in equity during the period ("+" for increase)	-	-	-	-	-	-16,893,058,669.81	-	1,776,875,819.32	-	-90,385,421.37	-15,206,766,271.86
(I) Total comprehensive income	-	-	-	-	-	-16,893,058,669.81	-	-	-	5,026,055,062.49	-11,866,963,607.32
(II) Owner's contributions and withdrawals of capital	-	-	-	-	-	-	-	-	-	-	-
1. Contribution by the owner	-	-	-	-	-	-	-	-	-	-	-
2. Investment of capital by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment included in equity	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-
(III) Appropriation of specific reserve	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the period	-	-	-	-	-	-	-	-	-	-	-
2. Utilisation during the period	-	-	-	-	-	-	-	-	-	-	-
(IV) Appropriation of profits	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-	-	-	-
-Statutory surplus reserve	-	-	-	-	-	-	-	-	-	-	-
-Discretionary surplus reserve	-	-	-	-	-	-	-	-	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserves transfer	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserves transfer	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-
4. Movement in defined benefit plan liability or asset from remeasurement transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
IV. Ending balance of the current period	28,009,000,000.00	-	-	29,195,835,783.10	-	52,704,056,134.04	-	9,273,809,836.25	-	23,891,436,663.30	143,074,138,416.69

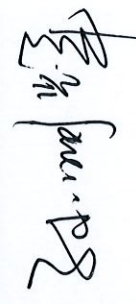
Legal representative:



The person in charge of accounting affairs:



The head of the accounting department:



Notes to the Financial Statements

I. Company information

1. Company profile

Shenzhen Investment Holdings Co., Ltd. (the “Company”) is a wholly state-owned limited liability company incorporated through the merger of three former wholly state-owned companies including 深圳市投资管理公司 (Shenzhen Investment Management Co., Ltd.), 深圳市商贸投资控股公司 (Shenzhen Commercial Trade Investment Holdings Co., Ltd.) and 深圳市建设投资控股公司 (Shenzhen Construction Investment Holdings Co., Ltd.) (collectively referred to as the “Former Three Assets Management Companies”) under the approval of the “Decision on Setting up Shenzhen Investment Holdings Co., Ltd.” (numbered Shen Guo Zi Wei [2004] 223) issued by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People’s Government (hereinafter referred to as “Shenzhen SASAC”) on September 29, 2004.

According to the “Liquidation and Capital Verification Work Plan of Shenzhen Three Asset Management Companies” approved by the Shenzhen SASAC under the “Approval on the Liquidation and Capital Verification of the Former Three Assets Management Companies (Headquarters)” (numbered Shen Guo Zi Wei [2004] 324) and the result of liquidation and capital verification confirmed by the “Approval on Issues Concerning the Liquidation and Capital Verification of the Former Three Assets Management Companies (Headquarters)” (numbered Shen Guo Zi Wei [2005] 199), the related assets and liabilities of the Former Three Asset Management Companies audited at the benchmark date of October 31, 2004 shall be incorporated into the Company. The Company obtained the corporate business license numbered Shen Si Zi N97002 on October 13, 2004 with original registered capital of RMB 4 billion. It has an operating term of 50 years.

On May 10, 2006 and May 25, 2007, Shenzhen SASAC increased registered capital of the Company by RMB 400 million and RMB 200 million under the respective documents of approval numbered Shen Guo Zi Wei [2006] 209 and [2007] 145.

On August 1, 2008, the Company’s registration number was changed to 440301103535848.

On December 27, 2010, Shenzhen SASAC increased registered capital of the Company by RMB 1 billion under the document of approval numbered Shen Guo Zi Ju [2010] 286, and as of December 31, 2010, the registered capital of the Company was RMB 5.6 billion. The change of registration was completed in February 2011.

On February 26, 2013, Shenzhen SASAC increased registered capital of the Company by RMB 1.4 billion under the document of approval numbered Shen Guo Zi Wei Han [2013] 159, which includes the land use right of Shenzhen Software Industry Base (T204-0126) in amount of RMB 1,363,930,492.00 (based on the document numbered Shen Di He Zi [2011] 8025) and capital reserve of RMB 36,069,508.00 converted to increase the registered capital. The change of registration was completed on June 19, 2013.

In December 2013, Shenzhen SASAC increased registered capital of the Company by RMB 3,925,990,674.00 under the document of approval numbered Shen Guo Zi Wei Han [2012] 405, which includes the land use right of Shenzhen Bay Technology and Ecological Park (T205-0030) in amount of RMB 3,680,901,830.00, land use right of Venture Investment Building (T204-0125) in amount of RMB

147,416,544.00, and land use right of Pingshan Biomedical Companies' Accelerator (G14320-0134) in amount of RMB 97,672,300.00. The change of registration was completed on December 18, 2013.

In December 2014, Shenzhen SASAC increased registered capital of the Company by RMB 2,674,009,326.00 under the document of approval numbered Shen Guo Zi Wei [2014] 627, which includes the land use right of Shenzhen innovation technology center (T205-0027) in amount of RMB 2,623,621,836.00 (based on the document numbered Shen Di He Zi [2013] 8006) and capital reserve of 50,387,490.00 converted to increase the registered capital. Shenzhen SASAC increased registered capital of RMB 2.52 billion under the document of approval numbered Shen Guo Zi Wei Han [2015] 58. The change of registration was completed on March 31, 2015.

On August 17, 2015 and November 20, 2015, Shenzhen SASAC increased registered capital of the Company by RMB 400 million and RMB 3.28 billion respectively under the documents of approval numbered Shen Guo Zi Wei Han [2015] 370 and [2015] 587, all the increased capital was paid in in the form of cash. Meanwhile, the Company was also approved to covert capital reserve of RMB 1.65 billion to increase registered capital. The change of registration was completed on January 6, 2016.

On August 3, 2016 and December 2, 2016, Shenzhen SASAC increased registered capital of the Company by RMB 30 million and RMB 100 million respectively under the documents of approval numbered Shen Guo Zi Wei Han [2016] 630 and [2016] 1013. The changes of registration were completed on November 25, 2016 and January 5, 2017 respectively.

On February 24, 2017 and June 21, 2017, Shenzhen SASAC increased registered capital of the Company by RMB 1.5 billion and RMB 69 million respectively under the documents of approval numbered Shen Guo Zi Wei Han [2017] 122 and [2017] 537. The change of registration was completed on February 28, 2018.

On October 8, 2018, Shenzhen SASAC increased registered capital of the Company by RMB 2.2 billion under the documents of approval numbered Shen Guo Zi Wei Han [2018] 926. The change of registration was completed on December 4, 2018.

On March 29, 2019, according to the reply of Shenzhen SASAC on increasing investment in Shenzhen Investment Holding Co., Ltd. (Letter of Shenzhen SASAC [2019] No. 229), Shenzhen SASAC increased the registered capital of the Company by RMB 300 million. The change of registration was completed on August 2, 2019.

On October 16, 2019, according to the reply of Shenzhen SASAC on increasing the registered capital of Shenzhen Investment Holding Co., Ltd. (Shenzhen SASAC letter [2019] No. 890), Shenzhen SASAC increased the registered capital of the Company by RMB 2 billion. The change of registration was completed on December 27, 2019.

On September 9, 2020, according to the reply of Shenzhen SASAC on increasing the registered capital of Shenzhen Investment Holding Co., Ltd. (Shenzhen SASAC letter [2020] No. 464), Shenzhen SASAC increased the registered capital of the Company by RMB 360 million. The change of registration was completed on November 27, 2020.

On June 19, 2022, according to the reply of Shenzhen SASAC on increasing the registered capital of Shenzhen Investment Holding Co., Ltd. (Shenzhen SASAC letter [2022] No. 249), Shenzhen SASAC increased the registered capital of the Company by RMB 500 million. As of 30 June 2022, the change of registration has yet to be completed.

Shenzhen Investment Holdings Co., Ltd.

Notes to the Financial Statements

For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

The Company holds the business license with unified social credit code of 914403007675664218. As of June 30, 2022, the Company's equity structure is as follows:

Name of shareholder	Amount of contribution	Contribution proportion (%)
Shenzhen SASAC	28,509,000,000.00	100.00

The Company has established its corporate governance structure of the board of directors and the board of supervisors, with the following departments in place: Party Committee Office, Strategic Research, General Management, Human Resources, Finance, Legal and Risk Management (Compliance Management Centre), Capital Operation, Financial Development, Science and Technology Industrial Parks, Industrial Management, Audit, Assessment and Distribution, Discipline Inspection and Supervision.

The Company's business scope is as follows: Equity investment and M&A of financial and quasi-finance companies including banks, securities, insurance, funds, guarantees, etc.; Real estate development and operations on legally acquired land use rights; Investment and services of strategic emerging industries; Investment, operation and management of all kinds of state-owned equity, including wholly state-owned companies, state-controlled companies, and state-invested companies, through restructuring and consolidation; and other businesses authorized by the Shenzhen SASAC.

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

2. Scope of consolidated financial statements

Basic information of the subsidiaries included in the consolidated financial statements at the end of this period:

No.	Company names	Abbreviation	Type (Note (1))	Place of registration	Main place of business	Principal business	Currency of registered capital	Amount of registered capital /contribution (in ten thousand)	Shareholding proportion (%)	Voting right proportion (%)	Acquisition method (Note(2))
1	国信证券股份有限公司 (Guosen Securities Co., Ltd.)	Guosen Securities	3	Shenzhen	Shenzhen	Securities trading services	RMB	961,242.94	33.53	33.53	2
2	深圳市高新投集团有限公司 (Shenzhen HTI Group Co., Ltd.)	HTI Group	2	Shenzhen	Shenzhen	Guarantee	RMB	1,385,210.50	34.20	45.94 (Note(3))	2
3	深圳担保集团有限公司 (Shenzhen Credit Guarantee Group Co., Ltd.)	Guarantee Group	2	Shenzhen	Shenzhen	Guarantee	RMB	1,140,510.53	52.28	74.53 (Note(4))	2
4	深圳会展中心管理有限责任公司 (Shenzhen Convention & Exhibition Center Management Co., Ltd.)	Shenzhen Convention & Exhibition Center	2	Shenzhen	Shenzhen	Exhibition hall operation	RMB	5,000.00	100.00	100.00	2
5	深圳市通产集团有限公司 (Shenzhen Tongchan Group Co., Ltd.)	Tongchan Group	2	Shenzhen	Shenzhen	Packaging	RMB	60,000.00	100.00	100.00	2
6	深圳市环保科技集团股份有限公司 (Shenzhen Environmental Technology Group Co., Ltd.)	Shenzhen Environment	2	Shenzhen	Shenzhen	Environmental protection	RMB	21,276.60	47.00	47.00	2
7	深圳市纺织(集团)股份有限公司 (Shenzhen Textile (Holdings) Co., Ltd.)	Shenzhen Textile Group	3	Shenzhen	Shenzhen	Polarizer and textile	RMB	50,777.23	46.21	46.21	2
8	深圳市城市建设开发(集团)有限公司 (Shenzhen Urban Construction Development (Group) Co., Ltd.)	Urban Construction Group	2	Shenzhen	Shenzhen	Real estate development and sale	RMB	220,812.00	100.00	100.00	2
9	深圳市物业发展(集团)股份有限公司 (Shenzhen Properties & Resources Development (Group) Ltd.)	Shenzhen Properties & Resources	3	Shenzhen	Shenzhen	Real estate development and sale	RMB	59,597.91	56.96	56.96	2

The English names are for identification purpose only.

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

No.	Company names	Abbreviation	Type (Note (1))	Place of registration	Main place of business	Principal business	Currency of registered capital	Amount of registered capital /contribution (in ten thousand)	Shareholding proportion (%)	Voting right proportion (%)	Acquisition method (Note(2))
10	深圳经济特区房地产(集团)股份有限公司 (Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.)	Shenzhen Properties Group	3	Shenzhen	Shenzhen	Real estate development and sale	RMB	101,166.00	63.55	63.55	2
11	深圳市深福保(集团)有限公司 (Shenzhen Shenfubao (Group) Co., Ltd.)	Shenfubao Group	2	Shenzhen	Shenzhen	Real estate development and sale	RMB	20,000.00	100.00	100.00	2
12	深圳市建筑设计研究总院有限公司 (Shenzhen General Institute of Architectural Design and Research Co., Ltd.)	SADI	2	Shenzhen	Shenzhen	Architectural design consulting	RMB	8,000.00	100.00	100.00	2
13	深圳市深投文化投资有限公司 (Shenzhen Shentou Cultural Investment Co., Ltd.)	Shentou Culture	2	Shenzhen	Shenzhen	Cultural business.	RMB	5,000.00	100.00	100.00	2
14	深圳市深投物业发展有限公司 (Shenzhen Shentou Property Development Co., Ltd.)	Shentou Development	2	Shenzhen	Shenzhen	Property management	RMB	5,090.00	100.00	100.00	2
15	深圳市公路客货运输服务中心有限公司 (Shenzhen Transportation Depot Group Co., Ltd.)	Transportation Depot Group	2	Shenzhen	Shenzhen	Highway passenger and freight management	RMB	5,000.00	100.00	100.00	2
16	深圳市人才集团有限公司 (Shenzhen Talent Group Co., Ltd.)	Talent Group	2	Shenzhen	Shenzhen	Talent information service	RMB	20,000.00	100.00	100.00	2
17	深圳市水务规划设计院股份有限公司 (Shenzhen Water Planning & Design Institute Co., Ltd.)	WPD	2	Shenzhen	Shenzhen	Water planning services	RMB	13,200.00	37.50	37.50	2
18	深圳市体育中心运营管理有限公司 (Shenzhen Sports Center Operations & Management Co., Ltd.)	Sports Center	2	Shenzhen	Shenzhen	Sports activities services	RMB	2,000.00	100.00	100.00	2
19	深圳湾科技发展有限公司 (Shenzhen Bay Technology Development Co., Ltd.)	Shenzhen Bay Technology	2	Shenzhen	Shenzhen	Business park development and operation	RMB	10,000.00	100.00	100.00	1

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

No.	Company names	Abbreviation	Type (Note (1))	Place of registration	Main place of business	Principal business	Currency of registered capital	Amount of registered capital /contribution (in ten thousand)	Shareholding proportion (%)	Voting right proportion (%)	Acquisition method (Note(2))
20	深圳市投控资本有限公司 (Shenzhen Investment Holdings Capital Co., Ltd.)	SIHC Capital	2	Shenzhen	Shenzhen	Private equity fund management	RMB	500,000.00	100.00	100.00	1
21	国任财产保险股份有限公司 (Guoren Property and Casualty Insurance Co., Ltd.)	Guoren Insurance	1	Shenzhen	Shenzhen	Property insurance	RMB	400,714.57	41.00	41.00	3
22	深圳市天使投资引导基金管理有限公司 (Shenzhen Angel FOF Management Co., Ltd.)	Angel Investment Guide Fund	2	Shenzhen	Shenzhen	Private equity fund management	RMB	1,000.00	60.00	60.00	1
23	深圳投控国际资本控股有限公司 (Shenzhen Investment International Capital Holdings Co., Ltd.)	SIHC International	2	Hong Kong	Hong Kong	Business services	HKD	1.00	100.00	100.00	1
24	深圳深汕特别合作区深投控投资发展有限公司 (Shenzhen Shenshan Special Cooperation Zone Shenzhen Investment Holdings Investment Development Co., Ltd.)	SIHC-SSCZ	2	Shenzhen	Shenzhen	Real estate development and sale	RMB	100,000.00	100.00	100.00	1
25	深圳投控香港投资控股有限公司 (SIHC Hong Kong Investment Holdings Limited)	SIHC HK	2	Hong Kong	Hong Kong	Investment holding	HKD	1.00	100.00	100.00	1
26	天音通信控股股份有限公司 (Telling Telecommunication Holding Co., Ltd.)	Telling Holding	3	Ganzhou	Ganzhou	Communications industry	RMB	102,510.04	19.03	28.83 (Note(5))	3
27	深圳清华大学研究院 (Research Institute of Tsinghua University in Shenzhen)	Tsinghua Research Institute	5	Shenzhen	Shenzhen	R&D	RMB	8,000.00	50.00	50.00	2
28	深圳深港科技创新合作区发展有限公司 (Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone Development Co., Ltd.)	SZHK Science & Tech Inno	2	Shenzhen	Shenzhen	Real estate development and sale	RMB	1,000,000.00	65.00	65.00	1
29	深圳市怡亚通供应链股份有限公司 (Eternal Asia Supply Chain Management Ltd.)	Eternal Asia	3	Shenzhen	Shenzhen	Logistics	RMB	259,700.91	23.17	23.17 (Note(6))	3

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

No.	Company names	Abbreviation	Type (Note (1))	Place of registration	Main place of business	Principal business	Currency of registered capital	Amount of registered capital /contribution (in ten thousand)	Shareholding proportion (%)	Voting right proportion (%)	Acquisition method (Note(2))
30	深圳英飞拓科技股份有限公司 (Shenzhen Infinova Limited)	Infinova	3	Shenzhen	Shenzhen	Security equipment and internet	RMB	119,867.51	26.35	26.35 (Note(7))	3
31	Ultrarich International Limited(Note(8))	Ultrarich	2	British Virgin Islands	British Virgin Islands	Investment management	USD	0.01	100.00	100.00	1
32	深圳资产管理有限公司 (Shenzhen Asset Management Company Limited)	Shenzhen AMC	2	Shenzhen	Shenzhen	Asset management	RMB	415,000.00	50.60	50.60	1
33	中国深圳对外贸易(集团)有限公司 (China Shenzhen Foreign Trade (Group) Corp., Ltd.)	Foreign Trade Group	2	Shenzhen	Shenzhen	Trading	RMB	89,459.00	100.00	100.00	3
34	深圳投控湾区股权投资基金合伙企业(有限合伙) (Shenzhen Investment Holding Bay Area Equity Investment Fund LLP)	Bay Area Fund	2	Shenzhen	Shenzhen	Private Equity Fund Management	RMB	600,000.00	100.00	100.00	1
35	深圳市赛格集团有限公司 (Shenzhen Electronics Group Co., Ltd.)	SEG Group	2	Shenzhen	Shenzhen	High-end manufacture	RMB	153,135.54	42.85	42.85	2
36	深圳市国有股权投资管理有限公司 (Shenzhen State-owned Equity Investment Management Co. Ltd.)	State-owned Equity	2	Shenzhen	Shenzhen	Investment management	RMB	100.00	100.00	100.00	1
37	深圳市五洲宾馆集团有限责任公司 (Shenzhen Wuzhou Guest House Group Co., Ltd.)	Wuzhou Guest House	2	Shenzhen	Shenzhen	Hotel Management Services	RMB	44,000.00	100.00	100.00	1
38	深圳人大干部培训中心有限公司 (Shenzhen People's Congress Cadre Training Center Co., Ltd.)	Cadre Training Center	2	Shenzhen	Shenzhen	Training services	RMB	3,600.00	100.00	100.00	1
39	深圳市深投园区投资发展有限公司 (Shenzhen Shentou Park Investment Development Co., Ltd.)(Note(9))	Shentou Park Investment	2	Shenzhen	Shenzhen	Investment management	RMB	10,000.00	100.00	100.00	1
40	深圳市体育产业集团有限公司 Shenzhen Sports Group Co., Ltd.	Sports Group	2	Shenzhen	Shenzhen	Sports services	RMB	100,000.00	100.00	100.00	1

Note:

(1) Enterprise types include: 1. Non-listed company limited by shares; 2. Limited liability company; 3. Listed company limited by shares; 4. Limited company listed in Hong Kong; and 5. Institutions

(2) Acquisition methods include: 1. Investment establishment; 2. Business combination under common control; 3. Business combination not under common control; 4. Others.

(3) For HTI Group, the Company's shareholding ratio is inconsistent with the proportion of voting rights owned by the Company. The reason is that HTI Group increased its paid-in capital by RMB 1,740,534,126.00 in December 2019, which was injected by the new shareholder Shenzhen Steady Development Investment Co., Ltd. ("Steady Development Company") with cash. According to relevant agreement, the new shareholder does not own the voting rights associated with the shares it holds within 5 years after the completion of the capital injection.

(4) For Guarantee Group, the Company's shareholding ratio is inconsistent with the proportion of voting rights owned by the Company. The reason is that Guarantee Group increased its paid-in capital by RMB 3,405,105,315.00 in December 2019, which was injected by the new shareholder Steady Development Company with cash. According to relevant agreement, the new shareholder does not own the voting rights associated with the shares it holds within 5 years after the completion of the capital injection.

(5) For Telling Holding, the Company's shareholding ratio is inconsistent with the proportion of voting rights owned by the Company. The reason is that the Company signed an acting in concert agreement with Shenzhen Tianfujin Venture Capital Co., Ltd., who owns 9.80% of Telling Holding's shares outstanding and 9.80% of the entity's voting right. With the acting in concert agreement, the total proportion of the voting rights owned by the Company is in total 28.83%.

(6) On August 22, 2018, the Company acquired 13.3% shares of Eternal Asia with an acquisition cost of RMB 1.821 billion. After several subsequent investment increases in Eternal Asia, the Company's shareholding proportion has reached 23.17%. On January 7, 2019 Shenzhen Eternal Asia Investment Holding Co., Ltd. announced that it waived the voting rights associated with the 10% shares of Eternal Asia. The Company substantially controlled Eternal Asia and became the controlling shareholder of Eternal Asia.

With the approval of the China Securities Regulatory Commission, Eternal Asia issued shares to specific investors, including SIHC Capital, a subsidiary of the Company, by way of a non-public offering in January 2021 to raise funds. After the completion of the non-public placement, SIHC Capital directly holds 8.21% of the equity interest in Eternal Asia, and the Company directly and indirectly holds a total of 23.17% of the equity interest in Eternal Asia.

(7) The Company obtained control of Infinova through entering into a share transfer agreement with JHL INFINITE LLC ("JHL"), a shareholder of Infinova, which stipulates that, unless otherwise agreed in the share transfer agreement, JHL unconditionally and irrevocably undertakes to waive its right to exercise its shareholding of 145,758,890 Infinova shares (representing 12.16% of Infinova's total shares outstanding), nor does it delegate the exercise of voting rights in respect of such shares to any other party. The waiver of the exercise of voting rights in respect of the shares becomes effective when the Company has fully paid the consideration of such share transfer.

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

(8) Shenzhen International is the subsidiary of Ultrarich, the details are as follows:

No.	Company names	Abbreviation	Type (Note (1))	Place of registration	Main place of business	Principal business	Currency of registered capital	Amount of registered capital (in RMB ten thousand)	Shareholding proportion (%)	Voting right proportion (%)	Acquisition method (Note(2))
1	深国际控股有限公司 (Shenzhen International Holdings Limited)	Shenzhen International	4	Bermuda	Bermuda	Logistics	HKD	300,000.00	44.34	44.34	2

(9) On November 3, 2021, the board of directors passed a resolution to transfer the shareholding of the subsidiaries including SIEC, Shenyue Investment, SZBA-UCD, Hubei SIHC and Bailu Bay to the Company's subsidiary, Shentou Park Investment, which was incorporated on December 7, 2021. The details of the transferred entities are as follows:

No.	Company names	Abbreviation	Type (Note (1))	Place of registration	Main place of business	Principal business	Currency of registered capital	Amount of registered capital (in RMB ten thousand)	Shareholding proportion (%)	Voting right proportion (%)	Acquisition method (Note(2))
1	深圳市深越联合投资有限公司 (Shenzhen Shenyue United Investment Co., Ltd.)	Shenyue Investment	2	Shenzhen	Shenzhen	Investment and consulting	RMB	49,637.09	100.00	100.00	2
2	深圳湾区城市建设发展有限公司 (Shenzhen Bay Area Urban Construction and Development Co., Ltd.)	SZBA-UCD	2	Shenzhen	Shenzhen	Real estate development and sale	RMB	200,000.00	100.00	100.00	1

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Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

No.	Company names	Abbreviation	Type (Note (1))	Place of registration	Main place of business	Principal business	Currency of registered capital	Amount of registered capital (in RMB ten thousand)	Shareholding proportion (%)	Voting right proportion (%)	Acquisition method (Note(2))
3	深圳香蜜湖国际交流中心发展有限公司 (Shenzhen Xiangmihu International Exchange Center Development Co., Ltd.)	SIEC	2	Shenzhen	Shenzhen	Real estate development and sale	RMB	200,000.00	100.00	100.00	1
4	湖北深投控投资发展有限公司 (Hubei Shentoukong Investment Development Co., Ltd.)	Hubei SIHC	2	Wuhan	Wuhan	Real estate development and sale	RMB	50,000.00	80.00	80.00	1
5	成都市兴锦白鹭湾建设开发有限公司 (Chengdu Xingjin Bailu Bay Construction and Development Co., Ltd.)	Bailu Bay	2	Shenzhen	Shenzhen	Real estate development and sale	RMB	400,000.00	51.00	51.00	3

II. Basis of preparation

The financial statements are prepared in accordance with the China Accounting Standards for Business Enterprises and corresponding application guidance, interpretations and other related provisions issued by the Ministry of Finance (collectively, "Accounting Standards for Business Enterprises" or "CASBE").

The financial statements of the Company have been prepared on a going concern basis.

III. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the China Accounting Standards for Business Enterprises to truly and completely present the Company's and consolidated financial position as at June 30, 2022 and the Company's and consolidated operating results and cash flows for the six months ended June 30, 2022.

IV. Significant accounting policies and accounting estimates

1. Accounting period

The Company's accounting period is the calendar year, which begins on January 1 and ends on December 31 of each year.

2. Functional currency

The Company and domestic subsidiaries use Renminbi ("RMB") as their functional currency. Oversea subsidiaries use the legal currencies of the regions or countries where they are located as their functional currencies.

3. Basis of accounting and measurement

The Company's accounting is based on the accrual basis. Except for some financial instruments, the financial statements are based on historical cost. If an asset is impaired, the corresponding provision for impairment shall be withdrawn in accordance with relevant provisions.

4. Accounting treatments for business combinations under common control and business combinations not under common control

(1) Business combinations under common control

For a business combination involving enterprises under common control, the assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings.

Any cost directly attributable to the combination is recognized in profit or loss when incurred.

(2) Business combinations not under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value. The acquiree's identifiable asset, liabilities and contingent liabilities, are recognized at their acquisition-date fair value.

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for this period when incurred. The transaction costs of equity or debt securities issued as the considerations of business combination are included in the initial recognition amount of the equity or debt securities.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, and subsequently measured based on its cost less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for this period after reassessment.

For a business combination involving enterprises not under common control through multiple transactions, in the consolidated financial statements, the combination cost includes the considerations paid on the acquisition date and the fair value of the equity of the acquiree previously held by the Company on the acquisition date. For the equity of the acquiree that was previously held by the Company, the Company adjusts its carrying amount according to its fair value at the acquisition date. The difference between the fair value and the carrying amount is recognized in the investment income of this period. Where the equity of the acquiree previously held by the acquirer involves other comprehensive income, the other changes in owner's equity should be transferred to the current period income on the acquisition date, except for the other comprehensive income arising from changes in remeasurement on the defined benefit plan liability/asset.

The Company determines the acquisition date or purchase date based on the acquisition or loss of the control on the acquiree.

The Company determines the fair value of the related transactions on the date of combination based on the appraisal valuation results. Refer to Note IV.32 for further details.

5. Consolidated financial statements

(1) Scope of consolidated financial statements

The scope of consolidated financial statements is based on control. Control exists when the Company has power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. A subsidiary is an entity that is controlled by the Company (including enterprise, a portion of an investee as a deemed separate component, and structured entity controlled by the enterprise).

(2) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. When preparing consolidated

financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Company, and all significant intra-group balances and transactions are eliminated.

Where a subsidiary or business is acquired during the period, through a business combination involving enterprises under common control, the financial statements of the subsidiary or business are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control.

The portion of a subsidiary's equity that is not attributable to the parent is treated as non-controlling interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to non-controlling interests is presented separately in the consolidated income statement below the "net profit" line item. When the amount of loss for this period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

(3) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the transaction is treated as equity transaction, and the carrying amount of shareholder's equity attributed to the Company and the non-controlling interest are adjusted to reflect the change in the Company's interest in the subsidiaries. The difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

(4) Disposal of subsidiaries

When the Company loses control over a subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when the control is lost. A gain or loss is recognized in this period and is calculated by the aggregate of consideration received in disposal and the fair value of remaining part of the equity investment deducting the Company's proportionate share of net assets of previous shareholding percentage in the former subsidiary since acquisition date and the goodwill.

Other comprehensive income related to the former subsidiary is transferred to profit or loss when the control is lost, except for the comprehensive income arising from the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

Where the transactions involving the disposals of equity investment in a subsidiary until the loss of control constitute a package transaction, the difference between the consideration of each disposal before the loss of control and the share of the subsidiary's net assets corresponding to the disposed equity investment is recognized as other comprehensive income and transferred to the profit and loss in the period of loss of control.

6. Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Company classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items relating to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- a) its solely-held assets, and its share of any assets held jointly;
- b) its solely-assumed liabilities, and its share of any liabilities assumed jointly;
- c) its revenue from the sale of its share of the output arising from the joint operation;
- d) its share of the revenue from the sale of the output by the joint operation; and
- e) its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement.

The Company adopts equity method under long-term equity investment in accounting for its investment in joint venture.

7. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

8. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Company at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognized in profit or loss.

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet

date. Equity items, excluding “retained earnings”, are translated to Renminbi at the spot exchange rates at the transaction dates.

Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates at the transaction dates.

Cash flow statement of foreign operation is translated to Renminbi at the spot exchange rates at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as “Effect of foreign exchange rate changes on cash and cash equivalents” in the cash flow statement.

The resulting translation differences are recognized in other comprehensive income in shareholders’ equity of balance sheet.

The translation differences accumulated in shareholders’ equity with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed.

9. Financial instruments

Financial instruments refer to the contracts forming one party's financial assets and another party's financial liabilities or equity instruments.

(1) Recognition and derecognition of financial instruments

The Company recognizes a financial asset or financial liability when it becomes a party to a financial instrument contract.

Financial assets that meet one of the following conditions shall be derecognized:

- ① The contract right to receive the cash flow of the financial asset is terminated;
- ② The financial asset has been transferred and meets the derecognition conditions for the transfer of the following financial asset.

When all or part of the current obligations of a financial liability have been discharged, the recognition of the financial liability or part of it shall be terminated. If the Company (debtor) signs an agreement with the creditor to replace the existing financial liabilities by assuming the new financial liabilities, and the contract terms of the new financial liabilities and the existing financial liabilities are substantially different, the existing financial liabilities shall be derecognized and the new financial liabilities shall be recognized at the same time.

When financial assets are bought and sold in a conventional way, accounting recognition and derecognition shall be carried out according to the transaction date.

(2) Classification and measurement of financial assets

According to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the Company classifies financial assets into the following three categories at initial recognition: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

Financial assets measured at amortized cost

The Company classifies the financial assets that meet the following conditions and at the same time are not designated to be measured at fair value through profit or loss as financial assets measured at amortized cost:

- The Company's business model for managing the financial assets is to collect contractual cash flow;
- The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

After initial recognition, such financial assets are measured at amortized cost using the effective interest method. Gains or losses arising from financial assets measured at amortized cost and not part of any hedging relationship shall be included in the profit and loss when derecognition, amortization or impairment is recognized according to the effective interest method.

Financial assets measured at fair value through other comprehensive income

The Company classifies the financial assets that meet the following conditions and at the same time are not designated to be measured at fair value through profit or loss into financial assets measured at fair value through other comprehensive income:

- The Company's business model for managing the financial assets is to receive contractual cash flow and sell the financial assets;
- The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

After initial recognition, such financial assets are subsequently measured at fair value. The interest, impairment loss or gain calculated by the effective interest method and exchange gain or loss are included in the profit or loss for the current period, and other gains or losses are included in other comprehensive income. When the recognition is terminated, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in the profit or loss for the current period.

Financial assets measured at fair value through profit or loss

In addition to the above financial assets measured at amortized cost and measured at fair value through other comprehensive income, the Company classifies all other financial assets as financial assets measured at fair value through profit or loss. At initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Company irrevocably designates some financial assets that should be measured at amortized cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

After initial recognition, such financial assets are subsequently measured at fair value, and the profits or losses (including interest and dividend income) generated are included in the profit or loss for the current period, unless the financial assets are part of the hedging relationship.

However, for non-tradable equity instrument investment, the Company irrevocably designates it as a financial asset measured at fair value through other comprehensive income at the time of initial

recognition. The designation is made on the basis of a single investment and the relevant investment conforms to the definition of equity instrument from the perspective of the issuer.

After initial recognition, such financial assets are subsequently measured at fair value. The qualified dividend income shall be included in profit and loss, and other gains or losses and changes in fair value shall be included in other comprehensive income. At the time of derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in retained earnings.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flow. The business model determines whether the source of the cash flow of the financial assets managed by the Company is the collection of contractual cash flow, the sale of financial assets or both. The Company determines the business model for managing financial assets on the basis of objective facts and the specific business objectives for managing financial assets determined by key management personnel.

The Company evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flow generated by relevant financial assets on a specific date is only the payment of principal and interest based on the outstanding principal amount. Among them, the principal refers to the fair value of financial assets at the time of initial recognition; the interest includes the consideration for the time value of money, the credit risk related to the outstanding principal amount in a specific period, and other basic lending risks, costs and profits. In addition, the Company evaluates the contract terms that may cause changes in the time distribution or amount of contractual cash flow of financial assets to determine whether they meet the requirements of the above contractual cash flow characteristics.

Only when the Company changes the business model of managing financial assets, all affected financial assets shall be reclassified on the first day of the first reporting period after the change of business model. Otherwise, financial assets shall not be reclassified after initial recognition.

Financial assets are measured at fair value at initial recognition. For financial assets measured at fair value through profit or loss, relevant transaction costs are directly included in profit or loss for the current period; for other types of financial assets, relevant transaction costs are included in the initially recognized amount. For accounts receivable arising from the sale of products or the provision of services, which do not include or take into account significant financing components, the Company shall take the expected amount of consideration that it is entitled to receive as the initial recognition amount.

(3) Classification and measurement of financial liabilities

The financial liabilities of the Company are classified into either financial liabilities measured at fair value through profit or loss, or financial liabilities measured at amortized cost. For financial liabilities that are not classified as measured at fair value through profit or loss, the relevant transaction costs are included in the initially recognized amount.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include held-for-trading financial liabilities and financial liabilities designated at initial recognition as measured at fair value through profit or loss. For such financial liabilities, follow-up measurement shall be carried out according to the fair

value, and the gains or losses arising from the changes in the fair value and the dividends and interest expenses related to such financial liabilities shall be included in the profit or loss for the current period.

Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, and the gains or losses arising from derecognition or amortization are included in the profit or loss for the current period.

The financial guarantee contract is not a financial liability designated to be measured at fair value through profit or loss of the current period. It is measured at fair value at the time of initial recognition, and then it is subsequently measured at the higher of the loss provision of the estimated liability determined by the expected credit loss model and the balance of the initially recognized amount after deducting the accumulated amortization amount.

Distinction between financial liabilities and equity instruments

Financial liabilities refer to the liabilities that meet one of the following conditions:

- ① Contractual obligations to deliver cash or other financial assets to other parties.
- ② The contractual obligation to exchange financial assets or financial liabilities with other parties under potential adverse conditions.
- ③ In the future, non-derivative instrument contracts that must be settled or can be settled by the enterprise's own equity instruments, and the enterprise will deliver a variable number of its own equity instruments according to the contract.
- ④ Derivative contracts that must be settled or can be settled with the enterprise's own equity instruments in the future, except for those that exchange a fixed amount of cash or other financial assets with a fixed amount of their own equity instruments.

Equity instrument refers to a contract that can prove the residual equity of an enterprise in the assets after deducting all liabilities.

If the Company cannot unconditionally avoid performing a contractual obligation by delivering cash or other financial assets, the contractual obligation shall meet the definition of financial liabilities.

If a financial instrument needs to be settled or can be settled by the Company's own equity instrument, it is necessary to consider whether the Company's own equity instrument used to settle the instrument is used as a substitute for cash or other financial assets, or to enable the holder of the instrument to enjoy the residual equity in the assets of the issuer after deducting all liabilities. If it is the former, the instrument is the financial liability of the Company; if it is the latter, the instrument is the equity instrument of the Company.

(4) Derivative financial instruments and embedded derivative instruments

The Company's derivative financial instruments include stock index futures, treasury bond futures, commodity futures, interest rate swaps, equity swaps, exchange-traded options and over-the-counter options. Initially, the fair value on the date of signing the derivative transaction contract shall be measured, and its fair value shall be subsequently measured. Derivative financial instruments with a

positive fair value are recognized as an asset and those with a negative fair value are recognized as a liability. Any gain or loss that does not meet the requirements of hedge accounting due to the change of fair value shall be directly included in the profit or loss for the current period. As for the relevant financial assets and financial liabilities recognized by daily non-liability settlement, such as domestic stock index futures, treasury bond futures, commodity futures, bond forwards and partial interest rate swap contracts, the temporary receipts and payments related to business are shown in the balance sheet as the net amount after offsetting each other.

For hybrid instruments that contain embedded derivatives, if the hybrid contract contains a host that is a financial asset, the relevant provisions on the classification of financial assets shall apply to the hybrid instrument as a whole. If a hybrid contract contains a host that is not an asset, the embedded derivatives are treated as separate derivatives when (i) the hybrid instrument is not measured at fair value through profit or loss; and (ii) their economic characteristics and risks are not closely related to those of the host contract; and (iii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative. If the embedded derivative cannot be measured separately on the acquisition date or the subsequent balance sheet date, the entire hybrid instrument is designated as a financial asset or financial liability measured at fair value through profit or loss.

(5) Fair value of financial instruments

See note IV.32 for the determination method of fair value of financial assets and financial liabilities.

(6) Impairment of financial assets

Based on the expected credit losses, the Company conducts impairments for the following items and recognizes impairment provision:

- Financial assets measured at amortized cost;
- Receivables and debt investment measured at fair value through other comprehensive income;
- Contractual assets as defined in Accounting Standards for Business Enterprises No.14 - Revenue;
- Lease receivables;
- Financial guarantee contract (measured at fair value through profit or loss, unless the transfer of financial assets does not meet the conditions for derecognition or continues to be involved in the transferred financial assets).

Measurement of expected credit losses

Expected credit losses refer to the weighted average amount of credit losses of financial instruments weighted by the risk of default. Credit losses refers to the difference between all contractual cash flows receivable by the Company according to the original effective interest rate and all cash flows expected to be collected, that is, the present value of all cash shortfalls.

The Company takes into account reasonable and supportable information about past events, current situation and forecast of future economic situation, calculates the probability-weighted amount of the present value of the difference between the receivable cash flow of the contract and the expected cash flow, and recognizes expected credit losses with the risk of default occurring as the weightings.

The Company measures expected credit losses of financial instruments in different stages. If the credit risk of a financial instrument has not increased significantly since its initial recognition, it is in the first stage, and the Company measures loss allowance according to expected credit losses within the next 12 months; if the credit risk of a financial instrument has increased significantly since its initial recognition but no credit impairment has occurred, it is in the second stage, and the Company measures loss allowance according to the expected credit losses on a life-time basis; if the credit impairment of financial instruments has occurred since the initial recognition, it is in the third stage, and the Company measures loss allowance according to the expected credit losses on a life-time basis.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that its credit risk has not increased significantly since the initial recognition, and measures loss allowance according to the expected credit losses within the next 12 months.

The term "expected credit losses" refers to the expected credit losses caused by all possible default events during the expected life of the financial instrument. Expected credit losses in the next 12 months refer to expected credit losses caused by the possible financial instrument default event within 12 months after the balance sheet date (if the expected duration of the financial instrument is less than 12 months, the expected duration), which is a part of the total expected credit losses on a life-time basis.

When measuring expected credit losses, the longest term that the Company needs to consider is the longest contract term that the enterprise faces credit risk (including considering the option of contract renewal).

For the financial instruments in the first stage and the second stage and with lower credit risk, the Company calculates the interest income based on the carrying amount and the actual interest rate without deducting the impairment provision. For the financial instruments in the third stage, the interest income shall be calculated based on the carrying amount net of the amortized cost and the actual interest rate after the provision for impairment has been made.

For notes receivable, accounts receivable and contract assets, regardless of whether there is a significant financing component, the Company always measures its loss allowance in accordance with the amount equivalent to expected credit losses on a life-time basis.

When the information on the expected credit losses of a single financial asset cannot be evaluated at a reasonable cost, the Company classifies the notes receivable, accounts receivable and contract assets according to the characteristics of credit risk, and calculates expected credit losses by portfolios. The basis of determining portfolio is as follows:

A. Bills receivable

- Portfolio 1: Bank acceptance bills
- Portfolio 2: Commercial acceptance bills

B. Accounts receivable

- Portfolio 1: Ageing
- Portfolio 2: Others

For the notes receivable divided into portfolios, the Company calculates expected credit losses by referring to the experience of historical credit losses, combined with current situation and the forecast of the future economic situation, through default risk exposure and the expected credit losses rate on a life-time basis.

For the accounts receivable divided into portfolios, by referring to the experience of historical credit losses, combined with current situation and the forecast of future economic situation, the Company prepares a comparison table between the account age / overdue days of accounts receivable and the expected credit loss rate in its life-time to calculate expected credit losses.

Other receivables

The Company classifies other receivables according to the characteristics of credit risk and calculates expected credit losses by portfolios. The basis of determining portfolio is as follows:

- Portfolio 1: Ageing
- Portfolio 2: Others

For other receivables divided into portfolios, the Company calculates the expected credit losses through the default risk exposure and the expected credit losses rate within the next 12 months or on a life-time basis.

Long-term receivables

The Company's long-term receivables include receivables from finance lease, quality assurance deposit, engineering payment, installment of sale of goods, installment of provision of services, etc.

According to the characteristics of credit risk, the Company divides the receivables of finance lease, receivables of quality assurance deposit, receivables of engineering payment, receivables of installment of sale of goods, receivables of installment of provision of services into several combinations, and calculates expected credit losses based on the combination.

For the receivable quality assurance deposit, receivable engineering payment, receivable sales of goods installments and receivable provision of service installments, the Company calculates expected credit losses by referring to experience of historical credit losses, combined with current situation and the forecast of future economic situation, through the default risk exposure and the expected credit loss rate on a life-time basis.

For other receivables and long-term receivables that are classified into combination, except receivables of finance lease, receivables of quality assurance deposit, receivables of engineering payment, receivables of sale of goods installments, receivables of provision of services installments, the Company calculates expected credit losses through default risk exposure and expected credit loss rate within the next 12 months or on a life-time basis.

Debt investment, other debt investment

For debt investment and other debt investment, the Company calculates expected credit losses by default risk exposure and expected credit loss rate within the next 12 months or on a life-time basis according to the nature of the investment and various types of counter-party and risk exposure.

Assessment of significant increase in credit risk

By comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Company determines the relative change of default risk during the expected duration of financial instruments, so as to assess whether the credit risk of financial instruments has increased significantly since the initial recognition.

In determining whether the credit risk has increased significantly since the initial recognition, the Company considers reasonable and reliable information, including forward-looking information, which can be obtained without any unnecessary cost or effort. Information considered by the Company includes:

- The debtor's failure to pay the principal and interest on the due date of the contract;
- A serious deterioration of the external or internal credit rating (if any) of the financial instruments has occurred or is expected;
- The serious deterioration of the debtor's operating results that has occurred or is expected;
- Existing or expected changes in technological, market, economic or legal environment will have a significant adverse impact on the debtor's ability to repay the Company.

Depending on the nature of financial instruments, the Company assesses whether there is a significant increase in credit risk based on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the Company classifies financial instruments based on shared credit risk characteristics, such as past due status and credit risk rating.

If the overdue period exceeds 90 days, the Company considers that the credit risk of financial instruments has increased significantly.

Financial assets with credit impairment

On the balance sheet date, the Company assesses whether the financial assets measured at amortized cost and the debt investment measured at fair value through other comprehensive income are credit-impaired. When one or more events that adversely affect the expected future cash flow of a financial asset occurs, the financial asset becomes a financial asset with credit impairment. Evidence of credit impairment of financial assets includes the following observable information:

- Significant financial difficulties of the issuer or the debtor;
- The debtor's breach of contract, such as default or overdue payment of interest or principal, etc.;
- The company gives the debtor concessions that will not be made under any other circumstances due to economic or contractual considerations related to the debtor's financial difficulties;
- The debtor is likely to go bankrupt or carry out other financial restructuring;
- The active market of the financial asset disappears due to the financial difficulties of the issuer or debtor.

Presentation of expected credit loss provision

In order to reflect the change of credit risk of financial instruments since initial recognition, the Company remeasures expected credit losses on each balance sheet date, and the increase or reversal amount of credit loss provision resulting therefrom shall be included in the profit or loss for the current period as impairment loss or gain. For the financial assets measured at amortized cost, the loss provision shall offset the carrying amount of the financial assets presented in the balance sheet; for the debt investment measured at fair value and the change of which shall be included in other comprehensive income, the Company shall recognize credit loss provision in other comprehensive income, and shall not offset the carrying amount of the financial assets.

Write-offs

If the Company no longer reasonably expects the contractual cash flow of the financial assets to be recovered in whole or in part, the carrying amount of the financial assets shall be written down directly. Such write-off constitutes derecognition of related financial assets. This usually happens when the Company determines that the debtor has no assets or source of income to generate sufficient cash flow to repay the amount to be written down. However, in accordance with the Company's procedures for recovering due amounts, the financial assets written down may still be affected by the implementation activities.

If the written down financial assets are recovered later, they shall be included in the profit or loss for the current period as the reversal of impairment losses.

(7) Transfer of financial assets

Transfer of financial assets refers to the transfer or delivery of financial assets to another party (transferee) other than the issuer of the financial assets.

If the Company has transferred almost all the risks and rewards of the ownership of the financial assets to the transferee, the recognition of the financial assets shall be terminated; if almost all the risks and rewards of the ownership of the financial assets are retained, the recognition of the financial assets shall not be terminated.

If the Company has neither transferred nor retained nearly all risks and rewards of the ownership of the financial assets, they shall be treated as follows: if the Company has given up the control over the financial assets, it shall terminate the recognition of the financial assets and recognize the assets and liabilities generated; if the Company has not given up the control over the financial assets, it shall recognize relevant financial assets according to the extent of its continuous involvement in the transferred financial assets, and relevant liabilities shall be recognized accordingly.

(8) Offsetting of financial assets and financial liabilities

When the Company has the legal right to offset the recognized financial assets and financial liabilities, and the legal right is enforceable at present, and the Company plans to settle at net amount or realize the financial assets and settle the liability simultaneously, the financial assets and financial liabilities are presented in the balance sheet as the net amount after offsetting each other. Under other circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset against each other.

10. Receivables

Refer to note IV.9, (6) impairment of financial assets.

11. Inventories

(1) Classification

The Company's inventories include development cost, products to be developed, products under development, completed and unsettled assets arising from construction contract, goods in stock, raw materials, products in process, low-value consumables, goods dispatched, overdue pawned items, entrusted processing materials and reusable materials, etc.

(2) Measurement of cost of inventories

Raw material is measured using weighted average cost method and products under development are priced with individual identification method.

(3) Provision for obsolete inventories

On the balance sheet date, if the cost of inventory is higher than its net realizable value, a provision for obsolete inventory shall be made. The company usually accrues the provision for obsolete inventory by a single category or group of inventory items. On the balance sheet date, if the influencing factors of the previous write-down of the inventory value have disappeared, the provision for obsolete inventory shall be reversed within the originally accrued amount.

(4) Determination of inventories' net realizable value

On the balance sheet date, inventories are measured at the lower of cost and net realizable value, and the provisions for obsolete inventory are accrued on an individual basis; however, for inventories with large quantity and low unit price, provisions for obsolete inventory are accrued based on the inventory category; for inventories related to the product series produced and sold in the same region, and sharing the same or similar end use or purpose, which are difficult to be separated from other items, provisions for obsolete inventory are accrued on a group basis. For inventories directly used for sale, its net realizable value shall be determined by the amount of the estimated selling price of the inventory minus the estimated selling expenses and related taxes in the normal production and operation process; for inventories to be processed, the estimated selling price of the finished product shall be subtracted from the estimated cost, estimated selling expenses and related taxes at the time of completion in the normal production and operation process. On the balance sheet date, if a part of the same inventory has a contract price agreement and other parts do not have a contract price, the net realizable value shall be determined respectively and compared with its corresponding cost to determine the amount of provision to be made or reversed.

(5) Inventory count system

The Company maintains a perpetual inventory system.

(6) Amortization method of low-value consumables

The Company adopts one-off amortization method for low-value consumables when they are used.

12. Long-term equity investment

The Company's long-term equity investment includes equity investment that controls and has a significant impact on the invested entity, as well as the equity investment in the joint venture. If the Company can exert significant influence on the investee, then such investee is deemed as an associate of the Company.

(1) Determination of investment cost

For long-term equity investment formed by business combination: for long-term equity investment obtained by business combination under common control, the carrying amount of the Company's share of the equity of the combined party in the consolidated financial statements of the ultimate controlling party shall be taken as the investment cost on the combination date; for long-term equity investment obtained by business combination not under common control, the combination cost shall be taken as the initial cost of long-term equity investment. If the business combination is achieved in stages, the long-term equity investment cost is the sum of the carrying amount of the equity investment held by the acquiree before the purchase date and the investment cost on the purchase date.

For long-term equity investment obtained by other means than business combination: for the long-term equity investment obtained by paying cash, the actual purchase price paid shall be taken as the initial investment cost; for the long-term equity investment obtained by issuing equity securities, the fair value of issuing equity securities shall be taken as the initial investment cost.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for via the cost method. An investment in a joint venture or an associate is accounted for via the equity method.

For a long-term equity investment which is accounted for via the cost method, except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognizes its share of the cash dividends or profit distributions declared by the investee as investment income for this period.

For a long-term equity investment which is accounted for via the equity method, where the initial cost of a long-term equity investment exceeds the Company's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at cost. Where the initial investment cost is less than the Company's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognized in the profit or loss for the current period.

Under the equity method, the Company recognizes its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Company. Changes in the Company's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognized directly in the Company's equity, and the carrying amount of the investment is adjusted accordingly. In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the

Company recognizes investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Company based on the fair value of the investee's identifiable net assets at the date of acquisition.

When the Company becomes capable of exercising joint control or significant influence (but not control) over an investee due to additional investment or other reasons, the Company uses the fair value of the previously-held equity investment, together with additional investment cost, as the initial investment cost under the equity method.

Unrealized profits and losses resulting from transactions between the Company and its associates or joint ventures are eliminated to the extent of the Company's interest in the associates or joint ventures. Unrealized losses resulting from transactions between the Company and its associates or joint ventures are eliminated in the same way as unrealized gains but only to the extent that there is no impairment.

(3) Criteria for determining the existence of joint control or significant influence over an investee

Control means that the Company has the power toward the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. Subsidiaries refer to the entities controlled by the Company (including the divisible parts of the invested company, and the structured entities controlled by the Company, etc.).

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions relating to the investee's relevant activities require the unanimous consent of the parties sharing control. When assessing whether the Company can exercise joint control over an investee, the Company first considers whether no single participant party is able to control the investee's relevant activities unilaterally, and then considers whether strategic decisions relating to the investee's relevant activities require the unanimous consent of all participant parties that sharing of control. All the parties, or a group of the parties, control the arrangement collectively when they must act together to direct the relevant activities. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. A party that holds only protective rights does not have joint control of the arrangement.

Significant influence refers the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies. When determining whether the Company can exert significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the Company or other parties that are currently exercisable or convertible shall be considered.

When the Company, directly or indirectly through subsidiaries, owns 20% of the investee (including 20%) or more but less than 50% of the voting shares, it has significant influence over the investee unless there is clear evidence to show that in this case the Company cannot participate in the production and business decisions of the investee, and cannot form a significant influence. When the Company owns less than 20% of the voting shares, generally it does not have significant influence over the investee, unless there is clear evidence to show that in this case the Company can participate in the production and business decisions of the investee so as to form a significant influence.

(4) Disposal of long-term equity investments

For the disposal of long-term equity investments, the difference between the book value and the actual purchase price shall be included in the profit or loss for the current period. For long-term equity

investments accounted using the equity method, if there are any movements that were previously recognized in the investee's equity other than net profits or losses, the portion previously recognized in the owner's equity is transferred to the corresponding proportion in the profit or loss for the current period when the investment is disposed.

If the joint control or significant influence on the investee is lost due to the disposal of part of the equity investment, the difference between the fair value and the book value on the date of loss of joint control or significant influence of the remaining equity after disposal shall be recognized in current period's profit or loss for the current period. The other comprehensive income previously recognized using the equity method shall be accounted for on the same basis as the investee's direct disposal of the relevant assets or liabilities when the equity method is no longer applicable; other movements in owners' equity related to the original equity investment are transferred to the profit or loss for the current period.

If the control of the investee is lost due to the disposal of part of the equity investment, and the remaining equity after disposal can exert joint control or significant influence on the investee, it shall be accounted using the equity method. The remaining equity shall be adjusted as if the equity method has been adopted since the acquisition. If the remaining equity after disposal cannot jointly control or exert significant influence on the invested entity, according to the relevant provisions of the CASBE 22 - Recognition and Measurement of Financial Instruments, the difference between the fair value and the book value on the date of loss of control is included in the profit or loss for the current period.

(5) Method of impairment testing and impairment provision

For investments in subsidiaries, associates, and joint ventures, refer to Note IV.21 for the Company's method for provision for asset impairment.

13. Investment property

Investment properties are properties held either to earn rental income or for capital appreciation or for both. The Company's investment properties include leased land use rights, land use right held and provided for to transfer after appreciation and leased building and construction.

Investment properties are initially measured at acquisition cost, and depreciated or amortized using the same policy as that for fixed assets or intangible assets.

For the impairment of the investment properties accounted for using the cost model, refer to Note IV. 21.

Gains or losses arising from the sale, transfer, obsolescence or disposal of an item of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the item plus related taxes and surcharges, and are recognized in the profit or loss for the current period.

14. Fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Company for use in production of goods, use in supply of services, rental or for administrative purposes with useful lives over one accounting year.

Fixed assets are only recognized when it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be reliably measured.

Fixed assets are initially measured at cost.

(2) Depreciation of fixed assets

The cost of a fixed asset is depreciated using the straight-line method since the state of intended use, unless the fixed asset is classified as held for sale. Not considering impairment provision, the estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Category	Expected useful life (year)	Residual value (%)	Annual depreciation rate (%)
Houses and buildings	20-55	0.00-10.00	1.64-5.00
Machinery equipment	5-35	0.00-10.00	2.57-20.00
Transport equipment	5-10	0.00-10.00	9.00-20.00
Electronic equipment	3-5	0.00-10.00	18.00-33.33
Decoration of fixed assets	5-10	0.00-10.00	9.00-20.00
Other equipment	3-5	0.00-5.00	19.00-33.33

For impaired fixed assets, cumulative amount of impairment provision is deducted in determining the depreciation rate.

(3) For the impairment of the fixed assets, please refer to Note IV. 21.

(4) Useful lives, estimated residual values and depreciation methods are reviewed at each year end.

The Company adjusts the useful lives of fixed assets if their expected useful lives are different from the original estimates, and adjusts the net residual value if their expected net residual value are different from the original estimates.

(5) Overhaul costs

Overhaul costs occurred in regular inspection are capitalized if there is substantial evidence that the cost meets the recognition criteria of fixed assets, otherwise, the overhaul costs are recognized in the profit or loss for the current period. The fixed asset shall be depreciated during the period of regular overhaul.

15. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs and any other costs directly attributable to bringing the asset to working condition for its intended use.

Construction in progress is transferred to fixed asset when it is ready for its intended use.

For the impairment of construction in progress, please refer to Note IV. 21.

16. Borrowing costs

(1) Capitalization criteria

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. Other borrowing costs are expensed in the

profit and loss account as incurred. The Capitalization of borrowing costs shall commence only when the following criteria are met:

- ① capital expenditures have been incurred, including expenditures that have resulted in payment of cash, transfer of other assets or the assumption of interest-bearing liabilities;
- ② borrowing costs have been incurred;
- ③ the activities that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Capitalization period

The Capitalization of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use, the borrowing costs incurred thereafter are recognized in the profit or loss for the current period.

Capitalization of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally, and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

17. Right-of-use assets

(1) Conditions for recognition of right-of-use assets

The right-of-use assets of the Company refer to the right of the Company as the lessee to use the leased assets during the lease term.

At the beginning of the lease term, the right-of-use assets are initially measured at cost. The cost includes: the initial measurement amount of the lease liability; the amount of the lease payment made on or before the commencement date (if there is a lease incentive, the relevant amount of the lease incentive receivable shall be deducted); the initial direct expenses incurred by the Company as the lessee; the cost expected to occur when the Company as the lessee dismantles and removes the leased asset, recovers the site where the leased asset is located or recovers the leased asset to the status as agreed in the lease terms. The company, as the lessee, recognizes and measures the cost of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No. 13 - Contingencies. Any subsequent re-measurement of the lease liabilities is adjusted.

(2) Depreciation method of right-of-use assets

The company adopts the straight-line method for depreciation. If the Company, as the lessee, can reasonably determine the ownership of the leased asset at the end of the lease term, depreciation shall be accrued within the remaining useful life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be obtained at the end of the lease term, depreciation shall be accrued within the shorter of the lease term and the remaining useful life of the leased asset.

(3) See note IV.21 for the impairment test method and impairment provision method of the right-of-use assets.

18. Intangible assets

Intangible assets include land use rights, tolled highway special operating rights, trading seat fees, proprietary technology, and software etc.

Intangible assets are stated at actual cost upon acquisition and the useful economic lives are determined at the point of acquisition. When the useful life is finite, amortization method shall reflect the pattern in which the asset's economic benefits are expected to be realized. If the pattern cannot be determined reliably, the straight-line method shall be used. An intangible asset with an indefinite useful life shall not be amortized.

At the end of each year, the Company reviews the useful life and amortization method of intangible assets with limited useful life. If it is different from the previous estimate, the original estimate shall be adjusted and the accounting estimate shall be changed.

On the balance sheet date, if it is estimated that an intangible asset will no longer bring future economic benefits to the enterprise, the carrying amount of the intangible asset shall be transferred into the profit or loss for the current period.

For impairment of intangible assets, please refer to Note IV. 21.

19. Research and development expenditure

Expenditure on an internal research and development project is classified into expenditure incurred during the research phase and expenditure incurred during the development phase.

Expenditure during the research phase is expensed when incurred.

Expenditure during the development phase is capitalized if the product or process is technically and commercially feasible; the Company intends to complete the development; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development and use or sell the intangible asset; and development costs can be measured reliably. Other development expenditure is recognized as an expense in the period in which it is incurred.

Research and development projects of the Company will enter into the development phase when they meet the above conditions, technical and economic feasibility research is finished and necessary approval of the project is obtained.

Capitalized expenditure on the development phase is presented as "development costs" in the balance sheet, and is transferred to intangible assets when the project is completed to its intended use.

20. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost, and amortized using a straight-line method within the benefit period. For long-term deferred expense that cannot bring benefit in future period, the Company recognize its amortized cost in profit or loss for the current period.

21. Impairment of assets

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured using a cost model, fixed assets, construction in progress, right-of-use assets, intangible assets, and goodwill (except for deferred tax assets and financial assets) is determined as follows:

At each balance sheet date, the Company determines whether there is any indication of impairment. If any indication exists, the recoverable amount of the asset is estimated. In addition, the Company estimates the recoverable amounts of goodwill, intangible assets with indefinite useful lives and intangible assets not ready for use at each year end, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its present value of expected future cash flows. The recoverable amount is estimated for each individual asset. If it is not possible to estimate the recoverable amount of each individual asset, the Company determines the recoverable amount for the asset group to which the asset belongs. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

An impairment loss is recognized in the profit and loss account when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognized accordingly.

For goodwill impairment test, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying amount of goodwill is unable to be allocated to an asset group, the carrying amount of goodwill will be allocated to an asset portfolio. An asset group or a portfolio of asset group is an asset group or a portfolio of asset group which can be benefited from synergies of a business combination and is not greater than the reportable segment of the Company.

In impairment testing, if impairment indication exists in an asset group or a portfolio of an asset group containing allocated goodwill, impairment test is first conducted for the asset group or the portfolio of the asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then impairment test is conducted for the asset group or the portfolio of the asset group containing goodwill by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognized, it is not reversed in the subsequent period.

22. Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

(1) Short-term employee benefits

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to the profit and loss account or the cost of relevant assets.

(2) Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

The Company recognizes in the accounting period in which an employee provides service the contribution payable to a defined contribution plan as a liability, with a corresponding charge to the profit and loss account or the cost of relevant assets.

Accounting treatment by the Company for defined benefit plan usually involves the following steps:

① In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the periods to which the obligations are attributed. The Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

② When a defined benefit plan has assets, the Company recognizes the deficit or surplus arising from deducting the present value of the defined benefit plan obligation from the fair value of defined benefit plan assets as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

③ At the end of the year, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. changes as a result of re-measurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts previously recognized in other comprehensive income within equity.

(3) Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: a) when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or b) when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

(4) Other long-term employee benefits

When other long-term employee benefits provided by the Company to the employees satisfy the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan. The Company recognizes and measures the net liability or net asset of other long-term employee benefits in accordance with the requirements relation to defined benefit plan. At the end of the year, the Company recognizes the components of cost of employee benefits arising from other long-term employee benefits as the followings: a. service cost; b. net interest on the net liability or net assets of other long-term employee benefits; and c. changes as a result of re-measurement of the net liability or net assets of other long-term employee benefits. As a

practical expedient, the net total of the aforesaid amounts is recognized in the profit and loss account or included in the cost of a relevant asset.

23. Bonds payable

The bonds issued by the Company shall be initially measured at fair value less transaction costs, and subsequently measured at amortized cost using the effective interest rate method during the period of bond existence.

Interest expenses are capitalized when they meet the capitalization conditions of borrowing costs, otherwise to be directly included in the profit or loss for the current period.

24. Provisions

A provision is recognized for an obligation related to a contingency if all the following conditions are satisfied:

- (1) the Company has a present obligation;
- (2) it is probable that an outflow of economic benefits will be required to settle the obligation;
- (3) the amount of the obligation can be estimated reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The Company reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the best estimates at present.

If all or part of the expenditure necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying amount of the provision.

25. Preferred shares, perpetual bonds and other financial instruments

The financial instruments issued by the Company are initially recognized and measured in accordance with the Financial Instruments standard; thereafter, interest or dividends are accrued on each balance sheet date and processed in accordance with the relevant specific corporate accounting standards. That is, based on the classification of the financial instruments issued, to determine the accounting treatment of interest expense or dividend distribution of the instrument. For financial instruments classified as equity instruments, the interest expense or dividend distribution is classified as the profit distribution of the Company, and its buyback, deregistration, etc. are treated as changes in equity; for financial instruments classified as financial liabilities, interest expenses or dividend distribution is treated as borrowing costs, and the gains or losses arising from the buyback or redemption are included in the profit or loss for the current period.

For the issuance of financial instruments, the transaction costs, commissions and other transaction costs incurred by the Company, if classified as debt instruments and measured at amortized cost, are

included in the initial measurement amount of the instruments issued; if classified as equity instruments it will be deducted from equity.

26. Revenue

(1) General principles

The Company recognizes revenue when it satisfies performance obligations, a process of transferring the control of goods or services over to customers.

If there are two or more performance obligations in the contract, the Company shall, on the commencement date of the contract, apportion the transaction price to each individual performance obligation according to the relative proportion of the single selling price of the goods or services promised by each individual performance obligation, and measure revenue according to the transaction price apportioned to each individual performance obligation.

If one of the following conditions is met, the Company shall fulfill performance obligation within a certain period of time; otherwise, it shall fulfill performance obligation at a certain point of time:

- ① At the same time of the Company's performance, the customer obtains and consumes the economic benefits brought from the Company's performance.
- ② The customer can control the goods under production during the performance of the Company.
- ③ The goods produced by the Company during the performance of the contract are of irreplaceable use, and the Company is entitled to receive payment for the part of performance that has been completed up to now during the entire contract period.

For the performance obligations performed in a certain period of time, the Company recognizes revenue according to the performance progress in that period of time. If the performance progress cannot be reasonably determined, and the Company's incurred costs are expected to be compensated, revenue shall be recognized according to the incurred costs until the performance progress can be reasonably determined.

For the performance obligation performed at a certain time point, the Company recognizes the revenue at the time when the customer obtains the control right of relevant goods or services. When judging whether the customer has obtained control over the goods or services, the Company will consider the following aspects:

- ① The company has a current collection right in respect of the goods or services, i.e. the customer has a current payment obligation in respect of the goods.
- ② The company has transferred the legal ownership of the commodity to the customer, that is, the customer has the legal ownership of the commodity.
- ③ The company has transferred the physical object of the commodity to the customer, that is, the customer has possessed the commodity in kind.

④ The company has substantially transferred risks and rewards of the ownership of the commodity to the customer, that is, the customer has obtained the substantial risks and rewards of the ownership of the commodity.

⑤ The customer has accepted the product or service.

⑥ Other indications that the customer has obtained control of the goods.

The Company has transferred goods or services to customers and has the right to receive the consideration (and the right depends on other factors other than the passage of time) as the contract assets. The impairment of the contract assets is calculated based on the expected credit losses (see note IV, 9, (6)). The company's right to receive consideration from customers unconditionally (only depending on the passage of time) is listed as receivables. The obligation of the Company to transfer goods or services to customers after receiving or receivable the customer's consideration shall be regarded as a contract liability.

Contract assets and contract liabilities under the same contract are presented as the net amount. If the net amount is a debit balance, it is shown as "contract assets" or "other non-current assets" based on its liquidity; if the net amount is a credit balance, it is then shown as "contract liabilities" or "other non-current liabilities" based on its liquidity.

(2) Specific methods

① Real estate sector

Construction services: Since the client has the right to control the assets under construction during the performance of the Company's contract, the Company treats the performance obligation as a performance obligation to be performed under within a period of time, and recognizes revenue according to the progress of the performance of the contract, unless the progress of the performance of the contract cannot be reasonably determined. In accordance with the input method, the Company determines the performance progress of providing services based on input method. When the progress of contract performance cannot be reasonably determined, if the costs incurred by the Company are expected to be compensated, revenue shall be recognized according to the amount of costs incurred until the progress of contract performance can be reasonably determined. If the contract cost cannot be recovered, it shall be recognized as the current cost immediately when it occurs, and the contract revenue shall not be recognized. If the total contract cost is likely to exceed the total contract revenue, an estimated contract loss will be formed, included in the estimated liability, and recognized as the current cost.

Revenue from sale of real estates:(1) The sales contracts has been signed and filed with the Ministry of Land and Resources;(2) The real estate has been completed and accepted.(3) If it is paid by a lump sum, all the payments have been received. For the mortgage method, the first installment has been received and the bank mortgage approval procedures have been completed;(4) The entry procedures have been completed according to the requirements of the sales contract.

② Manufacturing

Revenue from domestic sales is recognized if, and only if, the following conditions are all met: the Company has delivered goods to the purchaser based on contractual agreements; sales revenue is determined; goods payment has been collected or the Company has obtained receipts invoices and it is

probable that economic benefits associated with the transaction will flow to the Company; and the costs related to goods can be measured reliably. Revenue from overseas sales is recognized if, and only if, the Company has declared goods to the customs based on contractual agreements; the Company has obtained a bill of lading; sales revenue is determined; goods payment has been collected or the Company has obtained receipts invoices and it is probable that economic benefits associated with the transaction will flow to the Company; and the costs related to goods can be measured reliably.

③ Transportation and logistics services

Logistics service revenues include: (i) provision of logistics management, including freight forwarding services, and other ancillary services; (ii) loan financing services and (iii) cargo shipment, transshipment and storage of port. Logistics related service revenues are recognized when the related services are rendered.

The Company's toll revenue when the related services have been provided, revenue and total costs can be measured reliably and economic benefits with transaction can flow into the Company.

④ Modern services

Revenue from property management is recognized when relevant services are provided and the service charges as agreed with owners can flow to the Company.

Revenue from property leasing is recognized based on the lease contracts or agreements under straight-line method. If there is a rent-free period, the total rental income shall be allocated over the total lease term (including rent-free period) using straight-line method or other reasonable method and the rent income should be recognized during the rent-free period.

Revenue from taxi and passenger transport is recognized based on the contractual amount as agreed in the contracts or agreements signed between the Company and the contractor.

⑤ Other services

Other services include construction project management, and hotel management etc., whereby revenue is recognized as relevant fees have been received or highly likely to be received.

⑥ Financial services

Revenue from the fees and commissions for securities trading agent services shall be recognized as on the date of securities trading by agents;

Revenue from the fees and commissions for securities redemption agent services shall be recognized when the relevant services provided by the agent have been rendered;

Revenue from the fees and commissions for securities custody agent services shall be recognized when the custody services provided by the agent have been rendered;

Revenue from the securities underwriting business under the stand-by and best-efforts underwriting forms shall be recognized when the related services provided in the underwriting business have been rendered;

Income from the management of the entrusted investment funds shall be recognized on the accrual basis and based on the management fee income received under the contract and other benefits entitled by the Company;

Interest income and expenses shall be recognized on the accrual basis and based on the principal amount and the effective interest rate;

Interest income from loans and entrusted loans shall be determined based on the duration and effective interest rate of the loans provided by the Company. The effective interest rate can be referred to the benchmark interest rate of the People's Bank of China over the same period and floated appropriately within the statutory allowable range.

27. Contract cost

Contract cost includes the incremental cost incurred for obtaining the contract and the contract performance cost.

The incremental cost incurred for obtaining the contract refers to the cost that the Company incurs to obtain a contract that it would not have incurred if the contract had not been obtained (such as sales commission, etc.). If the cost is expected to be recovered, the Company shall capitalize the contract acquisition cost as an asset. Other expenses incurred by the Company for obtaining the contract, other than the expected recoverable incremental cost, shall be included in the profit and loss when incurred.

If the cost incurred for the performance of the contract does not fall within the scope of accounting standards for inventory and other standards, the Company will recognize it as an asset as the contract performance cost when all of the following conditions are met:

- ① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer and other costs incurred only due to the contract;
- ② This cost increases the Company's future resources for performing its obligations;
- ③ This cost is expected to be recovered.

The assets recognized at the cost of obtaining the contract and the assets recognized at the cost of performing the contract (hereinafter referred to as "the assets related to the contract cost") shall be amortized on the same basis as the recognition of the income from the goods or services related to the assets, and shall be included in the profit or loss for the current period. If the amortization period does not exceed one year, it shall be included in the profit or loss when it occurs.

When the carrying amount of the assets related to the contract cost is higher than the difference between the following two items, the Company shall recognize impairment provision for the excess amount and recognize it as the asset impairment loss:

- ① The residual consideration expected to be obtained by the Company due to the transfer of goods or services related to the asset;
- ② The estimated cost to be incurred for the transfer of the relevant goods or services.

The contract performance cost recognized as an asset shall not be amortized for more than one year or one normal business cycle at the time of initial recognition, which shall be listed in the "inventory" item. The amortization period at the time of initial recognition shall be more than one year or one normal business cycle, which shall be listed in the "other non-current assets" item.

For the contract acquisition cost recognized as an asset, the amortization period shall not exceed one year or one normal business cycle at the time of initial recognition, which shall be listed in the "other current assets" item, and the amortization period shall exceed one year or one normal business cycle at the time of initial recognition, which shall be listed in the "other non-current assets" item.

28. Government grants

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Company will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.00.

Government grants related to assets are grants that the Company has received and to be used to purchase, construct or acquire long-term assets. Government grants related to income are grants other than those related to assets.

For government grants with unspecified purpose, the amount of grants used to form a long-term asset is regarded as government grants related to an asset, the remaining amount of grants is regarded as government grants related to income. If it is not possible to distinguish, the amount of grants is treated as government grants related to income.

A government grant related to an asset is offset against the carrying amount of the related asset, or recognized as deferred income and amortized to the profit and loss account over the useful life of the related asset on a reasonable and systematic manner. A government grant that compensates the Company for expenses or losses already incurred is recognized in the profit and loss account. A government grant that compensates the Company for expenses or losses to be incurred in the future is recognized as deferred income, and included in the profit and loss account in the periods in which the expenses or losses are recognized. Government's subsidies measured by the nominal amount shall be directly recorded into the profit or loss for the current period.

A grant related to ordinary activities is recognized as other income based on the economic substance. A grant not related to ordinary activities is recognized as non-operating income.

When a recognized government grant is reversed, the carrying amount of the related asset is adjusted if the grant was initially recognized as offsetting against the carrying amount of the related asset. If there is balance of relevant deferred income, it is offsets against the carrying amount of relevant deferred income. Any excess of the reversal to the carrying amount of deferred income is recognized in profit or loss for the current period. For other circumstances, a reversal is directly recognized in the profit or loss for the current period.

29. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to transactions or items recognized directly in equity and goodwill arising from a business combination.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- (1) Initial recognition of goodwill, or assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss);
- (2) Taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognizes a deferred tax asset for deductible temporary differences, deductible losses and tax credits carried forward to subsequent periods, to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

- (1) A transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss);
- (2) Deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will be reversed in the foreseeable future; and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilized. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

30. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease where the contract conveys the right to control the use of an identified asset for a certain period of time in exchange for consideration.

(1) As a lessee

At the commencement date of the lease, the Company recognizes right-of-use assets and lease liabilities for all the leases, except for those short-term leases and leases of low-value assets that are measured under simplified method.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(2) As a lessor

When the Company acts as a lessor, at lease inception (or when there is a lease modification), it classifies each of its leases as either an operating lease or a finance lease.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Company allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income arising is accounted for on a straight-line basis over the

lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rental income is recognized as revenue in the period in which it is earned.

Leases in which the Company transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are classified as finance leases. At the commencement of the lease term, the aggregate of the minimum lease receivable at the inception of the lease and the initial direct costs is recognized as a finance lease receivable, and the unguaranteed residual value is recorded at the same time. The difference between the aggregate of the minimum lease receivable, the initial direct costs and the unguaranteed residual value, and the aggregate of their present values is recognized as unearned finance income.

Unearned finance income is recognized as finance income using the effective interest rate method over the lease term. Contingent rentals under finance lease are recognized as revenue in the periods in which they are earned.

31. Assets held for sale

(1) Classification and measurement of non-current assets or disposal groups held for sale

The Company classifies a non-current asset or disposal group as held for sale when the carrying amount of the non-current asset or disposal group will be recovered through a sale transaction (including an exchange transaction of non-monetary assets with commercial substance) rather than through continuing use.

Above mentioned non-current assets do not include investment properties subsequently measured with the fair value model, biological assets measured at fair value less costs to sell, assets arising from employee benefits, financial assets, deferred tax assets and contractual rights under insurance contracts.

The disposal group is a group of assets to be disposed of, by sale or otherwise, together as a whole in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. In certain circumstances, disposal groups include goodwill acquired in a business combination.

A non-current asset or disposal group is classified as held for sale when all the following criteria are met: according to the customary practices of selling such asset or disposal group in similar transactions, the non-current asset or disposal group is available for immediate sale in its present condition; the sale is highly probable to occur, that is, the Company has made a resolution on a sale plan and entered into a legally binding purchase agreement with other parties. The sale is expected to be completed within one year. The Company that is committed to a sale plan involving loss of control of a subsidiary classifies all the investment in that subsidiary as held for sale in its separate financial statements, and classifies all the assets and liabilities of that subsidiary as held for sale in its consolidated financial statements, when the classification criteria for held for sale are met, regardless of whether the Company retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets or disposal groups held for sale are initially and subsequently measured at the lower of carrying amount and fair value less costs to sell. Any excess of the carrying amount over the fair value less costs to sell is recognized as an impairment loss in profit or loss. The impairment loss

recognized for a disposal group firstly reduces the carrying amount of goodwill allocated to the disposal group, and then reduces the carrying amount of other non-current assets pro rata on the basis of the carrying amount of each non-current asset in the disposal group.

The Company recognizes a gain for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognized after classified as held for sale. The reduced carrying amount of goodwill is not recovered.

The Company does not depreciate (or amortize) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized. If an investment or a part of investment in an associate or a joint venture is classified as held for sale, equity method is not used for the part classified as held for sale, while equity method is used for the rest part (the part not classified as held for sale) continually. When the Company does not have material impact on an associate or a joint venture due to the sale transaction, it stops using equity method.

The Company measures a non-current asset that ceases to be classified as held for sale at the lower of:

- ① Its carrying amount before the asset or disposal group was classified as held for sale, adjusted for any depreciation, amortization or impairment that would have been recognized had the asset or disposal group not been classified as held for sale, and
- ② Its recoverable amount.

(2) Presentation

The Company presents a non-current asset classified as held for sale and the assets of a disposal group classified as held for sale as “Assets held for sale” in the balance sheet. The liabilities of a disposal group classified as held for sale is presented as “Liabilities held for sale” in the balance sheet.

The Company presents profit or loss from discontinued operations separately from profit or loss from continuing operations in the income statement. Impairment loss and reversal amount and any disposal gain or loss of a non-current asset or disposal group classified as held for sale that does not meet the definition of a discontinued operation is included in profit or loss from continuing operations. Any gain or loss from continuing operation of discontinued operations, including impairment loss and reversal amount, and disposal gain or loss is included in profit or loss from discontinued operations.

32. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial assets or financial liabilities with active markets, the Company uses the quoted prices in active markets as their fair value. Otherwise, the Company uses valuation technique to determine their fair value. The valuation models used are mainly discounted cash flow models and market comparable company models. The inputs of the valuation technique mainly include risk-free rate, base rate, exchange rate, credit spread, liquidity premium, lack of liquidity discount, etc.

Fair value measurement of a non-financial asset takes into account market participants' ability to generate economic benefits using the asset in its best way or by selling it to another market participant that would best use the asset.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs, and using unobservable inputs only if the observable inputs aren't available or impractical.

Fair value level for assets and liabilities measured or disclosed at fair value in the financial statements are determined according to the significant lowest level input to the entire measurement: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; Level 3 inputs are unobservable inputs for the assets or liabilities.

At each balance sheet date, the Company revalues assets and liabilities being measured at fair value continuously in the financial statements to determine whether to change the levels of fair value measurement.

33. Gratuitous transfers of subsidiaries between wholly state-owned enterprises

(1) Accounting treatment for enterprise transfer in

On the date of obtaining the control of the transferred-in enterprise, the Company debits the "long-term equity investment" account according to the relevant amount approved by the State-owned Assets Supervision Department, and credits the "capital reserve (capital premium)" account (if the approval is clear as paid-in capital it will be credited to the "paid-in capital" subject, the same below).

The consolidated balance sheet of the Company is based on the book value of the assets and liabilities of the transferred-in enterprise determined by audit and approved by the State-owned Assets Supervision Department and any changes before the transfer occurred, adjusting the balance sheet of the transferred-in enterprise, and the difference in the assets and liabilities of the transferred-in enterprise should be recorded in the capital reserve (capital premium) of the Company.

The consolidated income statement of the Company should include the net profit of the transferred-in enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the period that the transfer of control occurred.

The consolidated cash flow statement of the Company should include the cash flow of the transferred-in enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the period that the transfer of control occurred.

The consolidated statement of changes in owners' equity of the Company should include the changes in the owner's equity of the transferred-in enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the period that the transfer of control occurred. The consolidated statement of changes in owners' equity can be compiled from the consolidated balance sheet and consolidated income statement.

(2) Accounting treatment for enterprise transfer out

On the date of loss of control over the transferred-out enterprise, the Company debits the "capital reserve (capital premium)" account (if the approval is explicitly to reduce the capital, then the Company should debit the "paid-in capital" account, the same below) and credit the "long-term equity investment (the transferred-out enterprise)" account according to the book value of the long-term equity investment

of the transferred-out enterprise; if the capital reserve (capital premium) is insufficient to offset, then offset the surplus reserve and retained earnings in order.

On the date of loss of control over the transferred-out enterprise, the Company will no longer include the transferred-out enterprise in the scope of the consolidated financial statements, and terminate the recognition of the assets, liabilities, minority interests and other interests of the transferred-out enterprise as reflected in the consolidated financial statements before. The relevant difference should offset against the capital reserve (capital premium), and if the capital reserve (capital premium) is insufficient to offset, the surplus reserve and retained earnings will be offset in order. At the same time, the unrealized internal gains and losses between the Company and the transferred-out enterprises before the transfer of control should be transferred to the capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, the surplus reserve and retained earnings will be offset in order.

34. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The critical estimates and critical assumptions that may have significant effect on the carrying amounts of the assets and liabilities within the next financial period are as follows:

(1) Classification of financial assets

The Company's major judgments in determining the classification of financial assets include the analysis of business models and the characteristics of contractual cash flows.

The Company determines the business model for managing financial assets at the level of financial asset portfolio. The factors considered include evaluation and reporting of financial asset performance to key management personnel, risks affecting the performance of financial assets and their management methods, and the way related business management personnel receive payments.

In assessing whether the contractual cash flow of financial assets is consistent with the basic borrowing and lending arrangements, the Company has the following judgments: whether the principal is subject to changes in its duration or monetary amount as a result of payback in advance, etc.; whether interests only contain the time value of money, credit risks, other fundamental borrowing risks, and considerations for costs and profits. For example, whether the amount paid back in advance only reflects the outstanding principal, interests due on the outstanding principal and reasonable compensations for the early termination of the contract.

(2) Measurement of expected credit loss of accounts receivable

The Company calculates the expected credit losses of accounts receivable based on its default risk exposures and expected credit losses rate which is determined by the default probability and default loss rate. In determining the expected credit losses rate, the Company uses internal historical credit losses data and etc., and adjusts them based on the current situation and forward-looking information. In considering forward-looking information, the Company uses indicators such as the risks of economic downturn, changes in the external market environment, technological environment and customer conditions. The Company regularly monitors and reviews the assumptions used in the calculation of the expected credit losses.

(3) Goodwill impairment

At each balance sheet date, the Company determines whether there is any indication of goodwill impairment. This requires an estimate of the recoverable amounts of the cash-generating units containing the allocated goodwill. To estimate the recoverable amount, the Company shall estimate the future cash flows of the cash-generating unit and calculate the present value based on an appropriate discount rate.

(4) Development costs

When determining the capitalized amount of development costs, the management shall make assumptions on those future cash flows are expected to be generated from related assets, the discount rate to be used, and the expected benefiting period.

(5) Deferred tax assets

Deferred tax assets due to tax losses can be recognized only to the extent that it is probable that future taxable profit will be available that tax losses can be utilized. The management needs significant judgments to estimate the timing and extent of the future taxable profits and tax planning strategy to recognize the correct amount of deferred tax assets.

(6) Determining the fair value of unlisted equity investments

The fair value of an unlisted equity investments is determined as the present value of all future cash flows discounted by the current discount rate of a project with similar terms and risks. This valuation technique contains uncertainty as it requires the Company to estimate the future cash flows and discount rates. In some special cases, where there is insufficient information available to determine the fair value or its estimated range is widely dispersed, the cost could represent an appropriate estimate of the fair value if the cost represents the best estimate of the fair value within that range.

V. Accounting policies, accounting estimates and error corrections

1. Changes in significant accounting policies

Interpretation No.15 of the Accounting Standards for Business Enterprise

Interpretation No. 15 of the Accounting Standards for Business Enterprises (Cai Kuai [2021] No. 35) was issued by the Ministry of Finance in December 2021 (hereinafter collectively referred to as Interpretation No. 15).

Interpretation No. 15 clarifies the “Accounting treatment for the external sale of products or by-products produced by enterprises before the fixed assets are ready for their intended use or in the process of research and development (hereinafter collectively referred to as “trial operation sale”)”. In accordance with the Accounting Standards for Business Enterprises No. 14—Revenue and Accounting Standards for Business Enterprises No. 1—Inventory and other standards, for the trial operation sales of an enterprise, the income and costs related to the trial operation sales shall be accounted for separately and included in the profit or loss for the current period. The net gain on relevant trial operation sale after offsetting against its costs shall not be set-off against the costs of fixed assets or research and development expenditures. The relevant accounting treatments of trial operation sale are implemented from January 1, 2022 and the comparative financial statements are adjusted retrospectively.

Interpretation No. 15 clarifies the “determination of onerous contracts (hereinafter collectively referred to as “onerous contracts”)”. When evaluating whether a contract is assessed as an onerous contract, the cost of performing the contract includes the incremental cost and the allocation of other costs directly related to the performance of the contract. The relevant accounting treatments of onerous contracts are implemented from January 1, 2022. The enterprises need to adjust opening balances of retained earnings and other relevant financial statement items based on the cumulative effects of the initial implementation of Interpretation No. 15, without adjusting the comparative figures for prior periods in the financial statements.

Interpretation No. 15 does not have a significant impact on the financial position and operating results of the Company.

2. Changes in significant accounting estimates

During this period, the Company has not made any significant changes in its accounting estimates.

VI. Taxation

1. Main taxes and corresponding tax rates

Category	Tax basis	Tax rate %
Value-added tax	Taxable revenue from sale of goods or rendering of services	0, 3, 5, 6, 9, 13
Urban maintenance and construction tax	Turnover tax payable	1, 5, 7
Enterprise income tax, Profit tax	Taxable profits	25, 16.5
Education surcharge	Turnover tax payable	3
Local education surcharge	Turnover tax payable	2
Real estate tax	The residual value of housing property or rental income	1.2, 12
Land appreciation tax	The incremental amount arising from the transfer of state-owned land use right and the buildings and structures that are constructed on the land	Use a four-grade progressive tax rate from 30 to 60
Land use tax	Property space area	RMB 3-15 /sqm
Construction fee for cultural undertakings	Advertisement income, design and production income	3

2. Preferential tax policies

Value-added tax

(1) Immediate collection and refund

① According to the “Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner” (Cai Shui No. 36 [2016]), for general taxpayers among the pilot taxpayers engage in financial leasing business as approved by the People's Bank of China, the China Banking Regulatory Commission or the Ministry of Commerce and provide tangible movable property financial leasing services and tangible movable property financial sales and leaseback services, the portion of the actual

VAT exceeding 3% is eligible for the policy of VAT refund. Shenzhen Small and Medium-sized Financial Leasing Co., Ltd., a subsidiary of the Guarantee Group, is eligible for the above preferential tax policy in the current period.

② According to the “Notice of the Ministry of Finance and the State Administration of Taxation on Issuing the Catalogue of Value-Added Tax Preferences for Products and Labor Services Involving the Comprehensive Utilization of Resources” (Cai Shui No. 78 [2015]), a preferential policy of 70% refund of value-added tax shall be implemented for waste treatment and sludge treatment and disposal labor services, and 30% refund of value-added tax shall be implemented for the sales of products of comprehensive utilization of resources. Subsidiaries of Shenzhen Environment are eligible for the above preferential tax policy in this period.

③ According to the “Notice of the State Council on Issuing Several Policies on Further Encouraging the Development of the Software and Integrated Circuit Industries” (Guo Fa No. 4 [2011]), for the sale of self-developed and produced software products, the portion of actual VAT exceeding 3% is subject to the policy of immediate refund. Shenzhen Suicai Technology Development Co., Ltd., a subsidiary of Telling Holding, is eligible for the above preferential tax policy in this period.

(2) Additional deductions

According to the “Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform” (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs), from April 1, 2019 to December 31, 2021, upon the additional deduction policy is applicable, additional 10% of deductible input VAT for the current period is available to offset against the value-added tax payable. According to the “Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Value-Added Tax Policies for Promoting the Resolution of Difficulties so as to Develop the Difficulty-Ridden Industries in the Service Sector” (Announcement No. 11 [2022] of the Ministry of Finance and the State Taxation Administration), the implementation period of the additional VAT credit policies for producer and consumer services shall be extended until December 31, 2022. Shenzhen Pengyan Property Management Co., Ltd. which is a subsidiary of Foreign Trade Group’s subsidiary, Shenzhen Co-win Asset Management Limited Company which is a subsidiary of Shenzhen AMC, and the subsidiaries of Telling Holding, which comprise of Telling Mobile Communication Co., Ltd. and Beijie Infinite (Beijing) Software Co., Ltd., Shenzhen Convention & Exhibition Center and its subsidiary, Shenzhen Foreign Economic and Trade Service Center Co., Ltd., Talent Group, and the subsidiaries of Shenzhen Environment including Shenzhen Aikete Testing Co., Ltd., Yunfu Shenhuan Technology Co., Ltd., Fujian Shentou Strait Environmental Protection Technology Co., Ltd., Guangxi Shentou Environmental Protection Technology Co., Ltd., and Shenzhen Environmental Engineering Science and Technology Center Co., Ltd. are eligible for the above preferential tax policy in this period.

(3) Exemption and reduction

① According to the “Notice of the Ministry of Finance and the State Administration of Taxation on Expanding the Exemption Scope of the Relevant Government Funds” (No. 12 [2016] of the Ministry of Finance), the scope of exemption from education surcharges, local education surcharges and water conservancy construction funds are expanding from the monthly taxpayers whose current monthly sales or revenue is less than RMB 30,000 (or quarterly taxpayers whose quarterly sales or revenue is less than RMB 90,000), to monthly taxpayers whose monthly sales or revenue is less than RMB100,000 (or quarterly taxpayers whose quarterly sales or revenue is less than RMB 300,000). Shenzhen Hengtong

Industrial Development Co., Ltd., a subsidiary of Urban Construction Group, is eligible for the above preferential tax policy in this period.

② According to the “Announcement of the State Taxation Administration on Exemption of Small-Scale Taxpayers from Value-Added Tax and Other Matters Concerning Tax Collection Administration” (Announcement NO. 6 [2022] of the State Taxation Administration), from April 1, 2022 to December 31, 2022, the taxable sales of a small-scale value-added tax taxpayer to which the levy rate of 3% applies is exempt from VAT. Shenzhen Convention & Exhibition Center’s subsidiaries including Shenzhen Economic and Trade Training Center Co., Ltd., and Shenzhen E-commerce Service Center Co., Ltd., the Talent Group’s sub-subsidiaries including Jiangmen Talent Development Group Co., Ltd., Shenzhen Xinhongxin Enterprise Registration Agency Co., Ltd., Hainan Pengya International Talent Group Co., Ltd., Shenzhen Ruineng Talent Management Consulting Co., Ltd., Jingteng Technology (Shenzhen) Co., Ltd., and Shenzhen Foreign Service e-commerce Co., Ltd. are eligible for the above preferential tax policy.

③ According to the “Notice of the Ministry of Finance and the State Administration of Taxation on Further Clarifying the Policies regarding Reinsurance, Immovable Property Leasing and Non-Academic Education in the Comprehensive Promotion of the Pilot Program of Replacing Business Tax with Value-Added Tax” (No. 68 [2016] of the Ministry of Finance), the reinsurance services entirely consumed outside China provided by domestic insurance companies to overseas insurance companies shall be exempt from VAT. Guoren Property and Casualty Insurance Co., Ltd. is eligible for the above preferential tax policy in this period.

(4) Other preferential tax policies

① According to the “Announcement No. 22 of the Ministry of Finance and the State Administration of Taxation” in 2020, for the tax preferential policies which are stipulated in the “Notice of the Ministry of Finance and the State Administration of Taxation on Continuing the Relevant Tax Policies on Supporting the Development of Rural Finance” (No. 44 [2017] of the Ministry of Finance) expired on December 31, 2019, the implementation period will be extended to December 31, 2023. Shenzhen SME Financing Guarantee Co., Ltd. and Shenzhen Shendan Zengxin Financing Guarantee Co., Ltd., subsidiaries of the Guarantee Group, are eligible for above preferential tax policy in this period.

② According to “Notice by the Ministry of Finance, the State Administration of Taxation, the Ministry of Human Resources and Social Security, and the State Council Leading Group Office of Poverty Alleviation and Development of Relevant Tax Policies for Further Supporting and Promoting the Business Startup and Employment of Priority Groups ” (No. 22 [2019] of the Ministry of Finance), the “Announcement of the State Administration of Taxation, the Ministry of Human Resources and Social Security, the State Council Leading Group Office of Poverty Alleviation and Development, and the Ministry of Education on Specific Operational Issues Concerning the Implementation of Tax Policies Relating to Supporting and Promoting the Business Startup and Employment of Priority Groups” (No. 10 [2019] of the State Administration of Taxation), and the “Notice on Further Implementing the Measures of Deduction Limits of Tax Policies Related to Business Startup and Employment of Self-employed Soldiers and Priority Groups in Guangdong Province” (Yue Cai Fa No. 10 [2019]), from the month of signing the labor contract and paying social insurance, the value-added tax, urban maintenance and construction tax, education surcharge, local education surcharge and corporate income tax concessions will be deducted sequentially within 3 years based on the actual number of recruits, for the fixed amount of 7,800 yuan per person per year. Shenzhen SAPO Photoelectric Technology Co., Ltd., a subsidiary of Shenzhen Textile Group, is eligible for above preferential tax policy in this period.

③ According to the “Announcement of the Ministry of Finance, the State Taxation Administration, and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform” (Announcement No. 39 [2019]), the “Announcement of the Ministry of Finance and the State Taxation Administration on Further Strengthening the Implementation of the Policies Regarding the Refund of Term-End Excess Input Value-Added Tax Credits ” (Announcement No. 14 [2022] of the Ministry of Finance and the State Taxation Administration), the “Announcement of the State Administration of Taxation on Tax Collection Administration Matters Concerning the Expansion of the Industry Scope of the Policy for Refunding Excess Input Value-Added Tax Credits in Full Amount” (Announcement No. 21 [2022] of the State Taxation Administration), and the “Announcement of the State Taxation Administration on Matters Concerning the Handling of the Refund of Term-End Excess Input Value-Added Tax Credits”(Announcement No. 20 [2019] of the State Taxation Administration), in order to support the development of small and low-profit enterprises and manufacturing industry, from April 2022, eligible small and low-profit enterprises and manufacturing enterprises may apply to competent tax authorities for the refund of existing excess input tax credits and incremental excess input tax credits. SIHC-SSCZ is eligible for above preferential tax policy.

Enterprise income tax

(1) Preferential tax policies for high-tech enterprises

According to the “Measures for the Administration of the Accreditation of High-Tech Enterprises” (No. 32 [2016] of the Ministry of Science and Technology) and the “Guidelines for the Administration of the Certification of High-Tech Enterprises” (No. 195 [2016] of the Ministry of Science and Technology), the certified qualification of the high-tech enterprises shall be valid for 3 years from the date of issuance. After obtaining the certification of high-tech enterprise, the enterprise shall enjoy a preferential enterprise income tax rate at 15% from the year of high-tech enterprise certificate issued. The subsidiaries of the Company that enjoy the above preferential tax policy in this period are listed in the table below.

Company Name	High-tech Enterprise Certificate No.	Date of obtaining High-tech Enterprise Certificate
Shenzhen Environmental Technology Group Co., Ltd.	GR202044202261	December 11, 2020
Shenzhen Environmental Engineering Science and Technology Center Co., Ltd. (a subsidiary of Shenzhen Environment)	GR202144200952	December 23, 2021
Shenzhen SAPO Photoelectric Technology Co., Ltd. (a subsidiary of Shenzhen Textile Group)	GR201944205666	December 9, 2019
Shenzhen General Institute of Architectural Design and Research Co., Ltd.	GR202144201107	December 23, 2021
Shenzhen Water Planning and Design Institute Co., Ltd	GR201944204738	December 9, 2019
Shenzhen Water Technology Development Co., Ltd. (a subsidiary of WPD)	GR202044203073	December 11, 2020
Shenzhen Bay Technology Development Co., Ltd	GR202144201978	December 23, 2021
Telling Mobile Communication Co., Ltd. (a subsidiary of Telling Holding)	GR202044201393	December 11, 2020
Beijie Chuangxiang (Beijing) Software Co., Ltd. (a subsidiary of Telling Holding)	GR202011010108	December 2, 2020

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Company Name	High-tech Enterprise Certificate No.	Date of obtaining High-tech Enterprise Certificate
Beijie Infinite (Beijing) Software Co., Ltd. (a subsidiary of Telling Holding)	GR202111004198	December 17, 2021
Shenzhen Tsinghua University Research Institute	GR201944202184	December 9, 2019
Eternal Asia Supply Chain Management Ltd.	GR202044204025	December 11, 2020
Beijing Zhuoyou Yunzhi Technology Co., Ltd. (a subsidiary of Eternal Asia)	GR202011007320	December 2, 2020
Shenzhen Infinova Technology Co., Ltd	GR202044205026	December 11, 2020
Infinova (Hangzhou) Information System Technology Co., Ltd. (a subsidiary of Infinova)	GR202133001876	December 16, 2021
Xinpu Internet (Beijing) Technology Co., Ltd. (a subsidiary of Infinova)	GR202011007864	December 2, 2020
Shenzhen Infinova Renyong Information Co., Ltd. (a subsidiary of Infinova)	GR202144202549	December 23, 2021
Shenzhen Infinova Intelligent Technology Co., Ltd. (a subsidiary of Infinova)	GR202044201561	December 11, 2020
Shenzhen Infinova Software Development Co., Ltd. (a subsidiary of Infinova)	GR202044202758	December 11, 2020
Shenzhen SI Semiconductors Co., Ltd. (a subsidiary of SEG Group)	GR202144200439	December 23, 2021
Suzhou Taist measurement and Control Technology Co., Ltd. (a subsidiary of SEG Group)	GR202132004241	November 30, 2021
Maichuang Measurement and Control Equipment technology (Suzhou) Co., Ltd. (a subsidiary of SEG Group)	GR202132009079	November 30, 2021
Freide Tianyu Environmental Technology Chengdu Co., Ltd. (a subsidiary of SEG Group)	GR202051003727	December 3, 2020
Shanghai Maqu Testing Technology Co., Ltd. (a subsidiary of SEG Group)	GR202031006377	November 28, 2020
Guangzhou Liying Plastic Co., Ltd. (a subsidiary of Tsinghua Research Institute)	GR202144005123	December 20, 2021
Suzhou Tongchan Lixing Packaging Technology Co., Ltd. (a subsidiary of Tsinghua Research Institute)	GR202132005308	November 30, 2021
Shenzhen Jingxintong Technology Co., Ltd. (a subsidiary of Tsinghua Research Institute)	GR202144200906	December 23, 2021
Shenzhen Liqi Technology Co., Ltd. (a subsidiary of Tsinghua Research Institute)	GR202044202933	December 11, 2020
Guoren Property and Casualty Insurance Co., Ltd.	GR202144207961	December 23, 2021

(2) Preferential tax policies for small and low-profit enterprises

According to the “Announcement of the Ministry of Finance and the State Taxation Administration on Implementing the Preferential Income Tax Policies for Small and Low-Profit Enterprises and Individual Industrial and Commercial Households” (Announcement No. 12 [2021] of the Ministry of Finance and the State Taxation Administration) and “Announcement of the State Taxation Administration on Matters Concerning the Implementation of Preferential Income Tax Policies Supporting the Development of Small and Low-Profit Enterprises and Individual Industrial and

Commercial Households” (Announcement No. 8 [2021] of the State Taxation Administration), from January 1, 2021 to December 31, 2022, the portion of the annual taxable profit of small and low-profit enterprises not exceeding RMB 1 million is reduced to 12.5% on calculating taxable profit, with the applicable enterprise income tax rate of 20%.

According to the “Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementing the Preferential Income Tax Policies for Small and Low-Profit Enterprises” (Announcement No. 13 [2022] of the Ministry of Finance and the State Taxation Administration), for small and low-profit enterprises, the portion of the annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million is reduced to 25% on calculating taxable profit, with the applicable enterprise income tax rate of 20%.

The subsidiaries of the Company to which the above tax preferential policies are applicable in this period include: ①Subsidiaries of Shenzhen Textile Group: Shenzhen Meibai Garment Company Limited, Shenzhen Huaqiang Hotel Company Limited, Shenzhen Lisi Industrial Development Company Limited, Shenzhen Shenfang Bamboo Property Management Company Limited; Shenzhen Shenfang Real Estate Management Co., Ltd.; ②Subsidiaries of Shenzhen Properties & Resources: Chongqing Aobo Elevator Company Limited, Shenzhen International Trade Catering Company Limited; ③Subsidiaries of Shenzhen Properties Group: Shenzhen Huazhan Construction Supervision Co., Ltd. and Shantou Songshan Company; ④Shentou Culture; ⑤Talent Group; ⑥WPD; ⑦Sports Center; ⑧Shenzhen Bay (Baoding) Innovation Development Company Limited, a subsidiary of Shenzhen Bay Technology; ⑨Subsidiaries of Telling Holding: Beijing Suicai Information Technology Company Limited, Shenzhen Pengtian Digital Company Limited, and Shenzhen Tianheng Terminal Company Limited; ⑩SZHK Science & Tech Inno; ⑪SIEC; ⑫Subsidiaries of Infinova: Xinjiang Zangyu, Anqing Infinova, Hangzhou Science and technology, and Infinova intellectual park; ⑬Subsidiaries of Shenzhen Asset: Shenzhen Co-win Asset Management Limited Company, and Shenzhen Pengqi Private Equity Investment Fund Management Co., Ltd.; ⑭Subsidiaries of Foreign Trade Group: Shenzhen Jinyuan Industrial Co., Ltd., Shenzhen Foreign Trade Export Commodities Bases Construction & Development Corp., Shenzhen Foreign Trade XING FA Trading Co., Shenzhen Xingye Xingfa Clothing Manufacturing Co., Ltd., Shenzhen Pengyan Property Management Co., Ltd., Shenzhen Foreign Trade Economic Development Co., Ltd., Shenzhen SILK Textiles IMP.& Exp. Corp., Shenzhen Craftworks Import & Export Company, China Shenzhen Foreign Trade Flowers IMP. & EXP. Co., Shenzhen Foreign Trade Declaration Co., Ltd., China (Shenzhen) Foreign Trade Center Co., Ltd., Shenzhen Tianjun Investment Development Company, Huizhou Tianze Industrial Development Co., Ltd., Huizhou Tianjun Food Co., Ltd., Shenzhen Tianjun Biological Technology Development Co., Ltd., Shenzhen Tianjing Trade Develop Co., Ltd., Shenzhen Bao'an Tianheng Trading Co., Ltd., Shenzhen Metals & Minerals IMP. & EXP. Corp. Ltd., Shenzhen Foreign Trade Xingye Trading Company, Shenzhen Foreign Trade I./e. & Transportation Co., and Shenzhen Xingye Transportation Co., Ltd.; ⑮Subsidiaries of SEG group: Shenzhen SEG Industrial Investment Co., Ltd., Shenzhen SEG electronic market management Co., Ltd., Wujiang SEG Market Management Co., Ltd. and Foshan Shunde SEG electronic market management Co., Ltd.; ⑯Subsidiaries of Shenzhen Convention & Exhibition Center: Guangdong Shenzhen International Trade Exhibition Company, Shenzhen E-commerce Service Center Co., Ltd., Shenzhen Economic and Trade Training Center Co., Ltd., and Shenzhen Wanbo Exhibition Co., Ltd.; ⑰Subsidiaries of Shenzhen Environment: Shenzhen Aikete Testing Co., Ltd., and Shenzhen Luhuan Chemical Industry Co., Ltd.; ⑱A subsidiary of Sports Center: Shenzhen Sports Fengshang Magazine House; ⑲Shenzhen Angel FOF Management Co., Ltd..

(3) Preferential tax policies for guarantee businesses

According to the “Notice of the State Administration of Taxation on Income Tax Preferences for Startup Investment Enterprises” (No.87 [2009] of the State Administration of Taxation) and Article 30, President Decree No. 63 of the “Enterprise Income Tax Law of the People's Republic of China”, startup investment enterprises shall deduct a certain amount of their taxable profit in proportion to their investment amount. If a startup investment enterprise makes equity investments in unlisted small and medium-sized high-tech enterprises for more than 2 years, a tax credit of 70% of the amount of investments in unlisted medium-sized high-tech enterprises can be claimed for deduction against the taxable profit at the end of the second year of investment holding. If the tax credit is not fully utilized, it can be carried forward to the subsequent tax years.

According to the “Notice of the Ministry of Finance and the State Administration of Taxation on the Relevant Tax Policies regarding Micro-finance Companies” (No. 48 [2017] of the Ministry of Finance), from January 1, 2017 to December 31, 2019, micro-finance companies approved by provincial financial management departments (financial offices, bureaus, etc.) are able to make deduction of taxable profit not exceeding the loan impairment loss provision which equals to 1% of the loan balance at the end of the year. According to the “Announcement of the Ministry of Finance and the State Taxation Administration on Continuing the Implementation of Relevant Tax Policies for Inclusive Finance” (Announcement No. 22 [2020] of the Ministry of Finance and the State Taxation Administration), the implementation period of the tax preferential policies originally stipulated to expire on December 31, 2019 has been extended to December 31, 2023.

According to the relevant provisions of the “Enterprise Income Tax Law of the People's Republic of China” and the “Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China”, the provision for guarantee indemnity made by eligible small and medium-sized enterprise financing (credit) guarantee institutions at a rate not exceeding 1% of the guarantee liability balance at the end of the year is allowed to be deducted from taxable profit.

The Company's subsidiaries, HTI Group and Guarantee Group, are eligible for the above preferential tax policies in this period.

(4) Tax relief for key industries

① According to the Announcement of the State Administration of Taxation on the implementation of the “Catalogue of Industries Encouraged in the Western Region” in relation to issues concerning enterprise income tax (Announcement of the State Administration of Taxation No. 14 [2015]), from October 1, 2014, for enterprises located in the Western Region whose main business falls into the newly added categories of encouraged industries, and whose main business income this year accounts for more than 70% of the total income of the enterprise, shall pay enterprise income tax at a reduced rate of 15%. Chongqing Shenzhen Guomao Property Management Co., Ltd., a subsidiary of Shenzhen Property Group, was qualified as a property service enterprise in the western region by Chongqing Jiulong District Local Taxation Bureau on May 4, 2014, and paid enterprise income tax at a reduced rate of 15% from October 1, 2014, which is eligible for the above preferential tax policy in this period.

② According to the “Notice of the Ministry of Finance, State Administration of Taxation, the National Development and Reform Commission, and the Ministry of Industry and Information Technology on Issues concerning Preferential Enterprise Income Tax Policies for the Software and Integrated Circuit Industry” (Cai Shui No. 49 [2016]) and “the Notice of the Ministry of Finance, State Administration of Taxation Notice on Enterprise Income Tax Policies to Further Encouraging the Development of Software

Industry and Integrated Circuit Industry" (Cai Shui No. 27 [2012]), National Key Software Enterprises are subject to 10% enterprise income tax. Suicai Technology, a subsidiary of Telling Holding, is eligible for the above preferential tax policy in the current period.

③ According to the "Enterprise Income Tax Preferential Policy Catalogue in Shenzhen Qianhai" issued by the Ministry of Finance and the State Administration of Taxation, enterprises whose main business income falls within the scope of the Tax Preferential Catalogue and accounts for more than 70% of total income, are subject to a reduced enterprise income tax rate of 15%. Shenzhen Qianhai Eternal Asia Supply Chain Co., Ltd, a subsidiary of Eternal Asia, is eligible for the above preferential tax policy in this period.

④ According to the "Notice of the General Administration of Taxation of the Ministry of Finance on Preferential Enterprise Income Tax Policies of Hainan Free Trade Port" (Cai Shui No. 31 [2020]), enterprises registered in the Hainan Free Trade Port with operational substance the Hainan Free Trade Port engaging in the encouraged industries are entitled to a reduced enterprise tax rate of 15%. Perfect (Hainan) Technology Co., Ltd. and Shenzhen Best Internet Technology Co., Ltd., subsidiaries of Infinova, are eligible for the above preferential tax policy in this period.

⑤ According to "Notice of the Ministry of Finance, General Administration of Taxation, and the Central Propaganda Department on Continuing the Implementation of Several Tax Policies on the Transforming For-Profit Cultural Public Institutions into Enterprises during Cultural System Reform" (Cai Shui No. 16 [2019]), the for-profit cultural public institutions to be transformed into enterprises shall be exempt from enterprise income tax for five years from the date of registration of the transformation. The tax policy is effective from January 1, 2019 to December 31, 2023. Shentou Culture is eligible for the above preferential tax policy in this period.

⑥ According to the "Notice of the Ministry of Finance, the State Administration of Taxation, the Ministry of Science and Technology, and the Ministry of Education on Tax Policies Regarding Science and Technology Enterprise Incubators, University Science Parks and Makerspaces" (Cai Shui No. 120 [2018]), the income from incubation services of national science and technology business incubators is exempt from VAT. Shenzhen Overseas Students Pioneer Park Co., Ltd., a subsidiary of Shenzhen Bay Technology, is eligible for the above preferential tax policy in this period.

According to the "Notice of the Ministry of Finance and the State Administration of Taxation on the Issue of Preferential Income Tax Policies for Public Infrastructure Projects and Environmental Protection, Energy Saving and Water Saving Projects" (Cai Shui No. 10 [2012]), the enterprises have the income from the public infrastructure projects that meet the regulations of the "Public Infrastructure Project Enterprise Income Tax Preferential Catalogue" and approved before December 31, 2007, or the income from the environmental protection, energy saving and water saving projects that meet the regulations of the "Environmental Protection, Energy Saving and Water Saving Project Enterprise Income Tax Preferential Catalogue" and approved before December 31, 2007, can enjoy the preferential deduction of the enterprise income tax in the remaining years from January 1, 2008, within the preferential period of "Three Exemptions and Three Half Deductions" of enterprise income tax calculated according to the New Tax Law, from the tax year in which the project begins to generates the operating income. According to the "Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission and the Ministry of Ecology and Environment on Issuing the Catalogue of Environmental Protection and Energy and Water Conservation Projects Eligible for Enterprise Income Tax Preferences (2021 Version) and the Catalogue of Resources for Comprehensive Utilization Eligible for Enterprise Income Tax Preferences (2021 Version)"(Announcement No. 36 [2021]) (effective from January 1, 2021), if the enterprises, which are engaged in the projects included in the

“Environmental Protection, Energy and Water Conservation Projects Eligible for Enterprise Income Tax Preferences (2021 Version)”, had obtained the first operating income before December 31, 2020, they may enjoy the preferential deduction of the enterprise income tax in the remaining years until the expiration of this policy. WPD, which is the subsidiary of the Company, is eligible for the above preferential tax policy in this period.

(5) The deduction of the income tax from agricultural and animal husbandry insurance income

According to the “Notice of the Ministry of Finance and the State Administration of Taxation on Continuing the Relevant Tax Policies on Supporting the Development of Rural Finance” (No. 44 [2017] of the Ministry of Finance), from January 1, 2017 to December 31, 2019, 90% of the insurance income obtained by insurance companies from providing insurance for planting and breeding industries shall be included in the total income in the calculation of taxable income.

According to the “Announcement NO. 22 [2020] of the Ministry of Finance and the State Administration of Taxation”, the implementation period regulated in the “Notice of the Ministry of Finance and the State Administration of Taxation on Continuing the Relevant Tax Policies on Supporting the Development of Rural Finance” (No. 44 [2017] of the Ministry of Finance), will be extended from December 31, 2019 to December 31, 2023. Guoren Insurance is eligible for above preferential tax policy in this period.

Tariff

According to the “Notice of the General Administration of Customs and Excise of the Ministry of Finance on the Import Tax Policy for Supporting the Development of New Display Industry in 2021-2030” (Cai Guan Shui No. 19 [2021]), from January 1, 2021 to December 31, 2030, manufacturers of color filter film, polarizer and other key raw materials and parts belonging to the upstream of the new display device industry which meet the requirements of the domestic industrial autonomy development plan, importation of raw materials, consumables for self-use that cannot be produced domestically shall be exempted from import tariffs. Shenzhen SAPO Photoelectric Technology Co., Ltd., a subsidiary of Shenzhen Textile Group, is eligible for the above preferential tax policy in this period.

Stamp Duty

According to the “Notice of the State Administration of Taxation on the Related Issues of Levying the Stamp Duty from Insurance Enterprises” (Guo Shui Di No. 37 [1988]), property insurance business is divided into five categories: enterprise property insurance, motor vehicle insurance, cargo transportation insurance, family property insurance and agriculture and animal husbandry insurance. In order to support the development of the agriculture and animal husbandry insurance industry and reduce the burden of the agriculture and animal husbandry, except for agriculture and animal husbandry insurance contracts that are temporarily exempted, other types of property insurance contracts should be levied stamp duty according to the regulations. Guoren Insurance is eligible for the above preferential tax policy in this period.

VII. Scope of consolidation of financial statements

(1) Basic information of the subsidiaries included in the financial statements

Refer to Note I. 2 for the scope of consolidated financial statements.

(2) Subsidiaries disposed in the period

None.

(3) Subsidiaries newly added into the current period's scope of consolidation

Company Name	Closing balance of net assets	Net profit during this period
Shenzhen Sports Group Co., Ltd.	50,000,000.00	--

(4) Business combination under common control occurred during this period

None.

(5) Business combination not under common control occurred during this period

None.

VIII. Notes to major items in financial statements

1. Cash and cash equivalents

Items	As at June 30, 2022	As at December 31, 2021
Cash on hand	9,324,146.24	101,048,742.34
Cash at bank	133,552,246,072.47	124,072,791,045.03
Other monetary funds	11,469,502,392.31	10,513,031,009.65
Total	145,031,072,611.02	134,686,870,797.02

(1) Accrued interest included in cash and cash equivalents:

Items	As at June 30, 2022	As at December 31, 2021
Accrued interest of cash at bank	125,935,458.50	131,483,480.13
Accrued interest of other monetary funds	106,430,724.62	20,346,466.95
Total	232,366,183.12	151,829,947.08

The balances of restricted cash and cash equivalents are as follows:

Items	As at June 30, 2022	As at December 31, 2021
Bank acceptance deposits	9,101,155,253.42	8,241,845,374.24
Term deposits and call deposits for guarantees	440,526,667.00	803,244,271.00
Letter of guarantee deposits	953,861,521.98	864,523,341.87
Fund supervision account (frozen or dormant account)	90,443,138.76	205,749,808.71
Performance bonds	324,701,964.39	248,075,008.00
Specific deposits	526,323,572.99	44,477,657.15
Overseas deposits with restriction on remittance to mainland China	94,021,110.07	82,303,626.63
Frozen funds of litigations	63,646,427.11	33,268,879.79
Others	2,659,941,874.82	2,571,737,106.37
Total	14,254,621,530.54	13,095,225,073.76

2. Certificates of deposit

Items	As at June 30, 2022	As at December 31, 2021
Certificates of deposit	1,300,000,000.00	1,140,000,000.00
Accrued interest	36,715,994.36	54,621,106.19
Total	1,336,715,994.36	1,194,621,106.19

3. Settlement funds

Items	As at June 30, 2022	As at December 31, 2021
Fund held for clients	11,746,780,690.99	13,271,519,488.47
Self-owned fund	2,709,294,947.58	3,816,304,532.30
Total	14,456,075,638.57	17,087,824,020.77

4. Loans to banks and other financial institutions

(1) Disclosed by borrowers

Items	As at June 30, 2022	As at December 31, 2021
Individuals	49,673,620,031.58	57,036,058,030.37
Institutions	4,836,207,601.41	5,122,908,300.66
Sub-total	54,509,827,632.99	62,158,966,331.03
Less: Impairment provision	159,322,604.49	185,654,481.60
Total	54,350,505,028.50	61,973,311,849.43

(2) Disclosed by category

Items	As at June 30, 2022	As at December 31, 2021
Loans for margin trading & securities lending	54,509,827,632.99	62,158,966,331.03
Less: provision for impairment	159,322,604.49	185,654,481.60
Net value of loans to banks and other financial institutions	54,350,505,028.50	61,973,311,849.43

(3) Fair value of collaterals

Disclosed by category of fair value of collaterals

Items	As at June 30, 2022	As at December 31, 2021
Stocks	174,582,956,228.74	203,029,348,589.90
Cash	8,757,942,598.52	6,938,863,758.76
Funds	5,073,336,050.53	4,538,000,091.87
Bonds	253,119,476.79	188,259,177.65
Total	188,667,354,354.58	214,694,471,618.18

5. Financial assets held for trading

Items	As at June 30, 2022	As at December 31, 2021
Classified as financial assets at fair value through profit or loss:		
-Investment in debt instruments	208,077,971,644.41	178,936,028,255.56
-Investment in equity instruments	125,178,280,914.56	115,101,873,232.38
-Others	31,828,279,111.79	21,097,280,095.58
Financial assets designated as at fair value through profit or loss:		
-Investment in debt instruments	51,071,411,618.06	42,736,874,927.60
-Investment in hybrid instruments	741,164,897.48	515,189,608.39
-Others	--	--
	--	1,164,897.48
	741,164,897.48	514,024,710.91
Total	208,819,136,541.89	179,451,217,863.95

6. Derivative financial assets

Items	As at June 30, 2022	As at December 31, 2021
Foreign exchange forward contracts	38,819,052.81	271,427,624.75
Total return swaps	--	--
Total	38,819,052.81	271,427,624.75

7. Bills receivable

(1) Classification

Category	As at June 30, 2022		Carrying amount
	Book value	Provision for bad and doubtful debts	
Bank acceptance bills	334,932,457.15	42,001.70	334,890,455.45
Commercial acceptance bills	73,830,384.88	5,299,209.38	68,531,175.50
Total	408,762,842.03	5,341,211.08	403,421,630.95

Continue:

Category	As at December 31, 2021		Carrying amount
	Book value	Provision for bad and doubtful debts	
Bank acceptance bills	558,756,368.00	42,001.70	558,714,366.30
Commercial acceptance bills	450,477,059.35	10,423,595.67	440,053,463.68
Total	1,009,233,427.35	10,465,597.37	998,767,829.98

(2) Pledged bills receivable at the end of the period

Category	As at June 30, 2022
Bank acceptance bills	127,291,987.00

(3) Outstanding endorsed or discounted bills that have not matured at the end of the period

Category	As at June 30, 2022
Bank acceptance bills	3,273,170,424.00

8. Accounts receivable

(1) Accounts receivable disclosed by ageing

Ageing	As at June 30, 2022	As at December 31, 2021
Within 1 year (including 1 year)	23,527,500,854.33	23,861,082,921.70
1 to 2 years	2,153,543,241.84	1,943,415,511.70
2 to 3 years	907,520,215.93	953,368,289.43
More than 3 years	1,906,552,716.55	1,696,839,294.30
Sub-total	28,495,117,028.65	28,454,706,017.13
Less: provision for bad and doubtful debts	3,842,623,438.82	3,907,089,789.56
Total	24,652,493,589.83	24,547,616,227.57

(2) Accounts receivable disclosed by bad debt provision methods

Category	As at June 30, 2022				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	% of total	Amount	Expected credit loss ratio (%)	
Individually significant and assessed for specific bad debt provision	3,426,058,944.45	12.02	2,598,123,869.75	75.83	827,935,074.70
Collectively assessed for general bad debt provision	25,069,058,084.20	87.98	1,244,499,569.07	4.96	23,824,558,515.13
Including:					
-Ageing portfolio	23,247,828,938.83	81.59	1,231,709,865.99	5.30	22,016,119,072.84
-Others	1,821,229,145.37	6.39	12,789,703.08	0.70	1,808,439,442.29
Total	28,495,117,028.65	100.00	3,842,623,438.82	13.49	24,652,493,589.83

Continue:

Category	As at December 31, 2021				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	% of total	Amount	Expected credit loss ratio (%)	
Individually significant and assessed for specific bad debt provision	3,494,871,826.76	12.28	2,743,850,580.33	78.51	751,021,246.43

Category	As at December 31, 2021				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	% of total	Amount	Expected credit loss ratio (%)	
Collectively assessed for general bad debt provision	24,959,834,190.37	87.72	1,163,239,209.23	4.66	23,796,594,981.14
Including:					
-Ageing portfolio	21,722,318,545.68	76.34	1,136,618,061.68	5.23	20,585,700,484.00
-Others	3,237,515,644.69	11.38	26,621,147.55	0.82	3,210,894,497.14
Total	28,454,706,017.13	100.00	3,907,089,789.56	13.73	24,547,616,227.57

Ageing analysis of ageing portfolio

Ageing	As at June 30, 2022		
	Accounts receivable	Provision for bad and doubtful debts	Expected credit loss ratio (%)
Within 1 year (including 1 year)	20,582,779,831.61	544,049,060.56	2.64
1 to 2 years	1,523,839,012.82	82,622,411.07	5.42
2 to 3 years	464,262,557.31	85,433,159.94	18.40
More than 3 years	676,947,537.09	519,605,234.42	76.76
Total	23,247,828,938.83	1,231,709,865.99	5.30

Continue:

Ageing	As at December 31, 2021		
	Accounts receivable	Provision for bad and doubtful debts	Expected credit loss ratio (%)
Within 1 year (including 1 year)	19,805,230,912.40	474,404,006.09	2.40
1 to 2 years	1,225,776,216.98	126,048,767.85	10.28
2 to 3 years	148,269,075.44	62,509,453.96	42.16
More than 3 years	543,042,340.86	473,655,833.78	87.22
Total	21,722,318,545.68	1,136,618,061.68	5.23

9. Receivables financing

Category	As at June 30, 2022	As at December 31, 2021
Bills receivable	80,527,626.12	163,843,116.55
Account receivable	--	--
Total	80,527,626.12	163,843,116.55

10. Prepayments

Disclosed by ageing

Ageing	As at June 30, 2022			As at December 31, 2021		
	Book value		Provision for bad and doubtful debts	Book value		Provision for bad and doubtful debts
	Amount	% of total (%)		Amount	% of total (%)	
Within 1 year (including 1 year)	9,166,213,443.22	91.48	--	7,862,678,323.50	90.47	--
1 to 2 years	469,088,462.19	4.68	--	432,619,856.66	4.98	--
2 to 3 years	42,366,034.87	0.42	--	21,157,729.16	0.24	669,539.05
More than 3 years	341,811,452.02	3.41	40,026,312.87	374,739,051.47	4.31	39,416,904.79
Total	10,019,479,392.30	100.00	40,026,312.87	8,691,194,960.79	100.00	40,086,443.84

11. Other receivables

Items	As at June 30, 2022	As at December 31, 2021
Interest receivables	--	218,666,133.97
Dividend receivables	1,450,063,267.50	348,797,361.59
Other receivables	18,849,660,217.83	9,314,182,814.22
Total	20,299,723,485.33	9,881,646,309.78

(1) Interest receivables

Items	As at June 30, 2022	As at December 31, 2021
Interests on bonds	--	109,546,337.10
Interests on term deposits	--	98,397,853.03
Interests on financial assets purchased under reverse repurchase agreements	--	89,544.37
Interests on entrusted loan	--	374,286.49
Interests on deposits with financial institutions	--	--
Others	--	10,258,112.98
Total	--	218,666,133.97

(2) Dividend receivables

Items	As at June 30, 2022	As at December 31, 2021
Dividend receivables aged within one year	1,181,381,297.74	80,115,391.83
Dividend receivables aged over one year	268,681,969.76	268,681,969.76
Total	1,450,063,267.50	348,797,361.59

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

(3) Other receivables

Disclosed by nature

Items	As at June 30, 2022		
	Book value	Provision for bad and doubtful debts	Carrying amount
- Stage 1	18,067,146,434.27	97,851,429.23	17,969,295,005.04
- Stage 2	854,217,401.71	332,958,206.51	521,259,195.20
- Stage 3	2,943,959,864.03	2,584,853,846.44	359,106,017.59
Total	21,865,323,700.01	3,015,663,482.18	18,849,660,217.83

Continue:

Items	As at December 31, 2021		
	Book value	Provision for bad and doubtful debts	Carrying amount
- Stage 1	8,049,359,446.14	40,231,027.28	8,009,128,418.86
- Stage 2	1,513,350,883.71	331,212,280.22	1,182,138,603.49
- Stage 3	2,831,007,845.13	2,708,092,053.26	122,915,791.87
Total	12,393,718,174.98	3,079,535,360.76	9,314,182,814.22

Disclosed by Ageing

Ageing	As at June 30, 2022	As at December 31, 2021
Within 1 year (including 1 year)	12,237,344,898.26	8,581,945,131.75
1 to 2 years	7,464,169,551.81	2,766,971,602.39
2 to 3 years	1,257,461,742.68	289,265,393.95
More than 3 years	906,347,507.26	755,536,046.89
Sub-total	21,865,323,700.01	12,393,718,174.98
Less: provision for bad debts	3,015,663,482.18	3,079,535,360.76
Total	18,849,660,217.83	9,314,182,814.22

At the end of the period, provision for bad and doubtful debts in stage 1 is as follows:

Category	Book value	Expected credit loss ratio for the next 12 months (%)	Provision for bad and doubtful debts	Carrying amount
Individually provided:	--	--	--	--
Other receivables individually provided for expected credit losses	--	--	--	--
Collectively provided:	18,067,146,434.27	0.54	97,851,429.23	17,969,295,005.04
- Ageing portfolio	10,062,573,713.28	0.48	48,518,008.70	10,014,055,704.58
- Others	8,004,572,720.99	0.62	49,333,420.53	7,955,239,300.46
Total	18,067,146,434.27	0.54	97,851,429.23	17,969,295,005.04

At the end of the period, provision for bad and doubtful debts in stage 2 is as follows:

Category	Book value	Expected credit loss over the entire lifetime of the financial instrument (no credit impairment occurred) (%)	Provision for bad and doubtful debts	Carrying amount
Individually provided:	363,930,584.72	70.35	256,007,491.87	107,923,092.85
Other receivables individually provided for expected credit losses	363,930,584.72	70.35	256,007,491.87	107,923,092.85
Collectively provided:	490,286,816.99	15.70	76,950,714.64	413,336,102.35
- Ageing portfolio	377,003,388.55	20.39	76,870,660.44	300,132,728.11
- Others	113,283,428.44	0.07	80,054.20	113,203,374.24
Total	854,217,401.71	38.98	332,958,206.51	521,259,195.20

At the end of the period, provision for bad and doubtful debts in stage 3 is as follows:

Category	Book value	Expected credit loss over the entire lifetime of the financial instrument (credit impairment has occurred) (%)	Provision for bad and doubtful debts	Carrying amount
Individually provided:	2,275,375,530.87	91.59	2,084,098,068.43	191,277,462.44
Other receivables individually provided for expected credit losses	2,275,375,530.87	91.59	2,084,098,068.43	191,277,462.44
Collectively provided:	668,584,333.16	74.90	500,755,778.01	167,828,555.15
- Ageing portfolio	627,381,056.32	76.59	480,530,868.62	146,850,187.70
- Others	41,203,276.84	49.09	20,224,909.39	20,978,367.45
Total	2,943,959,864.03	87.80	2,584,853,846.44	359,106,017.59

12. Financial assets purchased under reverse repurchase agreements

(1) By category

Items	As at June 30, 2022	As at December 31, 2021
Stocks	6,247,136,810.81	5,376,962,275.05
Bonds	4,456,475,041.78	2,774,228,076.47
Others	269,883,739.91	206,344,832.53
Less: provision for impairment	1,386,352,383.64	1,277,760,261.14
Total	9,587,143,208.86	7,079,774,922.91

(2) By transaction type

Items	As at June 30, 2022	As at December 31, 2021
Stock pledged repurchase transactions	6,203,988,482.30	5,323,601,200.41
Bond pledged reverse repurchase transactions	4,456,475,041.78	2,774,228,076.47
Exercise financing	269,883,739.91	206,344,832.53
Agreed buyback repurchase transactions	43,148,328.51	53,361,074.64
Less: provision for impairment	1,386,352,383.64	1,277,760,261.14
Total	9,587,143,208.86	7,079,774,922.91

(3) Collaterals for reverse repurchase financial assets

Items	As at June 30, 2022	As at December 31, 2021
Collaterals	17,458,914,555.66	19,524,749,041.03

Note: The above collaterals amount does not include the fair value of the collaterals obtained in exchange pledged reverse repurchase transactions.

(4) Lending through agreed repurchase transactions by remaining terms

Items	As at June 30, 2022	As at December 31, 2021
Within 1 month	2,138,811.18	4,942,345.20
1 month – 3 months	2,467,678.55	4,395,675.77
3 months – 1 year	38,541,838.78	44,023,053.67
Total	43,148,328.51	53,361,074.64

(5) Lending through stock pledged repurchase transactions by remaining terms

Items	As at June 30, 2022	As at December 31, 2021
Within 1 month	3,208,256,002.04	3,116,244,891.39
1 month to 3 months	309,542,751.42	367,588,762.09
3 months to 1 year	2,559,398,399.52	1,712,954,333.82
Over 1 year	126,791,329.32	126,813,213.11
Total	6,203,988,482.30	5,323,601,200.41

13. Inventories

(1) Inventories by category

Items	As at June 30, 2022		
	Book value	Provision for impairment	Carrying amount
Development costs	48,897,666,303.70	8,204,259.28	48,889,462,044.42
Products to be developed	4,508,413,010.40	--	4,508,413,010.40
Development products	9,985,483,061.14	988,713,723.05	8,996,769,338.09

Shenzhen Investment Holdings Co., Ltd.

Notes to the Financial Statements

For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	As at June 30, 2022		
	Book value	Provision for impairment	Carrying amount
Finished goods	12,407,183,283.01	398,514,992.90	12,008,668,290.11
Raw materials	714,273,003.05	71,754,191.12	642,518,811.93
Work in progress	198,204,472.73	13,291,587.09	184,912,885.64
Low-value consumables	2,466,679.60	--	2,466,679.60
Goods dispatched	257,644,025.98	14,165,446.53	243,478,579.45
Overdue pawned items	--	--	--
Materials consigned for further processing	6,353,281.27	234,062.47	6,119,218.80
Materials in transit	--	--	--
Reusable materials	117,446,826.44	567,580.45	116,879,245.99
Others	821,200,345.09	5,503,977.98	815,696,367.11
Total	77,916,334,292.41	1,500,949,820.87	76,415,384,471.54

Continue:

Items	As at December 31, 2021		
	Book value	Provision for impairment	Carrying amount
Development costs	38,257,602,694.88	62,191,454.28	38,195,411,240.60
Products to be developed	8,487,223,867.88	6,648,404.13	8,480,575,463.75
Development products	15,418,766,027.46	1,086,324,101.05	14,332,441,926.41
Finished goods	9,435,057,820.87	169,708,800.86	9,265,349,020.01
Raw materials	757,358,764.20	70,353,806.51	687,004,957.69
Work in progress	416,400,941.05	33,923,564.55	382,477,376.50
Low-value consumables	2,253,457.75	--	2,253,457.75
Goods dispatched	1,348,762,123.27	16,733,025.57	1,332,029,097.70
Overdue pawned items	10,869,358.52	6,417,358.52	4,452,000.00
Materials consigned for further processing	16,067,802.17	974,482.72	15,093,319.45
Materials in transit	106,779.56	--	106,779.56
Reusable materials	66,097,533.44	812,224.08	65,285,309.36
Others	128,059,932.10	32,098,680.30	95,961,251.80
Total	74,344,627,103.15	1,486,185,902.57	72,858,441,200.58

(2) Inventory impairment

Items	As at December 31, 2021	Addition		Reduction		As at June 30, 2022
		Provisions	Others	Reversals	Write-down	
Development costs	62,191,454.28	--	--	53,987,195.00	--	8,204,259.28

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	As at December 31, 2021	Addition		Reduction		As at June 30, 2022
		Provisions	Others	Reversals	Write-down	
Products to be developed	6,648,404.13	--	--	6,648,404.13	--	--
Development products	1,086,324,101.05	--	--	78,158,681.85	19,451,696.15	988,713,723.05
Finished goods	169,708,800.86	304,110,960.79	927,911.40	36,784,462.36	39,448,217.79	398,514,992.90
Raw materials	70,353,806.51	2,300,649.57	--	838,737.45	61,527.51	71,754,191.12
Work in progress	33,923,564.55	1,723,740.04	--	22,355,717.50	--	13,291,587.09
Goods dispatched	16,733,025.57	2,829,659.85	--	5,397,238.89	--	14,165,446.53
Overdue pawned items	6,417,358.52	--	--	6,417,358.52	--	--
Materials consigned for further processing	974,482.72	--	--	620,684.84	119,735.41	234,062.47
Materials in transit	--	--	--	--	--	--
Reusable materials	812,224.08	8,659.39	--	253,303.02	--	567,580.45
Others	32,098,680.30	--	--	26,594,702.32	--	5,503,977.98
Total	1,486,185,902.57	310,973,669.64	927,911.40	238,056,485.88	59,081,176.86	1,500,949,820.87

14. Contract assets

Items	As at June 30, 2022		
	Book value	Provision for impairment	Carrying amount
Receivables from construction contracts	189,879,122.26	4,493,622.42	185,385,499.84
Receivables from survey and design	1,093,909,666.30	163,698,127.60	930,211,538.70
Receivables from planning consultation	189,005,823.80	50,542,816.50	138,463,007.30
Receivables from project management	154,271,598.12	16,329,814.84	137,941,783.28
Others	133,261,277.89	3,358,535.95	129,902,741.94
Total	1,760,327,488.37	238,422,917.31	1,521,904,571.06

Continue:

Items	As at December 31, 2021		
	Book value	Provision for impairment	Carrying amount
Receivables from construction contracts	--	--	--

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	As at December 31, 2021		
	Book value	Provision for impairment	Carrying amount
Receivables from survey and design	814,201,620.15	129,229,997.47	684,971,622.68
Receivables from planning consultation	173,581,423.49	42,726,568.78	130,854,854.71
Receivables from project management	143,263,907.78	13,545,335.48	129,718,572.30
Others	449,466,748.75	22,012,231.13	427,454,517.62
Total	1,580,513,700.17	207,514,132.86	1,372,999,567.31

15. Assets held for sale

Items	As at June 30, 2022			As at December 31, 2021		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Disposal group held for sale	475,072,169.73	--	475,072,169.73	677,742,208.56	--	677,742,208.56
Non-current assets held for sale	25,221,289.32	--	25,221,289.32	25,221,289.32	--	25,221,289.32
Total	500,293,459.05	--	500,293,459.05	702,963,497.88	--	702,963,497.88

16. Non-current assets due within one year

Items	As at June 30, 2022	As at December 31, 2021
Long-term receivables	407,250,236.91	555,385,441.23
Debt investments due within one year	300,357,172.38	1,062,408,039.90
Total	707,607,409.29	1,617,793,481.13

17. Other current assets

Items	As at June 30, 2022	As at December 31, 2021
Entrusted loans	31,821,483,988.06	32,758,705,317.19
Refundable deposits	8,416,919,571.57	7,840,745,976.80
Prepaid or deductible taxes	1,352,237,650.86	1,151,857,545.34
Compensatory expenses receivable	662,957,120.54	229,606,506.80
Debt-repaid assets	7,785,573.86	7,785,573.86
Premiums receivables	2,808,201,269.81	1,601,210,583.35
Reinsurance receivables	847,910,086.33	685,174,774.02
Others	2,136,074,908.94	1,271,357,783.57
Total	48,053,570,169.97	45,546,444,060.93

18. Loans and advances to customers and other parties

Ageing	As at June 30, 2022		
	Book value	Provision for impairment	Carrying amount
Within 1 year (including 1 year)	4,524,912,000.00	45,069,320.00	4,479,842,680.00
1 to 2 years	453,250,000.00	4,532,500.00	448,717,500.00
2 to 3 years	52,410,000.00	524,100.00	51,885,900.00
More than 3 years	252,107,178.25	128,220,113.38	123,887,064.87
Total	5,282,679,178.25	178,346,033.38	5,104,333,144.87

Continue:

Ageing	As at December 31, 2021		
	Book value	Provision for impairment	Carrying amount
Within 1 year (including 1 year)	4,237,157,229.57	183,203,678.75	4,053,953,550.82
1 to 2 years	432,600,000.00	4,407,000.00	428,193,000.00
2 to 3 years	280,640,000.00	3,772,400.00	276,867,600.00
More than 3 years	365,017,585.78	99,401,449.56	265,616,136.22
Total	5,315,414,815.35	290,784,528.31	5,024,630,287.04

19. Debt Investments

Items	As at June 30, 2022		
	Book value	Provision for impairment	Carrying amount
Corporate bonds	14,891,554,944.85	346,338,428.36	14,545,216,516.49

Continue:

Items	As at December 31, 2021		
	Book value	Provision for impairment	Carrying amount
Corporate bonds	12,828,060,074.81	122,600,050.74	12,705,460,024.07

20. Other debt investments

Items	As at June 30, 2022			Carrying amount
	Initial cost	Interest adjustments	Fair value change	
Municipal bonds	27,200,825,611.81	477,061,602.65	176,501,942.25	27,854,389,156.71
Corporate bonds	4,629,625,459.49	84,153,615.35	-298,645,419.29	4,415,133,655.55
Financial bonds	2,209,161,570.95	36,630,476.29	14,082,436.52	2,259,874,483.76
Medium-term notes	1,180,093,949.20	36,736,723.27	2,924,852.31	1,219,755,524.78
Treasury bonds	1,965,610,318.23	18,244,738.28	11,309,699.19	1,995,164,755.70
Non-public directed debt financing instruments	150,000,000.00	5,618,958.90	2,457,150.00	158,076,108.90

Shenzhen Investment Holdings Co., Ltd.
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For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	As at June 30, 2022			
	Initial cost	Interest adjustments	Fair value change	Carrying amount
Interbank certificates of deposit	54,927,230.91	1,740,218.55	5,590,454.09	62,257,903.55
Subordinated debts	20,000,000.00	163,972.60	759,567.40	20,923,540.00
Total	37,410,244,140.59	660,350,305.89	-85,019,317.53	37,985,575,128.95

Continue:

Items	As at December 31, 2021			
	Initial cost	Interest adjustments	Fair value change	Carrying amount
Municipal bonds	16,795,265,515.27	260,767,274.25	125,841,657.65	17,181,874,447.17
Corporate bonds	6,847,107,601.05	116,370,490.91	-323,088,365.42	6,640,389,726.54
Financial bonds	2,391,339,495.49	44,702,955.33	16,358,518.65	2,452,400,969.47
Medium-term notes	2,042,327,698.24	40,097,123.30	13,755,401.76	2,096,180,223.30
Treasury bonds	2,216,178,919.14	27,127,677.74	9,375,271.06	2,252,681,867.94
Non-public directed debt financing instruments	320,104,842.81	6,265,945.20	4,057,947.19	330,428,735.20
Interbank certificates of deposit	159,454,805.93	595,271.05	4,585,814.07	164,635,891.05
Subordinated debts	30,001,837.47	1,080,780.82	43,042.53	31,125,660.82
Total	30,801,780,715.40	497,007,518.60	-149,070,712.51	31,149,717,521.49

21. Long-term receivables

Disclosed by nature

Items	As at June 30, 2022		
	Book value	Provision for bad and doubtful debts	Carrying amount
Finance lease receivables	187,631,584.92	--	187,631,584.92
Including: Unearned financial income	24,560,300.72	--	24,560,300.72
Sales of goods and services by instalments	1,326,286,727.31	--	1,326,286,727.31
Others	52,176,738.52	9,190,032.51	42,986,706.01
Sub-total	1,566,095,050.75	9,190,032.51	1,556,905,018.24
Less: Long-term receivables due within 1 year	407,250,236.91	--	407,250,236.91
Total	1,158,844,813.84	9,190,032.51	1,149,654,781.33

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Continue:

Items	As at December 31, 2021		Carrying amount
	Book value	Provision for bad and doubtful debts	
Finance lease receivables	126,785,610.88	432,769.81	126,352,841.07
Including: Unearned financial income	19,732,587.32	--	19,732,587.32
Sales of goods by instalments	1,483,545,358.95	128,544,846.00	1,355,000,512.95
Others	89,101,525.40	9,190,032.51	79,911,492.89
Sub-total	1,699,432,495.23	138,167,648.32	1,561,264,846.91
Less: Long-term receivables due within 1 year	555,385,441.23	--	555,385,441.23
Total	1,144,047,054.00	138,167,648.32	1,005,879,405.68

22. Long-term equity investments

Items	As at June 30, 2022	As at December 31, 2021
Investment in joint ventures	12,857,448,931.46	10,949,820,859.92
Investment in associates	60,108,949,376.93	59,438,943,409.39
Investment in other entities	686,135,126.04	3,340,084,409.24
Sub-total	73,652,533,434.43	73,728,848,678.55
Less: provision for impairment	711,458,818.93	603,991,888.38
Total	72,941,074,615.50	73,124,856,790.17

23. Investments in other equity instruments

Items	As at June 30, 2022	As at December 31, 2021
Ping An Insurance (Group) Company of China, Ltd	44,949,354,872.38	48,530,669,931.82
Guotai Junan Securities Co., Ltd (A-Share)	9,263,311,026.40	10,902,673,306.73
Non-trading equity instruments of Guosen Securities	11,609,036,187.76	7,186,022,265.21
Shum Yip Group Co., Ltd.	3,972,168,787.14	3,972,168,787.13
China Vanke Co., Ltd.	1,303,052,424.89	1,144,463,094.92
Guotai Junan Securities Co., Ltd. (H-Share)	863,709,425.01	1,022,672,868.45
Shenzhen Xingmeng Information Technology Partnership, L.P.	500,000,000.00	500,000,000.00
Vanho Securities Co., Ltd.	324,875,802.28	324,875,802.28
Tianma Microelectronics Co., Ltd.	244,028,441.81	318,681,074.46
Zhuhai Meizu Technology Co., Ltd.	200,000,000.00	200,000,000.00
China Ocean Helicopter Co., Ltd.	189,730,129.81	189,730,129.81
Union Developing Group of China	144,109,485.84	144,109,485.84
Shenzhen Guotong Telecom Development Co., Ltd.	106,515,326.19	106,515,326.19

Shenzhen Investment Holdings Co., Ltd.

Notes to the Financial Statements

For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	As at June 30, 2022	As at December 31, 2021
Zhongwei Capital,L.P.	--	63,757,000.00
Shenzhen Zhongheng Huafa Co., Ltd	59,239,507.99	57,387,073.55
Shanghai Qipeng Venture Capital Center, L.P.	--	30,689,494.91
7 Seas Venture capital,L.P.	--	25,442,000.00
Yunnan Kunpeng Aviation Service Co., Ltd.	--	22,490,765.41
Kashgar Shenzhen City Co., Ltd	20,000,000.00	20,000,000.00
Beijing Defeng Jielongsheng Investment Fund Management Center (L.P.)	--	6,053,479.31
Shantou SME Financing Guarantee Co., Ltd.	19,777,460.65	13,831,938.92
Shenzhen SEG Scientific Navigations Co., Ltd	13,515,392.83	13,515,392.83
Shenzhen Nanfang Textile Co., Ltd.	16,059,440.88	16,059,440.88
Shenzhen Dailisi Underwear Co., Ltd.	23,637,000.00	23,637,000.00
The Shanghai Bank Investment Partnership (L.P.)	--	7,000,000.00
Wearable World,Inc	6,711,400.00	6,375,700.00
Shenzhen Major Industrial Zone Water Affair Co., Ltd.	4,500,000.00	--
Guangdong Shipping Co., Ltd.	4,534,160.89	4,534,160.89
Shenzhen Jingding Construction Engineering Consultants Co., Ltd	5,145,490.09	5,145,490.09
Shanghai Huazhuo Junou Venture Capital Partnership, L.P.	--	2,340,402.48
Shenzhen Xinfang Knitting Factory Co., LTD	2,227,903.00	2,227,903.00
Shenzhen Zhongwang Construction Management Co., Ltd.	1,592,827.83	1,592,827.83
Shenzhen Xinxin Paper Industry Co., Ltd	1,122,095.38	1,122,095.38
Beijing Xinlong No. 1 Investment Fund Management Center (L.P.)	--	9,000,000.00
Shenzhen Guangming Group Corporation Ltd.	277,860,646.25	277,860,646.25
Shenzhen Shenye Infrastructure Holding Co., Ltd.	266,342,502.20	266,342,502.20
Shenzhen Tefa Group Co., Ltd.	422,401,892.00	415,122,729.00
Others	347,131,748.11	345,340,485.49
Total	75,161,691,377.61	76,179,450,601.26

24. Other non-current financial assets

Items	Fair value as at June 30, 2022	Fair value as at December 31, 2021
Investments in unlisted equity designated as financial assets measured at fair value through profit or loss	7,311,540,173.74	7,279,288,511.74

Items	Fair value as at June 30, 2022	Fair value as at December 31, 2021
Others	1,597,959,006.25	1,471,230,461.64
Total	8,909,499,179.99	8,750,518,973.38

25. Investment properties

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
I. Cost	64,627,789,595.24	1,444,935,907.23	1,299,356,059.37	64,773,369,443.10
1. Land-use right	535,480,083.54	26,863,589.35	11,295,902.06	551,047,770.83
2. Buildings and structures	64,092,309,511.70	1,418,072,317.88	1,288,060,157.31	64,222,321,672.27
II. Accumulated depreciation and accumulated amortization	11,371,007,886.81	870,735,624.48	55,585,971.05	12,186,157,540.24
1. Land-use right	33,503,446.22	7,110,694.92	9,436,194.42	31,177,946.72
2. Buildings and structures	11,337,504,440.59	863,624,929.56	46,149,776.63	12,154,979,593.52
III. Carrying amount before impairment provision	53,256,781,708.43	574,200,282.75	1,243,770,088.32	52,587,211,902.86
1. Land-use right	501,976,637.32	19,752,894.43	1,859,707.64	519,869,824.11
2. Buildings and structures	52,754,805,071.11	554,447,388.32	1,241,910,380.68	52,067,342,078.75
IV. Provision for impairment	3,292,213,919.78	3,912,867.40	--	3,296,126,787.18
1. Land-use right	80,657,189.12	3,912,867.40	--	84,570,056.52
2. Buildings and structures	3,211,556,730.66	--	--	3,211,556,730.66
V. Carrying amount	49,964,567,788.65	570,287,415.35	1,243,770,088.32	49,291,085,115.68
1. Land-use right	421,319,448.20	15,840,027.03	1,859,707.64	435,299,767.59
2. Buildings and structures	49,543,248,340.45	554,447,388.32	1,241,910,380.68	48,855,785,348.09

26. Fixed assets

Items	As at June 30, 2022	As at December 31, 2021
Fixed assets	30,821,488,542.81	28,741,480,688.59
Fixed assets in the process of disposal	42,982,625.72	40,585,798.75
Total	30,864,471,168.53	28,782,066,487.34

(1) Fixed assets

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
I. Cost	42,170,888,433.23	5,092,401,278.24	1,564,063,693.02	45,699,226,018.45
Buildings and structures	21,801,334,763.16	1,458,718,812.19	270,151,871.35	22,989,901,704.00
Machinery	9,161,127,373.85	1,482,991,102.97	945,545,243.63	9,698,573,233.19

Shenzhen Investment Holdings Co., Ltd.

Notes to the Financial Statements

For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
Transport facilities	708,916,496.21	30,793,357.32	33,595,542.42	706,114,311.11
Electronic equipment	4,040,310,106.29	632,352,879.73	305,086,795.41	4,367,576,190.61
Decoration of fixed assets	4,686,820,096.13	1,012,270.27	311,428.89	4,687,520,937.51
Others	1,772,379,597.59	1,486,532,855.76	9,372,811.32	3,249,539,642.03
II. Accumulated depreciation	13,358,964,314.58	1,672,484,538.28	223,914,428.13	14,807,534,424.73
Buildings and structures	6,383,792,888.51	716,747,468.68	87,074,577.67	7,013,465,779.52
Machinery	3,477,322,972.43	516,024,412.43	53,640,638.22	3,939,706,746.64
Transport facilities	409,858,180.01	22,330,314.95	24,279,312.84	407,909,182.12
Electronic equipment	1,882,441,442.83	356,133,598.86	52,480,021.59	2,186,095,020.10
Decoration of fixed assets	632,076,939.91	10,721,061.90	131,216.58	642,666,785.23
Others	573,471,890.89	50,527,681.46	6,308,661.23	617,690,911.12
III. Carrying amount before impairment provision	28,811,924,118.65	3,419,916,739.96	1,340,149,264.89	30,891,691,593.72
Buildings and structures	15,417,541,874.65	741,971,343.51	183,077,293.68	15,976,435,924.48
Machinery	5,683,804,401.42	966,966,690.54	891,904,605.41	5,758,866,486.55
Transport facilities	299,058,316.20	8,463,042.37	9,316,229.58	298,205,128.99
Electronic equipment	2,157,868,663.46	276,219,280.87	252,606,773.82	2,181,481,170.51
Decoration of fixed assets	4,054,743,156.22	-9,708,791.63	180,212.31	4,044,854,152.28
Others	1,198,907,706.70	1,436,005,174.30	3,064,150.09	2,631,848,730.91
IV. Provision for impairment	70,443,430.06	--	240,379.15	70,203,050.91
Buildings and structures	46,243,545.68	--	--	46,243,545.68
Machinery	18,135,880.29	--	238,779.15	17,897,101.14
Transport facilities	--	--	--	--
Electronic equipment	2,086,749.73	--	1,600.00	2,085,149.73
Decoration of fixed assets	969,549.25	--	--	969,549.25
Other	3,007,705.11	--	--	3,007,705.11
V. Carrying amount	28,741,480,688.59	3,419,916,739.96	1,339,908,885.74	30,821,488,542.81
Buildings and structures	15,371,298,328.97	741,971,343.51	183,077,293.68	15,930,192,378.80
Machinery	5,665,668,521.13	966,966,690.54	891,665,826.26	5,740,969,385.41
Transport facilities	299,058,316.20	8,463,042.37	9,316,229.58	298,205,128.99
Electronic equipment	2,155,781,913.73	276,219,280.87	252,605,173.82	2,179,396,020.78
Decoration of fixed assets	4,053,773,606.97	-9,708,791.63	180,212.31	4,043,884,603.03
Others	1,195,900,001.59	1,436,005,174.30	3,064,150.09	2,628,841,025.80

(2) Fixed assets in the process of disposal

Items	As at June 30, 2022	As at December 31, 2021
Buildings and structures	42,982,625.72	40,585,798.75

27. Construction in progress

Items	Book value	As at June 30, 2022	
		Provision for bad and doubtful debts	Carrying amount
Construction in progress	6,984,923,017.80	17,845,743.87	6,967,077,273.93

Continued:

Items	As at December 31, 2021		
	Book value	Provision for bad and doubtful debts	Carrying amount
Construction in progress	7,123,675,579.33	17,845,743.87	7,105,829,835.46

28. Right-of-use assets

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
I. Cost	4,014,058,203.89	2,524,119,329.72	141,993,729.26	6,396,183,804.35
Buildings and structures	4,013,992,549.65	2,515,199,242.52	141,993,729.26	6,387,198,062.91
Land	--	8,732,155.34	--	8,732,155.34
Others	65,654.24	187,931.86	--	253,586.10
II. Accumulated depreciation	991,414,748.40	490,630,324.24	68,456,593.85	1,413,588,478.79
Buildings and structures	991,403,073.12	489,991,051.90	68,456,593.85	1,412,937,531.17
Land	--	623,725.38	--	623,725.38
Others	11,675.28	15,546.96	--	27,222.24
III. Provision for impairment	--	--	--	--
Buildings and structures	--	--	--	--
Land	--	--	--	--
Others	--	--	--	--
IV. Carrying amount	3,022,643,455.49	2,033,489,005.48	73,537,135.41	4,982,595,325.56
Buildings and structures	3,022,589,476.53	2,025,208,190.62	73,537,135.41	4,974,260,531.74
Land	--	8,108,429.96	--	8,108,429.96
Others	53,978.96	172,384.90	--	226,363.86

29. Intangible assets

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
I. Cost	54,472,463,717.56	314,866,323.24	2,162,066,862.49	52,625,263,178.31
Land-use right	9,487,744,718.56	150,237,576.11	215,195,351.35	9,422,786,943.32

Shenzhen Investment Holdings Co., Ltd.

Notes to the Financial Statements

For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
Proprietary technology	139,744,311.91	10,004,200.00	--	149,748,511.91
Trading seat fees	66,577,562.50	--	--	66,577,562.50
Software	1,544,328,789.95	120,460,683.79	6,030,390.47	1,658,759,083.27
Franchise right	41,220,466,737.65	--	1,940,841,120.67	39,279,625,616.98
Others	2,013,601,596.99	34,163,863.34	--	2,047,765,460.33
II. Accumulative amortization	17,323,432,628.30	2,276,751,698.41	4,506,590.06	19,595,677,736.65
Land-use right	2,312,703,688.70	64,234,630.88	473,858.13	2,376,464,461.45
Proprietary technology	78,023,181.32	6,204,873.58	--	84,228,054.90
Trading seat fees	36,824,817.12	--	--	36,824,817.12
Software	851,078,587.00	82,131,047.35	4,032,731.93	929,176,902.42
Franchise right	13,598,146,796.86	2,077,627,006.04	--	15,675,773,802.90
Others	446,655,557.30	46,554,140.56	--	493,209,697.86
III. Provision for impairment	1,343,832,823.33	2,835,061.09	1,226,871,230.00	119,796,654.42
Land-use right	--	--	--	--
Proprietary technology	17,169,895.08	--	--	17,169,895.08
Trading seat fees	--	--	--	--
Software	11,456,341.94	--	--	11,456,341.94
Franchise right	1,257,057,137.81	--	1,226,871,230.00	30,185,907.81
Others	58,149,448.50	2,835,061.09	--	60,984,509.59
IV. Carrying amount	35,805,198,265.93	-1,964,720,436.26	930,689,042.43	32,909,788,787.24
Land-use right	7,175,041,029.86	86,002,945.23	214,721,493.22	7,046,322,481.87
Proprietary technology	44,551,235.51	3,799,326.42	--	48,350,561.93
Trading seat fees	29,752,745.38	--	--	29,752,745.38
Software	681,793,861.01	38,329,636.44	1,997,658.54	718,125,838.91
Franchise right	26,365,262,802.98	-2,077,627,006.04	713,969,890.67	23,573,665,906.27
Others	1,508,796,591.19	-15,225,338.31	--	1,493,571,252.88

30. Development costs

Items	As at December 31, 2021	Addition		Reduction		As at June 30, 2022
		Internal development costs	Others	Recognized as intangible assets	Recognized in profit or loss	
Operational management platform projects	--	99,858.26	--	--	--	99,858.26
System development	1,549,953.56	--	1,319,005.98	--	--	2,868,959.54
Others	17,514,405.54	2,887,547.31	1,518,863.02	--	--	21,920,815.87
Total	19,064,359.10	2,987,405.57	2,837,869.00	--	--	24,889,633.67

31. Goodwill

(1) Book value of goodwill

Investees	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
Guoren Property Insurance Co., Ltd.	3,143,520,739.19	--	--	3,143,520,739.19
Telling Communication Holdings Co., Ltd.	869,268,582.73	--	--	869,268,582.73
Shenzhen Eternal Asia Supply Chain Co., Ltd.	659,562,998.16	--	--	659,562,998.16
Shenzhen Infinova Limited.	226,888,707.05	--	--	226,888,707.05
Shenzhen Expressway Co., Ltd.	156,039,775.24	--	--	156,039,775.24
Shenzhen Investment Holding Bay Area Development Co., Ltd.	69,455,914.93	--	--	69,455,914.93
Zhuhai Tsinghua Science and Technology Park Venture Capital Co., Ltd.	41,461,246.38	--	--	41,461,246.38
Zhongshan Coordination Warehousing Co., Ltd.	37,969,495.73	--	--	37,969,495.73
Shanghai Taipeng Electronics Co., Ltd.	26,085,562.30	--	--	26,085,562.30
Securities sales department acquired by Guosen Securities	22,135,974.26	--	--	22,135,974.26
Youke Digital Technology (Huizhou) Co., Ltd.	16,207,699.34	--	--	16,207,699.34
Foshan Nanhai Guokai Investment Co., Ltd.	12,188,319.72	--	--	12,188,319.72
Guosen Futures Company	10,260,249.61	--	--	10,260,249.61
Shenzhen Penghai Shipping Electronic Data Exchange Co., Ltd.	9,918,811.85	--	--	9,918,811.85
Shenzhen SAPO Photoelectric Co., Ltd	9,614,758.55	--	--	9,614,758.55
Palm Commerce Information Technology (China) Co., Ltd.	154,436,232.14	--	--	154,436,232.14
Weipei (Shanghai) Aviation Equipment Supporting Service Co., Ltd.	90,443,973.19	--	--	90,443,973.19
Shenzhen Lihe Yunji New Material Co., Ltd.	50,394,051.04	--	--	50,394,051.04
Digital Horizon Technology Co., Ltd.	14,604,021.27	--	--	14,604,021.27
Zhejiang Zhoushanyizhou Supply Chain Management Co., Ltd	640,649.00	--	--	640,649.00
Fujian Minjun Pharmaceutical Co., Ltd	1,976,472.00	--	--	1,976,472.00
Guangdong Dongze Pharmaceutical Co., Ltd.	2,724,772.00	--	--	2,724,772.00
Freed Tianyu Environmental Technology Chengdu Co., Ltd.	9,858,839.81	--	--	9,858,839.81
Shanghai Maqu Testing Technology Co., Ltd.	6,812,930.89	--	--	6,812,930.89
Others	97,636,104.74	215,847,643.45	--	313,483,748.19
Total	5,740,106,881.12	215,847,643.45	--	5,955,954,524.57

(2) Provision for impairment of goodwill

Investees	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
Shenzhen Infinova Limited.	90,487,149.36	--	--	90,487,149.36
Securities sales department acquired by Guosen Securities	22,135,974.26	--	--	22,135,974.26
Shenzhen SAPO Photoelectric Co., Ltd	9,614,758.55	--	--	9,614,758.55
Palm Commerce Information Technology (China) Co., Ltd.	154,436,232.14	--	--	154,436,232.14
Others	2,300,428.23	6,634,599.22	--	8,935,027.45
Total	278,974,542.54	6,634,599.22	--	285,609,141.76

32. Long-term deferred expenses

Items	As at December 31, 2021	Addition	Amortization	Other types of reduction	As at June 30, 2022
Decoration project	681,026,647.54	680,320,744.43	167,157,017.48	2,188,315.62	1,192,002,058.87
Renovation project	123,756,598.47	5,221,497.06	3,017,543.09	--	125,960,552.44
Service charge for system informatization	3,459,163.12	85,358.48	1,492,067.06	--	2,052,454.54
Others	222,937,505.31	46,303,653.00	60,634,412.72	2,489,310.60	206,117,434.99
Total	1,031,179,914.44	731,931,252.97	232,301,040.35	4,677,626.22	1,526,132,500.84

33. Deferred tax assets and deferred tax liabilities

Disclosure of gross deferred tax assets and gross deferred tax liabilities

Items	As at June 30, 2022		As at December 31, 2021	
	Deferred tax assets /liabilities	Deductible /taxable temporary differences	Deferred tax assets /liabilities	Deductible /taxable temporary differences
(1) Deferred tax assets				
Provision for impairment of assets	3,253,817,454.59	13,780,178,135.19	3,002,707,634.96	12,640,771,260.55
Employee benefits payable	1,467,615,439.91	5,874,067,324.53	1,584,654,422.04	6,343,606,672.71
Deductible tax loss	643,115,498.80	2,628,168,709.79	752,595,029.77	3,229,623,499.22
Provisions	180,616,683.36	723,248,768.98	68,217,404.87	262,296,650.25
Changes in fair value of financial assets	392,300,431.36	1,569,802,584.34	176,835,598.34	813,945,740.38
Estimated profit from real estate pre-sale income	51,535,723.01	206,142,892.04	119,896,182.45	479,584,729.78
Accrual of risk reserve	34,448,697.81	137,794,791.24	24,529,664.36	98,118,657.44
Deferred income	132,038,743.30	569,645,597.95	136,440,923.81	585,629,904.31
Unrealized profit in intragroup transactions	2,429,528,429.87	9,806,389,601.14	2,297,807,186.73	9,194,152,286.11
Accrued expenses	236,381,326.38	934,190,093.71	673,342,206.09	2,694,499,263.97

Items	As at June 30, 2022		As at December 31, 2021	
	Deferred tax assets /liabilities	Deductible /taxable temporary differences	Deferred tax assets /liabilities	Deductible /taxable temporary differences
Accrued contract costs	5,507,330.73	22,029,322.92	5,507,330.73	22,029,322.92
Others	1,712,879,528.84	7,084,972,465.33	1,510,508,264.95	6,492,895,167.19
Total	10,539,785,287.96	43,336,630,287.17	10,353,041,849.10	42,857,153,154.83
(2) Deferred tax liabilities				
Income tax impact by timing difference by rent-free period income	54,366,949.28	217,467,797.12	54,269,574.63	217,078,298.52
Unrealized profit in intragroup transactions	46,087,504.49	184,350,017.96	46,087,504.49	184,350,017.96
Changes in the fair value of financial assets held for trading	783,080,758.18	3,129,794,711.71	799,161,501.09	3,196,646,004.36
Intangible assets - franchise rights	113,201,409.95	452,805,639.80	1,023,822,093.06	4,095,288,372.24
Changes in fair value of financial instruments	697,105,608.67	3,000,158,027.93	659,554,498.31	2,638,217,993.24
Investment income or loss from joint ventures or associates	68,607,258.72	274,429,035.08	75,920,852.16	303,683,408.64
Accelerated depreciation of fixed assets	10,016,624.55	43,996,125.46	10,282,013.99	41,217,434.82
Difference between initial recognition cost and tax basis of long-term equity investments	15,520,923.34	62,083,693.36	15,828,514.93	63,314,059.72
Changes in the fair value of other equity instrument investment	13,464,615,293.27	53,862,854,683.07	14,842,275,622.75	59,369,102,491.00
Increase in assets valuation of business combination not under common control	1,063,497,434.15	4,240,612,828.99	144,243,372.11	6,636,060,766.99
Others	1,537,801,199.41	6,560,251,327.35	1,459,540,597.48	6,636,060,766.99
Total	17,853,900,964.01	72,028,803,887.83	19,130,986,145.00	83,381,019,614.48

34. Other non-current assets

Items	As at June 30, 2022	As at December 31, 2021
Advances for purchase of equity	8,999,344,122.77	7,903,530,220.40
Prepayment for purchase of houses	126,363,301.89	153,361,301.89
Prepayment for equipment and construction	799,880,063.57	468,455,720.67
Prepayment for land use right	1,165,249,190.93	663,029,212.23
Distressed debt expected to be held for over one year	268,442,487.23	268,442,487.23
Others	4,716,451,827.52	7,742,885,385.61
Total	16,075,730,993.91	17,199,704,328.03

35. Short-term borrowings

Category	As at June 30, 2022	As at December 31, 2021
Mortgaged/Pledged borrowings	28,049,021,531.97	24,599,271,006.27
Secured borrowings	8,215,232,519.60	7,923,442,527.61
Credit borrowings	24,126,657,331.29	21,727,894,344.27
Notes financing	5,283,247,266.02	4,060,718,905.72
Trade financing loan (factoring)	1,998,987,987.37	32,999,991.60
Interest payable on short-term borrowings	106,993,510.27	35,939,645.46
Total	67,780,140,146.52	58,380,266,420.93

36. Loans from banks and financial institutions

Category	As at June 30, 2022	As at December 31, 2021
Loans from banks	1,000,379,166.67	2,445,382,847.23
Loans from refinancing	1,739,794.68	2,011,415,124.75
Total	1,002,118,961.35	4,456,797,971.98

37. Financial liabilities held for trading

Category	As at June 30, 2022	As at December 31, 2021
Bonds borrowed	683,527,367.23	295,918,604.98
Third parties' interests in the structured entities	88,697,918.53	98,547,262.54
Others	440,971,454.16	66,516,883.58
Total	1,213,196,739.92	460,982,751.10

38. Derivative financial liabilities

Items	As at June 30, 2022	As at December 31, 2021
Interest rate swap	--	5,023,043.58
OTC options contract	87,826,434.21	6,876,198.99
Equity swaps	325,115,078.51	118,207,886.15
Stock options	34,519,573.00	33,621,508.46
Income certificates	3,298,856.34	--
Others	119,665,874.03	66,835,066.11
Total	570,425,816.09	230,563,703.29

39. Bills payable

Category	As at June 30, 2022	As at December 31, 2021
Commercial acceptance bills	360,222,515.60	557,847,781.69
Bank acceptance bills	15,478,239,431.28	11,408,980,347.90
Total	15,838,461,946.88	11,966,828,129.59

40. Accounts payable

Ageing	As at June 30, 2022	As at December 31, 2021
Within 1 year (including 1 year)	20,932,975,013.54	14,983,791,303.57
1-2 years (including 2 years)	9,780,841,877.76	10,268,939,273.02
2-3 years (including 3 years)	676,008,626.78	684,032,879.83
Over 3 years	4,770,630,305.91	4,767,271,184.86
Total	36,160,455,823.99	30,704,034,641.28

41. Advances from customers

Ageing	As at June 30, 2022	As at December 31, 2021
Within 1 year (including 1 year)	849,717,867.70	760,873,925.96
Over 1 year	311,010,011.61	352,682,683.11
Total	1,160,727,879.31	1,113,556,609.07

42. Contract liabilities

Items	As at June 30, 2022	As at December 31, 2021
Advance received for sale of goods	2,449,103,790.99	4,580,607,759.49
Advance received for sales of housing properties	4,212,659,891.66	5,005,428,372.90
Advances received from providing services	437,876,609.59	719,039,993.18
Advance received for designing service	1,004,309,486.89	657,329,376.04
Others	173,736,335.73	351,284,457.55
Total	8,277,686,114.86	11,313,689,959.16

43. Financial assets sold under repurchase agreements

Items	As at June 30, 2022	As at December 31, 2021
Bonds	104,683,830,542.85	96,524,929,451.62
Repo traded on interbank market	536,613,189.62	471,934,000.00
Repo traded on stock exchanges	23,300,000.00	77,200,000.00
Total	105,243,743,732.47	97,074,063,451.62

44. Customer brokerage deposits

Items	As at June 30, 2022	As at December 31, 2021
Individual clients	54,297,797,771.24	51,457,394,712.84
Corporate clients	13,235,107,860.37	15,822,897,403.89
Total	67,532,905,631.61	67,280,292,116.73

45. Employee benefits payable

(1) Employee benefits payable

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
Short-term employee benefits	10,015,588,010.43	7,956,785,596.76	9,508,724,949.14	8,463,648,658.05
Post-employment benefits: defined contribution plans	132,342,781.11	599,787,396.83	614,033,276.47	118,096,901.47
Termination benefits	52,981,037.76	16,996,486.62	41,151,142.97	28,826,381.41
Others	157,537,919.00	172,244.25	2,212,662.82	155,497,500.43
Total	10,358,449,748.30	8,573,741,724.46	10,166,122,031.40	8,766,069,441.36

(2) Short-term employee benefits

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
Salaries, bonus, allowances	9,518,396,600.22	6,894,885,945.64	8,616,370,503.07	7,796,912,042.79
Staff welfare	25,697,167.29	132,611,683.46	131,549,344.78	26,759,505.97
Social insurances	8,402,085.78	270,875,147.99	271,692,491.08	7,584,742.69
Including:				
1. Medical insurance	7,010,772.67	224,470,191.08	224,564,708.59	6,916,255.16
2. Work-related injury insurance	236,334.19	6,177,919.21	6,169,255.06	244,998.34
3. Maternity insurance	458,966.32	11,803,099.42	11,962,771.00	299,294.74
4. Others	696,012.60	28,423,938.28	28,995,756.43	124,194.45
Housing fund	7,665,519.65	383,603,720.21	338,440,407.08	52,828,832.78
Labor union fees, staff and workers' education fee	447,604,785.94	100,446,421.77	113,571,926.37	434,479,281.34
Short-term paid leave	578,087.69	--	578,087.69	--
Other short-term employee benefits	7,243,763.86	174,362,677.69	36,522,189.07	145,084,252.48
Total	10,015,588,010.43	7,956,785,596.76	9,508,724,949.14	8,463,648,658.05

(3) Defined contribution plans

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
Basic pension insurance	16,018,044.01	451,717,550.94	456,588,236.53	11,147,358.42
Unemployment insurance	2,076,164.77	4,518,993.52	5,866,705.98	728,452.31
Annuity	114,248,572.33	143,550,852.37	151,578,333.96	106,221,090.74
Total	132,342,781.11	599,787,396.83	614,033,276.47	118,096,901.47

46. Taxes payable

Items	As at June 30, 2022	As at December 31, 2021
VAT	775,842,337.79	831,533,410.33
Enterprise income tax	1,825,836,801.76	3,365,391,615.99

Shenzhen Investment Holdings Co., Ltd.

Notes to the Financial Statements

For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	As at June 30, 2022	As at December 31, 2021
Consumption tax	1,054,820.00	--
Urban maintenance and construction tax	26,746,918.81	39,558,404.60
Real estate tax	125,850,395.09	8,550,489.78
Land use tax	9,680,592.41	63,725,054.02
Individual income tax	192,330,794.67	257,761,178.87
Educational surcharge	14,520,119.56	25,164,062.88
Land appreciation tax	4,047,068,733.64	3,996,926,102.40
Stamp duty	7,015,080.21	6,311,066.21
Others	71,283,552.33	241,389,447.51
Total	7,097,230,146.27	8,836,310,832.59

47. Other payables

Items	As at June 30, 2022	As at December 31, 2021
Interest payable	--	1,120,022,299.47
Dividend payable	3,227,307,867.10	522,299,341.88
Other payables	22,912,006,719.07	21,370,037,281.77
Total	26,139,314,586.17	23,012,358,923.12

(1) Interest payables

Items	As at June 30, 2022	As at December 31, 2021
Interest on long-term borrowings	--	466,110,584.92
Interest on short-term borrowings	--	4,865,657.81
Interest on medium-term notes	--	30,454,566.21
Interest on corporate bonds	--	475,562,172.83
Interest on short-term financing bonds	--	42,252,777.78
Others	--	100,776,539.92
Total	--	1,120,022,299.47

(2) Dividends payable

Items	As at June 30, 2022	As at December 31, 2021
Interest on perpetual subordinated debts	911,500,000.00	446,500,000.00
Minority shareholders of Shenzhen Expressway Co., Ltd.	1,509,055,943.93	5,622,222.22
Minority shareholders of Shenzhen Properties & Resources Development (Group) Ltd.	186,640,740.44	--
Minority shareholders of Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.	32,452,264.94	--
Minority shareholders of Shenzhen Electronics Group Co., Ltd.	24,289,372.34	--

Items	As at June 30, 2022	As at December 31, 2021
Shenzhen Productivity Promotion Center	18,532,730.81	16,040,589.19
Minority shareholders of Shenzhen HTI Group Co., Ltd.	522,347,882.09	--
Shenzhen International Holdings Limited	--	12,585.31
Shenzhen SME Service Bureau (Center)	215,243.74	215,243.74
Others	22,273,688.81	53,908,701.42
Total	3,227,307,867.10	522,299,341.88

(3) Other payables

Ageing	As at June 30, 2022	As at December 31, 2021
Within 1 year	12,911,700,964.58	12,346,716,328.60
1-2 years	7,321,510,975.72	6,449,234,053.58
2-3 years	1,692,496,084.49	1,581,207,011.78
Over 3 years	986,298,694.28	992,879,887.81
Total	22,912,006,719.07	21,370,037,281.77

48. Non-current liabilities due within one year

Items	As at June 30, 2022	As at December 31, 2021
Long-term borrowings due within one year	2,881,507,308.65	3,745,713,230.96
Bonds payable due within one year	9,495,015,266.35	6,206,000,200.00
Long-term payables due within one year	180,125,847.40	78,157,371.21
Finance lease liabilities due within one year	14,384,729.54	26,437,593.58
Lease liabilities due within one year	403,216,469.56	350,100,704.19
Bonds interest payables due within one year	647,518,463.97	86,246,228.81
Total	13,621,768,085.47	10,492,655,328.75

Long-term borrowings due within one year

Items	As at June 30, 2022	As at December 31, 2021
Credit borrowings	787,701,618.38	1,030,001,799.48
Pledged borrowings	94,428,244.80	271,695,196.02
Mortgaged borrowings	1,755,297,790.89	1,721,500,802.25
Secured borrowings	244,079,654.58	722,515,433.21
Total	2,881,507,308.65	3,745,713,230.96

49. Other current liabilities

Items	As at June 30, 2022	As at December 31, 2021
Income certificates	5,421,913,592.90	2,506,689,518.32
Short-term financing bonds	40,335,357,760.34	22,293,343,287.67
Guarantee indemnity reserves	1,336,702,861.50	1,313,906,031.31
Refundable suretyship guarantee deposits	1,623,401,593.97	1,651,245,056.02
Unearned premium reserves	80,063,337.13	91,933,217.63
Short-term liability reserves	91,482,565.93	80,063,337.13
Output tax to be written off	380,221,595.37	831,594,821.09
Accrued land appreciation tax	610,860,522.62	1,294,693,267.94
Sub-insurance accounts payable	820,742,755.52	458,874,868.65
Senior tranches of assets-backed securities	1,224,500,000.00	1,431,303,383.29
Others	619,726,920.63	465,893,216.66
Total	52,544,973,505.91	32,419,540,005.71

50. Long-term borrowings

Category	As at June 30, 2022	As at December 31, 2021
Secured borrowings	8,573,148,674.34	10,692,183,990.74
Mortgaged borrowings	14,210,921,672.09	13,331,269,227.06
Credit borrowings	31,921,473,708.53	22,081,770,065.37
Pledged borrowings	8,447,483,153.80	8,893,606,081.38
Borrowing from other financial institutions	700,000,000.00	262,300,222.40
Interest payable	276,172,887.44	--
Sub-total	64,129,200,096.20	55,261,129,586.95
Less: long-term borrowings due within one year	2,881,507,308.65	3,745,713,230.96
Total	61,247,692,787.55	51,515,416,355.99

51. Bonds payable

Items	As at June 30, 2022	As at December 31, 2021
Medium-term notes	8,654,116,481.79	7,731,574,413.33
Senior notes	2,597,752,913.61	631,994,574.80
Corporate bonds	95,950,295,990.44	90,539,405,056.94
Private placement notes	6,273,021,460.84	6,273,021,460.84
Income certificates	333,445,872.33	290,213,424.67
Sub-total	113,808,632,719.01	105,466,208,930.58
Less: Bonds payable due within one year	9,495,015,266.35	6,206,000,200.00
Total	104,313,617,452.66	99,260,208,730.58

52. Lease liabilities

Items	As at June 30, 2022	As at December 31, 2021
Lease payments	3,953,843,296.32	4,277,574,578.99
Less: Unrecognized financing costs	213,328,336.74	710,410,755.24
Less: Reclassification to non-current liabilities due within one year	403,216,469.56	350,100,704.19
Net amount	3,337,298,490.02	3,217,063,119.56

53. Long-term payables

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
Long-term payables	476,858,006.05	1,331,095.33	41,946,324.65	436,242,776.73
Specific payables	719,697,093.49	281,299,163.49	52,938,444.74	948,057,812.24
Total	1,196,555,099.54	282,630,258.82	94,884,769.39	1,384,300,588.97

54. Long-term employee benefits payables

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
Post-employment benefits- net liabilities of defined benefits plan	187,966,149.45	57,548,622.42	--	245,514,771.87
Other long-term employee benefits payables	795,637.50	--	--	795,637.50
Total	188,761,786.95	57,548,622.42	--	246,310,409.37

55. Provisions

Items	As at June 30, 2022	As at December 31, 2021
Guarantee for other entities	56,261,604.30	56,261,604.30
Pending lawsuits	235,697,648.58	285,191,391.69
Product quality warranties	35,824,342.74	3,764,066.51
Executory onerous contracts	54,377,757.11	56,332,846.06
Administrative penalties	8,552,000.00	8,176,000.00
Others	110,491,189.24	88,669,650.04
Total	501,204,541.97	498,395,558.60

56. Deferred income

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
Rent reduction	256,068,299.83	145,472,949.23	174,751,674.18	226,789,574.88
Government grants	1,930,387,748.35	175,955,651.86	138,344,914.75	1,967,998,485.46
Total	2,186,456,048.18	321,428,601.09	313,096,588.93	2,194,788,060.34

57. Other non-current liabilities

Items	As at June 30, 2022	As at December 31, 2021
Special funds for mutual aid	5,068,184,931.50	5,137,500,000.00
Clients' security deposits held by Guosen Futures	12,090,768,981.52	10,135,324,618.62
Long-term liability reserve	7,384,638.19	7,384,638.19
Reserve for outstanding claims	6,372,493,114.46	5,259,439,057.73
Escrow guarantee fund	10,000,000.00	--
Borrowings from joint ventures and associates	2,160,899,999.97	--
Escrow maintenance fund	34,000,000.00	34,089,347.95
Insurance protection fund	37,923,123.58	46,088,763.72
House maintenance fund	30,277,803.53	21,212,930.24
Contract liabilities included in other non-current liabilities	190,003,560.35	200,319,064.42
Others	671,173,815.54	880,398,392.29
Total	26,673,109,968.64	21,721,756,813.16

58. Share capital

Shareholder	As at December 31, 2021		Addition (RMB ten thousand)	Reduction (RMB ten thousand)	As at June 30, 2022	
	Amount (RMB ten thousand)	% of total			Amount (RMB ten thousand)	% of total
Shenzhen SASAC	2,800,900.00	100.00	50,000.00	--	2,850,900.00	100.00

59. Other equity instruments

Items	As at June 30, 2022	As at December 31, 2021
Senior perpetual securities	890,492,007.00	890,492,007.00

60. Capital reserve

Items	As at June 30, 2022	As at December 31, 2021
Government transfer of assets	28,920,705,228.51	28,920,705,228.51
Other capital reserves	6,826,785,534.30	5,929,672,321.79
Total	35,747,490,762.81	34,850,377,550.30

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

61. Other comprehensive income

Items	As at January 1, 2022 (A)	Movements during the period					Net-of-tax amount attributable to non-controlling interests	As at June 30, 2022 (D)=(A)+(B)-(C)
		Pre-tax amount	Less: Previously recognized amount transferred to profit or loss	Less: Income tax expense	Net-of-tax amount attributable to the owner of the Company (B)	Less: Attributable to the owner of the Company's other comprehensive income carried over to retained earnings (C)		
I. Items that will not be reclassified to profit or loss	44,815,621,420.18	-5,326,343,626.71	--	-1,381,358,011.46	-3,848,682,675.53	4,752,384.20	-96,302,939.72	40,962,186,360.45
1. Remeasurement of net defined benefit plan	5,725,310.87	--	--	--	--	--	--	5,725,310.87
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method	120,386.25	--	--	--	--	--	--	120,386.25
3.Changes in the fair value of other equity instruments	44,812,337,504.88	-5,326,185,805.94	--	-1,381,318,556.27	-3,848,564,309.95	4,752,384.20	-96,302,939.72	40,959,020,810.73
4.Changes in the fair value by the company's own credit risk	-2,561,781.82	-157,820.77	--	-39,455.19	-118,365.58	--	--	-2,680,147.40
II. Items that may be reclassified to profit or loss	969,307,940.65	-883,277,328.36	-15,189,072.11	-54,781,784.44	-181,131,695.18	--	-632,174,776.63	788,176,245.47
1. Other comprehensive income that can be transferred to profit or loss under the equity method	1,533,428,350.57	-185,294,242.49	-	-50,972,655.77	-58,439,607.05	--	-75,881,979.67	1,474,988,743.52
2. Changes in the fair value of other debt investments	-197,234,304.68	65,023,939.44	18,596,993.75	-9,364,035.57	18,706,716.02	--	37,084,265.24	-178,527,588.66

Shenzhen Investment Holdings Co., Ltd.
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For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	As at January 1, 2022 (A)	Movements during the period					Less: Attributable to the owner of the Company's other comprehensive income carried over to retained earnings (C)	Net-of-tax amount attributable to non-controlling interests	As at June 30, 2022 (D)=(A)+(B)-(C)
		Pre-tax amount	Less: Previously recognized amount transferred to profit or loss	Less: Income tax expense	Net-of-tax amount attributable to the owner of the Company (B)				
3. Provision for credit impairment loss of other debts investment	258,912,586.98	-129,589,356.55	-33,786,065.86	5,554,906.90	-33,985,403.65	--	-67,372,793.94	224,927,183.33	
4. Reserve from cash flow hedging instruments	5,209,882.91	--	--	--	--	--	--	5,209,882.91	
5. Differences arising from translation of financial statements in foreign currencies	-754,856,752.40	-633,417,668.76	--	--	-107,413,400.50	--	-526,004,268.26	-862,270,152.90	
6. Credit impairment of receivable financing	384,832.00	--	--	--	--	--	--	384,832.00	
7. Changes in fair value of real estate converted from owner-occupied properties to investment properties	123,463,345.27	--	--	--	--	--	--	123,463,345.27	
Total	45,784,929,360.83	-6,209,620,955.07	-15,189,072.11	-1,436,139,795.90	-4,029,814,370.71	4,752,384.20	-728,477,716.35	41,750,362,605.92	

62. Surplus reserve

Items	As at December 31, 2021	Addition	Reduction	As at June 30, 2022
Statutory surplus reserve	5,170,980,939.65	477,090,411.67	--	5,648,071,351.32
Discretionary surplus reserve	4,102,828,896.60	477,090,411.67	--	4,579,919,308.27
Total	9,273,809,836.25	954,180,823.34	--	10,227,990,659.59

63. Retained earnings

Items	Current period
Pre-adjustment retained earnings brought forward	70,880,379,018.26
Opening retained earnings adjustments (“+” for increase, “-” for decrease)	--
Post-adjustment retained earnings as at January 1, 2022	70,880,379,018.26
Increase in the current period	3,758,535,244.07
Including: Net profit for the period	3,753,782,859.87
Other adjustments	--
Transfer from other comprehensive income to retained earnings	4,752,384.20
Decrease in the current period	11,202,749,823.34
Including: Appropriation to surplus reserve	954,180,823.34
Cash dividends distributed during the period	10,248,569,000.00
Retained earnings as at June 30, 2022	63,436,164,438.99

64. Operating income and operating costs

Sectors	For the six months ended June 30, 2022		For the six months ended June 30, 2021	
	Income	Cost	Income	Cost
1. Technology financial services sector	17,339,241,573.27	6,669,059,456.02	17,685,944,503.84	5,323,324,256.16
Insurance	5,772,468,433.21	4,990,635,403.37	4,640,026,664.46	4,069,240,991.69
Guarantee	2,418,698,156.34	736,986,543.04	2,427,616,387.71	682,403,892.80
Securities	8,555,206,160.14	780,289,921.82	10,285,504,118.48	530,187,164.56
Equity investment	59,981,082.07	--	99,875,336.84	--
Asset management	532,887,741.51	161,147,587.79	232,921,996.35	41,492,207.11
2. Science and technology park sector	15,143,471,824.93	10,233,797,907.96	18,975,369,327.02	10,946,255,901.94
Real estate and business park development	8,208,912,084.02	5,531,573,560.60	12,261,199,282.82	6,572,074,770.95
Logistics park development	6,232,177,105.82	4,196,882,472.08	5,883,066,580.59	3,657,319,919.14
Business park lease and operation	702,382,635.09	505,341,875.28	831,103,463.61	716,861,211.85

Sectors	For the six months ended June 30, 2022		For the six months ended June 30, 2021	
	Income	Cost	Income	Cost
3. Technology industry sector	77,146,932,648.92	72,653,585,801.92	84,707,535,462.98	79,677,826,771.56
High-end services	69,330,707,147.73	65,723,539,497.56	76,491,958,625.10	73,101,150,956.80
Industrial manufacturing	3,745,576,503.57	3,137,573,122.18	4,330,732,230.89	3,283,793,125.23
Plan and design	1,275,304,997.96	1,098,302,622.14	1,259,289,009.60	1,014,772,109.73
Industrial investment	2,795,343,999.66	2,694,170,560.04	2,625,555,597.39	2,278,110,579.80
Total	109,629,646,047.12	89,556,443,165.90	121,368,849,293.84	95,947,406,929.66

65. Taxes and surcharges

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Land appreciation tax	854,642,960.65	2,357,206,990.87
Urban maintenance and construction tax	113,183,463.59	133,773,824.88
Education surcharge and local education surcharge	84,879,240.06	99,085,936.77
Stamp duty	47,829,230.18	39,272,589.17
Real estate tax	180,623,504.56	112,575,160.62
Land use tax	18,322,760.47	6,677,266.86
Vehicle and vessel tax	222,329.55	627,485.97
Others	12,813,229.63	98,431,191.37
Total	1,312,516,718.69	2,847,650,446.51

66. Selling and distribution expenses

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Employee benefits	3,829,227,686.81	3,827,915,924.12
Depreciation and amortization	376,361,076.63	258,876,576.61
Business expenses	30,533,343.04	43,021,392.90
Rental expenses	35,481,667.86	24,601,552.23
Communication expenses	108,663,375.60	8,611,986.37
Transportation expenses	26,890,842.77	27,680,685.24
Travel expenses	46,476,553.09	59,371,826.90
Advertising expenses	89,922,289.38	94,411,976.65
Marketing expenses	1,084,094,991.97	1,463,547,644.21
Professional service charge	63,766,044.24	21,936,025.59
Office expenses	43,665,830.86	7,287,036.29
Business entertainment expenses	64,870,080.72	48,792,485.73
Others	643,619,354.16	671,505,267.69
Total	6,443,573,137.13	6,557,560,380.53

67. General and administrative expenses

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Employee benefits	1,905,674,154.49	1,647,395,953.28
Depreciation and amortization	588,198,156.26	441,705,482.83
Office expenses	91,081,696.71	61,025,008.59
Business entertainment expenses	57,007,497.47	92,005,576.29
Professional service charge	147,360,263.86	139,764,309.87
Taxes	1,738,762.41	1,136,979.43
Travel expenses	18,398,243.93	26,749,701.58
Utility fees	57,461,630.95	14,390,690.98
Others	165,049,878.78	375,274,469.75
Total	3,031,970,284.86	2,799,448,172.60

68. Research and development expenses

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Labor costs	234,066,049.75	266,189,988.34
Outsourced research costs	778,018.87	6,541,987.65
Office expenses	214,124.67	37,643,534.57
Material cost	41,327,141.26	202,232.93
Rental expenses	3,836,176.27	14,435,796.17
Depreciation and amortization	16,408,958.45	1,520,819.63
Fuel and power costs	5,851,675.52	4,303,350.15
Travel expenses	598,440.72	4,436,119.18
Others	48,097,974.89	73,952,947.66
Total	351,178,560.40	409,226,776.28

69. Financial expenses

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Interest expenses	2,927,292,949.93	2,193,569,400.91
Less: Interest income	553,330,348.81	585,708,170.05
Foreign exchange losses/(gains)	711,447,843.22	-14,935,040.61
Bank charges and others	246,216,905.00	482,616,025.20
Total	3,331,627,349.34	2,075,542,215.45

70. Other income

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Government grants	386,984,065.13	274,850,480.65

Shenzhen Investment Holdings Co., Ltd.

Notes to the Financial Statements

For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Others	27,291,865.59	253,891,394.77
Total	414,275,930.72	528,741,875.42

71. Investment income

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Investment income from long-term equity investments under equity method	-1,452,955,561.46	1,534,310,600.08
Gains on disposal of long-term equity investments	2,485,161,113.86	-6,614,098.03
Investment income from held-for-trading financial assets	255,319,019.76	156,150,618.44
Gains on disposal of financial assets held for trading	19,024,354.59	43,708,654.25
Investment income from held-for-trading financial assets (applicable for new financial instrument standard)	42,381,667.04	34,210,814.14
Dividend income from other equity instruments (applicable for new financial instrument standard)	1,766,099,357.46	1,745,846,312.30
Interest income from debt investments (applicable for new financial instrument standard)	118,792,149.16	234,938,311.07
Interest income from other debt investments (applicable for new financial instrument standard)	--	--
Gains on disposal of debt investments (applicable for new financial instrument standard)	--	--
Others	349,980,439.62	120,226,172.17
Total	3,583,802,540.03	3,862,777,384.42

72. Gains on changes in fair value

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Held-for-trading financial assets	470,816,167.10	415,426,300.90
Gains on changes in fair value of derivative financial instruments	-10,387,674.00	62,479,939.32
Other non-current financial assets	-138,131,340.93	--
Held-for-trading financial Liabilities	--	-49,014,804.58
Others	80,599,537.32	--
Total	402,896,689.49	428,891,435.64

73. Credit impairment losses

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Impairment losses on bad debts	-44,230,824.44	-164,480,852.68
Impairment losses on financial assets purchased under reverse repurchase agreements	-108,592,122.50	586,202,124.19
Impairment losses on debt investments	-223,738,377.62	1,419.36
Impairment losses on other debt investments	13,885,815.91	-3,704,757.27
Impairment losses on loans and receivables	160,690,847.66	-11,905,023.50
Provision for bad debts of cash loan	26,331,877.11	18,322,090.51
Others	443,371.90	-13,095.41
Total	-175,209,411.98	424,421,905.20

74. Asset impairment losses

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Inventory write-downs	-73,845,095.16	-102,104,552.92
Impairment losses on long-term equity investments	-107,466,930.55	694,835.01
Impairment losses on goodwill	-6,634,599.22	--
Impairment losses on advance of loans and entrusted loans	3,229,000.00	138,691,837.77
Impairment losses on related assets of costs of obtaining a contract	--	-31,810,935.61
Impairment losses on contract assets	-30,908,784.45	--
Others	57,242,301.77	16,327,218.43
Total	-158,384,107.61	21,798,402.68

75. Gains on disposal of assets

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Gains/(losses) on disposal of non-current assets (disposal group) held for sale	--	150,136,874.92
Gains/(losses) on disposal of fixed assets	13,837,985.60	700,610.23
Total	13,837,985.60	150,837,485.15

76. Non-operating income

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Gains on scrapped non-current assets	67,444.45	223,314.18
Government grants	26,856,294.22	30,171,116.63

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Penalty income	7,925,849.31	16,360,060.80
Amounts unable to pay	566,773.41	35,463,146.21
Compensation	4,894,192.45	--
Others	22,322,331.57	64,297,819.32
Total	62,632,885.41	146,515,457.14

77. Non-operating expenses

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Loss on scrapped non-current assets	1,898,835.99	6,165,256.48
Donation expenditures for public welfare	5,000,990.00	1,272,081.42
Extraordinary loss	2,346,342.29	575,035.64
Donation expenditures not for public welfare	68,490.50	103,439.50
Provision for pending litigations	3,954,315.64	--
Tax overdue charges and penalties	3,891,944.32	5,181,118.22
Expenses for the retired	3,784,225.56	199,245.00
Expenses for placing employees and transferring enterprises	26,841.72	3,312,191.89
Loss on scrapped fixed assets	2,565.52	--
Others	35,739,150.56	9,556,570.86
Total	56,713,702.10	26,364,939.01

78. Income tax expenses

Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
Current tax expenses	1,764,887,082.60	3,098,622,623.73
Deferred tax expenses	117,790,440.26	381,779,815.42
Total	1,882,677,522.86	3,480,402,439.15

79. Further details on the consolidated cash flows statement

(1) Supplement to the consolidated cash flows statement

Items	For the six months ended June 30, 2022
1. Reconciliation of net profit/loss to cash flows from operating activities:	
Net profit	7,806,798,117.50
Add: Asset impairment losses ("-" for reversal)	158,384,107.61
Credit impairment losses	175,209,411.98
Depreciation of fixed assets, investment property and right-of-use assets	3,033,850,487.00

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

Items	For the six months ended June 30, 2022
Amortization of intangible assets	2,276,751,698.41
Amortization of long-term deferred expenses	232,301,040.35
Losses from disposal of non-current assets, intangible assets, and other non-current assets (“-” for gains)	1,831,391.54
Losses from scrapping of fixed assets (“-” for gains)	-13,835,420.08
Losses from changes in fair value (“-” for gains)	-402,896,689.49
Financial expenses (“-” for income)	2,927,292,949.93
Losses arising from investment (“-” for gains)	-3,583,802,540.03
Decrease in deferred tax assets (“-” for increase)	-186,743,438.86
Increase in deferred tax liabilities (“-” for decrease)	-1,277,085,180.99
Decrease in gross inventories (“-” for increase)	-3,571,707,189.26
Decrease in operating receivables (“-” for increase)	-5,078,767,952.58
Increase in operating payables (“-” for decrease)	-24,843,009,245.69
Others	--
Net cash flows from operating activities	-22,345,428,452.66
2. Non-cash transactions from investing and financing activities:	
Conversion of debt into capital	--
Convertible bonds due within one year	--
Acquisition of fixed assets under finance leases	--
3. Change in cash and cash equivalents:	
Closing balance of cash	145,000,160,535.93
Less: opening balance of cash	138,583,449,825.62
Add: closing balance of cash equivalents	289,952,333.29
Less: opening balance of cash equivalents	--
Net increase in cash and cash equivalents (“-” for decrease)	6,706,663,043.60

(2) Details of cash and cash equivalents

Items	As at June 30, 2022
1. Cash	145,000,160,535.93
Including: Cash on hand	9,324,146.24
Bank deposits available on demand	129,657,755,234.41
Other funds available on demand	877,005,516.71
Settlement funds	14,456,075,638.57
2. Cash equivalents	289,952,333.29
Including: Financial assets purchased under reverse repurchase agreements with a maturity of 3 months or less	289,952,333.29
3. Closing balance of cash and cash equivalents	145,290,112,869.22

80. Assets with restricted ownership and right-of-use

Items	Carrying amount as at June 30, 2022	Reason for restriction
Cash and cash equivalents	14,254,621,530.54	Used as risk reserve, deposits, term deposits, etc.
Financial assets held for trading	92,006,486,073.97	Securities lent, restricted shares, pledged loans for developing securities business
Accounts receivables	2,323,810,318.88	Used as collaterals for borrowings
Inventories	4,610,964,627.38	Used as collaterals for borrowings
Other debt investments	33,143,516,762.58	Pledged loans for developing securities business
Long-term equity investments	14,093,409,986.06	Used as collaterals for borrowings
Investments in other equity instruments	16,134,339,762.43	Securities lent, pledged loans
Investment properties	2,427,315,701.96	Used as collaterals for borrowings
Fixed assets	3,419,917,036.86	Used as collaterals for borrowings, for guarantees
Construction in progress	863,991,898.00	Used as collaterals for borrowings
Intangible assets	20,301,895,782.38	Used as collaterals for borrowings
Bills receivables	127,291,987.00	Used as collaterals for banker's bills
Other non-current assets	810,000,000.00	Insurance capital deposits
Total	204,517,561,468.04	

IX. Commitments and Contingencies

1. Significant commitments

Significant capital commitments

Items	As at June 30, 2022	As at December 31, 2021
Significant outsourcing contracts that have been signed but not yet recognized in the financial statements	12,243,512,579.55	9,180,433,254.52

Shenzhen Investment Holdings Co., Ltd.
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2. Contingencies

As of June 30, 2022, the pending litigation and arbitration in which the Company's subsidiaries are defendants involving material monetary amounts are as follows:

NO.	Name of Company's Subsidiaries	Plaintiff	Defendant	Case	Appellate court	Amount of the object of action (in RMB ten thousand)	Progress of cases
(1)	Guosen Securities	Some investors of Huaze Cobalt & Nickel	Huaze Cobalt & Nickel, Directors of Huaze Cobalt & Nickel, and related agencies (including Guosen Securities)	A dispute that Huaze Cobalt & Nickel and related agencies provided false statements of its securities with investors	Chengdu Intermediate People's Court, Sichuan Higher People's Court	42,171.00	A number of litigation cases are pending judgment, and some cases have been withdrawn.
(2)	Guosen Securities	Haikou Rural Commercial Bank	Gangtai Group, Guosen Securities	A dispute that Gangtai Group failed to repay the principal and interests of the debentures to Haikou Rural Commercial Bank	Hainan Higher People's Court	10,709.95	The case is now suspended.
(3)	Guosen Securities	Liu and another investor	Tianhe Yingtai, Guosen Securities	A dispute that Tianhe Yingtai extended the subscription of the fund shares which were due without investors' written consent	Shenzhen International Arbitration Court	2,204.00	The case was heard in a court session on July 9, 2021 but has not yet been judged.
(4)	Guosen Securities	Guo and another two investors	BOCO Inter-Telecom Corporation, Guosen Securities	A dispute that BOCO Inter-Telecom Corporation and related agencies provided false statements of its securities with investors	Beijing Financial Court	2,401.72	The case has not yet been heard in a court.
(5)	Shenzhen Textile Group	Hangzhou Jinhang Equity Investment Fund Partnership (Limited Partnership)	Shenzhen SAPO Photoelectric Co., Ltd (a subsidiary of Shenzhen Textile Group)	A dispute over the application for the dissolution of Shenzhen SAPO Photoelectric Co., Ltd.	People's Court of Shenzhen Pingshan District	--	The case was heard in a court session on July 15, 2022 but has not yet been judged.
(6)	Shenzhen Properties & Resources	The Fourth Ownership Committee of Shenzhen Nanshan District Software Park	Shenzhen Guomao Science and Technology Park Service Co., Ltd. (a subsidiary of Shenzhen Properties & Resources), and its branch office in High-tech Zone	A dispute over the property contract	Shenzhen International Arbitration Court	4,520.93	The first instance trial has been held and the case is still under trial.

Shenzhen Investment Holdings Co., Ltd.
Notes to the Financial Statements
For the six months ended 30 June, 2022 (All amounts in RMB unless otherwise stated)

NO.	Name of Company's Subsidiaries	Plaintiff	Defendant	Case	Appellate court	Amount of the object of action (in RMB ten thousand)	Progress of cases
(7)	SEG Group	Zhihui Huang	SEG New City (a subsidiary of SEG Group)	A dispute over an advance sale contract of commercial housing	People's Court of Shenzhen Futian District	30,446.00	This case will be heard by People's Court of Shenzhen Futian District on September 6, 2022.
(8)	SEG Group	China Huashi Enterprises Company Limited	SEG New City	A dispute over the overdue payment for the construction work	People's Court of Shenzhen Longgang District	20,400.00	The first instance trial has been held and the case is still under trial.
(9)	SEG Group	Shenzhen Yihuida Industrial Co., Ltd.	SEG New City	A dispute over a real estate contract	People's Court of Shenzhen Longgang District	12,236.00	The plaintiff applied for custody of partial properties in Building NO.2 and properties in Building NO.3 of Phase I, the first instance has not yet been held.
(10)	SEG Group	Jianwei Yang	Shenzhen City Ze Defeng Trade Limited Company, SEG New City	A dispute over a sales contract of the property	Shenzhen Intermediate People's Court	7,989.00	On April 8, 2022, the court of first instance rejected all the plaintiff's claims. The plaintiff has appealed, and the second instance has not yet been held.
(11)	SEG Group	Shenzhen Baosheng County Bank	SEG New City, Red Star Macalline	A dispute over a property lease contract	Shenzhen Intermediate People's Court	2,114.00	On October 10, 2020, the court of first instance ruled to reject all of the plaintiff's claims, and the plaintiff appealed in December 2020. The case is under retrial.
(12)	SEG Group	Shenzhen Rongheng Industrial Group Co., Ltd.	SEG New City	A dispute over the working contract for construction projects	People's Court of Shenzhen Longgang District	1,662.00	The case was heard in a court session and still under trial.
(13)	SEG Group	Jianhong Yao	SEG New City	A dispute over an advance sale contract of commercial housing	People's Court of Shenzhen Longgang District	1,313.00	The case was heard in a court session on July 27, 2022, but has not yet been judged.

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Notes to the Financial Statements
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NO.	Name of Company's Subsidiaries	Plaintiff	Defendant	Case	Appellate court	Amount of the object of action (in RMB ten thousand)	Progress of cases
(14)	SEG Group	Shenzhen Jing Xiang Technologies Co., Ltd.	Shenzhen SI Semiconductors Co., Ltd. (a subsidiary of SEG Group)	A dispute over the improvement service of production yield	Shenzhen Intermediate People's Court	1,277.97	The first instance has been judged, and the second instance has not yet been held.
(15)	Foreign Trade Group	Zhangjiajie Jiawang Trading Co., Ltd.	Foreign Trade Group	A dispute over a contract on the transfer of claims together with debts	Hunan Higher People's Court	1,115.79	The second instance has been judged, and Foreign Trade Group plans to file a retrial application shortly.
(16)	Guoren Insurance	China Continent Property & Casualty Insurance Company Ltd.	Guoren Insurance and its subsidiary in Beijing	A dispute over the reinsurance contract	Beijing Financial Court	1,170.78	This case will be heard by Beijing Financial Court on August 10, 2022.

3. Contingent liabilities arising from providing debt guarantees to other organizations and their financial impact

(1) As of June 30, 2022, the Company provided loan guarantees for the following entities:

Name of guaranteed entities	Relationship with guaranteed entities	Guaranteed amount (in RMB ten thousand)	Overdue amount (in RMB ten thousand)	Status of guaranteed entities
Shenzhen Tefa Taike Communication Co., Ltd.	Investee of Shenzhen SASAC	1,606.01	--	Normal operation
Shenzhen Shen Yue United Investment Co., Ltd.	Subsidiary of the Company	8,748.18	--	Normal operation
SIHC International Capital Ltd.	Subsidiary of the Company	205,181.23	--	Normal operation
Shenzhen Chuangke Park Investment Co., Ltd.	Associate of the Company	192,000.00	--	Normal operation
Total		407,535.42	--	

(2) As of June 30, 2022, the subsidiaries of the Company provided the following mortgage loan guarantees for commercial house purchasers:

Guarantee	Guaranteed amount (in RMB ten thousand)	Description of risk profile
Shenzhen Properties Group	36,201.90	Compensation risk is remote as the housing properties prices are stable and no case of mortgage default occurs.
Urban Construction Group	188,155.00	Compensation risk is remote as the housing properties prices are stable and no case of mortgage default occurs.
Tsinghua Research Institute	27,749.00	Compensation risk is remote as the housing properties prices are stable and no case of mortgage default occurs.
Shenzhen Properties & Resources	6,387.00	Compensation risk is remote as the housing properties prices are stable and no case of mortgage default occurs.
SEG Group	2,284.00	Compensation risk is remote as the housing properties prices are stable and no case of mortgage default occurs.
Total	260,776.90	

(3) As of June 30, 2022, the balances of debt guarantees bore by the other subsidiaries of the Company are as follows:

Guarantee	Guaranteed amount (in RMB ten thousand)
HTI Group	10,581,614.00
Guarantee Group	9,410,466.17
Urban Construction Group	1,807,000.00
Telling Holding	1,348,843.38
Shenzhen Properties & Resources	299,950.00
Shenfubao Group	175,400.00

Guarantee	Guaranteed amount (in RMB ten thousand)
Infinova	40,255.04
Shenzhen Textile Group	48,000.00
Total	23,711,528.59

X. Events after the balance sheet date

1. On July 7, 2022, The Company's subsidiary, Guosen Securities, issued a perpetual subordinated bond ("22 Guosen Y2", bond code: 149974.SZ) with par value of RMB 5 billion carrying an annual coupon rate of 3.67% per annum.

2. On August 2, 2022, the Company issued a 3-year corporate bond ("22 Shentou 05", bond code: 148012.SZ) with par value of RMB 2 billion carrying an annual coupon rate of 2.65% per annum.

As of August 29, 2022, the Company has no other events after the balance sheet date that should be disclosed.

XI. Related party relationships and transactions

1. The Company's shareholder

Parent entity	Place of registration	Principal activities	Shareholding proportion (%)	Voting right proportion (%)
Shenzhen SASAC	Shenzhen, Guangdong	Discharge capital contributors' responsibility on behalf of the Shenzhen municipal government	100.00	100.00

The ultimate controlling party of the Company is Shenzhen SASAC.

2. Details of the Company's consolidated subsidiaries

Refer to Note I.2.

3. The Company's associates

Basic information about major associates

Joint ventures and associates	Location	Place of registration	Principal activities	Shareholding proportion (%)		Voting right proportion (%)
				Direct	Indirect	
Associates						
CCIC Southern Electronic Product Testing (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	Testing services	40.00	--	40.00
Shenzhen Special Economic Zone Development Group Co., Ltd.	Shenzhen	Shenzhen	Domestic trade	19.49	--	19.49
China Southern Asset Management Co., Ltd.	Shenzhen	Shenzhen	Fund management	27.44	--	30.00
China Resources SZITIC Trust Co., Ltd.	Shenzhen	Shenzhen	Trust	49.00	--	49.00
Shenzhen Huashengda Investment Holdings Co., Ltd.	Shenzhen	Shenzhen	Investment management	22.23	--	22.23

Shenzhen Investment Holdings Co., Ltd.

Notes to the Financial Statements

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Joint ventures and associates	Location	Place of registration	Principal activities	Shareholding proportion (%)		Voting right proportion (%)
				Direct	Indirect	
Shenzhen Shipping Group Co., Ltd.	Shenzhen	Shenzhen	Waterborne cargo transportation	30.00	--	30.00
Guotai Junan Investment Management Co., Ltd.	Shanghai	Shanghai	Organizational management services	11.49	--	11.49
Kashgar Shenzhen City Co., Ltd.	Kashgar	Kashgar	Other housing construction services	15.15	--	15.15
Shenzhen Kunpeng Equity Investment Management Co., Ltd.	Shenzhen	Shenzhen	Organization management services	0.23	--	0.23
China State-owned Capital Venture Capital Fund Co., Ltd.	Shenzhen	Shenzhen	Organization management services	12.54	--	12.54
China Merchants Life Insurance Co., Ltd.	Shenzhen	Shenzhen	Property insurance	11.37	--	11.37
Shenzhen China Merchants Pingan Asset Management Co., Ltd.	Shenzhen	Shenzhen	Asset Management	8.00	--	8.00
Shenzhen Sungang China Resources Land Development Co., Ltd.	Shenzhen	Shenzhen	Real estate development and operation	30.00	--	30.00
Shenzhen Infrastructure Investment Fund Management Co., Ltd.	Shenzhen	Shenzhen	Organization management services	30.00	--	30.00
China Insurance Automobile Service Technology Co., Ltd.	Shenzhen	Shenzhen	Technology promotion services	9.41	--	9.41
Shenzhen Institute of Financial Stability and Development	Shenzhen	Shenzhen	Facility operation	20.83	--	25.00
Shenzhen Boyue Investment & Loan Capital Management Co., Ltd.	Shenzhen	Shenzhen	Organization management services	25.00	--	25.00
China Resources Wufeng Meat Food (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	Slaughtering and meat processing	30.00	--	30.00
Shenzhen Reform and Opening-up Cadre College	Shenzhen	Shenzhen	Training	64.47	--	N/A
China Nanshan Development (Group) Incorporation	Shenzhen	Shenzhen	Real estate development	26.10	--	26.10
Shenzhen Nanyou (Holdings) Ltd.	Shenzhen	Shenzhen	Real estate development and operation	24.00	--	24.00
Shenzhen Chuangke Park Investment Co., Ltd.	Shenzhen	Shenzhen	Real estate development and operation	30.00	--	30.00

4. The Company's other related parties

Company name	Relationship
深圳巴士集团股份有限公司 (Shenzhen Bus Group Co., Ltd.)	Affiliated company ultimately controlled by Shenzhen SASAC
深圳市城市交通规划设计研究中心有限公司 (Shenzhen Urban Transport Planning Center Co., Ltd.)	Affiliated company ultimately controlled by Shenzhen SASAC
深圳市国际招标有限公司 (Shenzhen International Tendering Co., Ltd.)	Affiliated company ultimately controlled by Shenzhen SASAC

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Company name	Relationship
深圳市利源水务设计咨询有限公司 (Shenzhen Liyuan Water Design Consulting Co., Ltd.)	Affiliated company ultimately controlled by Shenzhen SASAC
深圳市信息管线有限公司 (Shenzhen Information Pipeline Co., Ltd.)	Affiliated company ultimately controlled by Shenzhen SASAC
深圳市深超科技投资有限公司 (Shenzhen Shenchao Technology Investment Co., Ltd.)	Affiliated company ultimately controlled by Shenzhen SASAC
深圳市振业(集团)股份有限公司 (Shenzhen Zhenye Group Co.,Ltd.)	Affiliated company ultimately controlled by Shenzhen SASAC
深圳市人才安居集团有限公司 (Shenzhen Talents Housing Co., Ltd.)	Affiliated company ultimately controlled by Shenzhen SASAC
深圳市怡亚通投资控股有限公司 (Shenzhen Eternal Asia Investment Holding Co., Ltd.)	A non-controlling shareholder of the Company's subsidiary, Eternal Asia
广西东融怡亚通供应链有限公司 (Guangxi Dongrong Eternal Asia Supply Chain Co., Ltd.)	Other related parties
广西融桂怡亚通供应链有限公司 (Guangxi Ronggui Eternal Asia Supply Chain Co., Ltd.)	Other related parties
河南兴港怡亚通供应链服务有限公司 (Henan Xinggang Eternal Asia Supply Chain Service Co., Ltd.)	Other related parties
恒美光电股份有限公司 (Hengmei Optoelectronics Co., Ltd.)	Other related parties
鹏华基金管理有限公司 (Penghua Fund Management Co., Ltd.)	Other related parties
其他怡亚通的联营企业 Other Associates of Eternal Asia	Other related parties

5. Receivables from and payables to related parties

(1) Receivables

Items	Related parties	As at June 30, 2022	As at December 31, 2021
Accounts receivable	Associates of Eternal Asia	145,464,283.00	175,694,443.00
Accounts receivable	Penghua Fund Management Co., Ltd.	13,115,350.83	29,828,053.41
Accounts receivable	Huaihua Wisdom China Construction Operation Development Co., Ltd.	74,168,657.85	74,168,657.85
Accounts receivable	Zhangjiagang Hongsheng Industrial Capital Master Fund Partnership (Limited Partnership)	33,644,280.82	29,145,102.74
Accounts receivable	Shenzhen Leaguer New Energy Venture Capital Fund Co., Ltd.	57,352,432.92	137,799,010.26
Accounts receivable	Zhuhai Simai Tech Co., Ltd.	84,122,500.00	84,122,500.00
Other receivables	Shenzhen SASAC	87,238,789.35	97,698,742.94
Other receivables	Shenzhen Cantonese Opera Troupe Co., Ltd.	14,000,000.00	14,000,000.00
Prepayments	Weike Terminal Technology (Dongguan) Co., Ltd.	70,072,828.39	--
Long-term receivables	Huaihua Wisdom China Construction Operation Development Co., Ltd.	56,179,139.65	56,179,139.65

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(2) Payables

Items	Related parties	As at June 30, 2022	As at December 31, 2021
Accounts payable	Other associates of Eternal Asia	1,889,084,180.00	1,509,880,601.00
Notes payable	Other associates of Eternal Asia	624,710,670.00	140,972,000.00
Other payables	Shenzhen Concert Hall Operation Management Co., Ltd.	50,835,506.94	60,854,191.78
Other payables	Shenzhen Grand Theater Operation Management Co., Ltd.	20,215,333.36	28,121,741.72
Other payables	Shenzhen Langu Ecological Technology Co., Ltd.	28,637,220.42	27,669,986.45
Other payables	China (Shenzhen) International Talent Training Center	6,146,146.23	22,900,633.06
Other payables	Shenzhen Orchidaceae Plant Protection Research Center	26,150,353.68	21,120,902.64
Other payables	Shenzhen Eternal Asia Investment Holding Co., Ltd.	50,000,000.00	330,746.00
Other payables	Shenzhen Liyuan Hotel Co., Ltd.	27,618,915.74	--
Other payables	Shenzhen Zhentong New Electromechanical Industrial Development Co., Ltd.	8,827,940.07	8,827,940.07
Other payables	Guangzhou Bobi Enterprise Management Consulting Co., Ltd.	193,016,852.52	193,016,852.52
Financial assets sold under repurchase agreements	Southern Asset Management Co., Ltd.	--	1,623,605,659.32
Financial assets sold under repurchase agreements	China Resources SZITIC Trust Co., Ltd.	2,437,832,447.32	526,803,355.62
Financial assets sold under repurchase agreements	Guotai Junan Securities Co., Ltd.	300,022,191.78	398,974,038.14

Shenzhen Investment Holdings Co., Ltd.

29 August 2022



证书序号: 0014469

此件仅用于业务报告使用, 复印无效



说明

- 1、《会计师事务所执业证书》是证明持有人经财政部门依法审批, 准予执行注册会计师法定业务的凭证。
- 2、《会计师事务所执业证书》记载事项发生变动的, 应当向财政部门申请换发。
- 3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所终止或执业许可注销的, 应当向财政部门交回《会计师事务所执业证书》。

会计师事务所

执业证书



名称: 北京火奇惠琦会计师事务所(特殊普通合伙)

首席合伙人:

主任会计师:

经营场所: 北京市朝阳区建国门外大街22号赛特广场5层

组织形式: 特殊普通合伙

执业证书编号: 11010156

批准执业文号: 京财会许可[2011]0130号

批准执业日期: 2011年12月13日



发证机关: 北京市财政局

二〇二〇年十一月十一日

中华人民共和国财政部制

此件仅用于业务报告使用，复印无效



姓名: 吴亮
 性别: 男
 出生日期: 1977-06-22
 工作单位: 翰勤华永会计师事务所有限公司
 身份证号: 360302197706223031



吴亮
 310000120576
 深圳市注册会计师协会

年度检验登记
 Annual Renewal Registration

本证书经检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.

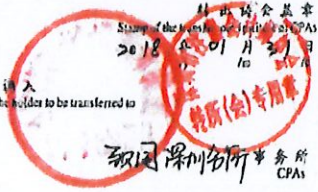


证书编号: 310000120576
 No. of Certificate
 批准注册协会: 深圳市注册会计师协会
 Authorized Institute of CPAs
 发证日期: 2008 年 09 月 05 日
 Date of Issuance

注册会计师工作单位变更事项登记
 Registration of the Change of Working Unit by a CPA

同意调出
 Agree the holder to be transferred from

翰勤华永会计师事务所
 CPAs



同意调入
 Agree the holder to be transferred to

致同深圳会计师事务所
 CPAs

转入协会盖章
 Stamp of the transfer-in Institute of CPAs
 2018 年 01 月 31 日

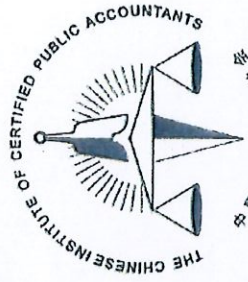
注意事项

1. 注册会计师执行业务，必要时须向委托方出示本证书。
2. 本证书只限于本人使用，不得转让、涂改。
3. 注册会计师停止执行法定业务时，应将本证书退还主管注册会计师协会。
4. 本证书如遗失，应立即向主管注册会计师协会报告，登报声明作废后，办理补办手续。

NOTES

1. When practising, the CPA shall show the client this certificate when necessary.
2. This certificate shall be exclusively used by the holder. No transfer or alteration shall be allowed.
3. The CPA shall return the certificate to the competent Institute of CPAs when the CPA stops conducting statutory business.
4. In case of loss, the CPA shall report to the competent Institute of CPAs immediately and go through the procedure of reissue after making an announcement of loss on the newspaper.

此件仅用于业务报告使用，复印无效



姓名	罗寿华
性别	男
出生日期	1988-09-05
工作单位	致同会计师事务所(特殊普通合伙)深圳分所
身份证号码	510128198809050053



罗寿华
510101151418
深圳市注册会计师协会

证书编号: 510101151418
No. of Certificate

批准注册协会: 深圳市注册会计师协会
Authorized Institute of CPAs

发证日期: 1988 年 04 月 01 日
Date of Issuance

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

